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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

GERMANY: Suedzucker launches paper and packaging material from sugarbeet

Suedzucker announced on Dec. 3 that it is launching a new product for the paper and packaging industry made from sugarbeets, reports Sugaronline.

The new product BeetKraft is a fibre for the paper and packaging industry made from co-products that arise during sugar production and processed into a substitute for wood-based pulp using a patented refining process. As a co-product from sugar production, BeetKraft fibres contribute to the complete utilisation of the sugarbeet.

The company said sources and processes sugarbeets in southern Germany, in close proximity to paper manufacturers in the country.

"After intensive collaboration with technology partner Zelfo Technology GmbH and Simply By Nature, Suedzucker will produce industrial quantities of BeetKraft at a demonstration plant at the Offstein factory in Rhineland-Palatinate from the end of 2024," the company said in a statement. Suedzucker said that the BeetKraft enables paper producers to replace up to 40% of the classic, primary wood fibres, such as bleached hardwood kraft pulp, in the paper recipe, while simultaneously increasing the stability of the cardboard and paper. This also makes it possible to reduce the overall weight of packaging.

BeetKraft is particularly suitable for kraft paper applications or folding boxes and can also be used for cardboard and containerboard. The company said the paper produced has already been successfully used on a trial basis in demonstration and industrial plants for packaging sugar products, among other things, after a declaration of compliance with food safety regulations had been issued.

The material properties of BeetKraft and its suitability as an alternative fibre material for the production of different paper qualities has been examined and evaluated in collaboration with PTS – Institute for Fibres & Paper, the research and service institute of the paper industry.

AUSTRALIA: Sugarcane industry to benefit from investment in R&D

Sugar Research Australia (SRA) and the Queensland government's Department of Primary Industries (DPI) have approved AUD32.6 million (US\$21.1 million) in funds for investment in research and development (R&D) activities in the sugar industry over four years, reports Sugaronline.

The R&D projects are focused on increasing the productivity, profitability and sustainability of Australia's sugarcane industry, according to a <u>statement</u> released by SRA on Dec. 2.

Around AUD6 million will be invested in projects to create transformational breeding technologies to develop high-yielding and disease resistant cane varieties, and explore the potential for energy cane.

Other AUD12.1 million will destined to projects focused on overcoming agronomic production constraints, optimising crop management, and improving the industry's sustainability credentials. Additional AUD6.8 million will be focused on the development of sustainable management approaches for pests, weeds, pathogens and biosecurity preparedness.

Investments in R&D projects also include AUD5.5 million to optimise operations for enhanced milling efficiency and develop opportunities to diversify revenue streams in the bioeconomy.

A total of AUD2.2 million will be applied to projects to increase the adoption of available technologies that improve productivity, profitability, and sustainability in the sector.

The projects were selected during SRA's 10th Anniversary Research Fund Call.

"The calibre of submissions was exemplary and represents the strong scientific standing we have in the sugar industry, particularly within SRA," SRA chief executive officer (CEO) Mick Bartlett said in a statement.

"Each of these projects has the potential to deliver positive change, and whole-of-industry research outcomes capable of being adopted on farm and within the milling sector."

Detailed information about each of the approved projects will be published on the SRA website over the coming weeks.

BRAZIL: Ricardo Mussa resigns from Cosan's and Raízen's boards

Cosan said on Nov. 29 that Ricardo Mussa resigned his role as a member of the boards of directors of Cosan and Raízen, according to a securities filing, reports Sugaronline.

"The company thanks Ricardo Mussa for his dedication and contribution during the 17 years he served as an executive for the Cosan Group companies," Cosan's chief financial officer (CFO), Rodrigo Araujo Alves, said in the <u>securities filing</u> announcing Mussa's resignation.

The company didn't give details about the reasons for Mussa's resignation in the statement.

In late October, Cosan announced that Mussa would take over as the chief executive officer (CEO) of the company's investment arm, <u>Cosan Investimentos</u>, from November.

PAKISTAN: Sugar export approval helps boost country's to Afghanistan

Pakistan's total exports to Afghanistan increased 42% in the first five months of the 2024 fiscal year, pushed by the approval for sugar exports, according to Minute Mirror.

From July to November 2024, Pakistan's total exports to Afghanistan reached US\$587.87 million, with sugar accounting for the largest share. Sugar exports to Afghanistan increased by 22.44% in the period to US\$138.9 million.

EUROPE: Food and beverage industries welcome EU-Mercosur free trade deal

European food and beverage industries represented by the Committee of European Sugar Users (CIUS) welcomed the political agreement reached for the European Union-Mercosur free trade deal on Dec. 6, adding that the agreement has the potential to enhance access to high-quality and sustainable sugar imports, reports Sugaronline.

"The EU-Mercosur FTA has the potential to enhance access to high-quality, sustainable sugar imports, crucial for ensuring the competitiveness of the European food and drink sector," the group said in a statement.

"By diversifying supply sources, this agreement addresses key challenges faced by sugar users, including the limited availability of sugar within the EU market. The EU nevertheless remains highly protectionist, and the new sugar market access provided to Mercosur is very small covering only 1% of the EU's needs."

CIUS added that it is essential that the agreement be implemented swiftly while ensuring a balanced outcome that supports both trade and sustainability.

"We urge EU policymakers to recognise the strategic role of access to sugar imports in supporting resilient value chains and promoting economic growth across the sector."

CIUS represents the European sugar-using food and beverage industries with more than 15,000 companies across Europe.

SRI LANKA: Government plans to lift VAT on brown sugar

Sri Lanka's government plans to lift the value-added tax (VAT) on brown sugar made at staterun enterprise Lanka Sugar, amid unsold stocks in the Pelwatte and Sevenagala plants, according to Economy Next.

Sri Lanka charges an 18% VAT on brown sugar made at Lanka Sugar, in addition to a 2.5% social security levy, but imported white sugar is exempt from paying the VAT.

Industries Minister Sunil Handunetti said this result in brown sugar costing around LRK300 (US\$1.04) in the domestic market compared to a price of LKR220 (US\$0.76) for imported white sugar.

FAO Sugar Price Index down 2.4% in November

The FAO Sugar Price Index declined 2.4 % in November <u>from October</u>, following two consecutive monthly increases, impacted eased concerns over prospects for next year's crop in Brazil and by the start of the crushing season in India and Thailand, reports Sugaronline.

The index, which averaged 126.4 points in November, was still 21.7% below its level in the same month in 2023.

"While increased rainfall in key southern growing regions of Brazil disrupted harvest progress during the month, it improved soil moisture, benefiting the upcoming crop after a prolonged period of dry weather," FAO said in a <u>statement</u> on Dec. 6.

"Additionally, the weakening of the Brazilian real against the United States dollar and lower international crude oil prices contributed to the decline in world sugar prices."

AUSTRALIA: Canegrowers welcome results of election to Sugar Terminals board

Australian sugarcane producers' group Canegrowers has welcomed the election of Paul Schembri as grower-director to the Sugar Terminals Limited (STL) board, adding that this result will allow growers to have stronger representation and accountability from STL, reports Sugaronline.

"Paul Schembri's election is a win for growers and the industry as a whole," said Canegrowers chairman Owne Menkens in a statement on Dec. 6.

"Paul's decades of experience and dedication to growers' interests make him an invaluable addition to the STL board. His presence signals a renewed focus on ensuring the voices of growers are not just heard but respected."

Schembri's election comes amid the frustration of Canegrowers with STL's leadership since the company's decision in 2023 to insource terminal operations. Growers say this move lacked adequate consultation.

At STL's most recent general meeting, shareholders rejected the board's proposed remuneration report for the second consecutive year, triggering a motion to spill the board, according to the growers' group. The motion was ultimately defeated.

"Growers are clearly demanding a change in leadership style and decision-making. They want transparency, accountability, and a commitment to the industry's long-term interests," said Owen. "These terminals represent generations of growers' hard work and investment. Unilateral decisions that ignore grower input erode trust and unity."

MOZAMBIQUE: Revenue from sugar exports rises 36% in 1H 2024

Mozambique exported US\$14.7 million worth of sugar in the first half of 2024, up 36% from the same period in 2023, according to the Club of Mozambique, citing a report from Lusa.

Sugar exports were favoured by the recovery in production after the adverse weather impacts that affected production in 2023, according to the Mozambique's Central Bank first-half of the year report.

Shipments increased in the second quarter of 2024, recovering from a 70.7% drop in exports in the first quarter, compared to one year earlier.

UK: Unilever invests in development of cane variety for plant-based oil extraction

Unilever is partnering with Nufarm to develop a sugarcane variety for the extraction of plantbased oils to be used in cleaning ingredients as part of the company's plan to reduce reliance on petrochemical-based ingredients and deliver net zero emissions across its value chain, reports Sugaronline.

The biomass oil derived from plant material, including the leaves and stems, will be a source of fatty acids, a core base ingredient fo laundry detergents and beauty and personal care products. Plant oils like sunflower and canola are usually produced in the seeds and fruits. The breakthrough of Unilever and Nufarm's technology is that the oil will be grown using the entire plant, including the leaves, in crops like cane and sorghum.

Nufarm has already developed and commercialised a variety of energy cane, a sustainable crop which generates significantly more plant matter and sugar than traditional sugarcane.

"Our investment will leverage recent breakthroughs in biotechnology to develop a new, commercially viable variety of energy cane that can also produce biomass oil," Unilever said in a statement released in late November.

KAZAKHSTAN: Weather conditions contribute to higher sugarbeet yields this year

The governor of Kazakhstan's Zhambyl region, Yerbol Karashukeyev, has said that favorable weather this year contributed to high yield in sugarbeet production in the area, according to Kazinform.

Around 11,200 hectares of sugarbeet were cultivated in Zhambyl with an average yield of 650 centners per hectare, compared to an average yield of 350 centners/ha in the past five years. He said 600,000 tonnes of sugarbeets had been harvested so far in the season.

KYRGYZSTAN: Manufacturers expect a record beet harvest this year

Kyrgyzstan sugar manufacturers expect a record sugarbeet campaign this year, with over 900,000 metric tonnes of harvested sugarbeets and 120,000 tonnes of sugar produced from domestic raw materials, according to 24.kg.

The two companies processing sugarbeets in the country, Kaindy-Kant OJSC and Koshoi OJSC, have produced more than 62,000 tonnes of sugar since the beginning of the season, according to the Ministry of Agriculture. Production this season is expected to last until mid-February 2025.

PAKISTAN: Country raised US\$500 million with timely sugar exports – PM

Pakistan's Prime Minister Shehbaz Sharif said on Dec. 5 that the timely decision for sugar exports has resulted in US\$500 million in foreign exchange to the country, according to ProPakistani.

During a meeting on the country's economic situation, he also said that the digitalization of the Federal Board of Revenue was a key component of the government's agenda of economic reforms. The digitalization of FBR's value chain will be concluded by March 2025, and the video analytics of the sugar industry has already been completed, he added.

ED & F Man Daily

Argentina exports surge 411.4% in 2023/24 - Los Primeros - Argentina exported 456,115mt of sugar in the twelve months to October 2024, up by 411.4% on year, while the average price was up 42.7% to USD 707.2/mt, according to the Argentine Confederation of Medium-Sized Enterprises (CAME). Most of the exports went to the US, Chile and Canada, as Chile imported 200,000mt of sugar in total, the Obispo Colombres Agroindustrial Experimental Station (EEAOC) added.

Ethanol to get big chunk of investments under Brazil's Fuel of the Future – Novacana - Brazil will make BRL 1 trillion (USD 166 billion) available in resources for biofuels over the next decade thanks to the Fuel of the Future law, including BRL 100 billion (USD 17 billion) in capital expenditure and the rest in operational costs, according to the Ministry of Mines and Energy (MME). It estimated that 59% of the investments would go to ethanol production.

FoodNavigator.com

<u>Revolutionizing soda: The emergence of a new Modern Soda categoryOpens in new</u> <u>window</u>



Walmart has introduced its new 'Modern Soda' category: featuring innovative, better-for-you brands that are far from the traditional sugar-packed drinks loved by previous generations. So what is Modern Soda – and how big is its potential?

https://www.foodnavigator-usa.com/Article/2024/12/05/walmarts-modern-soda-shelf-the-startof-the-functional-beverage-revolution/

ECRUU Sugar News Monitor

WORLD - EU & Mercosur agree on trade deal

Officials from the EU and Mercosur announced on December 6 that they reached a deal for a free trade agreement. It will now need to be approved by the EU Parliament with a simple

majority, and from 15 out of the 27 EU members. France, Italy and Poland already said they would not approve the deal as is. (<u>Reuters & New York Times</u>)