



International Sugar Organization

1 Canada Square
Canary Wharf
London E14 5AA

EXECUTIVE DIRECTOR

**Press Release(17)51
(English only)**

15 August 2017

Various Sugar Related Articles from Sugaronline Ebriefing

The Executive Director would like to draw your attention to the following relevant sugar related articles below.

Sugaronline Ebriefing - 11/08/2017

US: Sugar finally more popular than corn syrup

Over the past 17 years, Americans have managed to cut their consumption of sugars by more than 15%, according to Bloomberg.

All of that decline, as is apparent from USDA data released this month, has been in corn sweeteners -- consumption of sugar made from cane or beets is actually up a bit since the 1990s. And the overall drop in sweetener use seems to have stalled over the past four years.

The biggest story in the data, really, is the rise and fall of high-fructose corn syrup, which came from nowhere in the 1960s to become a ubiquitous sweetener of soft drinks and other things. Then, around the turn of the millennium, it was identified as a prime suspect in the country's obesity epidemic.

This appears to be mainly a result of soda falling out of favor. Research firm Beverage Marketing Corp. reported earlier this year that bottled water sales topped soda sales in the U.S. for the first time in 2016, and that soda consumption is down by almost a quarter since 2006. But soft-drink makers have also been shifting away from corn syrup and back to actual sugar. And energy drinks, which have supplanted traditional soda among some consumers (especially young male ones), tend to use sugar rather than corn sweeteners.

There is some research suggesting that high-fructose corn syrup brings more negative health effects than conventional sugar, but on the whole they are both -- at least in the quantities that the average American consumes them -- not exactly good for us. The American Heart Association's recommended daily added sugars limit for men comes out to 29 pounds a year. For women it's 20.1 pounds. Actual per capita consumption in 2016 was, according to the USDA, 128.1 pounds.

The U.S. has the dubious distinction of being the world leader in per capita sugar and sweeteners consumption, according to the Food and Agriculture Organization of the United Nations.

For those doing the math, no, 63.8 kilograms (2013 U.S. per capita sugar and sweeteners consumption as reported by the FAO) is not the same as the 128.3 pounds in per capita sugar consumption reported for 2013 by the USDA. It's 140.6 pounds -- about what U.S.

consumption was in 2005. I'm just going to chalk that up to differences in measurement methods, though, and move on.

Getting sugar consumption to resume its decline seems like it ought to be one of the top public-policy priorities of our time. After the decades-long wrong turn into targeting dietary fat and cholesterol as major causes of obesity and heart disease, medical researchers have been piling up ever more evidence that high sugar consumption is what's really behind these and scores of other health problems. And while I guess you could argue that the egregious expert errors of past years on diet should make us wary of all expert dietary advice, I'm more of the opinion that the truth is finally winning out.

Local soda taxes have so far been among the most direct anti-sugar efforts. But given how rare soda taxes still are at this point, it's clear that information has been a more potent depressor of sugar consumption, and will probably continue to be so.

VIETNAM: Company to develop commercial fertiliser from sugar press mud

The Mekong Delta province of Trà Vinh has licensed Hudavil Trà Vinh Fertiliser Joint Stock Company to build a plant producing organic-microbial and organic-mineral fertiliser from sugar press mud, according to the Vietnam news service.

Accordingly, the plant will be built at an estimated cost of VNĐ6 billion (US\$264,000) on an area of nearly 1.2ha in Xoài Thum Village, Ngãi Xuyên Commune, Trà Cú District.

The plant, which has designed capacity of 7,000 tonnes of fertiliser per year, is expected to become operational later this year.

Organic-microbial and organic-mineral fertilisers are used for sugarcane and some other plants to improve soil fertility and prevent degradation of cultivation land.

Producing fertiliser from sugar press mud will also ease waste treatment burden for the Trà Vinh Sugar Processing Plant in Lưu Nghiệp Anh Commune. The plant uses more than 2,600 tonnes of sugarcane per day for sugar production.

Trà Vinh Province grows 5,500ha of sugarcane every year. Trà Cú District is the largest material sugarcane planting area with more than 4,500ha. The province supplies some 550,000 tonnes of sugarcane to the Trà Vinh Sugar Processing Plant as material input.

UK: Just two Coca Cola drinks will remain above sugar tax line

Coca-Cola European Partners has said just two of its brands - Monster and Coke Classic - will remain within reach of the upcoming UK sugar tax, once the group has completed its reformulation efforts, according to the UK's Just Drinks.

Speaking to analysts Thursday, CEO Damian Gammell said the bottler has already brought 40% of its UK business under the minimum sugar threshold for the levy. He said sugar-reduction work will accelerate ahead of the tax's implementation in April next year, ultimately leaving just the flagship energy drinks brand and full-sugar Coca-Cola in the duty's firing line.

CCEP is "very much focused on reformulating pretty much all of our brands, except Coke Classic and Monster out of the tax", Gammell said. "Clearly, the reformulation was the priority and I'm very pleased ... that we could move so quickly to get that done."

The UK sugar tax will have a taxable threshold of 5g per 10cl, leading a number of UK soft drinks producers to reformulate products to contain less sugar.

CCEP has already lowered the sugar content of Fanta Orange and Sprite by a third to bring the brands under the threshold.

According to Gammell, only 40% of CCEP's UK sales will be above the sugar threshold after April, with the share being "essentially Coke Red and Monster Green".

Meanwhile, Gammell said it is still too early to gauge the effect of a sugar tax in Catalonia, which was implemented in May. Under the rules, beverages with between 5g and 8g of sugar for every 10cl will incur a EUR0.08 tax per litre, while those with more than 8g per 10cl will face a EUR0.12 per litre charge.

UAE: Dubai-based bottler loses fizz ahead of sugar tax

Dubai Refreshment, which bottles Pepsi and other sodas such as Mountain Dew and 7Up, reported a 12% fall in second-quarter profit to AED24.7 million (US\$6.7 million) as sales also declined by about 1% to AED229.3 million.

Soft-drink sales have boomed across the Gulf helped by the region's youthful population, but the rollback of government subsidies and moves to encourage healthier diets, while reducing levels of obesity, have put soda-makers in the crosshairs of regulation.

Pepsi last month reported a second-quarter profit that topped analyst estimates as sales ticked up by about 2%.

But the company flagged up higher raw material costs driven by the strong US dollar and operating cost inflation in some Middle East, North African and Asian markets.

"Consumption of sugary soft drinks is high in the region, and will in all likelihood continue to grow for the foreseeable future," said Euromonitor International analyst Matthew Berry in a January 2017 report. "However obesity in the Gulf is a ticking time bomb and governments are starting to move to avert the looming public health crisis.

"This could potentially make these countries some of the most promising markets for health-positioned drinks in the world, but it will also pose a threat to sugar-heavy categories that have found the Gulf states to be a rare bright spot at a time of anti-sugar feeling."

The cost of fizzy drinks in the Gulf have been among the lowest in the world historically, but consumers will soon have to get used to paying more with the introduction of both sugar taxes and value-added tax (VAT).

The UAE Federal Tax Authority said in May that energy drinks would be hit with a 100% tax in the last quarter of the year while sugary fizzy drinks would also be targeted with a 50% tax. That move follows the decision by Saudi Arabia to impose a special tax on sugary drinks, as well as on cigarettes, starting last June.