



EXECUTIVE DIRECTOR

Press Release(23)14
(English only)

24 February 2023

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

SOUTH AFRICA: Government decides not to increase sugar tax

The South African government has decided not to increase the sugar tax in the country for the 2023/24 and 2024/25 financial years, according to Engineering News.

The country's Finance minister Enoch Godongwana said during his Budget speech on Feb. 22 that the government would soon publish a discussion paper on the healthy promotion levy (HPL), or sugar tax, for consultation on proposals to extend it to pure fruit juices and lower the 4 grams threshold.

The increase in the tax has faced strong opposition from the country's sugar industry, which argues¹² that it would cost jobs and result in losses for the sector.

Fitch Solutions estimates average raw sugar price 2% higher this year

Fitch Solutions said on Feb. 23 that it expects raw sugar prices to average 2% higher this year amid lower-than-expected output in Europe and India, and a recovery in China's demand, according to Reuters.

Fitch Solutions sees raw sugar rising from an average of 18.6 cents per lb last year to 19 cents this year.

The agency said there is uncertainty regarding European production following a pesticide ban, adverse weather conditions, and sugarcane diversion towards ethanol production in India.

ZIMBABWE: StarAfrica resumes operations at Goldstar Sugars

StarAfrica Corporation Private has resumed operations at its Goldstar Sugars Harare branch following a week-long closure over an increase in raw sugar prices, according to Pindula.

The company said on Feb. 22 that it had resumed operations on Feb. 19, following the successful resolution of the pricing of raw sugar and the trading terms between the Goldstar Sugars and the raw sugar supplier.

Goldstar has resumed the supply of granulated white sugar to the market and plans to do so

for the foreseeable future.

GERMANY: Nordzucker says overall sugar campaign was below average

Nordzucker announced earlier this month that its overall sugar campaign this season was below average as lower yields were not compensated by higher sugar contents, reports Sugaronline.

The company said on Feb. 6 that it had completed sugar production from sugarbeet and sugarcane at all its factories.

On average, the campaign lasted about 114 days for all European factories. In Germany, Denmark and Lithuania, organic beet was again processed into organic sugar in the first days of the campaign. Processing of sugarcane in Australia was not completed until Jan. 13, after 213 days, as rains in July led to harvest interruptions but also to higher cane yields than expected.

The Uelzen plant in Germany processed its last beet on Feb. 5. "There were unusual frosts down to minus 15 degrees in December followed by relatively high temperatures and rain. Bacteria formed slimy substances in the thawed sugar beet, which then led to processing problems," the company said in a statement.

"Thanks to good cooperation between agriculture, logistics and production, it was possible to find other uses for beet that could no longer be processed, such as feeding it into biogas plants. Overall, this affected significantly less than one percent of the total beet volume for Nordzucker."

The company's chief executive officer (CEO), Lars Gorissen, said current high sugar prices allowed for very good prices this season. "This is positive for our growers, for whom – as everywhere – production and logistics costs have increased," he said.

"In these volatile times characterized by high inflation, we are doing everything in our power to continue on the path we have taken together with our growers and our customers in a sustainable and successful manner. Sugar beet is an important part of agriculture and the basis for a secure food supply."

INDIA: ISMA and Toyota partner to promote ethanol

The Indian Sugar Mills Association (ISMA) and Toyota Kirloskar Motor have signed a Memorandum of Understanding (MoU) to encourage the use of ethanol as a sustainable biofuel in India, according to V3.

Toyota and ISMA aim to expedite the adoption of ethanol as a clean, alternative fuel, contributing to the government's goal of reducing the country's dependence on fossil fuels, lowering the carbon footprint.

The senior vice president and chief communication officer of Toyota Kirloskar Motor, Sudeep S. Dalvi, said that Toyota believes it is crucial to amplify in-depth understanding about ways and means to combat carbon emissions, beyond providing technologically advanced solutions, while achieving goals of Carbon Neutrality.

PHILIPPINES: PSMA opposes to imports of additional molasses

The Philippine Sugar Millers Association (PSMA) has cautioned against additional imports of molasses for ethanol production, arguing that there is sufficient supply of the raw material domestically, according to PhilStar.

The Ethanol Producers Association of the Philippines (EPAP) is demanding the government to allow molasses imports to maximize the operations and lower their production costs.

The PSMA executive director Jesus Barrera said molasses inventories in the country are building up and that it had been an overflow in molasses tanks in some mills in recent months.

CANADA: Sucro Sourcing plans to build country’s largest sugar refinery

Sucro Can Sourcing LLC announced on Feb. 21 its plans to build Canada’s largest sugar refinery in southern Ontario, with an expected annual refining capacity of 1 million metric tonnes, reports Sugaronline.

The company plans to invest \$100 million in the refinery, which is expected to open in 2025.

“Sucro is demonstrating supply chain innovation and a willingness to invest in new refining capacity in both Canada and the United States. We have been strongly supported by our extremely loyal and growing customer base”, said the company’s founder and chief executive officer (CEO), Jonathan Taylor, in a statement.

“The sugar markets in both Canada and the United States are experiencing steady, long term, sustainable growth, and Sucro is investing to supply these growing market demands.”

Sucro’s mission is to be the leading alternative integrated sugar supplier in North America, leveraging its refining footprint and supply chain innovations to fully service sugar users.

“Despite the steady market growth, overall refining capacity in both Canada and the United States has been stagnant for years”, said Taylor.

“In particular, the demand for sugar in the Ontario market is growing at what we believe is the fastest rate in North America. We also believe a modern, new refinery in Ontario will be very well placed to service any potential market demand for refined sugar in the US market, and fully utilize Sucro’s highly integrated supply chain already in place to service customers in the US market.”

Sucro Chairman, Don Hill, said the new refinery won’t need to be fully utilized shortly after opening. “Instead, Sucro will patiently add production based on growing market demand, including any potential export opportunities to the United States.

Food Navigator.com

Stevia sweeter news for planetary health than cane and beet sugar, suggests research



Production of steviol glycosides extracted from stevia grown in Europe produces just 10% of the greenhouse gas emissions associated with sugar production, according a life cycle assessment.

<https://www.foodnavigator.com/article/2023/02/22/stevia-sweeter-news-for-planetary-health-than-cane-and-beet-sugar-suggests-research>

Kraft Heinz reaches 'inflection point' in transformation with bold goal to capture \$2b in sales with innovation in three years



Kraft Heinz is entering the final stage of its transformation in which it plans to capture \$2b in incremental net sales from innovation through 2027 after the company has systematically rebuilt itself following the dramatic fallout of an aggressive cost-cutting and zero-based budgeting approach that sent its stock and consumer trust plummeting in 2019.

<https://www.foodnavigator.com/article/2023/02/22/kraft-heinz-reaches-inflection-point-focused-on-innovation>