



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.

Sugaronline Ebriefing

UK: AB Sugar announces new CEO

AB Sugar announced on Sept. 26 that its chief executive Mark Carr had decided to retire and will be succeeded by the current managing director of British Sugar, Paul Kenward, reports Sugaronline.

The new chief executive will take over the position from Oct. 3, and Carr will remain with the company to support the transition until the end of 2022, according to a statement released by AB Sugar.

Kenward has been managing director of British Sugar since 2016, leading the business through the EU sugar sector de-regulation in 2017, Brexit and the COVID pandemic.

Prior to that, he was managing director of Westmill Foods, one of Associated British Foods's Grocery businesses, AB Sugar's first strategy director, and head of Business Development for ABF centrally.

"Mark's tenure as chief executive of AB Sugar has transformed the group and he will be a hard act to follow. That said, I am excited by the opportunity and look forward to getting to work to shape the next stage of AB Sugar's development," said Kenward.

MEXICO: Czarnikow says sugar demand rising despite high prices

Mexico's domestic sugar demand continues to grow despite high prices, and consumption this year should reach the highest level since 2018, according to Czarnikow, reports Sugaronline.

"Even though prices for sugar have been increasing due to inflation, sugar consumption has continued to increase. We expect sugar consumption for 2022/23 to be the highest since 2018, reaching 4.5 million tonnes," analyst Stephanie Rodriguez wrote in a report released by Czarnikow on Sept 28.

Mexico's consumer price index has reached record highs in 2022, with prices rising across all sectors, especially for basic foods.

"However, demand for sugar doesn't seem to have been affected by rising prices," she wrote.

Sugar is one of the five products with the highest price increases in Mexico since January 2022, along with oil, rice, meats, and some vegetables.

AUSTRALIA: Sugar sector expects energy plan to boost renewable energy production

Australia’s sugarcane growers association Canegrowers expects the 10-year energy plan announced by the Queensland state government this week to help the sector become one of the state’s largest renewable energy suppliers, reports Sugaronline.

“The sugar industry is already powering regional communities in the Tableland, Burdekin and Mackay with clean, renewable energy, but there is a capacity to dramatically increase the power output of our mills to help Queensland reach the ambitious targets set out by the government,” Canegrowers chairman Owen Menkens said in a statement.

The AUD62 billion (US\$39.8 million) plan includes an AUD4 million (US\$2.6 million) investment to work with the industry to investigate options and pathways to expand generation from underutilized biomass waste streams and support technology innovation.

This is expected to support industries, including sugarcane, to modernize bioenergy generation and use waste products for bioenergy production.

“Canegrowers is supportive of any programs that either assist or at the very least incentivize mills to upgrade their boilers and power-generation infrastructure to improve efficiencies in cogeneration and allow more power to be released onto the grid. This is not only good for the environment, it’s also good for the energy market, good for consumers, and it makes our mills more efficient which is good for the industry,” said Menkens.

Queensland’s milling sector has the capacity to almost quadruple its current power generation from bagasse from 438 megawatts (MW) to 1,736 MW, according to a recent report by the Australian Sugar Milling Council cited by Canegrowers.

“This could see the industry exporting up to 7,588 gigawatt-hours of energy a year – around 10% of Queensland’s current electricity generation,” according to the association.

SOUTH AFRICA: Sugar industry provides scholarships for students

The Sugar Industry Trust Fund for Education (SITFE) has opened applications for scholarships for first-year students pursuing studies in science, engineering and agricultural fields at South African universities, technical universities, and colleges, according to sugarcane industry association SA Canegrowers, reports Sugaronline.

The industry will provide ZAR5 million (US\$283,284) in funding for the scholarship program.

“The funding forms part of the industry’s commitment to invest more than ZAR1 billion (US\$56.6 million) in the industry’s transformation over a five-year period,” SA Canegrowers said in a statement on Sept. 20.

The scholarships are primarily aimed at children of sugarcane growers and farmworkers in KwaZulu-Natal and Mpumalanga, but all students pursuing studies in the qualifying fields may apply.

The fund aims to provide assistance to students from families in sugarcane-growing areas with an annual income between ZAR350,000 (US\$19,830) and ZAR600,000 (US\$33,994) per year.

The Sugar Industry Trust Fund for Education (SITFE) was launched in 1965 as a private sector initiative and is regarded as one of the oldest Trust Funds in South Africa.

AUSTRIA: Agrana says sugar is segment back to profitability

Agrana reported on Sept. 21 better than expected operating results in the first half of the year, boosted by an improvement in ethanol operations and the return to profitability of its sugar segment, reports Sugaronline.

The operating profit before any exceptional items and results of equity-accounted joint ventures of the group in the first half of the 2022/23 year was better than anticipated by the company, EUR86.5 million (US\$85.1 million), and also higher than the EUR41 million (US\$40.4 million) at the same period last year.

The company's revenue increased by 26% to EUR1.79 billion (US\$1.76 billion).

The operating profit (EBIT) fell to EUR11 million (US\$10.8 million), from EUR44.8 million (US\$44.1 million) in the first half of 2021/22.

"The guidance of a very significant increase (by more than +50%) in consolidated EBIT in the full financial year 2022|23 remains valid despite the asset and goodwill impairment charge", the company said in an earnings report.

The company also forecasts a rise of +10% to +50% in the operating profit before any exceptional items and results of equity-accounted joint ventures for the year.

"The above guidance is based on assumptions that the war in Ukraine remains regional, physical supplies of energy and other commodities are sustained and that the sharp rises in prices, particularly in the commodities and energy sectors, can be passed on in revised customer contracts."

THAILAND: Government postpones increase in sugar tax

Thailand's Finance minister Arkhom Termpittayapaisith said on Sept. 20 that the government decided to postpone the third-phase increase in the excise tax on sugary beverages for six months, until March 2023, according to Bangkok Post.

The third phase of the tax increase had already been postponed from October 2021 to October 2022.

Arkhom said that with the current economic situation if the tax was adjusted according to the schedule it could directly affect people and the recovery of the beverage industry.

ED & F MAN Research Daily

Florida Crystals get Regenerative Organic certified status - Chinimandi -The organic sugars produced by the Florida Crystals are now Regenerative Organic Certified, announced the company, according to prnewswire. The company is the only brand of organic sugars made from sugarcane grown in the U.S. The certificate indicates that the company is growing organic sugarcane following the principles of regenerative agriculture to ensure the highest standards for soil, health and carbon capture. This is the first such certified farmland in Florida as well as in the United States.