



EXECUTIVE DIRECTOR

Press Release(23)23
(English only)

31 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.

FoodNavigator.Com

Soda wars heat up: Pepsi rebrands iconic soda line with focus on zero sugar



In a further shake-up to PepsiCo's beverage line, the company rebranded its namesake product for the first time in 14 years as the competition with its rival Coca-Cola heats up in the zero-sugar soda space.

<https://www.foodnavigator-usa.com/article/2023/03/29/soda-wars-heat-up-pepsi-rebrands-iconic-soda-line-with-focus-on-zero-sugar>

McCormick leverages price hikes, innovation & cost-cutting to improve margins



Through a combination of price hikes, cost-cutting and a multi-prong strategy to regain shelf space lost during the pandemic, flavor and spice giant McCormick & Co is clawing back its gross margins ahead of expectations after they took a hit last year.

<https://www.foodnavigator-usa.com/article/2023/03/29/mccormick-leverages-price-hikes-innovation-cost-cutting-to-improve-margins>

Antitrust regulators raid energy drinks company in Europe



Energy drinks maker Red Bull has confirmed the European Commission visited its premises last week.

<https://www.foodnavigator.com/article/2023/03/29/antitrust-regulators-raid-energy-drinks-company-in-europe>

Hershey expands US confection lead with 'occasion-based' innovation, personalized marketing



Hershey is gaining market share in the US confection market while its top competitors fall farther back by replacing its old playbook of innovating and marketing to masses with a more targeted "occasion-based" approach to product development and "mass personalization" media strategy.

<https://www.foodnavigator-usa.com/article/2023/03/30/hershey-expands-us-confection-lead-with-occasion-based-innovation-personalized-marketing>

FDA draft guidance for "healthy" ingredients on food labels triggers concerns over limitations on innovation, consumer autonomy



Products making dietary guidance statements should contain a meaningful amount of the featured ingredient or food category and not exceed certain amounts of saturated fat, sodium and added sugar, according to FDA's draft guidance for industry on questions and answers about Dietary Guidance Statements in food labeling published March 27 in the Federal Register.

<https://www.foodnavigator-usa.com/article/2023/03/30/fda-draft-guidance-for-healthy-ingredients-on-food-labels-triggers-concerns-over-limitations-on-innovation-consumer-autonomy>

Sugaronline Ebriefing

THAILAND: Ministry of Health launches campaign to reduce sugar consumption

Thailand's Ministry of Public Health has launched a campaign to encourage citizens to reduce sugar consumption to avoid health issues, according to Pattaya Mail.

The government advises consumers to limit consumption to 25 grams daily, equivalent to six teaspoons of sugar.

The ministry plans to launch marketing and awareness campaigns and urges the beverages industry to reduce sugar content per serving size in their drinks from 6% to 5%.

INDIA: 157 of 210 mills in Maharashtra closing operations early

A total of 157 of the 210 sugar mills in India's Maharashtra state are concluding operations earlier than expected, with millers estimating the final sugar production around 10.9 million and 11 million metric tonnes, according to Indian Express.

As of March 28, Maharashtra had produced 10.39 million tonnes of sugar. Except for a few mills in Pune, Solapur, Nanded and Ahmednagar, all other mills in the state have ended operations for the season, including all 37 mills in Kolhapur and Sangli, according to the report.

The chairman and managing director of Latur-based Natural Sugar and Allied Industries Limited, Bhairavnath B Thomabe, said this production fall this season was mainly due to changes in the weather pattern reducing sugarcane growth and sucrose concentration.

UK: Food inflation rate rises to record level amid high sugar prices

The UK food inflation rate rose to 15% in March, the highest rate in the food category on record, impacted by rising sugar, vegetables and fruit prices, according to the retail trade association British Retail Consortium, reports Sugaronline.

The shop price inflation accelerated to a new high of 8.9% in March, up from 8.4% in February.

"Shop price inflation has yet to peak. As Easter approaches, the rising cost of sugar coupled with high manufacturing costs left some customers with a sour taste, as price rises for chocolate, sweets and fizzy drinks increased in March," the Chief Executive of the British Retail Consortium, Helen Dickinson, said in a statement on March 28.

"Fruit and vegetable prices also rose as poor harvests in Europe and North Africa worsened availability, and imports became more expensive due to the weakening pound."

She said food price rises will likely ease in the coming months with the start of the UK growing season, but wider inflation is expected to remain high.

The head of Retailer and Business Insight at NielsenIQ, Mike Watkins, said inflation continues to impact the spending power of shoppers, and increased energy bills from April will add more pressure.

"Since food prices have risen, retailers have seen more visits but less basket spend, as shoppers manage their weekly food bills by shopping little and more often and seeking out the lowest prices," he said. "And as Easter approaches, some high street retailers will also be offering discounts and promotions to encourage customers to spend."

UKRAINE: Industry sees possible rise in beet production, more refineries operating

The head of Russia's Ukrtsukor sugar union, Nazar Mykhailovyn, has said the number of sugar refineries that will process the 2023 Ukrainian sugar beet harvest could rise to 29 from 23 last year, according to Reuters citing Interfax news agency.

The number of operational refineries may increase due to a possible increase in beet production amid a rise in the 2023 sugar beet sowing area to 220,000 hectares from 181,400 hectares in 2022.

BRAZIL: Sugarcane cultivation in 20 years removed 9.8 million T of CO2

A recent study found that sugarcane cultivation in the last 20 years in Brazil was responsible for the net removal of 9.8 million metric tonnes of CO2 from the atmosphere annually, considering the pattern of land use and the mechanization of harvesting, which eliminated cane burning, according to Reuters.

The study was conducted by consultancy Agroicone, the University of Campinas (Unicamp), and Brazilian state-owned agriculture research company Embrapa.

About 25% of Brazil’s current cane crop area was already being used for cane cultivation in 2000, and the expansion of 6.1 million hectares since then was mostly due to the conversion of pastures and lands used for annual crops. Only 1.6% of the sugarcane crop expansion occurred over areas of natural vegetation.

US: Sweetener Users Association says imports of sugar-containing products harming local industry

The US Sweetener Users Association (SUA) claims that the US sugar policy encourages imports of sugar-containing products (SCP), that otherwise would be produced domestically, resulting in fewer sales for local sugar growers and processors, reports Sugaronline.

The association said in a statement on March 22 that imports of SCP by the US increased by 124% from 2013/14 to 2021/22, spurred by persistently short supplies and high prices of sugar in the US market.

The amount of sugar in net SCP imports in the 2021/22 financial year was equivalent to 12% of domestic sales in that same year, which the association said could have resulted in additional sugar sales by local growers and processors if not for the US sugar program.

“The restrictions imposed by the US sugar program incentivise imports of SCPs, resulting in the loss of American food manufacturing jobs and less domestic sales of sugar for growers and processors,” said SUA president Rick Pasco in a statement released on March 22.

“Congress now has the chance to rework the US sugar program and address this harmful, U.S.-job-destroying policy as it works to reauthorize the farm bill in 2023.”

US: Report says beet processors are rushing to contract sugar for next season

US beet processors are rushing to contract sugar for the next season, and some have already sold 80% of their expected 2023/24 crop, according to a report by Sosland Publishing published by Czarnikow.

Less than a month ago, beet processors had sold 40% of their production for the 2023/24 season.

“Some beet processors were stepping away from the market sooner (with a lower percentage sold) than in past years to avoid over-selling after adverse weather resulted in lower production and four force majeure since 2019,” according to the report.

Some processors are also unsure about the total planted area available in the next season as growers may opt to plant more profitable crops. The sugar beet planting season starts in April, with most activity in early May.
