



EXECUTIVE DIRECTOR

Press Release(23)39
(English only)

26 June 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

FAO forecasts global sugar surplus of 1.4 million T in 2022/23

The Food and Agriculture Organization (FAO) of the United Nations estimates a global sugar surplus of 1.4 million metric tonnes in 2022/23 (October/September) due to recovery in Brazil's production, according to the FAO Food Outlook released June 15, **reports Sugaronline**.

The estimated sugar surplus is lower than the 4.9 million tonnes surplus expected previously, as FAO reduced its forecast for global production due to lower-than-earlier-anticipated outputs in China, the European Union, India, Mexico and Thailand.

FAO's forecast for global sugar production in 2022/23 is seen at 177.5 million tonnes, up 1.1% from 2021/22.

Global sugar consumption is forecast to continue increasing for a third successive season in 2022/23, up 1.6 million tonnes from the previous season, to 176.1 million tonnes. "Overall, the year-on-year growth is expected to mostly originate in Africa and Asia, driven by population and income growth," FAO said in the report.

"However, the increase in world sugar consumption forecast was limited by the projected deceleration in global economic growth in 2023 and high world sugar prices."

FAO expects the world sugar trade in 2022/23 to reach 60.7 million tonnes, down 1% from the estimated volume for 2021/22.

"The contraction is the result of an anticipated reduction in exportable supplies in the European Union, India and Mexico, more than offsetting foreseen larger shipments from Brazil."

China's imports are forecast to decline for the second consecutive season amid high world sugar prices and adequate domestic availabilities.

Sugar imports by the European Union are set to increase sharply from last year due to high domestic prices and lower production.

SPAIN: Azucarera signs deal for non-bulk sugar transport

ROR Operador Logistico will be the sole logistics operator for the transport of Azucarera's non-bulk sugar throughout the Iberian Peninsula in the coming years, according to a collaboration signed by both companies during the International Logistics Fair (SIL) held in Barcelona last week, **reports Sugaronline**.

The deal is also aimed at improving sustainability in sugar transportation as it will allow Azucarera to advance with its carbon footprint reduction goals, according to a statement released by ROR Operador Logistico on June 13.

Azucarera has a goal to reduce 20% of its CO2 emissions in all distribution, transportation, and storage operations in five years.

US: Analysts see sugar prices weakening from high levels

Analysts see indications that sugar prices could start to fall from high levels in the last three years, according to Reuters.

Supply for sugar and alternative sweetener corn syrup has improved and consumption has softened.

The president of J. Ganes Consulting, soft commodities analyst Judith Ganes, said in a report for Sugaronline that retail prices remain stubbornly high while wholesale prices have begun to ease.

She said US Department of Agriculture (USDA) could adjust downwards the domestic sugar demand forecast due to market developments.

MEXICO: Czarnikow says 2022/23 sugar production could be lowest in a decade

Mexico's sugar production could return to normal levels in 2023/24, at around 5.8 million metric tonnes, after sinking to the lowest volume in 10 years in 2022/23, according to Czarnikow, reports Sugaronline.

"Precipitation levels this year have been normal which should help," analyst Stephanie Rodriguez wrote in a report released June 15. "However, there is potential for the crop to fall below 5.8 million tonnes as we are hearing reports of limited renovation of cane fields and lower reseedings, less cane being set aside for seed and less fertilizer use."

In 2022/23, Czarnikow estimates Mexico will produce 5.2 million tonnes of sugar in the sugarcane crushing season that is close to an end. "Depending on the amount of cane crushed in the tail of the crop the total output may fail even to reach this low level," said Rodriguez.

"Mexico usually produces around 5.6 million to 6 million tonnes of sugar per year; this could be the worst crop in a decade."

UK: Government announces further delay in rules banning deals on high-sugar products

The UK government announced on June 17 that it would delay the start of a ban on multi-buy deals on foods and drinks high in fat, salt or sugar (HFSS) until October 2025, raising opposition from health campaigners, according to Reuters.

The government said it will continue to review the impact of the restrictions on consumers and businesses. The start of the ban had already been delayed until October this year.

The director of policy at the British Heart Foundation, John Maingay, said multi-buy deals lead to people spending more money and eating more junk food.

KAZAKHSTAN: Agriculture minister says sugar production expected to increase

Kazakhstan's agriculture minister, Yerbol Karashukejev, has said the government has plans to increase sugar production from 283,000 to 490,000 metric tonnes in the middle term, according to Kazinform.

A new sugar plant with a capacity to produce 250,000 tonnes of sugar per year is under construction in Aksu city, Pavlodar region.

The government is also working with foreign companies including Calik Holding, YDA Group, Champion Foods, Murban, Rusagro, Inoks Capital to attract investors to build a sugar plant in the country.

DOMINICAN REPUBLIC: Central Romana produced 265,735 short T of sugar in 2022/23

Central Romana produced 265,735 short tonnes of sugar in the 2022/23 season after crushing 2.4 million short tones of sugarcane, according to El Caribe.

This total volume of crushed cane is about 1 million tonnes lower than the volume crushed in the previous season due to drought in part of the production regions, according to the company.

The sugarcane crushing season at Central Romana lasted 185 days, when the company produced 123,000 short tonnes of refined sugar and 16.4 million gallons of molasses.

BRAZIL: Copersucar sees 12% rise in 2023/24 cane crush, 27% increase in sugar sales

Copersucar expects to increase its sugarcane crushing volume in the 2023/24 season to more than 100 million metric tonnes, compared to 89 million tonnes in the previous harvest, and expand sugar sales by 27%, according to Reuters.

The company's chief executive officer (CEO) Tomas Caetano Manzano said that the 27% rise in sugar sales planned for 2023/24 is supported by the increase in the cane crushing volume and a higher diversion of sugarcane for the production of the sweetener.

Manzano said Copersucar's trading unit Alvean is expected to sell 12 million tonnes of sugar in 2023/24, compared to 9 million in 2022/23. Copersucar should to sell 2 million tonnes in the Brazilian domestic market, in line with the volume sold in 2022/23.

BRAZIL: Copersucar posts its second-largest net profit for 2022/23 season

Copersucar announced on June 20 that it had a net profit of BRL679 million (US\$142.1 million) in the 2022/23 season, the second-largest net profit ever recorded by the company, **reports Sugaronline.**

Copersucar said in a statement that it kept its leadership in sugar sales in the Brazilian market in 2022/23, reaching 2 million metric tonnes, despite challenges related to lower premiums. Sugar exports increased by 7.1% to 3 million tonnes.

Copersucar's trading unit Alvean posted its largest net profit on record, around US\$70 million, with a 29% market share in the global sugar sales.

The group's total sales reached BRL69 billion (US\$14.5 billion).

Copersucar invested BRL378 million in 2022/23, mostly in its Evolua Etanol business unit, focused on expanding its share in the ethanol market. The company also invested in maintaining its terminals in Brazil and the United States and building new parts of Logum's pipeline.

NICARAGUA: CNPA says El Niño should not impact sugar production

Nicaragua's sugar producers association CNPA doesn't expect the El Niño weather phenomenon to impact sugar production in the country, according to Vos TV.

El Niño effects is expected to reach Nicaragua in July and August.

The general manager of CNPA, Mario Amador, said there is usually a rainfall deficit during El Niño in Nicaragua, with the sugar industry recording a reduction of up to 200 millimetres (mm) in rainfall. This situation requires more pumping to irrigate plants. He said sugar mills had prepared water reservoirs to deal with this potential decline in rainfall.

In case of hurricanes, the industry had built drainage channels and is prepared to avoid floods in the factories.

BRAZIL: CTC announces new CEO

Brazilian sugarcane research company Centro de Tecnologia Canavieira (CTC) has announced that César Barros will be the company's new chief executive officer (CEO), replacing José Gustavo Teixeira Leite, who decided to retire, **reports Sugaronline**.

Teixeira Leite will remain in the position until the company's board of directors approves Barros as the new CEO on July 10, according to a statement released by CTC last week.

Barros has worked in the agribusiness sector for 20 years. Most recently, he served as vice president of LATAM Commercial Operations at Nutrien Soluções Agrícolas, having also held executive roles at large companies, including Bayer, Monsanto, and Agrichem.

He holds a degree in Agronomy from the Escola Superior de Agricultura Luiz de Queiroz (ESALQ) and an MBA from the University of Pittsburgh in the United States.

BRAZIL: São Martinho reports 31% fall in net profit, stable cane crushing volume in 2022/23

Brazil's São Martinho had a net profit of BRL1.01 billion (US\$211.8 million) in the 2022/23 season, down 31.4% from the previous season, the company announced in a statement on June 20, **reports Sugaronline**.

The total volume of sugarcane crushed in the season was 20 million metric tonnes, in line with the volume processed in the previous harvest and its most recent estimate updated in November 2022.

São Martinho said productivity was impacted by a prolonged drought and frosts affecting cane crops in 2021/22. Total Recoverable Sugars (TRS) declined by 4%.

Sugar production reached 1.2 million tonnes in 2022/23, down 7.4% from 2021/22. Ethanol output declined by 1.6% to 989,900 cubic metres. The sugar mix was 45%, compared to 47% in the previous season.

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) increased by 6.8% to BRL3.3 billion (US\$692.1 million).

Net revenue was up by 15.2% to BRL6.6 billion (US\$1.4 billion), amid a 22.6% rise in the average sugar sales price and an expansion in ethanol sales to regions offering higher premiums.

As of March 31, São Martinho had fixed prices for sales of 713,000 tonnes of sugar to be sold in the 2023/24 season at an average price of BRL2,314/tonne (US\$485.3).

São Martinho expects to crush 21.5 million tonnes of sugarcane in the 2023/24 season, up 7.4% year on year due to better weather conditions during the offseason (October 2022 to April 2023), investment in cultivation during 2021/22 and 2022/23 and use of higher-productivity sugarcane varieties.

Sugar production is estimated to increase by 14.4% to 1.38 million tonnes, and ethanol output is expected to rise by 5.1% to 944,900 cubic metres. The sugar mix is forecast to rise to 47%

PHILIPPINES: President appoints new acting board member for SRA

A new representative for sugar planters in the Sugar Regulatory Administration (SRA), David Andrew Lizares Sanson, has been appointed by president Ferdinand Marcos Jr., according to CNN Philippines.

The appointment is dated June 15 and was announced to the media on June 21.

The SRA is responsible for developing and regulating the sugar industry with the participation of the private sector.

MALAYSIA: MSM and CSR to provide daily sugar production reports to government

Malaysia's Domestic Trade and Cost of Living minister, Datuk Seri Salahuddin Ayub, has said the government has issued instructions to the country's two leading sugar-producing companies MSM Malaysia Holdings Bhd (MSM) and Central Sugars Refinery Sdn Bhd (CSR), to provide daily sugar production reports since May, according to Malay Mail.

The measure is aimed at helping ensure no sugar supply disruptions in the country.

He also said the government would monitor the supply of sugar in the market through checks with wholesalers and suppliers and surveys at retail stores and supermarkets.

FoodNavigator.com

'The need is much greater': How might the delay for buy-one get-one-free ban impact UK consumers?



Plans by the UK government to ban buy-one-get-one-free (BOGOF) deals on foods high in fat, salt and sugar (HFSS) has been pushed back to 2025. Prime Minister Rishi Sunak stressed the importance of consumer choice during a time of rising food prices. But what impact could such a ban have on the health of a nation?

https://www.foodnavigator.com/Article/2023/06/19/How-might-the-delay-for-buy-one-get-one-free-ban-impact-UK-consumers?utm_source=newsletter_daily&utm_medium=email&utm_campaign=19-Jun-2023&cid=DM1081780&bid=138097709

The female athlete: Filling the gaps in nutrition knowledge



With a review suggesting only 11% of sports nutrition research is conducted in female participants, some crucial discoveries are slowly coming to light as studies finally delve into the complicated needs of the female athlete.

https://www.foodnavigator.com/Article/2023/06/19/The-female-athlete-Filling-the-gaps-in-nutrition-knowledge?utm_source=copyright&utm_medium=OnSite&utm_campaign=copyright

Digital application launched to give 'innovative advice' on steps to improve soil health



The Soil Health Scorecard aims to address the challenges of innovation and sustainability in agriculture.

https://www.foodnavigator.com/Article/2023/06/20/Digital-application-launched-to-give-innovative-advice-on-steps-to-improve-soil-health?utm_source=copyright&utm_medium=OnSite&utm_campaign=copyright

Regenerative Agriculture: The Next Frontier in Advancing Climate Goals

Numerous brands are starting to leverage sustainability claims and stories as consumers are more knowledgeable about climate concerns and want their choices to make a positive impact on the environment.

According to insight from Nielsen IQ culled from its report, The Changing Climate of Sustainability (2022), during the upcoming five years, it is expected that several factors (such as the economy, increased energy costs and more) will pressure brands to incorporate and adhere to sustainable business models to be attractive to consumers. Nielsen IQ's report states that the next five years "will bring dramatic change as companies transform to meet new demands, guidelines and realities of doing business."

With its forward-thinking re:generations™ program, ADM can help customers start to address their climate goals both to advance their corporate ESG goals, and to enhance their brands images with consumers.

https://www.foodnavigator-usa.com/News/Promotional-Features/Regenerative-Agriculture-The-Next-Frontier-in-Advancing-Climate-Goals?source=3&utm_source=newsletter_daily&utm_medium=email&utm_campaign=20-Jun-2023&cid=DM1082132&bid=139188228

The packaging paradox: the balance between clean labels and shelf life



In today's era of sustainability, rising ingredient and energy prices, reducing waste by extending shelf life is more imperative than ever. But what implications does this have for clean labels? Where do manufacturers draw the line between extending shelf life and potentially putting off end consumers with long ingredients lists with names they may not understand?

https://www.foodnavigator.com/Article/2023/06/21/The-packaging-paradox-the-balance-between-clean-labels-and-shelf-life?utm_source=copyright&utm_medium=OnSite&utm_campaign=copyright

Mintel report finds US consumers have 'strong sense of culpability' on climate change, scrutinize carbon offsets



As the impacts of climate change become increasingly apparent, more US consumers are questioning the effectiveness of carbon off-set programs, Richard Cope, senior trends consultant at Mintel Consulting, told FoodNavigator-USA.

https://www.foodnavigator-usa.com/Article/2023/06/23/mintel-find-us-consumers-have-strong-sense-of-culpability-on-climate-change-scrutinize-carbon-offsets?utm_source=copyright&utm_medium=OnSite&utm_campaign=copyright
