

EU Sugar Market Report

July 28, 2023

Little sugar exports out of EU+UK

During the intercrop domestic prices remained stable at levels above Eur 1,000/mt. Exports remain very limited, thus we cut 15,000 mt from our estimate in Q2-2023, for the following quarter exports should increase slightly as the new crop starts to be processed. Total exports for 2022-23 out of EU+UK estimated at 354,000 mt, while in the next season it is forecast slightly higher at 495,000 mt.

The imports estimates remain unchanged. Imports under EBA/EPA are higher than previous season, as well as the TRQ. According to EU Commission data, there is still quota available for imports from South Africa, Central America and Colombia.

News & Analysis

France - AgMin expects sugar output to drop to 3.888 million mt in 2023-24

France is expected to produce 3.888 million mt of beet sugar, white value, in the upcoming 2023-24 campaign, down slightly from 3.963 million a year earlier, the Agriculture Ministry said. Cane sugar output in the overseas territories (DOM) is projected to recover somewhat to 180,000 mt from 154,000 mt.

Sales into the domestic market are projected to decrease to 2.69 million mt from 2.75 million, while exports are seen only little changed at 1.69 million mt from 1.70 million.

European Union - Crop monitoring unit cuts sugar beet yield forecast

The European Union's crop monitoring unit MARS cut its estimate of the average sugar beet yield in the

Heard in the market

Origin	Delivery	Quality	Timing	Type	Value
EU	DDP UK	45ic	Spot	Ind. Value	Eur1125/mt
EU	DDP Germany	45ic	Spot	Ind. Value	Eur1018/mt
EU	DDP North Italy	45ic	Spot	Ind. Value	Eur1050/mt
EU	DDP UK	45ic	Spot	Ind. Value	Eur1125/mt
EU	DDP UK	45ic	Spot	Ind. Value	Eur1125/mt
EU	DDP UK	45ic	Spot	Trade	Eur1135/mt
EU	DDP UK	45ic	Spot	Ind. Value	Eur1000/mt
EU	DDP UK	45ic	Spot	Ind. Value	Eur1050-1100/mt
EU	DDP Germany	45ic	Spot	Ind. Value	Eur1065/mt
EU	EXW Bulgaria	45ic	Spot	Offer	Eur880/mt
EU	DDP Eastern Europe	45ic	Spot	Ind. Value	Eur955-960/mt
EU	DDP Eastern Europe	45ic	Spot	Ind. Value	Eur910/mt

upcoming 2023-24 crop to 73.3 mt/ha from 75.9 in the June forecast citing dry weather conditions. If realized, this would still be slightly above the five-year average of 72.0 mt/ha.

The yield forecasts were reduced for all of the three largest producers with the projection for France dropping to 80.6 mt/ha from 82.2 previously and the projection for Germany being reduced to 74.0 mt/ha from 77.2. The yield outlook of Poland decreased to 62.9 mt/ha from 63.4. There were also downward revisions of the yield outlook for the Netherlands, Belgium, Denmark, Sweden and Hungary. The yield projections for Austria, the Czech Republic and Italy are now slightly higher than before, while those for Spain and Slovakia did not change.

Poland - Drought affects sugar beet development

Poland's sugar beet fields continued to suffer from drought stress and high temperatures, according to local press reports.

EU DDP sugar (Eur/mt)

Spot price current campaign, July 28		Value	Change
Germany – delivered	SGAEG04	1065.00	+47.00
UK – delivered	SGAEF04	1125.00	0.00
North Italy – delivered	SGAEL04	1050.00	0.00

Ethanol market

EU internal ethanol, July 27

		Value	Change
FOB Rotterdam T2 (Eur/cu m)	AAYDT00	740.25	-23.25

World sugar futures, forex (16:30 London)

July 27		Value	Change
Sugar No. 11 futures, Oct (¢/lb)	SGBAE00	24.23	-0.43
EUR/USD	AAFCW00	1.0991	-0.0081

EU sugar imports license tracker (mttq)

Imports under preferential agreements*

	2022-23	Weekly change	Yearly change
Non-APC-LDC	60,058	0.0%	53,357
APC-LDC	10,947	0.0%	-27,901
APC-non-LDC	245,832	0.2%	-14,527
Total	316,837	0.2%	10,929

Imports under TRQ agreements**

	2022-23	Monthly change	Yearly change
CXL	646,058	-100.0%	493,439
Balkan	36,742	9904.4%	-65,628
Other	0	0.0%	0
Total	682,800	-89.0%	427,811

*Last update: 23/06/2023 **Last update 30/06/2023

Source: European Commission

This year, the country did not have water problems at the start of the beet season. In contrast, it was the heavy rainfall registered at the end of March and beginning of April and the low temperatures that delayed the sowing of sugar beet. Most of the sowings occurred two weeks later than last year but the good soil moisture led to an even emergence of the crop. All in all, the early development of the beet crop was very good.

In June, the distribution of rainfall in the country was uneven between the regions and led to significant differences of the condition of the beets. In the south of the country, where it rained a lot, the beets look good and have developed a good amount of leaves, while in the north, the situation gets worse the farther north you go. A prolonged drought occurred mainly in the center of the country and in the province of Pomerania. In addition, a significant secondary weed infestation has also developed in regions with below-average rains.

This season also presented serious problems in controlling many pests and ensuring adequate protection. For example, aphids appeared very early this year and are posing a problem in many fields and led to the inhibition of plant growth and their deformation.

Weather conditions in August and September will be decisive whether the crop can recover.

Spain - León becomes Spain's largest sugar beet producer

The province of Leon has surpassed Valladolid in sugar beet cultivation for the first time, according to the Spanish agrarian organization Asaja. The area under sugar beet in the province reached 7120 hectares this year, surpassing the 6.489 hectares in Valladolid. This represents an 85% increase compared with 2022. This is attributed to the increase in sugar prices, which also led the sugar industry to pay more for beet to farmers, it was added. The province of Leon has potential for about 10,000 ha of irrigated land for sugar beet cultivation, which could produce about 1 million mt of beet.

The head of the provincial organization, Jose Antonio Turrado, expects total beet production this year to reach 650,000 mt.

United Kingdom - Tate & Lyle launches highly soluble stevia sweetener

Tate & Lyle PLC announced a new addition to its sweetener portfolio "TASTEVA SOL stevia sweetener,

which the company described as "an internationally patent protected breakthrough in stevia technology."

It is designed to help customers solve stevia solubility issues in food and beverages as it has over 200 times the solubility of Reb M and D products on the market, the company said.

TASTEVA SOL solves for solubility challenges often found in beverage concentrates, dairy fruit preparations and sweet syrups at high sugar replacement levels. It can be used alone or in combination with Reb M stevia sweeteners, it was added.

Bulgaria - Regulator suspends Zahar Invest buyout bid for Zaharni Zavodi

Bulgaria's Financial Supervision Commission (FSC) said that it has temporarily halted an offer by local sugar and confectionery trader Zahar Invest to acquire the remaining 658,848 shares it does not already own in its subsidiary, sugar and ethanol producer Zaharni Zavodi.

The proposal contains several inconsistencies and deficiencies which need to be addressed, the financial regulator said in a decision published on July 18.

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