EXECUTIVE DIRECTOR

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(English only)

Various sugar related articles

29 April 2022

The Executive Director would like to draw your attention to the articles below all of which are relevant to the sugar sector.

Sugaronline EBriefing

MEXICO: Sugar exports to reach 1.94M tonnes in 2021/22

Mexican sugar exports are expected to reach 1.94 million metric tonnes in the 2021/22 season, up from nearly 1.17 million tonnes exported in the previous season, according to El Economista.

The figures were projected by the United States Department of Agriculture and released this month.

According to the statement, Mexico plans to export more sugar to the world than to the US to meet the government’s program target of maintaining ending stocks within 2.5 months.

It is estimated that exports to other countries will reach 1.04 million tonnes, while to the US will reach 899,000 tonnes.

Sugar production is expected to reach nearly 6.17 million tonnes in 2021/22, compared to 5.72 million tonnes the season before.

BRAZIL: New sugarcane varieties should boost productivity

The Campinas Agronomic Institute (IAC) in Brazil has announced five new sugarcane varieties that are expected to increase productivity across the country, according to Correio newspaper.

The varieties, obtained from genetic improvement developed by the Institute, are beneficial for mechanized harvesting and have a high sucrose content.

According to the IAC, the new varieties have the potential to revolutionize the sugarcane sector, since the productivity is 20% higher than the variety called RB867515 launched about 22 years ago, which is the most used in the country.

The sales of the new varieties will begin in the second half of the year.

UK: Kellogg’s to challenge government rules for high-sugar cereals

US company Kellogg’s will challenge British government rules for high-sugar cereals arguing that the formula used to measure the nutritional value of cereals is wrong, according to Reuters.

The new regulation will come into effect in October, which would mean food and drink retailers must stop displaying products with sugar content, high fat, and salt, prominently.

According to Kellogg’s the formula used by the government measures cereals dry when they are almost always eaten with milk, therefore the total nutritional value of the meal is not considered.
INDIA: UP cane growers receive record cane payment
 Indian sugarcane growers in Uttar Pradesh received a record sugarcane payment of more than INR 1,70,938.95 crore (US$2,231.06) from 2017 to April 2022, which represents 1.5 times higher than the payment made by the previous government, according to the United News of India.

The chief minister has already made it clear that the payment of the sugarcane price must be made to the producer within 14 days without delay.

About 6.5 million farmers are associated with the plantation of sugarcane in the state.

The government is also making efforts to increase current sugarcane productivity from 81.5 tonnes per hectare to 84 tonnes/ha over the next five years.

INDONESIA: USDA sees rise in sugar production and imports in 2022/23
 Indonesia is expected to increase sugar production in 2022/23 due to higher yields and private sugar mill expansion, according to the US Department of Agriculture’s (USDA) Office of Agricultural Affairs post in Jakarta, reports Sugaronline.

Sugarcane production in 2022/23 is forecast to increase to 32.4 million metric tonnes, and plantation white sugar output should rise to 2.4 million tonnes, from 2.3 million tonnes in 2021/22.

The 2022/23 ending stocks are expected to decline, reaching 2.27 million tonnes, due to higher consumption.

The USDA also expects Indonesia to import more raw sugar this season due to a rise in domestic demand from the food and beverage industries.

Indonesia's government has authorized almost 892,000 metric tonnes of raw sugar imports for processing into plantation white sugar this year, up 31% from 2021.

UK: ABF reports strong sugar sales
 Associated British Foods (ABF) reported on April 26 strong sugar sales in its earnings statement for the first half of the financial year, reports Sugaronline.

The company’s overall food sales were up by 6% to GBP4.3 billion (US$5.4 billion), and the adjusted operating profit for this segment was down by 9% to GBP330 million (US$413.75).

Despite high input costs, logistics challenges, and COVID-related labor absences, ABF said its sugar sales and profit were “well ahead”.

"Our food businesses have once again proved their operational resilience and Sugar had another strong period, building on its recent track record of recovery,” the company said in a statement.

AB Sugar delivered further growth in sales and operating profit in the first half of the year, with both Illovo and Azucarera reporting increased domestic sugar volumes.

Adjusted operating profit of the Sugar business rose 8% to GBP77 million (US$96.5 million).

"Over the years we have invested in our capability to produce valuable co-products. In addition to higher sugar prices, higher prices for these co-products, especially bioethanol and electricity, enabled our businesses to more than offset the increase in energy cost in the first half,” said ABF.

The company said it continues to focus on reducing sugar production costs through efficiency programs. “These cost savings and the contribution from higher sales prices helped mitigate the effects of significant input cost inflation, particularly energy costs.”

"We continue to expect an improvement in profit at AB Sugar for the full year.”