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**

**Rabobank says time is right for diversification in sugar companies**

The cyclical high in world sugar prices, doubts about the future growth of sugar consumption, and the post-Covid and post-COP26 focus on sustainability and renewables create a compelling case for diversification at sugar companies, according to Rabobank, reports Sugaronline.

After conducting interviews with sugar sector players around the world, the bank concluded that renewable energy continues to be an attractive diversification option where energy policies are supportive.

The sugar industry also sees emerging diversification opportunities in renewable chemicals and bioplastics, according to the report released on March 2.

Potential partnerships and collaborations will be “more important than ever if sugar companies are to capture lasting value from emerging trends in renewable chemicals, bioplastics, and alternative sweeteners, and move towards a biorefinery type of diversification model”, according to the bank.

Rabobank estimates sugar mills would need to increase R&D spending to actively explore and pursue biorefinery opportunities beyond the more traditional diversification options.

**US: Study shows consumers shifting away from sugar by avoiding soft drinks**

The International Food Information Council (IFIC)’s annual Food and Health Survey says that 72% of consumers are avoiding soft drinks and drinking more water instead as their primary way of reducing sugar in their diet, according to Supermarket Perimeter.

Kris Sollid, RD, senior director, nutrition communications, IFIC told the International Sweetener Colloquium that sugar reduction is a key trend where the survey identified 45% of respondents saying that reducing sugar from their diets was their key nutritional goal for this year.

Consumers still prefer the taste of sugar rather than alternative sweeteners, however, which continues to be the top driver for food purchases during the 17 years the IFIC has undertaken the study.

**US: High domestic sugar prices seen remaining throughout 2022**

Analysts told participants of the International Sweetener Colloquium on Monday that US sugar domestic sugar prices are likely to remain bullish the rest of 2022, with expectations that 2022/23 prices were only going to be slightly lower, according to Baking Business magazine.
Estimates for beet sugar were around 36 to 40 cents per pound whereas refined cane sugar was seen at closer to 50 cents, which spot prices for refined cane sugar in the Northeast and West Coast are already at 52 cents, up 24% on the year. For the Midwest, spot beet sugar prices are only up 15% on the year at 42 cents per pound.

Such high prices could open arbitrage windows for raw sugar imports from countries that pay high tariffs, known as “high-tier”.

**UK: Defra OKs emergency temporary use of neonics for 2022**

In January 2021, Defra approved an emergency temporary authorisation for the use of a neonicotinoid pesticide treatment on the 2022 sugar beet crop in England only due to the risk to the crop from yellows viruses, which could damage the UK’s sugar production, reports Sugaronline.

The emergency authorisation was granted subject to strict conditions including an initial threshold for use, to ensure the seed treatment is used only if the predicted virus incidence is at or above 19% of the national crop according to independent modelling.

Following a relatively mild winter, modelling has as of March 1 predicted a 68% level of virus incidence, which means the threshold for use has been met and the seed treatment can now proceed under strict conditions.

Emerging sugar beet seedlings are vulnerable to predation by aphids which have the potential to spread beet yellows virus. Sugar beet crops have been severely affected, with 2020 yields down by a quarter on previous years. Other pesticide and organic treatments are not sufficiently effective in controlling viruses.

63% of the UK’s sugar comes from domestic production of sugar beet which could be at risk if a significant amount of the national crop is infected. The strictly time limited emergency authorisation of this neonicotinoid treatment – Syngenta’s Cruiser SB – will provide emergency protection against this virus, which could significantly impact yields of the sugar beet crop while the beet industry develops alternative solutions. Its exceptional temporary use will be tightly controlled and only permitted in very specific circumstances when strict requirements are met.

The maximum amount of treatment approved for use is 6% of the quantity of active substance applied on a range of crops in 2016 before neonicotinoids were prohibited.

Conditions of the authorisation include reduced application rate as well as a prohibition on any flowering crop being planted in the same field where the product has been used within 32 months of a treated sugar beet crop.

12 EU countries – with significant sugar production – including France, Belgium, Denmark and Spain have granted emergency authorisations in the last three years for neonicotinoid seed treatments following the EU-wide ban – backed by the UK – coming into force.

The UK’s approach to the use of emergency authorisations has not changed as a result of the UK’s exit from the EU, and is in line with the approach taken across Europe. The UK’s work to harness advancements in scientific research including through gene editing will also help to develop crops that are more resistant to aphids and other pests.

**UK: Shoppers paying “hidden health tax” for low-sugar foods**

The UK’s Mail on Sunday did an investigation into prices of low-sugar and low-fat versions of foods in Tesco, Asda and Sainsbury supermarkets, finding that “healthier” versions of the same product were costing up to 35% more than regularly formulated products, referring to the phenomenon as a “hidden health tax,” according to the UK’s Mail on Sunday newspaper.

Brands including Alpen, Muller, Heinz, Jordans and Trebor charged the same price for products that were smaller in weight, giving the impression of being lower in sugar and fat while not making it clear that they were smaller serving sizes or package units.
Alpen, Heinz and Tesco responded to the investigation saying that ingredients for the “healthier” versions are more expensive as explanation for the difference.

FoodNavigator.com

PepsiCo more than doubles revenue growth with framework prioritizing sustainability

PepsiCo is already hitting notable milestones and reaping financial benefits from its ambitious pep+ plan announced last fall that places sustainability at the center of how the CPG giant says it will create value and drive growth, according to CEO Ramon Laguarta.

https://www.foodnavigator-usa.com/article/2022/03/02/pepsico-more-than-doubles-revenue-growth-with-framework-prioritizing-sustainability

A ‘turning point’ in global food pricing? Ukraine conflict threatens food security

Fresh warnings that conflict in Ukraine represents a threat to global food security land as European markets brace for spiking food prices and Unilever shares details on its response.

https://www.foodnavigator.com/article/2022/03/02/ukraine-conflict-to-bring-higher-food-prices