



EXECUTIVE DIRECTOR

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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

SINGAPORE: Wilmar to sell its stake in Moroccan sugar producer Cosumar

Wilmar International announced on July 30 the sale its 30.05% equity shareholding in sugar producer Cosumar to Moroccan investors for approximately MAD5.96 billion (US\$605 million), reports Sugaronline.

Cosumar is a company incorporated in Morocco and listed on the Casablanca Stock Exchange.

The carrying value of the investment in Cosumar in Wilmar's books was US\$336.2 million at Dec. 31, 2022, according to a statement released by Wilmar.

Cosumar's principal business is the production of sugar through the processing of sugarcane and sugarbeet in Morocco as well as the refining of imported raw sugar and the marketing and distribution of these products.

The completion of the transaction, targeted to happen at the latest in the fourth quarter of 2023, is subject to certain conditions, including regulatory approvals.

In the same agreement, Wilmar has also agreed to acquire Cosumar's entire 45% equity interest in Wilmaco, a company incorporated in Morocco for MAD85.1 million (US\$ 8.7 million), which will result in Wilmaco becoming a wholly owned subsidiary of Wilmar.

Wilmar will also acquire Cosumar's entire 43.3% equity interest in Durrah Advanced Development Company, a company incorporated in Saudi Arabia, for SAR242.8 million (US\$64.7 million), which will result in Wilmar increasing its existing 5% equity interest in Durrah to 48.3%.

Wilmaco core business is the production, development, processing, import, export and marketing of vegetable fats and their byproducts. Durrah's principal business is the refining of imported raw sugar and the marketing and distribution of these products.

The Wilmaco Transaction and the Durrah Transaction are subject to terms to be agreed in definitive agreements to be finalized by September 2023 and to certain conditions, including the Cosumar board approvals.

"When completed, these transactions will not have a significant financial impact on Wilmar," the company said.

NIGERIA: NASCON board approves merger with Dangote Sugar

The board of directors of the NASCON Allied Industries, the salt-making arm of Dangote Industries, approved on July 28 a plan to merge with Dangote Sugar Refinery and Dangote Rice, according to Nairametrics.

The plan is now subject to regulatory and shareholder approval.

NASCON announced the plan to merge Dangote’s sugar and rice businesses in mid-July.

All three companies are part of the Dangote Group, one of the largest industrial conglomerates in Africa.

BRAZIL: Congress launches Parliamentary Ethanol Front

The Parliamentary Ethanol Front was launched in Brazil’s National Congress on Aug. 23, a lobby with more than 100 members in Congress aimed at supporting the use of the biofuel in the transition to a low-carbon economy, according to the sugarcane industry association UNICA, reports Sugaronline.

The new ethanol front will be led by Representative Zé Vitor and replace the former parliamentary front in defense of the sugarcane sector led by Congressman Arnaldo Jardim.

UNICA said in a statement that “the new parliamentary front will have the challenge of expanding the advantages of ethanol as a clean and environmentally friendly energy source, valuing a national product that reduces CO2 emissions by up to 90% compared to gasoline.”

The ethanol sector generates more than 2.1 million direct and indirect jobs throughout the production chain.

Anhydrous ethanol mixed in gasoline and hydrous ethanol (E100) in flex-fuel vehicles in Brazil prevented more than 630 million metric tonnes of CO2 emissions over the last 20 years. Currently, 83% of Brazil’s light cars run on gasoline and ethanol, or both in any proportion.

Brazil is the world’s second-largest ethanol producer after the United States. Sugarcane and corn crops for ethanol production in Brazil occupy 0.9% of Brazil’s total territory.

INDIA: Cane crop area in Uttar Pradesh increases by 60,000 hectares

Sugarcane crop cultivation in Uttar Pradesh increased by 60,000 hectares to 2.91 million hectares this season, according to Times of India.

A new sugarcane mill has been set up in Noorpur, set to start operations in the coming 2023/24 season, which begins in October.

There are 119 sugar mills in the state and at least 5 million sugarcane growers.

The number of ethanol-producing units in the state has increased to over 100, which produced 1.34 billion litres of ethanol in 2022/23, according to Saharanpur’s deputy cane commissioner OP Singh.

INDIA: ISMA demands clear roadmap on ethanol sourcing

The president of the Indian Sugar Mills Association (ISMA), Aditya Jhunjhunwala, has requested the government to prepare a clear roadmap on ethanol sourcing from the sugar industry, according to The Hindu.

Around 14 billion litres of ethanol will be needed to achieve the 20% blending target by 2025/26, according to state-run think tank Niti Aayo.

Ethanol production so far this year reached 5.5 billion litres, of which 4.5 billion litres came from the sugarcane.

UK: Tate & Lyle celebrates ProTerra re-certification for Belize Sugar Industries

Tate & Lyle has celebrated the fifth ProTerra re-certification for social responsibility and environmental sustainability for supplier Belize Sugar Industries (BSI), which is part of ASR Group, reports Sugaronline.

BSI supplies raw cane sugar to Tate & Lyle’s Thames Refinery.

“This re-certification is the latest positive step in our journey to sourcing 100% sustainable sugar, and confirms our ongoing commitment to ensure the raw sugar that arrives at our Thames Refinery comes from suppliers who respect human and labor rights and minimize environmental impacts,” Tate & Lyle said in a statement on Aug. 15.

Proterra is an international standard focused on key issues, including respecting human rights, good labor and agricultural practices, and biodiversity protection.

Every year, an independent auditor carries out an external audit against the ProTerra Standard. To achieve Proterra certification, a supplier must comply with 80% of all indicators, including all core indicators. In 2023, BSI achieved re-certification with no non-conformities.

SOUTH AFRICA: RCL Foods says profit impacted by sugar levy, power outages

RCL Foods expects its earnings for the 12 months ended in June to be at least 30% lower than in the previous year, impacted by a sugar tax and power outages, reports Sugaronline.

The company estimates its headline earnings per share (HEPS) from total operations for the current period to be between 64-72 cents of South African rand (US\$0.17-0.19), compared to the reported 118.4 cents (US\$0.31) in the same period one year earlier, according to a statement released by the company on Aug. 23.

Earnings per share from total operations is seen between 65 and 73 cents (US\$0.17-0.19), compared to 114 cents (US\$0.30) for the comparative period.

The company said the decline from the comparative period “is largely driven by the impact of the special levy raised by the South African Sugar Association on the group’s Sugar business unit; unrecovered feed costs in Rainbow; and the significant impact of loadshedding across all operations in the current period, coupled with a ZAR127.4 million (US\$33.33 million) negative fair value adjustment processed at year-end reporting date relating to the group’s minority shareholding in The LiveKindly Collective.”

RCL plans to release the financial results for the period on Sept. 4.

MALAWI: Illovo Sugar asked to diversify value chain in Malawi

Illovo Sugar Group was asked by Malawi’s president Lazarus Chakwera to diversify its value chain in the country to other crops, according to Maravi Express.

Chakwera said the government had been engaging with the company to incentivize diversification.

He said it is time for the company to diversify to other sectors, including cotton or legumes, taking advantage of the Shire Valley Transformation Program, which focuses on gravity-fed irrigation.

The top 5 trends driving innovation in packaging science



Packaging is the shop window for your brand, the primary interface through which food and beverage manufacturers interact with consumers. Packaging innovation, therefore, cannot be taken lightly. How are R&D teams leveraging packaging science to develop the packs of tomorrow? IFIS Publishing MD and FoodNavigator advisory board member Katy Askew digs into the data.

<https://www.foodnavigator.com/article/2023/08/16/the-top-5-trends-driving-innovation-in-packaging-science>

UK government report presents strategy on obesity-linked conditions



The UK Government's Major Conditions Strategy, outlining the six major health conditions and the government's plan to address them, reveals the key role obesity plays in UK health, and the government's plans to tackle this.

<https://www.foodnavigator.com/article/2023/08/25/uk-government-report-presents-strategy-on-obesity-linked-conditions>

Carbonated soda market goes with its gut in responding to consumer demands



In an effort to reduce their sugar intake, many consumers are shaking up how they drink soda, opting for lower or no-sugar options with key functional benefits like gut health over the traditional sugary sodas, Salomi Naik, head of innovation at Ai Palette, shared in a webinar.

<https://www.foodnavigator-usa.com/article/2023/08/25/carbonated-soda-market-goes-with-its-gut-in-responding-to-consumer-demands>

Taste still drives beverage choice among consumers, along with hydration, nutrition and simplicity



From convenience to hydration and satiation, consumer preferences for beverages offer manufacturers an opportunity to hone in on value, attributes and nutrition with taste and simple ingredients as a common driver, according to Hartman Group’s Modern Beverage Culture report.

<https://www.foodnavigator.com/article/2023/08/21/taste-still-drives-beverage-choice-among-consumers-along-with-hydration-nutrition-and-simplicity>

ED & F Man Daily Research

India set to ban sugar exports for first time in 7 years - Economic Times - India is expected to ban mills from exporting sugar in the next season beginning October, halting shipments for the first time in seven years, as a lack of rain has cut cane yields, three government sources said. India's absence from the world market would be likely to increase benchmark prices in New York and London that are already trading around multi-year highs, triggering fears of further inflation on global food markets. Monsoon rains in the top cane growing districts of the western state of Maharashtra and the southern state of Karnataka - which together account for more than half of India's total sugar output - have been as much as 50% below average so far this year, weather department data showed.