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.

Sugar tax hits SA industry hard

Sugaronline Ebriefing

FAO Sugar Price Index rises 5.2% in November

The FAO Sugar Price Index increased by 5.2% in November, from October, the first increase after six consecutive monthly declines, according to the Food and Agriculture Organization of the United Nations (FAO), reports Sugaronline.

"The November rebound was mostly related to strong buying amid prevailing tight global sugar supplies due to harvest delays in key producing countries and the announcement by India of a lower sugar export quota," FAO said in a statement on Dec. 2.

"Higher ethanol prices in Brazil, raising concerns over a greater use of sugarcane to produce ethanol, exerted further upward pressure on world sugar prices."

The Sugar Price Index averaged 114.3 points in November, still 4.9% below the same month last year, weighed down by prospects of ample global supplies in the 2022/23 season.

INDIA: Karnataka government receives 44 applications for new sugar factories

Karnataka’s Sugar minister Shankar Patil Minennakoppa said on Dec. 4 that the state government received 44 applications seeking permission to set up new sugar factories worth INR150 billion (US$1.85 billion) in total investment, according to Deccan Herald.

There are currently 78 sugar factories operating at total capacity in the state. In 2021/22, 62.2 million metric tonnes of sugarcane were crushed in the state. This season, they are expected to crush 65 million tonnes, according to the minister.

US: Louisiana’s sugarcane production may set new record

Louisiana’s sugarcane production may set a new record this season, according to RFD TV.

LSU AgCenter sugarcane specialist Kenneth Gravois said sugar recovery is now around 245 lb of sugar per tonne of sugarcane, which could lead to a record crop and production of over 2 million tonnes of sugar this year. More than 450,000 acres of sugarcane were planted in Louisiana for the current crop.
CANADA: Rogers Sugar reports higher EBITdA

Canada’s Rogers Sugar said on Dec. 1 that it had a net loss of CND45.5 million (US$33.83 million) in the fourth quarter, compared to a profit of CND16.1 million (US$11.97 million) in the same quarter last year, despite strong sugar sales, reports Sugaronline.

Consolidated adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) for the fourth quarter of 2022 was CND29 million (US$21.57 million), up CND4.2 million (US$3.12 million) from the same quarter last year, driven by higher adjusted EBITDA in the Sugar segment.

“Our Sugar segment continued to perform strongly in the fourth quarter of 2022, driving our highest full-year adjusted EBITDA in our 135-year history,” said president and chief executive officer (CEO) of Rogers and Lantic Inc, Mike Walton, in a statement.

“We generated another quarter of record sugar sales volumes in the fourth quarter as our flexible manufacturing platform allowed us to meet the high demand and capture opportunistic sales in the domestic market.”

The company sold 214,672 tonnes of sugar in the fourth quarter. Rogers Sugar anticipates stable financial results over the next fiscal year driven by continued strong demand and steady margins in its Sugar segment, along with slightly improved financial performance in the Maple segment, as inflationary pressures begin to recede.

“With global demand for sugar-containing products projected to remain strong, our reputation as a reliable, high-quality sugar supplier and combined with our exciting growth project, we are well positioned to continue to create value for our shareholders in the future,” said Walton.

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FoodNavigator.Com

EC carbon credit certification: An ‘essential steppingstone’ towards net zero or a potential ‘greenwashing tool’?

The European Commission has adopted a proposal to establish a voluntary framework to certify ‘high-quality’ carbon removals. To some, this represents an ‘essential steppingstone’ in the region’s net zero journey – but others warn it could place strain on the food industry’s efforts to transform agriculture or even become a ‘greenwashing tool’. FoodNavigator investigates.

https://www.foodnavigator.com/article/2022/12/05/ec-carbon-credit-certification-an-essential-steppingstone-towards-net-zero-or-a-potential-greenwashing-tool
PepsiCo to increase reusable beverage packaging

PepsiCo wants to see 20% of its beverages served via reusable models by 2030: highlighting the four approaches it will focus on to achieve this goal.

https://www.foodnavigator.com/article/2022/12/05/pepsico-to-increase-reusable-beverage-packaging

Can a rail strike – and by extension food shortages on shelves – be avoided?

Congressional leaders on both sides of the aisle promise to push forward this week legislation to divert a looming national freight rail strike that threatens significant job and financial losses and which could snarl still fragile supply chains, including for groceries, at a time when many American families will gather around their tables to celebrate the holidays.


Danone’s energy plan to cut emissions and build resilience: ‘We don’t want to be dependent on fossil fuels’

Danone has launched a new energy programme, Re-Fuel Danone, that aims to ‘transform’ the energy footprint of its global manufacturing sites. This offers the potential to make the Alpro-to-Activia manufacturer’s operations more agile, cost efficient, resilient and sustainable.


Layoffs in food industry mount as PepsiCo joins Coca-Cola, General Mills, Walmart and others in cost-savings and restructuring efforts
PepsiCo this week joins the ranks of food manufacturers, retailers and delivery companies laying off employees or offering buyouts to reduce their workforce and offset inflationary pressures even as the consumer packaged goods industry overall struggles to fill upwards of 88,000 job openings.


ED & F Man Research Daily

**Strong sugar prices help Tereos offset high production costs** - Reuters News - French sugar group Tereos reported strong first-half results on Tuesday, including a net profit and a sharp rise in earnings, as high sugar and ethanol prices helped offset an increase in production costs. Tereos, the world's second largest sugar maker by volume, posted a net profit of 133 million euros in the year to Sept. 30, compared with a year-earlier loss of 50 million euros, helped by higher prices that compensated for a sharp rise in energy and raw materials costs. Over the same period, adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) rose 132% to 464 million euros. In a presentation to bond holders the group said it expected strong results at its sugar Europe branch to continue in the second half due to higher selling prices reached in its annual fixed-price contracts for B2B sales. In Brazil, where Tereos is among the largest sugar and ethanol producers, the group should benefit from expected high prices and a higher sugarcane crushing volume, at 17.3 million tonnes, up from 15.6 million tonnes in 2021. Tereos's decision to hibernate a plant in Brazil to maximise its margins amid lower yields led to a fall in daily production capacity but full year 2022/23 output and sales volumes were still expected to rise above 2021/22, it said. Tereos has no direct exposure to the war in Ukraine, it said. The group's net debt fell 128 million from a year earlier and 131 million from the end of the first quarter on June 30 to 2.24 billion euros.