



EXECUTIVE DIRECTOR

Press Release(23)16
(English only)

3 March 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

UAE: Al Khaleej Sugar sees growth in domestic consumption

The managing director of Al Khaleej Sugar, Jamal Al Ghurair, has said that sugar demand in the United Arab Emirates began to grow during the last quarter of 2022 by 3%, and estimated domestic sugar consumption at about 250,000 metric tonnes per year, according to Gulf Today. He also said the sweetened products manufacturers in the UAE have adapted to the excise tax.

He added that the Canal Sugar project, partially owned by the company in Egypt, has completed experimental production operations and will start production after the month of Ramadan at 20% of operational capacity in the first phase.

US: United Sugars announces new name

United Sugars Corp. has been renamed United Sugar Producers and Refiners Cooperative, according to Food Business News.

The company said that producer members of United Sugars Corp. (USC), in alignment with the acquisition of the Savannah (Ga.) Refinery by US Sugar, had formed a new cooperative with improved and added capabilities.

The new United Sugar Producers and Refiners Cooperative will be known as "United" or "United Sugar Producers and Refiners", according to the company.

BRAZIL: UNICA welcomes government decision to resume taxation on fuels

Sugarcane industry association UNICA on Feb. 28 welcomed the federal government's decision to resume taxation on fuels, "ending subsidies to fossil fuels," reports Sugaronline.

Brazil's Ministry of Economy announced on Feb. 28 the resumption of the PIS/Cofins taxation on gasoline and ethanol from March 1, charging BRL0.47 (US\$0.090) per litre of gasoline and BRL0.02 (US\$0.0038) per litre of ethanol.

UNICA said in a statement that the government's decision shows "its commitment with Brazil, by giving practical application to the environmental discourse, in line with the strengthening of the low-carbon economy."

The association expects the decision to result in a decline in future interest rates.

"The decision also takes into account future investments in the green economy. Minister (of Economy Fernando) Haddad was emphatic by valuing Brazilian environmental-economic assets, with emphasis on ethanol, as well as respecting the Constitution, which expressly determines the tax differential between biofuels and fossil fuels," UNICA said.

"This is precisely what the country needs at this time: rationality expressed in the economy, the environment and the social area, reflecting in improvements for the population."

UK: AB Foods estimates 26% rise in revenues for AB Sugar in 1H 2022/23

Associated British Foods (AB Foods) said in a statement on Feb. 27 that it expects revenues for its AB Sugar business unit to increase by 26% in the first half of the current financial year, compared to the same period last year, reports Sugaronline.

Revenues should rise supported by higher sugar prices in Africa and Europe and an increase in bioethanol sales following the recommissioning of Vivergo.

"The adjusted operating profit margin at AB Sugar is expected to reduce as the contribution from higher sugar and coproduct prices was more than offset by the impact of higher energy costs and, for Vivergo, also higher wheat costs which led to a loss in the half year," the company said.

"Adjusted operating profit for AB Sugar is expected to be well ahead of the same period last year."

AB Foods said European sugar prices continued to improve over last year's due to lower European sugar production.

"Estimates for EU sugar production in the 2022/23 campaign are now some 10% lower than last year due to lower yields caused by adverse weather and a smaller growing area. Both European and world sugar prices remain high. Our UK and Spanish businesses have largely contracted sales for the year at these improved prices," the company said.

UK sugar production for the 2022/23 campaign is still expected at 0.74 million tonnes, down from 1.03 million tonnes from the last campaign.

"This fall in production reflects lower beet sugar yields following unusually adverse weather conditions. British Sugar has moved swiftly to secure alternative sources of supply and is working with customers to ensure continuity of supply," the company said.

AB Foods said energy cost inflation has been significant even though mitigated by government support.

"The shortfall in UK sugar beet production will result in much lower profitability at British Sugar in the second half. Since recommissioning, Vivergo, our bioethanol plant in Hull, has been operating to specification but will record a loss at the half year due to higher energy and wheat costs combined with lower bioethanol prices."

Sugar production at Azucarera is estimated to be lower than last year. The benefit of higher sugar prices was more than offset by higher energy costs in this first half.

Profitability at Illovo is expected to increase due to higher prices, increased sugar production in Malawi and Zambia, and improved performance in Eswatini and Mozambique after the impact of strike action and flood damage, respectively, last year.

AB Foods said the construction of the new production and packaging plant at Kilombero, Tanzania, is on track.

AB Sugar's China trading performance was below the same period last year mainly due to lower sugar prices which resulted from a reduction in demand due to the temporary closure of hospitality venues caused by pandemic-related restrictions.

EGYPT: Delta Sugar posts 121% rise in net profit

Egypt's sugar refiner Delta Sugar had a net profit after tax of EGP850.4 million (US\$27.8 million) in 2022, up 121% from the previous year, according to Zawya.

Revenues rose by 16% to EGP3.76 billion (US\$122.7 million).

Earnings per share (EPS) reached EGP4.87 (US\$0.16) as of Dec. 31 2022, up 576% year on year.

Food Navigator.com

Do Super Bowl ads spur consumer demand? Veylinx says yes



Brands that advertised at the Super Bowl are seeing their efforts pay off with a 6.4% increase in consumer demand post-game based on a sample set of companies, according to recent research from behavioral research company Veylinx.

<https://www.foodnavigator-usa.com/article/2023/03/01/do-super-bowl-ads-spur-consumer-demand-veylinx-says-yes>

Mānuka honey claims dismissed in UK and US: 'All non-NZ brands failed the test'



Testing of non-New Zealand mānuka honey brands sold in the UK and US reveals all missed key indicators of mānuka according to New Zealand export standards.

<https://www.foodnavigator.com/article/2023/03/01/manuka-honey-claims-dismissed-in-uk-and-us-all-non-nz-brands-failed-the-test>

Study links sweetener erythritol to increased risk of heart issues; industry group questions methodology



Artificial sweeteners have gained in popularity as consumers seek out products without sugar, but a new study suggests a potential link between keto-friendly sweetener erythritol and an elevated risk of heart attack or stroke.

<https://www.foodnavigator-usa.com/article/2023/03/02/study-links-sweetener-erythritol-to-increased-risk-of-heart-issues-industry-group-questions-methodology>

ED & F MAN Sugar

Bangladesh withdraws import duty on refined and raw sugar - ChiniMnadi - In a major relief to the customers, the National Board of Revenue (NBR) has withdrawn import duty on both raw and refined sugar. This will help in maintaining sugar prices in the domestic market under control. NBR has issued a notification to withdraw a 3,000 taka (about \$28) specific duty on the import of raw sugar and a 6000-taka duty on refined sugar per tonne with immediate effect. The NBR has also reduced the regulatory duty on the import of sugar to 25% from 30%. As per the proposal from the commerce ministry to lower the sugar prices from the current record level of up to 120 takas per kg, the reduction on the import duty will be effective till May 30, 2023. Following the duty waiver the import cost of raw and refined sugar would decline by 6,500 takas and 9,000 takas per tonne respectively, as per the estimate by the NBR.

Barbados Harvest to grow 13%, exports to the US - New Barbados - The ministry of agriculture said the cane harvest in Barbados was due to start on February 27, while output should grow 13% on year to 107,000mt, thanks to better yields and a larger cultivation area. Otherwise, the Barbados Agricultural Management Company (BAMC) revealed that the country started exporting packaged sugar to the US, under a new 2,500mt/year quota. The country stopped exporting in bulk and is hoping to export packaged sugar to the UK as well.

French sugar beet area to shrink to 14-year low growers say - Reuters - The French sugar beet crop area is set to fall to a 14-year low this year despite high prices, with farmers deterred by potential crop damage because of pesticide restrictions. Based on seed purchases, farmers are expected to sow 6-7% less in 2023 than the previous year. French farmers have suffered poor harvests in recent years and a severe drought cut the 2022 crop by 7% from the previous year. Concern over possible crop damage this year has grown after an EU court last month overturned French policy allowing sugar beet growers another year's use of an insecticide banned by the bloc. Many farmers had purchased their sugar beet seeds before the EU ruling. Some could decide not to use some of their supply to plant alternative crops, leading to an even steeper fall in sugar beet area. In a sign of concern that farmers could shun sugar beet, French sugar group Cristal Union raised its target price for this year's sugar beet purchases after the EU ruling. European sugar prices have reached record highs in recent months