



International Sugar Organization

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EXECUTIVE DIRECTOR

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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

FAO Sugar prices down 2.6% from August

Average sugar prices fell 2.6% from August, reflecting expectations of a global production surplus for the new 2020/2021 season, the latest Food and Agriculture Organization's food price index shows, according to Reuters.

Overall world food prices rose for a fourth month running in September, led by strong increases for cereals and vegetable oils, the United Nations food agency said on Oct 8.

The Food and Agriculture Organization's food price index, which measures monthly changes in prices for a basket of cereals, oilseeds, dairy products, meat and sugar, averaged 97.9 points in September, versus a downwardly revised 95.9 in August. The August figure was previously given as 96.1.

Rome-based FAO also said in a statement that worldwide cereal harvests remained on course to hit an annual record in 2020, although it trimmed its previous forecasts.

AUSTRIA: Agrana posts improved sugar results

Fruit, starch and sugar company Agrana reported improved sales in its sugar business in its latest half year results posting on Oct 8, but said the division still made an operating loss, **reports Sugaronline**.

The group reported overall operating profit of EUR55.8 (US\$65.59) million for the first half of its 2020/21 financial year, up 7.9% year-on-year from EUR51.7 million.

Overall revenue for the half year to August 31, 2020, rose to EUR1.309 billion from EUR1.25 billion in the first half of 2019/20.

The sugar segment's revenue in the first half 2020/21 was up 21.8% from a year earlier at EUR300.3 million. This growth was attributable both to higher sugar selling prices and increased sugar sales volumes, especially with food retailers, Agrana said.

Sugar still saw an operating loss of EUR8million in the first half, but this was down from the EUR18.7 million in the same period of the prior year, it said.

The drive to secure grower contracts with beet farmers was underway, with the aim of increasing next year's beet cultivation area in Austria to at least 38,000 hectares by the middle of November 2020, Agrana said.

Depending on the contracting status in mid-November, a decision will be made on whether to continue operations at the Leopoldsdorf factory in Lower Austria or close it down after the end of the campaign.

CEO Johann Marihart said: "Much of our positive business performance can be credited to the diversification of our business activities, which enables us to balance out fluctuating economic conditions in the various segments."

GERMANY: Suedzucker sees profits surge

Suedzucker has reported a 142% increase in group operating profit to EUR68 million (US\$80 million) in the second quarter of 2020/2021 to August 2020, from EUR28 million euros in the previous quarter, according to Reuters.

The company, Europe's biggest sugar refiner, said it benefited from a surge in sugar prices in an update on Oct. 8, with its sugar and biofuels businesses performing well.

Suedzucker also confirmed its previous forecast of annual group operating profit of EUR300-400 million, up from EUR116 million the previous year, despite the fallout from the coronavirus crisis.

In the second quarter, its sugar business cut operating loss to EUR41 million from EUR55 million a year earlier, due to higher sugar sales and the price increase since the beginning of the 2019/20 sugar marketing year.

But a disappointing sugar beet crop expected in Europe this year, weaker trend in world sugar prices and the economic uncertainty from COVID-19 are still creating uncertainty for the sugar sector, it said.

GERMANY: Nordzucker set for "good profit" this year

Nordzucker said that it was set to report to "good profit" this financial year, helped by cost cutting and stable European sugar markets, following a shareholders' meeting on Oct. 8, according to Reuters.

The unlisted sugar refiner said it expected only "a relatively small decline" in sales volumes in its 2020/21 financial year from March, due to the COVID-19 pandemic.

"We will in all likelihood close the current fiscal year with a good profit," said CEO Lars Gorissen. "We are profitable again. And this is due not only to the general conditions, but also to our decisive cost reduction measures throughout the Nordzucker group."