International Sugar Organization
1 Canada Square
Canary Wharf
London E14 5AA

EXECUTIVE DIRECTOR

Press Release(24)20
(English only)

17 April 2024

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

Czarnikow says 2024/25 global sugar production could be 2nd highest on record

The 2024/25 global sugar production could be the second highest ever recorded, around 187.3 million metric tonnes, driven by a rebound in Thai cane acreage and EU beet plantings and as Brazil's centre-south and Indian sugar output remains mostly stable year on year, according to Czarnikow, reports Sugaronline.

Global sugar consumption is estimated to be close to 180 million tonnes in 2024/25.

"Despite the fact that global consumption is at an all-time high, increased output from CS Brazil, Thailand, and the EU could result in a large production surplus," analyst Tabasoom Watak wrote in a report on April 16.

The consultancy group said the early production estimate is dependent on good weather in many major sugar-producing regions and that there are already concerns about the performance of cane output in Brazil's centre-south due to dry and hot summer weather.

For 2023/24, Czarnikow updated its global sugar surplus estimate to 4.7 million tonnes, compared to 3.5 million tonnes estimated in March, due to an increase of 1.3 million tonnes in the forecast for sugar production to 182.6 million tonnes. The 2023/24 global sugar consumption is estimated at 177.9 million tonnes.

AUSTRIA: Agrana expects decline in 2024/25 EBIT

Agrana said on April 16 that its earnings before interest and taxes (EBIT) in the 2024/25 financial year will be significantly below the comparable results in 2023/24, reports Sugaronline.

The company said in a statement that it "sees itself confronted with an increasingly challenging business environment since the fourth quarter of 2023/24."

Provisional results indicate Agrana's generated operating profit (EBIT) of EUR151 million (US$160.6 million) in its 2023/24 financial year (March 2023 to February 2024), which is in line with its guidance of a very significant improvement compared to the prior year (EUR88.3 million)

Earnings per share rose from EUR0.25 (US$0.27) in the previous year to EUR1.04 (US$1.1) this year.

Consolidated revenue rose to EUR3.8 billion (US$4 billion), from EUR3.6 billion (US$3.8 billion) in 2022/23.

Agrana's board has proposed a dividend payment of EUR0.90 (US$0.96) per share for the 2023/24 financial year.

The publication of the company's annual report and the outlook for 2024/25 is scheduled for May 14.

GERMANY: Suedzucker forecasts decline in 2024/25 earnings

Suedzucker said on April 15 that it expects a decline in its earnings in the 2024/25 financial year, mainly due to higher sugar production costs, **reports Sugaronline.**

The company estimates operating group earnings of EUR500-600 million (US$531.42-637.71) in 2024/25, down from the EUR950 million (US$1 billion) preliminary figures for the current year.

Suedzucker expects group revenues of EUR10-10.5 billion (US$10.6-11.2 billion) in 2024/25, compared to EUR10.3 billion (U$10.9 billion) in 2023/24.

EBITDA (earnings before interest, taxes, depreciation and amortisation) is estimated between EUR900 million and 1 billion (US$956 million-1.1 billion), down from EUR1.3 billion (US$1.4 billion) in 2023/24.

Suedzucker said earnings and the EBITDA in the first quarter of 2024/25 should significantly decline from the same period in 2023/24, when operating results totaled EUR282 million (US$299.7 million) and EBITDA reached EUR356 million (US$378.4 million).

"The ongoing war in Ukraine continues to reinforce the already high volatility on the sales and procurement markets. The further course of the negative influences from the EU's extended duty-free access for agricultural imports from Ukraine, which is now limited in terms of volume, remains uncertain," the company said in a statement.

"The effects of the war that erupted in the Middle East last October are also difficult to assess. Overall, the economic and financial impact as well as the duration of these temporary exceptional situations are difficult to assess."

Suedzucker will release its 2023/24 financial year annual report, including a detailed forecast for the 2024/25 financial year, on May 16.

EU approves revision of labelling and composition rules for breakfast foods

The European Parliament has approved a revision of rules on the composition, labelling and production of certain breakfast foods, reports Sugaronline.

The European Parliament expects that the revision of the directives will lead to stricter rules for labelling honey, increased fruit content in jams, less sugar in fruit juices, among other goals.

In April 2023, the European Commission proposed to update the existing EU rules on the matter, which are more than 20 years old.

Parliament and Council reached a deal on changing four of the seven breakfast directives in January 2024. The agreement was approved by Parliament this April. The new legislation enters into force 20 days after its formal adoption, and EU countries have to apply the new rules within two years.

In the case of honey, the new rules are aimed at improving controls and developing methods to detect if producers are adding sugar to the product. A traceability system that should be able to trace back honey to a particular beekeeper or importer will be introduced, among other rules.

Fruit juices, which cannot contain added sugar in Europe according to the current rules, will now be allowed to say on their labels that they contain "only naturally occurring sugars."

According to the EU, existing rules already make a distinction between fruit nectars, which can contain added sugar, and fruit juices which cannot, but many Europeans are not aware of the difference.

The new rules also require the fruit content in jams to increase, which means there will be less sugar in them, according to a statement released by the European Parliament.

Jams must now have at least 450 grams of fruit content per kilogram, compared to 350 grams previously, while high quality "extra jams" will have 500 grams of fruit content per kg, up from 450 grams.

BRAZIL: VP and minister of Agriculture defend bill to promote biofuels
Brazil's vice president and minister of Development, Industry and Commerce (MDIC), Geraldo Alckmin, has said the Senate should maintain the text of a bill approved in the lower house to promote biofuels and ethanol production, according to Broadcast Agro.

He said Brazil will be a protagonist in the supply of sustainable aviation fuel (SAF) and increase ethanol blending in gasoline to 30%. He also said there is a need to ensure ethanol price parity with gasoline.

Minister of Agriculture, Carlos Fávaro, has also supported the bill, adding that changes in the text suggested by the Ministry had already been done at the lower house.

Sosland SweetenerReport for April 11, 2024

USDA slashes Mexico production, exports in April WASDE report
WASHINGTON — As expected, the US Department of Agriculture in its April 11 World Agricultural Supply and Demand Estimates (WASDE) report lowered from March its forecasts for domestic beet sugar production and imports from Mexico, but higher tariff-rate quota (TRQ), re-export program and high-tier imports with no changes in deliveries resulted in slightly higher ending stocks for 2023-24.

US 2023-24 sugar imports from Mexico were forecast at 498,644 short tons, raw value, down 167,020 tons, or 25%, from 666,000 tons as the March forecast, and down 657,000 tons, or 57%, from 2022-23.

But higher imports in other categories more than offset lower imports from Mexico, with total imports forecast at 3,417,000 tons, up 86,000 tons, or 2.6%, from March but down 197,000 tons, or 5.5%, from 2022-23. TRQ imports were forecast at 1,775,000 tons, up 25,086 tons from March on "higher imports expected from Argentina and Panama," other program (re-export and polyhydric alcohol programs) at 288,000 tons, up 88,000 tons, and high-tier imports at a record 855,000 tons, up 140,000 tons. The USDA forecast a 2023-24 TRQ shortfall of 66,690 tons.

Domestic beet sugar production was forecast at 5,144,000 tons, down 27,340 tons from March on "lower forecast sucrose recovery," and down 43,000 tons from 2022-23. Beet pile shrink was unchanged from March at 9%, although anecdotal reports from beet processors indicated ongoing losses in beet piles. Cane sugar production in 2023-24 was unchanged from March at 4,071,000 tons.

Total 2023-24 US sugar supply was forecast at 14,474,000 tons, up 58,000 tons from March but down 211,000 tons, or 1.4%, from 2022-23.

US sugar exports were forecast at 197,634 tons, up 37,634 tons from March "as increased program exports more than offset a reduction of other sugar exports to Mexico," and up 116,000 tons, or 141%, from 82,000 tons in 2022-23.

Deliveries for food were unchanged from March at 12,450,000 tons (down 23,000 tons from 2022-23).

"Deliveries for human consumption were low in February due to a likely underreporting of direct consumption imports in February that will see an offsetting expansion in March," the USDA said.

Total sugar use in 2023-24 was forecast at 12,753,000 tons, up 38,000 tons from March but down 90,000 tons from 2022-23.

Ending stocks for 2023-24 were forecast at 1,722,000 tons, up 21,000 tons from March but down 121,000 tons from 2022-23. The ending stocks-to-use ratio was forecast at 13.5%, down from 13.4% in March and down from 14.3% in both 2022-23 and 2021-22.

Mexico's 2023-24 sugar production was forecast at 4,572,000 tonnes, actual weight, down 175,090 tonnes, or 3.7%, from March and down 651,856 tonnes, or 12.5%, from 2022-23. Mexico's imports were forecast at 575,000 tonnes, up 81,000 tonnes, or 16%, from March and up 290,000 tonnes, or 102%, from last year. Mexico's 2023-24 exports were forecast at 471,000 tonnes, down 124,000 tonnes, or 21%, from March and down 540,000 tonnes, or 53%, from the prior year. Domestic sugar use in Mexico was forecast at 4,618,000 tonnes, up 25,000 tonnes, or 0.5%, from March but down 9,000 tonnes from 2022-23. Ending stocks in Mexico were forecast at 894,000 tonnes, up 5,000 tonnes from March and up 59,000 tonnes from the prior year.

"Production of low-polarity sugar (exportable to the United States) is reduced by 107,206 tonnes to 320,067 as producers have hastened the trend toward more profitable estandar sugar for the domestic market at the expense of less low polarity sugar," the USDA said. "The low polarity sugar share of total production is at 7%, down from 9% last month. Assuming that all projected low polarity sugar is export to the US market and like last year constitutes 75% of the total exported, exports to the United States are projected at 426,757 tonnes, a decrease of 142,941."

There were no changes to USDA estimates for 2022-23 for either the United States or Mexico.

Food Navigator.com

Country by country, street by street: Nestlé on navigating global recycling regulations

Recycling regulations differ between countries, regions, and sometimes even streets. Nestlé hopes for a more harmonised approach, but until then it must navigate the myriad regulations in its operating areas.

https://www.foodnavigator.com/article/2024/04/10/nestle-navigating-global-recycling-regulations

Deforestation unrest: EU policy implementation hangs in the balance after industry pushback

The European Union Deforestation Regulation (EUDR) is facing major pushback from ministers and trade organisations within Europe, alongside continued pressure from palm oil producer nations in Asia, casting doubt on hopes for a smooth implementation.

https://www.foodnavigator.com/article/2024/04/10/eu-deforestation-policy-implementation-hangs-in-the-balance-after-industry-pushback

Barry Callebaut reports sales rise of 11%, operating profit falls 40%

Barry Callebaut, the world's largest cocoa and chocolate supplier, reported a sales rise of 11% to 4.6 billion CHF ($5.09bn) compared to last year, but one-off expenses caused by its transformation plan amounted to a lower-than-expected half-year profit.

https://www.foodnavigator.com/article/2024/04/10/barry-callebaut-reports-sales-rise-of-11-operating-profit-falls-40

Do non-sugar sweeteners make people hungrier?

This is the question posed by researchers, who also wanted to find out whether swapping out sugar for artificial and natural sweeteners reduces blood sugar levels.

https://www.foodnavigator.com/article/2024/04/15/do-artificial-sweeteners-increase-appetite