



**MAURITIUS
SUGAR
SYNDICATE**



Annual General Meeting

26th September 2022

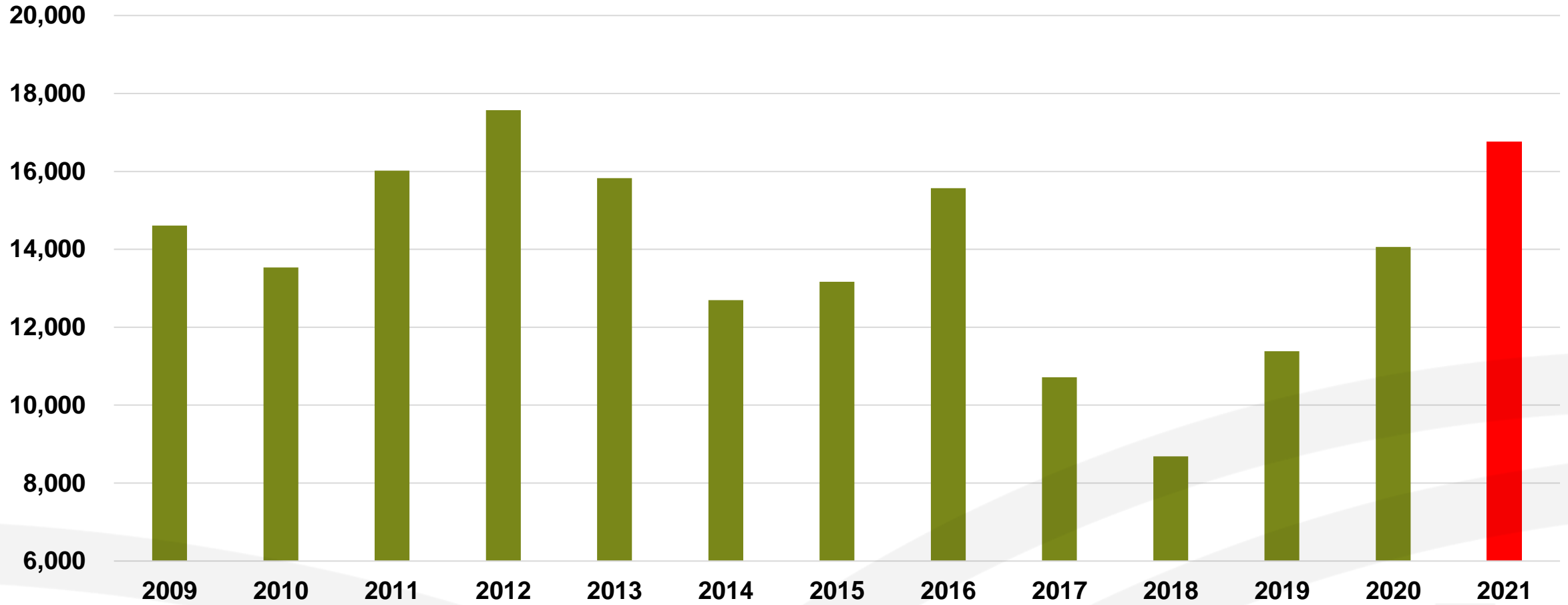


Importance of a centralised sugar marketing body in a volatile open market environment

1. With a larger (consolidated) tonnage,
 - i. a **range of products** on offer (18 varieties special sugars in addition to white sugar);
 - ii. a **diversified market base**, with possibility to deviate more sugar to the most remunerative destinations (arbitrage every year);
 - Mauritius sugars are presently sold in 55 countries worldwide (25 buyers of white sugar and 140 buyers of special sugars)
 - iii. **greater bargaining power** vis a vis buyers (defending prices & creating value);
 - iv. **economies of scale** with regard to costs (sea freight, consumables, finance charges)
 - MSS is largest local customer for export containers;
 - One of largest clients (as single entity) of commercial banks (benefit Forex transactions);
 - Net hedging gains of almost Rs 750 M over last 7 years (Rs 150 M for Crop 2021 alone);
 - Interest rates 2.0-2.5% achieved for 2021 crop compared with Prime Lending Rate 5-6%.
2. **One-stop-shop** for buyers (providing required assurances & ease of doing business)



Increase in ex Syndicate price over the 3rd consecutive year attaining Rs 16,765 per ton sugar for 2021 crop



Total proceeds for sugar cane planters for 2021 Crop exceeded Rs 20,000 per ton sugar (besides Government Financial Support)

Revenue Stream (per ton sugar)	Planters			Millers
	Prod < 60 MT	Prod > 60 MT	Millers - Planters	
	Rs/MT	Rs/MT	Rs/MT	Rs/MT
Sugar Proceeds	16,765	16,765	16,765	16,765
Bagasse Remuneration	3,300	3,300	3,300	3,300
Molasses and distillers/bottlers contribution	1,823	1,823	1,823	
<i>Less SIFB Premium</i>	-	- 1,489	- 1,489	- 1,489
Government Financial Support (for production up to 60 MT sugar)	1,038	-	-	-
NET CANE PROCEEDS	22,926	20,399	20,399	18,576



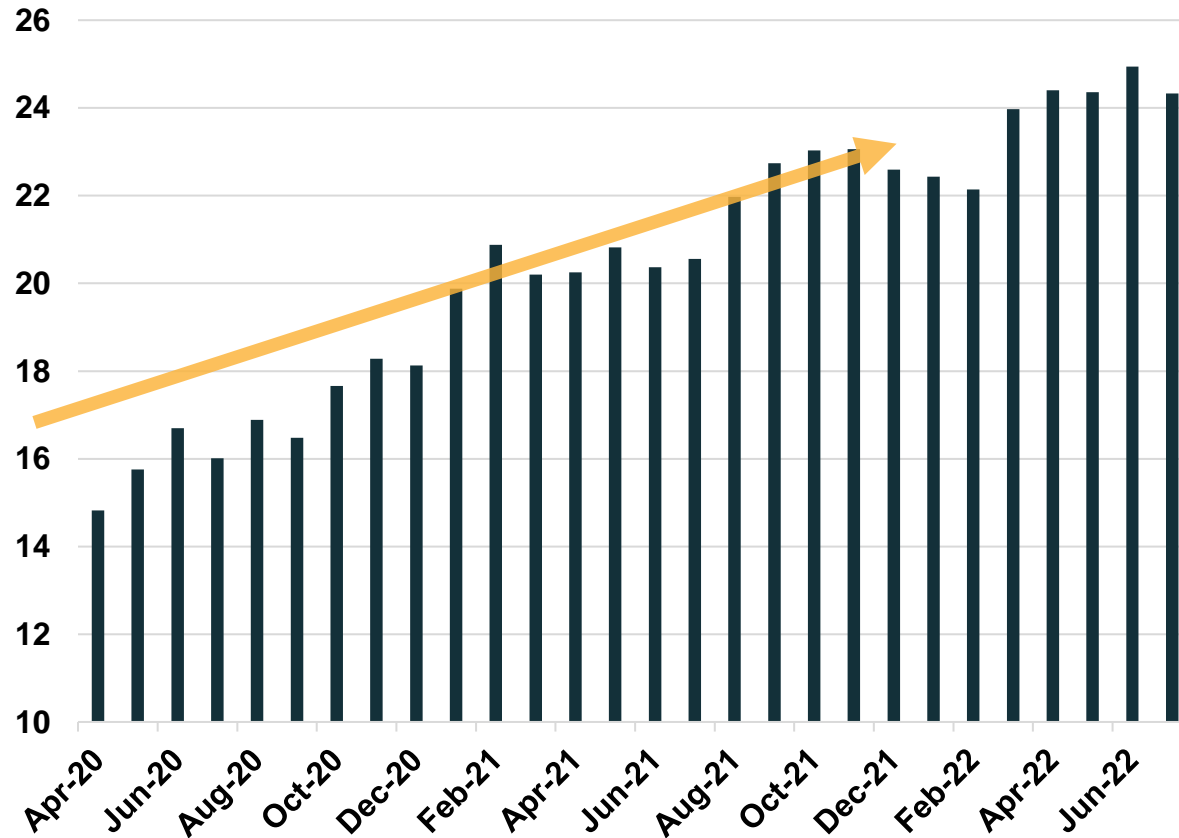
Improvement in 2021 Crop ex Syndicate price

to Rs 16,765 / ton sugar thanks to...

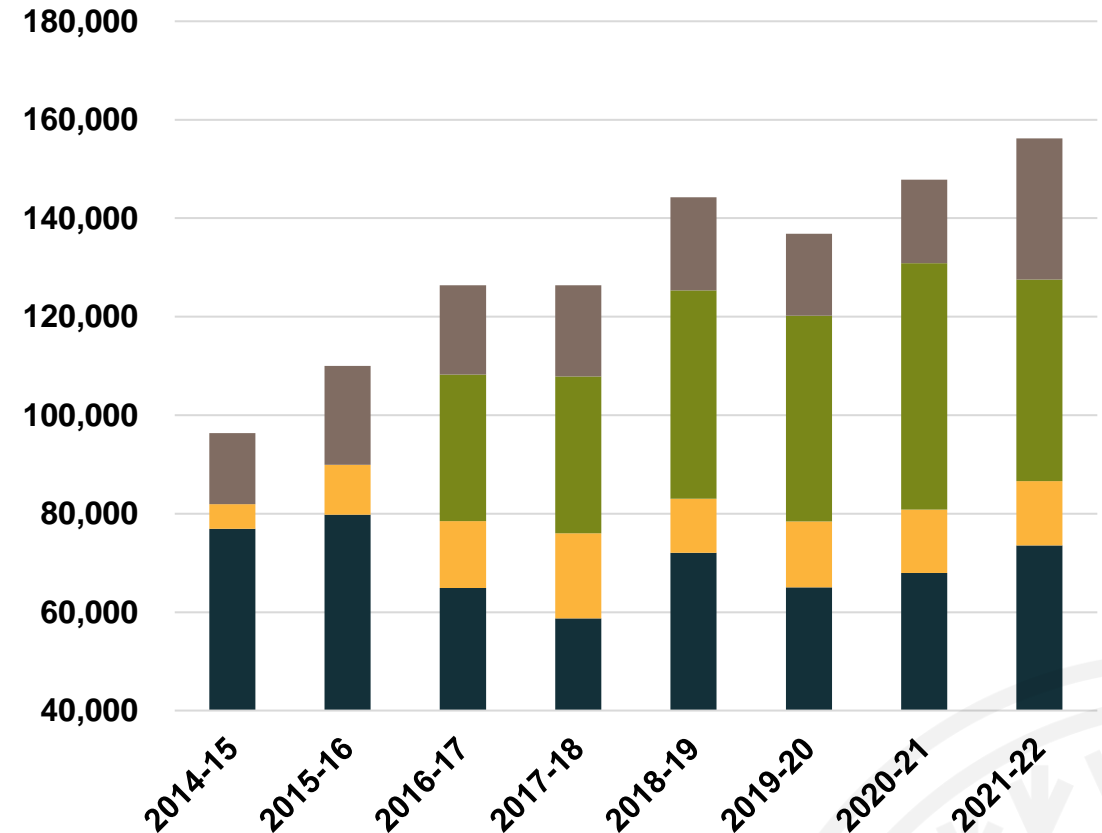
Continuous rise in global prices as from 2020 Q2, and...

...increase in sales of Special Sugars

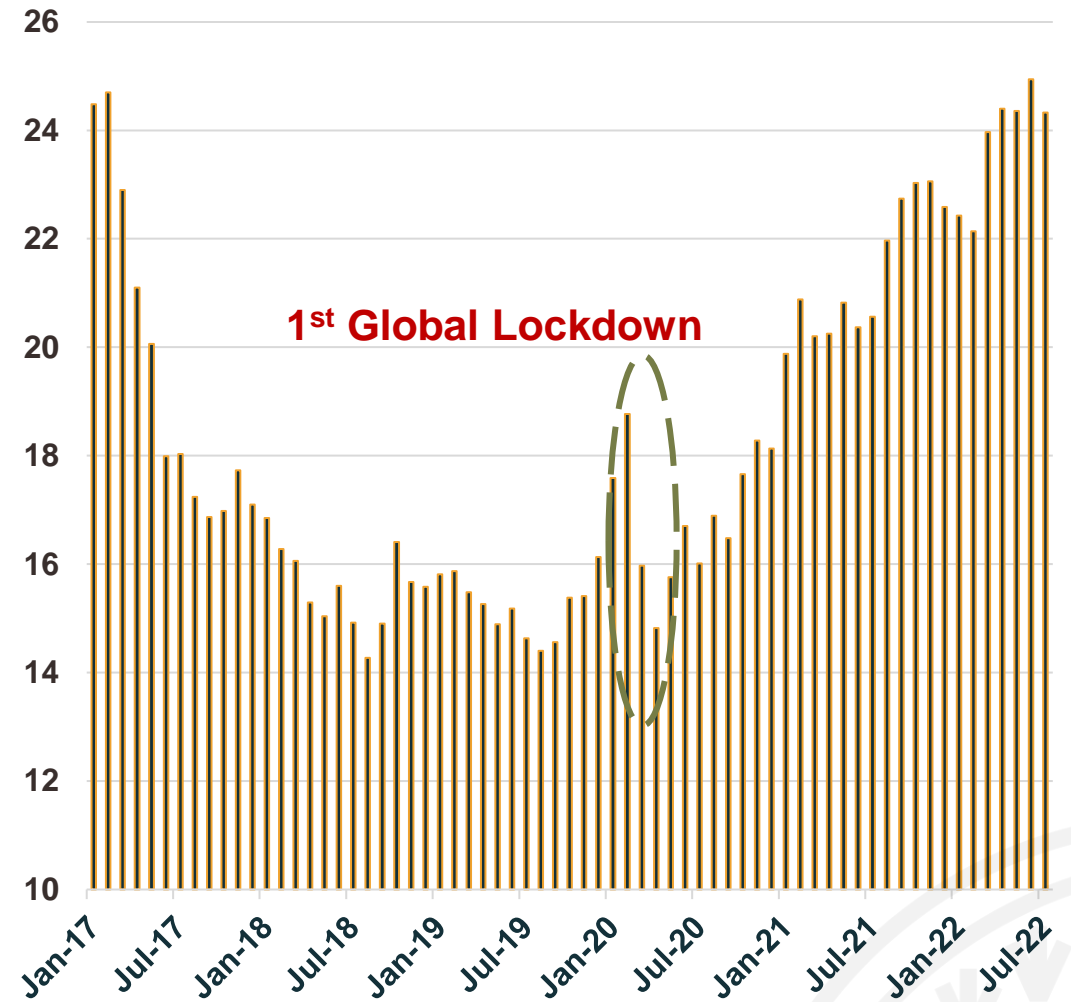
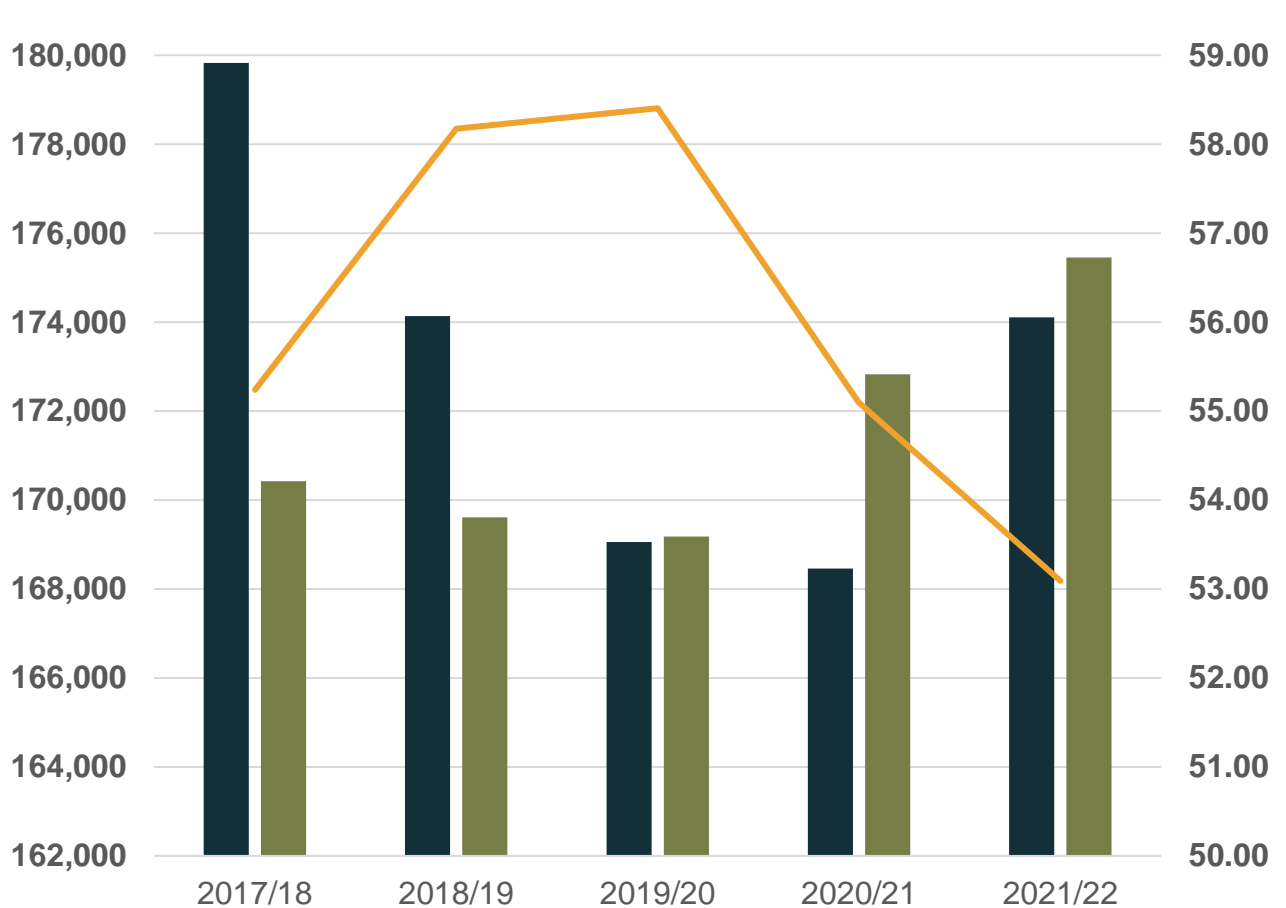
ISO White Sugar Price Index (US cts/lb)



■ EU (SS) ■ US (SS) ■ Regional (DC Raw) ■ RoW (SS)



After record 2017/18 global sugar production, it subsided over following years, bringing down stock levels, hence impacting positively on prices

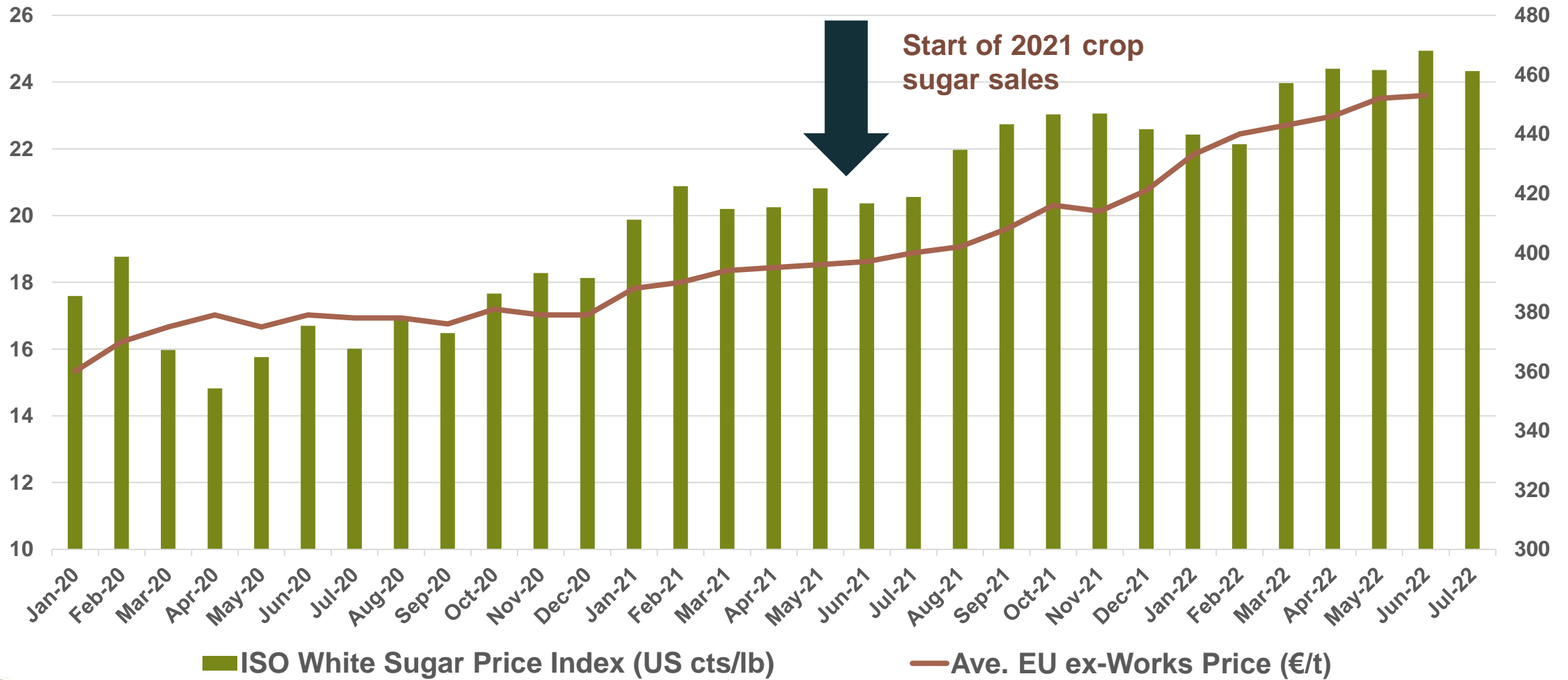


■ Production ('000 tons) ■ Consumption ('000 tons) — Stocks/consumption ratio (%)

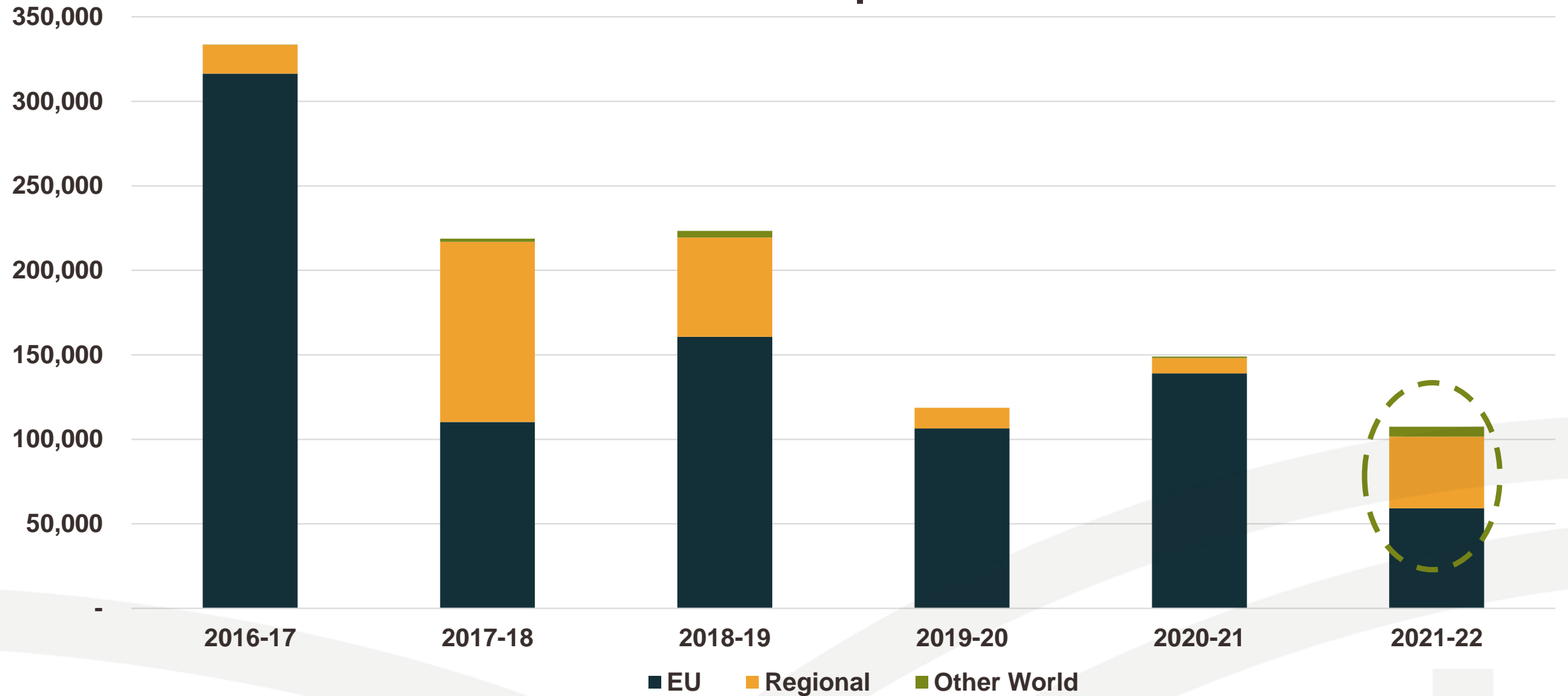
ISO Aug 22 data

ISO White Sugar Price Index (US cts/lb)

EU white sugar prices had not yet followed the global trend when Mauritius sugars from the 2021 Crop were being sold



...resulting in increased sales of white sugar to non-EU destinations for 2021 crop



EU 2022 beet sugar crop - almost 10% production decline foreseen owing to reduced acreage and lower yields ...

...while cost of production has meanwhile surged

More sugar imports needed in EU

(Mt)	17/18	18/19	19/20	20/21	21/22e	22/23f
Production	20,5	17,0	16,7	15,1	17,2	15,8
Imports	1,6	2,3	2,3	2,2	2,3	2,8
Consumption	18,3	18,1	17,5	17,1	17,9	17,9
Exports	3,6	1,8	1,1	0,9	1,0	0,7
Ending stocks	1,9	1,3	1,7	0,9	1,4	1,3
Balance prod/cons	2,2	-1,1	-0,8	-2,1	-0,7	-2,2

EU Spot prices have come close to € 1,000/t



EU27 + UK sugar balance

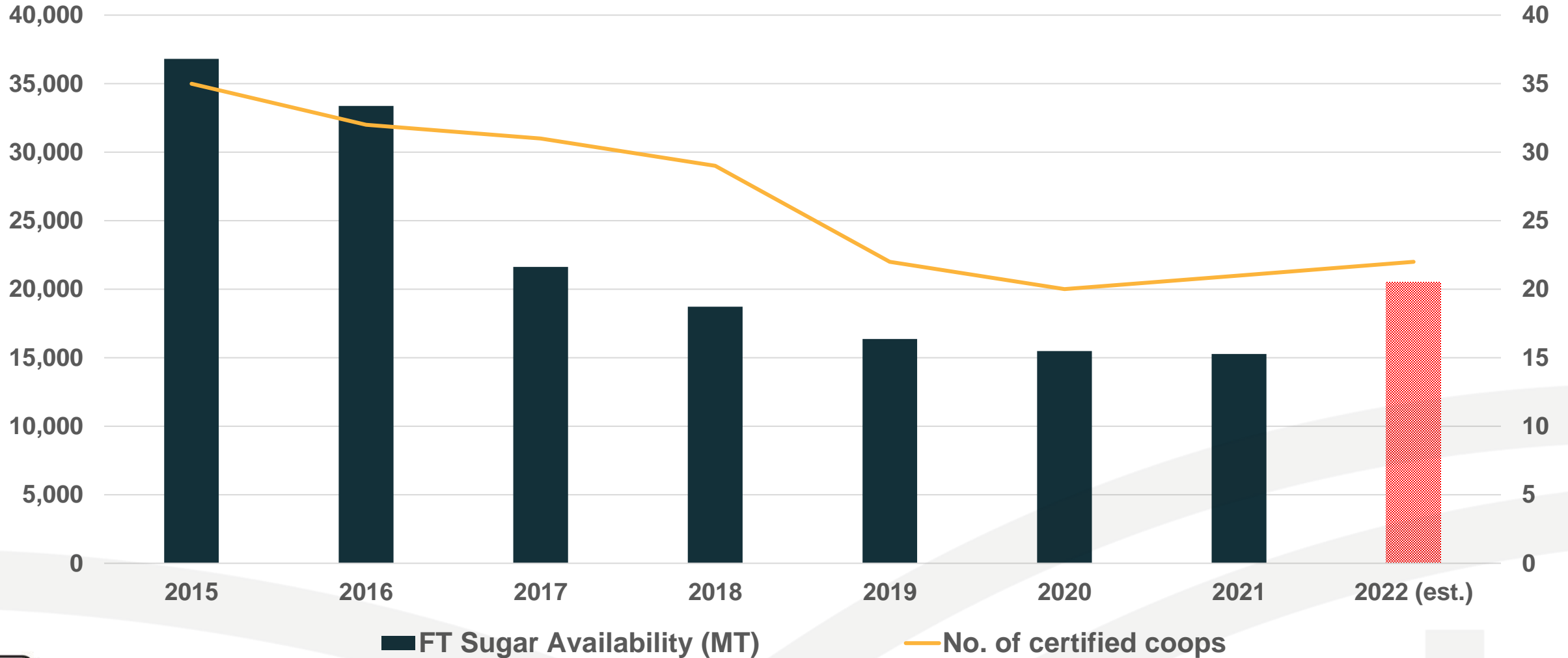


The core pillars of 'Made in Mauritius' Special Sugars

1. Wholesomeness
2. Taste
3. Healthy Benefits
4. Traceability
5. Sustainability
6. Easy & Convenient
Sourcing

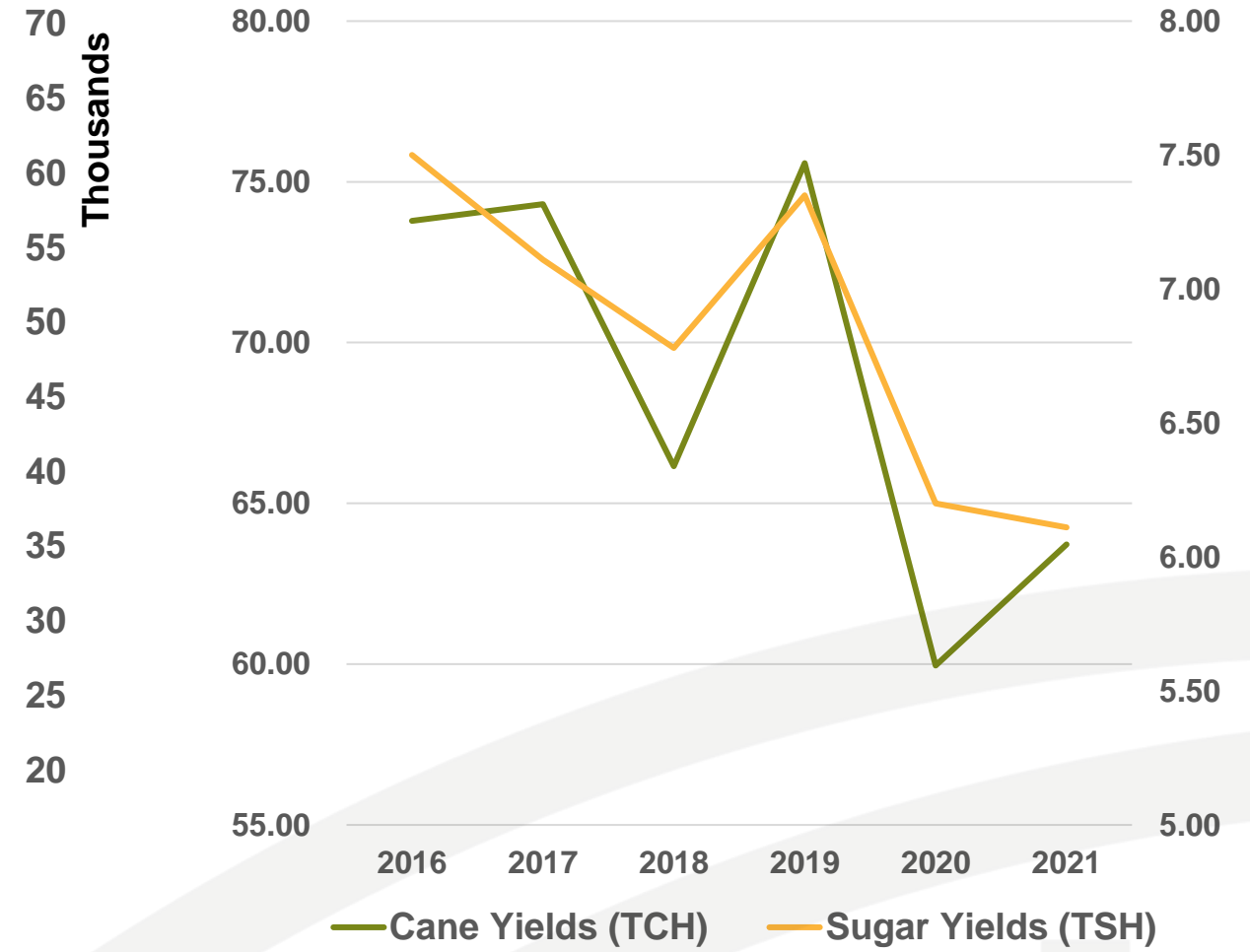
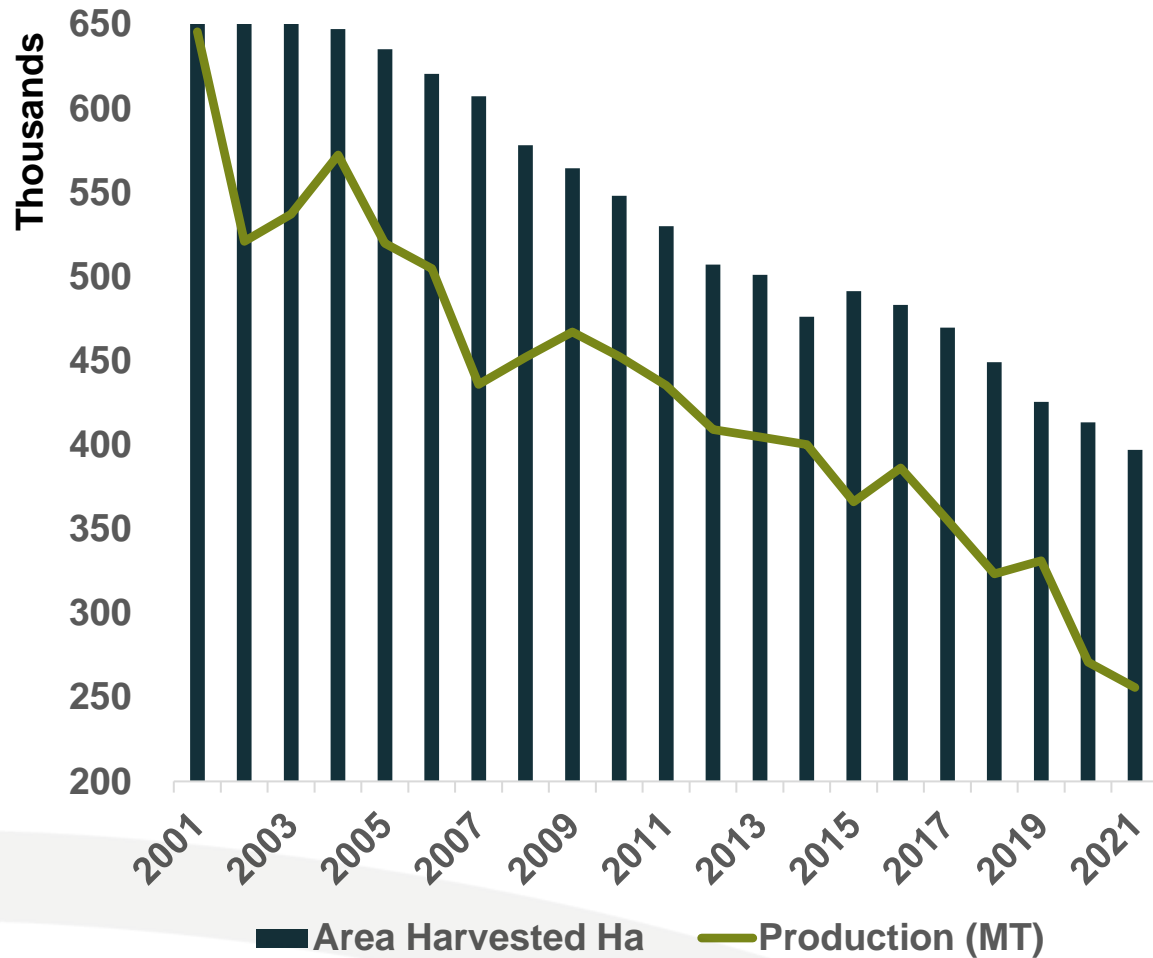


Fairtrade sugar availability set to increase again



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MAJOR CONCERN - average loss of 3% pa in acreage under cane over last 10 years while yields have also been on downward trend



The socio-economic importance of the cane industry

2021 Crop

Rs 9,465 M

Total sugar sales
revenue

2.2%

Approximate contribution
to country's GDP

9,712

No. of planters

41,897 Ha

Area under cane

Rs 10,680 M

Total revenue including cane
co-products

- Enhancing green landscape of the island
- Reducing soil erosion

- Improving the island's 'energy security'
- Lessening overall carbon emissions





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Thank you

www.mauritiussugar.mu

