



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

AUSTRALIA: Qantas and Airbus invest in sugarcane biofuel factory in Queensland

The Qantas Group, Airbus and the government of Australia's Queensland state will invest in a biofuel production facility that will use agricultural by-products including sugarcane as raw material, reports Sugaronline.

The biofuel factory is being developed by Jet Zero Australia in partnership with sustainable aviation fuel (SAF) technology company LanzaJet, according to a statement released by Qantas on March 30.

Qantas and Airbus will jointly invest \$2 million of an initial \$6 million capital raising, with the Queensland Government contributing \$760,000 and other Australian and international institutional funds providing additional funding. The money will be used to conduct a detailed feasibility study and early-stage project development.

The proposed facility will use LanzaJet's alcohol-to-jet technology to produce up to 100 million litres of SAF per year. Construction is expected to start in 2024.

The Qantas Group and Airbus have committed to investing up to US\$200 million to accelerate the establishment of a SAF industry in Australia. The facility is the first project funded under the Qantas and Airbus Australian Sustainable Aviation Fuel Partnership.

Qantas Group chief sustainability officer Andrew Parker said the early project funding was an important first step towards building a domestic SAF industry, which will power flights around Australia.

"Qantas will be the largest single customer for Australian-made SAF to meet our emissions reduction targets, which is why we're investing in the ideas and technology that will build a local SAF industry," Parker said.

"This is one of several projects that we are looking to fund this year, all of which will help accelerate the decarbonisation of the aviation industry."

Sugar contamination stings honey imports in Europe



Almost half (46%) of all honey samples tested by the European Commission is thought to be adulterated with sugars.

<https://www.foodnavigator.com/article/2023/04/03/food-fraud-sugar-contamination-stings-eu-honey-imports>

What's sweet in permissible indulgences? Marshmallow flavors, twists on classic cookies



Mars, Kellogg, Mondelez, and other CPG players are launching seasonal sweets and snacks to mark the start of Spring and Easter with unique and classic flavors as well as bite-size formats that also satisfy consumer demand for permissible indulgence.

<https://www.foodnavigator-usa.com/article/2023/03/31/what-s-sweet-in-permissible-indulgences-marshmallow-flavors-twists-on-classic-cookies>

Sugars reduced in berry fruit juice by up to 50% using sugar-reducing beads



Better Juice, an Israeli start-up, has used sugar reduction technology to lower the levels of sugar in its fruit juices, including, in a recent trial, several berry-based juices. Their technology is able to reduce three sugars found in fruit juices – fructose, glucose and sucrose – and turn them into non-digestible fibres.

<https://www.foodnavigator.com/article/2023/04/05/sugars-reduced-in-berry-fruit-juice-by-up-to-50-using-sugar-reducing-beads>

Advertising restrictions will unfairly penalise sports and active nutrition industry, warns trade body



The European Specialist Sports Nutrition Alliance (ESSNA) has warned the UK Government that blanket online and TV advertising restrictions for products high in fat, salt or sugar (HFSS) aiming to address childhood obesity may inadvertently harm the sports and active nutrition industry.

<https://www.foodnavigator.com/article/2023/04/04/advertising-restrictions-will-unfairly-penalise-sports-and-active-nutrition-industry-warns-trade-body>

Sugaronline Ebriefing

EUROPE: EC sees 2022/23 sugar production at 15 million T

The European Commission expects the 2022/23 sugar production in the European Union to total 15 million metric tonnes in 2022/23, 8.7% lower than the 5-year average and 10% down from the previous season, reports Sugaronline.

“The EU Court of Justice’s preliminary ruling in January 2023 on the derogations to the use of neonicotinoid substances is due to impact planting decisions, and the EU sugar beet area in 2023 is forecast to drop 3% below the 5-year average to 1.455 million hectares,” the EC said in a short-term outlook report released on March 30.

Sugar beet yields are expected to be in line with the long-term average at 77 t/ha, resulting in a sugar beet production of around 111 million tonnes.

“Due to lower availability and higher EU prices, EU imports of sugar are expected to increase to 2 million tonnes, 33.1% above 5-year average,” the EC said in the report.

EU sugar exports are also forecast to decline 31% year-on-year, to 600,000 tonnes.

The EC said the smaller EU sugar beet harvest and increasing costs for sugar refining due to high natural gas prices have fuelled sugar price growth in autumn and winter of 2022/23. The average EU price in February 2023 reached EUR 804/t, a 83% annual price increase, or 51% rise since September 2022.

“EU human consumption of sugar is expected to decline, as increasing prices have to negative effect on the consumer demand. Additionally, net exports of sugar in processed products are also expected to decline from a record level of 2021/22.”

CHINA: Czarnikow estimates sugar production to fall to the lowest level in 7 years

China’s sugar production in 2022/23 could fall to the lowest level in seven years due to lower sugarcane production, leading to a domestic deficit of up to 6.5 million metric tonnes, the second highest in history, according to Czarnikow, reports Sugaronline.

Czarnikow lowered its estimate for India's 2022/23 sugar production to 9 million tonnes, from 9.2 million tonnes expected in February and 9.56 million tonnes in 2021/22.

If the most recent forecast is confirmed, it would be the lowest level since 2015/16.

"For 22/23, we are now expecting 5.4m tonnes of sugar imports, including a return of smuggling. This includes a lower raws import due to the negative import margins since 2022. We also expect a higher ratio of liquid sugar and premix powder imports because they are cheaper," analyst Rosa Li said in a report on March 31.

EEC approves duty-free import quotas for Kyrgyzstan, Belarus, Kazakhstan and Russia

Kyrgyzstan, Belarus, Kazakhstan and Russia received approval from the Council of the Eurasian Economic Commission (EEC) to import raw cane sugar under a duty-free import quota, according to 24 KG.

The import quotas are 50,000 metric tonnes for Kyrgyzstan, 100,000 tonnes for Belarus, 350,000 tonnes for Kazakhstan and 100,000 tonnes for Russia.

The countries will be allowed to import that sugar volume under the quota up to Dec. 31, 2023.

The tariff privileged is aimed at developing the domestic production of the sugar industry in the region and providing companies in the member countries with raw materials, according to the minister of Trade of the EEC, Andrey Slepnev.

GUATEMALA: Czarnikow says country could be awarded with more US sugar import allocation

Guatemala could be awarded more sugar allocation under the US TRQ program if Mexico's production continues to struggle, according to Czarnikow, reports Sugaronline.

Guatemala has the third-largest TRQ quota in Latin America with 50,000 metric tonnes of duty free quota to the US.

"Even though the US has had a solid start to its harvest, it has increased its TRQ allocations to several countries to alleviate the decrease in Mexican production. The US awarded Guatemala an additional 14,000 tonnes of raw sugar. Guatemala could be allocated more raw sugar under the TRQ program if Mexico's production continues to struggle," analyst Adrian Torrebiarte wrote in a recent report.

Guatemala is expected to produce approximately 3 million metric tonnes of sugar for the 2022/23 season, almost identical to last year's harvest, due to the lack of availability of land, according to Torrebiarte.

Domestic consumption is estimated at 970,000 tonnes, with 1.74 million exported to the world market, mainly the US.

BRAZIL: Toyota do Brasil joins R&D collaboration for production of sustainable H2 from ethanol

Toyota do Brasil, the Brazilian subsidiary of the Japanese car manufacturer, announced on March 31 that it will participate in a research and development (R&D) project to produce sustainable hydrogen (H2) from ethanol, reports Sugaronline.

The project is developed in partnership with Shell Brasil, Raízen, Hytron, the Research Centre for Greenhouse Gas Innovation (RCGI) of the University of São Paulo (USP), and research centre Senai CETIQT. These companies signed a cooperation agreement in September 2022 to develop renewable H2 production plants from ethanol in Brazil, with the first one estimated to start operations in the first half of 2024, producing 4.5 kg/h of hydrogen.

Toyota will supply its fuel cell electric vehicle Mirai for performance tests in the project. Shell Brasil will invest BRL50 million (US\$9.9 million) to calculate the carbon footprint, from sugarcane cultivation to the consumption of the hydrogen fuel cell in the vehicle.

"Brazil has the potential to be an international player with the decarbonization of the fleet. That is why Toyota has been investing, since the Prius in 1997, in practical and sustainable solutions," the president of Toyota do Brasil, Rafael Chang, said in a statement.

"In a country with a strong vocation for biofuels, we have options ready to encourage the economy in this transition period for a future carbon-neutral agenda. Now, with the Mirai fueled with hydrogen produced from a 100% renewable source, such as ethanol, the future of Brazil can be increasingly green."

Toyota will deliver the Mirai to USP's Research Centre for Greenhouse Gas Innovation (RCGI) da USP in the first half of this year. The hydrogen will also fuel three buses on the University's campus.

"The goal of this innovative R&D project is to show that ethanol can be a vector to produce renewable hydrogen, taking advantage of the ethanol industry's existing logistics," said the manager of Low Carbon Technology at Shell Brasil, Alexandre Breda.

PepsiCo reduces sugar content in classic Pepsi in UK & Ireland by 57%

PepsiCo UK & Ireland has reformulated classic Pepsi to have 57% less sugar, containing 4.55 grams of sugar per 100 millilitres (ml), the company announced in mast month, reports Sugaronline.

The reformulated Pepsi is sweetened with a blend of acesulfame potassium and sucralose, with 56% fewer calories from added sugars.

"This is set to replace all canned and bottled classic Pepsi drinks across the UK and Ireland, with the reformulated Pepsi beverages hitting retailers this month," the company said in a statement on March 15.

There is no change to Diet Pepsi or Pepsi MAX.

The company said that its research and development (R&D) team has been working to reformulate the classic Pepsi to have less sugar but still maintain the taste people expect.

PepsiCo said that over 90% of the colas it sells in the UK and Ireland are sugar-free.

"Our reformulated Pepsi is the next step in our efforts to reduce sugars across our entire beverages portfolio as part of our global pep+ transformation plan. In the UK and Ireland, we have a long track record of helping consumers shift to low and no-sugar drinks options, and we hope that this new product will continue to be a favorite among those who love the classic taste of Pepsi, now with fewer calories," it said.

Classic Pepsi fountains used at out-of-home locations, such as pubs and quick-service restaurants, will continue to serve the original product, with 10.65g of sugar per 100ml, as PepsiCo said making changes to bottled and canned Pepsi is simpler than rolling out a new formulation across multiple outlets.

US: 2023 sugar beet crop area expected at the lowest level since 2008 – USDA

The total sugar beet planted area in the US in the 2023 crop is estimated at 1.11 million acres, down 4% from 2022, according to the Prospective Plantings report released by the US Department of Agriculture on March 31, reports Sugaronline.

“Intended acreages are expected to be the lowest since 2008. Record low planted area is expected in Montana,” according to the report.

The total acreage was estimated based on intended plantings indicated by reports from processors.

In Montana, total acreage is estimated at 24,000 acres, down from 33,600 acres in 2022.

Acreage reduction is also expected in North Dakota (-14.7% to 214,000 acres), Michigan (-4.3% to 133,000 acres), Minnesota (-0.2% to 433,000 acres), Washington (-10% to 1,800 acres), and Colorado (-1.7% to 23,000 acres).

Total acreage is seen increasing in Idaho (+1.1% to 175,000 acres), Nebraska (+4.7% to 49,000 acres), Oregon (+6.4% to 10 acres), and Wyoming, (+2.4% to 30,000 acres).

In California, acreage is expected to stay the same at 18,000 acres.

BRAZIL: Czarnikow says freight rates could double by September

Czarnikow said in a report on April 5 that the 2023/24 cane season will be marked by stretched logistics in Brazil, with truck freight rates rising sharply, reports Sugaronline.

“With record grains and large sugar crops, freight rates could double by September,” analyst Ana Zancaner wrote in the report.

She said sugar freight rates at the start of the year are already at record levels, with the route from Ribeirão Preto to Santos at BRL180/tonne (US\$35.61), a 40% increase year on year.

Sugar flow is expected to gain momentum from May onwards, reaching a peak in August. “Depending on the pace of nominations, road freights from São Paulo (specifically Ribeirão Preto region) to Santos could easily surpass BRL250/tonne (US\$49.46) by September,” she said.
