



EXECUTIVE DIRECTOR

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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.

ED & F Man Research

Brazil ends ethanol import tax exemption, U.S. disappointed - Reuters - The Brazilian government has ended a tax exemption on imports of fuel ethanol, with immediate effect, according to the country's agriculture ministry, a move that would mostly hurt the United States ethanol industry. Ethanol imports will now have to pay a tax of 16% to enter Brazil until the end of the year. That levy will rise to 18% in 2024. Brazil Agriculture Minister Carlos Favaro said the tax exemption was hurting the local sugar and ethanol industry and had to end. The ministry said Brazil mills have the capability to supply ethanol to the whole country without the risk of prices going up.

Sugaronline – Ebriefing

BRAZIL: Government resumes taxation on ethanol imports

Brazil's Chamber of Foreign Commerce (Camex) decided not to renew a tax exemption on imported ethanol, resuming taxation on biofuel imports from countries outside the Mercosur from Feb. 1, according to the Ministry of Agriculture and Livestock, reports Sugaronline.

"This tax exemption, done in an unprepared way, harmed the national ethanol industry, which is responsible for generating jobs, opportunities, and clean energy, and needs to be valued," minister Carlos Favaro said in a statement.

The government will apply a 16% tax until Dec. 31, 2023. The tax will increase to 18% after then.

The secretary of Commerce and International Relations of the Ministry of Agriculture, Roberto Perosa, said the resumption of the import tax won't impact prices to the final consumer. He said that Brazilian ethanol is competitive in most of the regions and that the local industry has the capacity to supply domestic demand.

ED & F Man Research

Pakistan industry yet to export any amount of sugar - Business Recorder - The country's sugar industry has not yet been able to export any amount of sugar out of 250,000 tons allowed by the government. Now sugar will either be exported through LC or by inward TT by cash of full amount. Then SBP will issue quotas when mills apply again with full documents. The decision of allowing sugar exports was reconsidered three times by the Economic Coordination Committee (ECC) of the Cabinet. The PSMA officials stated that the industry is busy fulfilling the requirements of the government and the export would start once they complete the formalities. The sugar industry has demanded permission to export sugar up to one million tonnes as there was more than sufficient sugar stock required for domestic use. According to the sugar industry, allowing the export of one million tons of refined sugar would bring over \$ 1.25 billion in foreign exchange which is much needed for the country.

Volume of traded CBios soars in the second half of January, price rises - Reuters - The decarbonization credits market (CBios) recorded price increases in the second half of January, despite greater availability of bonds issued by biofuel producers, with a jump in negotiations with fuels, pointed out this Friday an analysis by Itaú BBA. CBios prices -- influenced by the interest in purchases by fuel distributors, which have mandatory targets to meet -- also closed the month on a high, said the bank, without detailing the reasons. If CBios values can affect distributors' margins, on the other hand, they reinforce the revenue of issuers, such as ethanol and biodiesel plants. According to B3 data cited by the bank, CBios issuance last month was 3.1 million bonds, 40.1% above the total issued in January 2022. The volume of CBios issued in 2022 added to January issues is 34.3 million bonds.

Sugaronline – Ebriefing**BRAZIL: Raízen plans to have 20 second-generation ethanol plants by the next decade**

Brazil's Raízen, owner of 35 mills in Brazil, plans to have 20 second-generation (2G) ethanol plants in the country by the start of the next decade, according to Novacana.

The company's industrial director, Juliano Oliveira, responsible for Raízen's expansion projects, said investment in the production of 2G ethanol is among Raízen's plans in addition to sugar, ethanol, biogas and power production.

SOUTH AFRICA: SA Canegrowers says Treasury missed deadline to explain sugar tax

South African sugarcane industry association SA Canegrowers said on Feb. 1 that the country's National Treasury had missed the 30-day legislative deadline to respond to a Promotion of Access to Information Act (PAIA) application to provide information and data relied upon when introducing a sugar tax and subsequent decisions to increase it, reports Sugaronline.

"While the national government has indicated previously that the Health Promotion Levy (HPL) was introduced in order to bring down obesity levels in the country, it has failed to date to produce any data to support this argument or to show that the tax has had any impact in this regard," SA Canegrowers chairman Andrew Russell said in a statement.

"What is clear though is the devastating economic impact the HPL has had on the sugar industry over the past few years with thousands of jobs being lost and billions of Rands in lost revenue."

Russell said maintaining a sugar tax was "unjustifiable and unconscionable" amid the business rescue of sugar producer Tongaat Hulett and more than ZAR700 million (US\$41.1 million) in estimated costs for the industry associated with power outages in the country.

The PAIA request, submitted by SA Canegrowers on Dec. 14, 2022, sought health-related information relied upon in the decision-making process about the sugar tax, data and research demonstrating that the Health Promotion Levy has reduced obesity levels in South Africa since its implementation in April 2018. The association also requested documents considered by the government in deciding to increase the sugar tax.

SA Canegrowers said that the implementation of the sugar tax had cost the industry ZAR2 billion (US\$117.4 million) and more than 16,000 jobs in its first year alone. "Further modelling completed by the Bureau for Food and Agricultural Policy demonstrated that merely maintaining the levy would kill a further 15,000 jobs and reduce the area under cane by 46,600 hectares over the next ten years," it said.

FRANCE: Tereos to sell Romanian operations to local investors

France's Tereos said on Feb. 1 that it will sell its operations in Romania to two local investors, according to Reuters.

The Romanian business will be acquired by investors in the agri-food sector, Mihaela Neagu and Mihail-Daniel Matache.

Negotiations with sugar beet farmers are expected to start in the coming days as beets for the autumn 2023 campaign are due to be contracted, according to Neagu.

FoodNavigator.com

Coca-Cola invests in new partnerships to upcycle CO₂



CCEP Ventures (CCEPV) has announced two new partnerships with European research groups at Universitat Rovira i Virgili (URV) in Tarragona, Spain and the University of Twente (UT) in the Netherlands, to accelerate research into carbon capture technology.

<https://www.foodnavigator.com/article/2023/02/06/coca-cola-invests-in-new-partnerships-to-upcycle-co>

Stricter school meal standards could require reformulation to lower sodium, fat and sugar



Research shows school meals are the healthiest source of nutrition for most students in the US, but the US Department of Agriculture thinks they can be healthier, which is why it is proposing stricter standards that would reduce added sugars, fat and sodium, and increase intake of whole grains.

<https://www.foodnavigator-usa.com/article/2023/02/03/stricter-school-meal-standards-could-require-reformulation-to-lower-sodium-fat-and-sugar>

Sugaronline – Ebriefing

BRAZIL: Pipeline for biomethane from sugarcane biomass starts operations

Brazil's first pipeline for the exclusive distribution of biomethane produced from sugarcane vinasse, straw and filter cake started operations in São Paulo state last week, according to the companies responsible for the project, reports Sugaronline.

The pipeline, built by Gas Brasileiro, will distribute up to 25,000 cubic metres of natural gas produced by the Usina Cocal mill daily, in Narandiba, to the Presidente Prudente region, according to a statement released by the companies last week.

The pipeline has 65 kilometres. The companies invested BRL30 million (US\$5.82 million) to build the pipeline and BRL150 million(US\$29.11 million) in the construction of the biogas plant.

Food manufacturer Liane, the first industrial client to be supplied with the biomethane, expects to reduce monthly costs by 30% with the use of biogas.

PAKISTAN: Beverage industry says sugar tax will impact investment

The beverage industry in Pakistan has said that the government's proposed sugar tax, if approved, will increase prices and impact the \$200 million in investment projects of PepsiCo and Coca-Cola in the country, according to ProPakistani.

The companies have said in a jointly addressed a statement to the Prime Minister that the proposed federal excise duty (FED) on beverages is unjust, as it is imposed primarily on the carbonated drink or aerated water industries.

They also said that total taxes to local manufacturing including sales tax and FED could reach as high as 30%.
