



International Sugar Organization

1 Canada Square
Canary Wharf
London E14 5AA

EXECUTIVE DIRECTOR

Press Release(20)32
(English only)

15 June 2020

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.

S&P Global

Platts

12 June 2020

Brazilian carbon credit first trade at near \$10/CBIO

Santos — The new Brazilian carbon credit, called CBIOs, had their first trade of 100 units at a cost of Real 50/CBIO (\$10/CBIO) on June 12, in which the Datagro Conference company was the buyer and an ethanol producer Adecoagro was the seller.

The deal was mediated by Sucden, a sugar and ethanol trading company.

The CBIOs will be used to neutralize carbon emissions during Datagro events in 2020, according to company director Luiz Felipe Nastari. "We are happy to buy a modern tool like CBIOs to offset the carbon emissions from our events, as it will increase the energetic efficiency, not just cleaning the planet, but also lowering the fuel cost for consumers," Nastari said.

The government's RenovaBio program – aimed at cutting carbon emission in the country – was officially implemented on December 24, 2019, and the official trading of CBIOs in the Brazilian stock exchange, referred to as B3, started on April 27.

While the CBIO value in the first trade was within market estimates, sources were not expecting a trade to happen before the Ministry of Mines and Energy announces the official carbon-reduction requirements for the current year.

Recent changes in the program

Brazil's Minister of Mines and Energy released on June 5 the proposal to reduce RenovaBio's mandatory goals. The public consultation period will be open to receive commentaries for 30 days until July 4.

The revision comes in response to the abrupt loss of domestic fuel demand in 2020 amid the spread of coronavirus in the country and the severe economic impact associated with it.

The proposal would reduce the mandatory credit to 14.53 million decarbonization credits, down 49.4% from the original target established at 28.7 million credits.

Fuel distributors are the obligated parties within the Brazilian program. A total of 134 distributors are listed by the National Petroleum Agency as obligated parties to purchase CBIOs. Petrobras has been allocated the biggest target, at 27.1% of total market share.

Until June 4, a total of 731,952 CBIOs were made available to be traded in the B3 platform. This corresponds to 5% of the new proposed target.

On average, around 800 liters of ethanol are needed to generate one CBIO and 500 liters of biodiesel. RenovaBio is an additional law on top of mandatory biofuel blending, and that the purchase of CBIOs does not replace the current mandatory blending rates of 27% anhydrous ethanol in gasoline and 12% biodiesel in diesel.

The number of producers already certified and able to generate CBIOs are up to 189, according to the latest ANP data from May 29. Out this total, 169 are ethanol producers, 19 are biodiesel plants and one is a biogas producer.

<https://www.spglobal.com/platts/en/market-insights/latest-news/oil/061220-brazilian-carbon-credit-first-trade-at-near-10cbio>

FoodNavigator.com – 11 June 2020

Researchers hit food industry with double blame: Obesity pandemic and COVID-19 severity

11-Jun-2020 By Flora Southey

The food industry must share the blame for both the obesity pandemic and the severity of COVID-19 disease, argue researchers in the UK.

<https://www.foodnavigator.com/article/2020/06/11/researchers-hit-food-industry-with-double-blame-obesity-pandemic-and-covid-19-severity>

FoodNavigator.com 12 June 2020

Fat alternative Epogee gains traction: 'The low-fat ship sailed 25 years ago... this is not about low fat, it's bout caloric reduction'

12-Jun-2020 By Elaine Watson

EPG (brand name: Epogee) – a new plant-based oil that has been restructured in such a way that virtually none of it is absorbed by the body – is attracting interest from formulators across the food industry, as firms see an opportunity to make significant calorie reductions without compromising on taste or texture, claims the firm.

<https://www.foodnavigator-usa.com/article/2020/06/12/fat-alternative-epogee-gains-traction-the-low-fat-ship-sailed-25-years-ago-this-is-not-about-low-fat-it-s-about-caloric-reduction>

The FoodNavigator Podcast: sugar reformulation part 1: Why reducing by stealth is key

12-Jun-2020 By Oliver Morrison

The food industry is under massive pressure to reformulate products with less sugar. And in light of the voluntary target in the UK for manufacturers to meet a 20% cut in sugar by 2020 unlikely to be met, campaigners are increasingly demanding that mandatory sugar reformulation targets are set.

<https://www.foodnavigator.com/article/2020/06/12/the-foodnavigator-podcast-sugar-reformulation-part-1-why-reducing-by-stealth-is-key>

Sugaronline – Ebriefing 12-06-2020

EUROPE: Dry weather and pest damage threatening sugar beet crop

Europe's sugar beet crop has been hurt by dry spring weather and early pest attacks, and this year's yields are unlikely to be above average, according to Reuters.

Warm weather conditions in July and August could help reduce losses.

Analyst of French sugar beet growers group CGB, Timothé Masson, said that 2020 white sugar production in the European Union including Britain could reach 17.3 million tonnes, down 1.7% from last season.

Sugarcane beet area in the EU top producer France is estimated to fall 4.9%, and -4,1% in Germany, according to the latest official estimates.
