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

NIGERIA: Industry urges government to review sugar tax on drinks
Representatives of Nigeria’s small and medium enterprises have urged the government to review the sugar tax on sweetened beverages in order to save jobs and prevent factories from closing, according to The Nation.

The immediate past chairman of the Nigeria Association of Small Scale Industrialists (NASSI), Segun Kuti-George, said the government’s decision to impose a tax of NGN10 (US$0.022) per litre on carbonated drinks for manufacturers was not in the interests of small businesses. He said small businesses were already closing shops due to challenges in the economic environment.

According to him, taxation has not reduced the consumption of sweetened beverages in the country.

BRAZIL: São Martinho concludes activities for 2022/23
São Martinho said on Dec. 5 that it had concluded activities for the 2022/23 season, when it crushed 20.02 million metric tonnes of sugarcane, in line with its most recent estimate for the season of 20.01 million tonnes, reports Sugaronline.

The company produced 1.21 million tonnes of sugar this season, compared to the estimate of 1.20 million tonnes. Ethanol output reached 902 million cubic metres, down from the 903 million tonnes expected by the company.

São Martinho diverted 45% of the sugarcane to produce sugar and 55% for ethanol output this season. The average Total Recoverable Sugars (TRS) was 140 kg per tonne, in line with São Martinho’s estimate.

BRAZIL: Petrobras announces cut in gasoline price
Brazilian state-run oil company Petrobras will cut gasoline prices to fuel distributors from Dec. 7 by BRL0.20 (US$0.038) per litre to BRL3.08/litre (US$0.59), reports Sugaronline.

Reductions in gasoline prices tend to impact the competitiveness of ethanol at fuel stations and could prompt Brazilian mills to increase focus on sugar production. The company also cut diesel prices from BRL4.89 (US$0.93) to BRL4.49 (US$0.83) per litre.

Petrobras said in a statement on Dec. 6 that the price reductions are consistent with its pricing practices, which seek to balance its prices with the market but avoid transferring the volatility of quotations and exchange rate to domestic prices.
**BRAZIL: CTC to launch three new cane varieties**

Brazilian biotechnology company Centro de Tecnologia Canavieira (CTC) has launched three new sugarcane varieties available to producers from 2023, according to Agência Estado.

The CTC9008 variety was developed with a focus on the beginning and middle of the production season. The CTC3445 is adapted to be harvested at the end of the season in areas with less potential for the crop. The CTC9009 was developed to generate a high sugar level in environments best suited to sugarcane production. CTC also promises higher productivity for all the new varieties in relation to the ones available in the market.

**FRANCE: Company develops jet fuel made from sugar beet pulp**

French firm Global Bioenergies plans to sell jet fuel made from sugar beet pulp, helping reduce CO2 emissions from commercial aircraft, according to Connexion France.

The renewable fuel was developed by fermenting the sugar beet pulp and should be used to replace up to 50% of mineral oil-based kerosene in the future.

Global Bioenergies’ managing director, Marc Delcourt, said it is not possible to replace more than 50% because of the specifications that are laid down for jet fuel currently.

*This cutting-edge technology was presented at the 31st ISO International Seminar by Mr. Ronan Euzen, CBO of Global Bioenergies, who highlighted the potential it possesses to revolutionize air travel.*

**EUROPE: Sugar production expected to fall to 15.5 million T in 2032**

Europe’s total sugar area is expected to slowly decrease in the next 10 years to 1.45 million hectares, as some growers switch to other crops amid a lack of viable alternatives to banned neonicotinoid substances, according to the latest EU Agricultural Outlook, reports Sugaronline.

The ban on neonicotinoid substances has also caused growth in sugar beet yield to significantly slow down in recent years.

“Combined with stable yields, EU sugar production could be reduced to 15.5 million t. Domestic sugar consumption will decline faster than production. This could allow EU sugar exports to grow and, by 2032, they are expected to reach the level of imports,” according to the report published by the European Commission on Dec. 8.

Sugar beet is among the EU crops with the most uncertain yields for the next 10 years.

“In the medium term, the EU’s average sugar beet yield is projected to stabilize at around 73.5 t/ha. As a result of a declining beet area and stable yields, sugar production is expected to slowly decrease, from an average of 15.8 million t in 2023-25 to 15.5 million t in 2032”, according to the report.

Part of the reduction in EU sugar production is expected to be compensated by the increase in isoglucose production, which is projected to grow from around 580,000 tonnes currently to 750,000 tonnes in 2032. “Nevertheless, the growth in demand for isoglucose could be limited by reduced food demand and competition from other sweeteners.”

**INDONESIA: Government plans to launch 5% ethanol blend fuel in 3 years**

Indonesia’s government announced on Dec. 7 that it plans to introduce a 5% ethanol blend on fuel using sugarcane in three years, according to Reuters.

The country’s energy ministry said the plan would start rolling out in a few provinces.

The Bandung Institute of Technology developed the new roadmap. The plan could start by blending 5% sugar-based ethanol with Pertamina’s 90-octane or higher octane gasoline.
GERMANY: Confectionery trade body raises fears over EU origin identification requirements

Germany’s confectionery trade group BDSI has criticized the EU proposal to demand origin identification for all ingredients, adding that it would bring no value for the companies or consumers, according to Confectionery Production.

The Food information ordinance legislation requiring the identification would present companies with “unsolvable problems and logistics challenges” that would worsen packaging waste challenges, according to BDSI.

BDSI chairman, Bastian Fassin, said demands for a comprehensive, mandatory indication of source are impractical and would lead to “an unimaginable bureaucratic effort and enormous costs.”

SOUTH AFRICA: SA Canegrowers calls for end of sugar tax

The association of South African sugarcane growers SA Canegrowers has submitted a request to the National Treasury to eliminate the sugar tax, citing a crisis in the sugar sector and no evidence that the tax had a positive impact on obesity levels in the country, reports Sugaronline.

SA Canegrowers had already made a similar submission to the National Council of the Province’s Select Committee on Finance in November.

“The sugar industry is structured such that there is one revenue pot from which growers and millers all receive a share. It is therefore impossible to isolate the consequences of any hardship to one section of the industry; when millers suffer, growers suffer and vice versa,” the association said in a statement on Dec. 8, citing the challenges faced by Tongaat Hulett, which is under business rescue.

The association said that the intention of a grower-led consortium to take over Tongaat Hulett operations “will be difficult enough to accomplish with the sugar tax handicapping the industry”, adding that “it will be virtually impossible if the sugar tax is increased.”

SA Canegrowers said the sugar tax places financial pressure on the entire industry, and the continued implementation of the sugar tax may cause further casualties in the milling sector.

“Moreover, under the terms of the Sugarcane Value Chain Masterplan, the industry is constrained in the price increases it can effect on its product. This has been an enormous burden on the industry in an inflationary environment to the detriment of growers and millers alike,” the association added.

“To increase the sugar tax under these circumstances would further cripple the industry and lead to thousands of further job losses in addition to the more than 16,000 jobs already lost because of the sugar tax.”

AUSTRALIA: Queensland government announces grant to sugarcane research

The government of Australia’s Queensland state has announced a 5-year AUD14.25 million (US$9.68 million) funding grant to Sugar Research Australia Limited (SRA) for research, development and extension (RD&E) activities, reports Sugaronline.

“The Queensland Government has a long-standing history of supporting RD&E activities that improve the prosperity and sustainability of the sugarcane industry,” said the minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities, Mark Furner, in a statement.

“This grant will see a further AUD14.25 million committed to strategic RD&E investments that will increase our understanding of industry problems, enable the uptake of advanced technology, and implement innovative management practices to strengthen the industry.”

Furner said cane growers could also benefit significantly under the Palaszczuk Government’s Queensland Energy and Jobs Plan.

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“The plan recognizes growers, graziers and bioenergy generators are key partners in our clean energy transition,” he said.

“It also acknowledges that cane growers are significant energy consumers. Through our plan, we’re building more clean, cheap, and secure energy that breaks away from the fast-rising cost of fossil fuel power electricity and liquid fuels, including mineral diesel.”

As part of the 2022-23 State Budget, the Palaszczuk Government announced a new Queensland Microgrid Pilot Fund (the Fund) which will invest AUD10 million over two years, to boost the resilience of regional and remote communities.

The Department of Energy and Public Works is currently developing guidelines and eligibility requirements for the fund, with the guidelines expected to be released by the end of 2022.

“Canegrowers, or sugar mills, are welcome to apply if eligibility requirements are met,” according to the Ministry.

SRA recently completed its new 5-year Strategic Plan, identifying 5 strategic pillars to help grow and shape the prosperity of the Australian sugarcane industry and regional communities.

FoodNavigator.Com

EU agrees deforestation law

A provisional political agreement has been reached between the EU Parliament and the Council in relation to EU regulation on deforestation-free supply chains.

https://www.foodnavigator-usa.com/article/2022/12/06/eu-agrees-deforestation-law

More trees, less land: How Brazil’s orange juice sector tripled its productivity

Players in Brazil’s orange juice industry have been investigating a technique known as densification, whereby more citrus trees are planted in the same area to increase yield. We catch up with CitrusBR’s Tatiana Campos to learn about the productivity wins, as well as challenges facing the sector.

https://www.foodnavigator.com/article/2022/12/09/densification-how-brazil-s-orange-juice-sector-produces-more-with-less
**ED & F Man Daily Research**

**Brazil mills seen ending sugar season as rains hurt harvest ops** - Reuters News - Most mills in Brazil's main centre-south sugarcane region are ending cane crushing for the season, leaving millions of tonnes of cane in the fields to be harvested next year, as rains make harvesting operations difficult and inefficient. Analysts and brokers believe the Brazilian sugar season has basically ended despite previous expectation that mills would go on for longer into December to try to crush available cane and profit from high benchmark sugar prices. "With all the rains we've seen, it is likely that many mills end operations, despite having cane in the fields," said Plinio Nastari, chief analyst at Datagro consultancy. Brazil's sugar industry group Unica was expecting that more than 70 plants in the region would still be operating in December to crush available cane, after a late start to the season back in April, but that now seems unlikely. "It has been raining in centre-south and that will make it difficult for those mills. Some could just decide to close down for the season," said a U.S.-based sugar trader. According to Refinitiv's Eikon Agriculture Weather Dashboard, it will rain every day in the top sugarcane region of Ribeirao Preto in Brasil until at least Dec. 19.

**India voices concern over global food security due to Ukraine war** - ChiniMandi - India on Tuesday said it remains concerned by the deterioration of global food security which has been exacerbated by the war in Ukraine that has entered its tenth month. India’s Deputy Permanent Representative Ambassador Ravindra made these remarks at the UN General Assembly on the topic of "Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance". "Sweden and India remain particularly concerned by the deterioration of global food security which has been exacerbated by the war in Ukraine,” ambassador Ravindra said in a joint statement on behalf of India and Sweden.