



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

SOUTH AFRICA: Canegrowers welcome decision not to raise sugar tax

The South African Canegrowers association has welcomed the government's decision not to raise the health promotion levy (sugar tax) in the country, adding that the increases would have decimated the industry, reports Sugaronline.

"Minister Godongwana's decision to maintain the health promotion levy at its current level for another two years was in recognition of the difficult operating environment for the industry", said the chairman of SA Canegrowers, Andrew Russell.

"With the industry facing more than ZAR700 million (US\$38.40 million) in lost revenue due to loadshedding, a milling crisis, and the impact of the recent floods, this intervention was vital."

SA Canegrowers also said that it is hopeful that this two-year reprieve will be used to foster further engagement about the effectiveness of the health promotion levy and the possibility of crafting "alternative, less destructive and holistic health interventions."

"At the same time, growers will use the opportunity to revive the industry and to position it for long-term profitability and sustainability."

FRANCE: Tereos posts 35% rise in revenues in 9M 2022/23, increased debt

France's Tereos said on Feb. 22 that its revenues increased by 35% in the first nine months of the 2022/23 financial year to EUR4.78 billion (US\$5.1 billion), driven by higher prices across all segments, reports Sugaronline.

The company said in a statement that EBITDA (earnings before interests, taxes, depreciation and amortization) was up by 81% to of EUR769 million (US\$815.5 million), impacted by strong performance in the company's commercial and cost management strategies through hedging instruments for energy and raw materials.

Despite the increase in operational results, Tereos reported a sharp rise in net debt, which reached EUR2.91 billion (US\$3.1 billion), up by EUR389 million (US\$412.5 million) from Dec. 31, 2021, and by EUR527 million (US\$558.8 million) from March 31, 2022.

“As anticipated in the group’s results announcements since Q4 21/22, the sharp rise in raw materials and energy prices has automatically led to an increase in working capital and thus in the level of net debt as of the third quarter of 2022/23,” the company said.

Tereos’ debt leverage reached 2.8x, versus 2.4x at the end of Sept. 2022, and 3.5x at the end of March 2022.

The structural debt, which is the debt excluding the amount of working capital, dropped to EUR1.36 billion (US\$1.44 billion).

INDIA: AISTA reduces estimate for 2022/23 sugar output to 33.5 million T

All India Sugar Trade Association (AISTA) on Feb. 27 cut its estimate for India’s 2022/23 sugar production by 1 million metric tonne to 33.5 million tonnes, according to the Press Trust of India (PTI).

The estimate excludes the diversion of sucrose for ethanol production.

Sugar production in Maharashtra is seen at 11.3 million tonnes, compared to 13.7 million tonnes in 2021/22. In Karnataka, sugar output should drop slightly to 5.5 million tonnes.

In Uttar Pradesh, sugar production is seen at 10.8 million tonnes in 2022/23 against 10.2 million tonnes in the previous season.

ZIMBABWE: Tongaat Hulett plans to double revenue by 2030

Tongaat Hulett Zimbabwe is working to increase its revenue to US\$610 million by 2030, compared to US\$300 million currently, said the company’s general manager of Infrastructure and Support Services, Ushe Chinhuru, according to Nehanda Radio.

He said the company currently produces 400,000 metric tonnes of sugarcane annually, which can be increased to 600,000 tonnes if small-scale farmers are incentivized to produce a minimum of 100 tonnes of sugarcane per hectare.

The company also expects increased production from the Kilimanjaro project and plans to expand its ethanol and cattle production businesses.

FoodNavigator.com

Coca-Cola rebuilds portfolio with a ‘higher bar for innovation,’ eye on larger market



After The Coca-Cola Co. halved its brands during the pandemic, the beverage giant is ready to strategically rebuild its product portfolio with “consumers at the center,” a new marketing model, a higher bar for innovation and an eye on a much larger prize than it sought five years ago.

<https://www.foodnavigator-usa.com/article/2023/02/24/coca-cola-rebuilds-portfolio-with-a-higher-bar-for-innovation>

PepsiCo moves in on mealtimes, puts 'zero sugar at the center of portfolio transformation'



As the beverage and snack leader looks to expand its global market share and profits in the coming years, PepsiCo sees an opportunity to grow the company by homing in on meal occasions, tapping into health and better-for-you consumer trends, and optimizing its business processes.

<https://www.foodnavigator-usa.com/article/2023/02/23/pepsico-moves-in-on-mealtimes-puts-zero-sugar-at-the-center-of-portfolio-transformation>

Food industry should adapt product, pricing strategies as inflation weighs on consumers



Consumers are contending with inflation by changing their food buying behavior, and the packaged food industry should focus their efforts on keeping customers without sacrificing medium- and long-term profits, according to consultants and market researchers.

<https://www.foodnavigator-usa.com/article/2023/02/27/food-industry-should-adapt-product-pricing-strategies-as-inflation-weighs-on-consumers>

ED & F Man Daily Research - Sugar

Sucro Sourcing to set up \$100 million sugar refinery in Canada - ChiniMandi - Sucro Sourcing will be setting up "Canada's largest sugar refinery" in southern Ontario by spending around \$100 million, reports Food Bev. The company is likely to have a refining capacity of 1 million metric tonnes at a new facility per year. Jonathan Taylor, founder, and CEO of Sucro sourcing said, "The Company has shown interest in investing in new refining capacity in both Canada and the United States. The sugar market in both countries is likely to grow steadily for the next few years and Sucro is investing to supply these growing market demands." The new refinery in Ontario will help us to provide service to any potential market demand for refined

sugar in the US market and will utilize Sucro's supply chain that is already in place to service customers in the US market, he said. The new refinery would start operations in 2025.

Forecast global sugar surplus for 2022-23 - Bloomberg - Season cut to 4.15 million tons from November's projection of 6.19 million tons, ISO says in quarterly report. Forecast change driven by expectations of lower production in India, Mexico and Europe, and higher consumption, ISO says Global output estimates cut by 1.7m tons to 180.4m tons, which would still be a record. An extension of harvest beyond the normal finishing dates in the southern hemisphere provided additional supply this season. However, the export of this surplus has been rapid. The biggest revision was for Indian output, which was cut to 34.3m tons from 35.5m tons, ISO senior economist Peter de Klerk said in an interview. "The Indian government's hesitance to commit to further export licensing in 2022/23 has also dampened export availability prospects going forward" report Sugar deficit for the 2021-22 season revised up to 2.25 million tons from previous estimates of 1.67m tons.
