

Philippines reserves 2026-27 sugar output for domestic consumption

29 October 2026 | News

The SRA's domestic-market classification aims to safeguard local supplies amid an anticipated production shortfall, while export decisions await updated milling-season data



The Philippines is seeking to double its annual funding allocation for sugar industry development to ± 2 billion, with proposed spending focused on irrigation infrastructure and efforts to contain red-striped soft scale insect (RSSI) infestations as climate-related risks threaten production.

The Sugar Regulatory Administration (SRA) is pursuing the additional funding under the Sugarcane Industry Development Act (SIDA), according to a report by The Manila Times. SRA Administrator Pablo Azcona said the agency had typically received ± 1 billion annually under the programme, supplemented by approximately ± 500 million in unspent funds carried forward from previous years.

Senators Francis Pangilinan and Juan Miguel Zubiri have backed the push for a larger allocation, encouraging the agency to seek additional resources for the sector.

Irrigation and pest management take priority

Under the proposal, ± 1 billion would be earmarked for irrigation and pest management. Irrigation would account for 60 per cent of this amount, with the remaining 40 per cent allocated to controlling RSSI, a pest threatening sugarcane cultivation.

The proposed pest-management programme would combine drone-based spraying equipment with biological control methods using fungi. It would also support the establishment of regional laboratories to strengthen monitoring and response capabilities.

The funding push reflects the need to address both water availability and crop-health risks. Improving irrigation access could help growers manage periods of inadequate rainfall, while more targeted pest-control measures could support crop protection and reduce production losses.

Enacted in 2015, SIDA is designed to improve the competitiveness of the Philippine sugar industry and raise incomes for farmers and farmworkers. Its broader objectives include boosting productivity, promoting diversification, generating employment and improving milling efficiency.

US export decision hinges on production data

Alongside the funding proposal, the SRA is assessing whether the country will have sufficient raw sugar to commit to exports to the United States.

Azcona has asked the US Department of Agriculture to allow the Philippines until mid- or late November to review October production figures before deciding whether exports can proceed. The decision will depend on a clearer assessment of output during the ongoing milling season and the volume required to meet domestic demand.

Azcona said that while only three mills in Negros were operating at the start of the season, all three are now running at full capacity. However, stronger milling activity alone does not establish whether the country will have an exportable surplus.

Based on current production projections, farmers and millers have agreed to reserve the country's entire raw sugar output for the domestic market.

Domestic supply takes precedence in 2026–27

The SRA has designated all raw sugar produced during the 2026–27 crop year as 'B' sugar, which is allocated to the domestic market. The classification, set out in Sugar Order No. 1, covers the period from October 1, 2026, to September 30, 2027, and is intended to protect local availability amid an anticipated production shortfall.

The order projects raw sugar production at 1.662 million metric tonnes. It also allows mills to start operations as early as September 28 to facilitate the transition into the new crop year.

The domestic allocation signals that the government is prioritising local supply security while production estimates remain under review. Any commitment to export raw sugar to the US will therefore depend on updated output data and the administration's assessment of the country's domestic requirements.

The proposed funding increase and the decision on exports reflect two connected challenges for the Philippine sugar sector: strengthening the resilience of sugarcane production and ensuring that domestic consumers have adequate supplies before surplus volumes are committed to overseas markets.