



# International Sugar Organization

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## EXECUTIVE DIRECTOR

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(English only)

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### Various sugar related articles

The Executive Director would like to draw your attention to the articles below all of which are relevant to the sugar sector.

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#### Sugaronline E-Briefing

##### **AUSTRALIA: ATA slams sugar taxes as ineffective**

The Australian Taxpayer's Alliance had condemned the Australian Medical Association's push for a tax on sugary drinks, according to Mirage.

"This tax is nothing more than a revenue-raising exercise being pushed by bitter bureaucratic busybodies who should let Australians enjoy things for once," said Brian Marlow, President of the ATA.

The implementation of a sugar tax in Mexico led to people eating more chocolate and sweets, he said. And, a six-month experiment conducted by researchers at Cornell University in New York found that when an American city faced a 10% tax on calorie-rich products, the tax led to an increase in the purchase of beer.

"We will continue to advocate against this tax and will work to ensure Australia never sees such regressive and ineffective policy."

##### **SOUTH AFRICA: Sugar tax pushes down relief spend 15%**

Small scale and mainly black sugarcane growers took a 15% hit in the 2020/21 financial year due to the impact of the sugar tax, the South African Cane Growers Association has said, reports Sugaronline.

SA Canegrowers contributed ZAR128 (US\$9.31) million to the sugar industry's annual transformation projects during the 2020/21 financial year, which it said helped provide relief to the thousands of small-scale and mainly black growers who depend on the sector for their livelihoods.

A fall of 15% in the sum distributed, year on year, was mainly due to the continued impact of the Health Promotion Levy, the "sugar tax," which had led to job losses and falling revenue for the sector it said.

The figures were presented at the SA Cane Growers 94th annual general meeting, held via Zoom on June 9, which also saw the election of the new chairpersons and board. The new Chairman is commercial grower Andrew Russell, his term of office will run until 2023.

##### **UN report looks at sugar trends for 2021**

The Food and Agriculture Organization of the United Nations forecast world sugar production will slightly decline for the third consecutive season from Oct. 2020 to Sept. 21, in its new Food Outlook analysis, reports Sugaronline.

The report, published on June 10, says current production forecasts of 170.3 million tonnes fall short of the predicted world sugar consumption, resulting in a global shortfall of 1.7 million tonnes.

Unfavourable weather conditions have led to lower output in Brazil, the European Union, the Russian Federation and Thailand, which more than offsets an expansion in China, India and the United States of America.

On the demand side, world sugar consumption is foreseen to rebound, mainly reflecting the expected resumption of economic growth in 2021, after the COVID19-driven global economic contraction in 2020.

The forecast for world sugar trade in Oct 2020 to Sept 21 is pegged at 60.4 million tonnes, slightly down from the 2019/20 estimated volume.

The contraction is the result of reduced exportable supplies anticipated in key exporter Thailand, combined with foreseen drops in exports by the Russian Federation and other European countries.

India's exports are also anticipated to be slightly down from the record highs of last year.

On the import side, lower imports by the United States of America and India are expected to more than compensate for an increase in purchases by China, the world's largest sugar importer.

In Indonesia, imports are also anticipated to drop slightly from the previous year, although demand is expected to remain strong, driven by the beverage and food processing industries.

After falling to multiyear lows in April 2020, international prices of sugar generally increased in the past year, reaching their highest level since early 2017 in May.

The hike in prices was prompted by continued concerns over tighter global supplies in 2020/21, following production declines in key producing countries, and sustained import demand from Asia. The weakening of the US dollar against the currencies of key sugar exporting countries, combined with the rally in crude oil prices has put further upward pressure on sugar prices.

However, prospects of large exportable supplies and a recovery in global production have so far prevented larger price surges, the report says.

The FAO report gave a provisional forecast that the world food import bill in 2021 will rise US\$1.72 trillion, a 12% increase from its previous high of US\$1.53 trillion in 2020, amid supply and demand uncertainties.

Food Outlook, issued twice a year, assesses market supply and demand trends for the world's major foodstuffs, including cereals, vegetable oils, sugar, meat and dairy and fish. It also looks at trends in futures markets and shipping costs for food commodities.

### **UK: Government prepares for E10 launch in Sept**

The government will start a nationwide information campaign on the introduction of E10 petrol in mid-June, reports Sugaronline.

The campaign launch comes ahead of the introduction of E10 across all UK petrol stations in Great Britain from September, potentially cutting transport CO2 emissions by 750,000 tonnes a year.

The advertising campaign will be seen on fuel pump labels at petrol stations and in targeted digital, radio and social media advertising, aimed at raising awareness of the ethanol blended greener fuel. As well as promoting the benefits of E10, petrol blended with up to 10% renewable ethanol, the campaign will encourage motorists to check their vehicle is compatible with the fuel.

Transport Minister, Rachel Maclean said that the rollout of E10 petrol will create job opportunities across the country. Up to 100 jobs in the north east of England have been secured, following the

reopening of AB Sugar’s Viverno plant, and increasing production at existing biofuel plants, such as Ensus. The introduction of E10 will see renewable ethanol in petrol double from the current petrol blend E5.

**AUSTRALIA: Canegrowers welcome UK-Australia Free Trade Agreement**

Australia’s sugarcane growers have welcomed the opportunity to grow sugar exports to the United Kingdom under a trade deal between the two countries, said the Canegrowers association in a statement on June 16, **reports Sugaronline.**

“The proposed UK-Australia Free Trade Agreement will deliver a positive economic benefit for us through immediate and substantial up-front tariff-free access for 80,000 tonnes of Australian sugar,” said the chairman of Canegrowers, Paul Schembri.

“This is a significant boost on the 9,925-tonne quota to the whole European Union prior to Brexit.”

The agreement will also allow the sugar trade between the two countries to grow over time by 20,000 tonnes each year for the next eight years, according to Canegrowers.

“Australian sugar hasn’t had this kind of access since 1973 when the UK joined the then European Common Market,” said Schembri.

He said that the agreement will provide a welcome diversification for the Australian sugar industry, which already has well-established markets in the Asia-Pacific region.

“With 85% of our sugar exported, this deal reached by the Australian government with the UK opens new opportunities for trade, new opportunities to capture price premiums and a chance to grow our industry.”

**FoodNavigator.com**



**‘We’ve done something truly disruptive...’ Chobani launches zero sugar yogurts, an industry first**

Chobani has launched an industry first – a nationally-distributed line of dairy yogurts with zero grams of sugar – to meet growing demand from consumers that want to reduce sugar without feeling like they’re eating ‘diet’ products or

compromising on taste or texture.

<https://www.foodnavigator-usa.com/article/2021/06/14/we-ve-done-something-truly-disruptive-chobani-launches-zero-sugar-yogurts-an-industry-first>



**Roquette Ventures eyes protein sweeteners from fermentation to meet demand for healthier alternatives to sugar**

French investment firm Roquette Ventures (part of ingredients company Roquette Group), which supports start-ups in the food, nutrition, and health markets, is looking to scale up production of plant protein sweeteners made using precision fermentation.

<https://www.foodnavigator.com/article/2021/06/14/roquette-ventures-eyes-protein-sweeteners-from-fermentation-to-meet-demand-for-healthier-alternatives-to-sugar>