

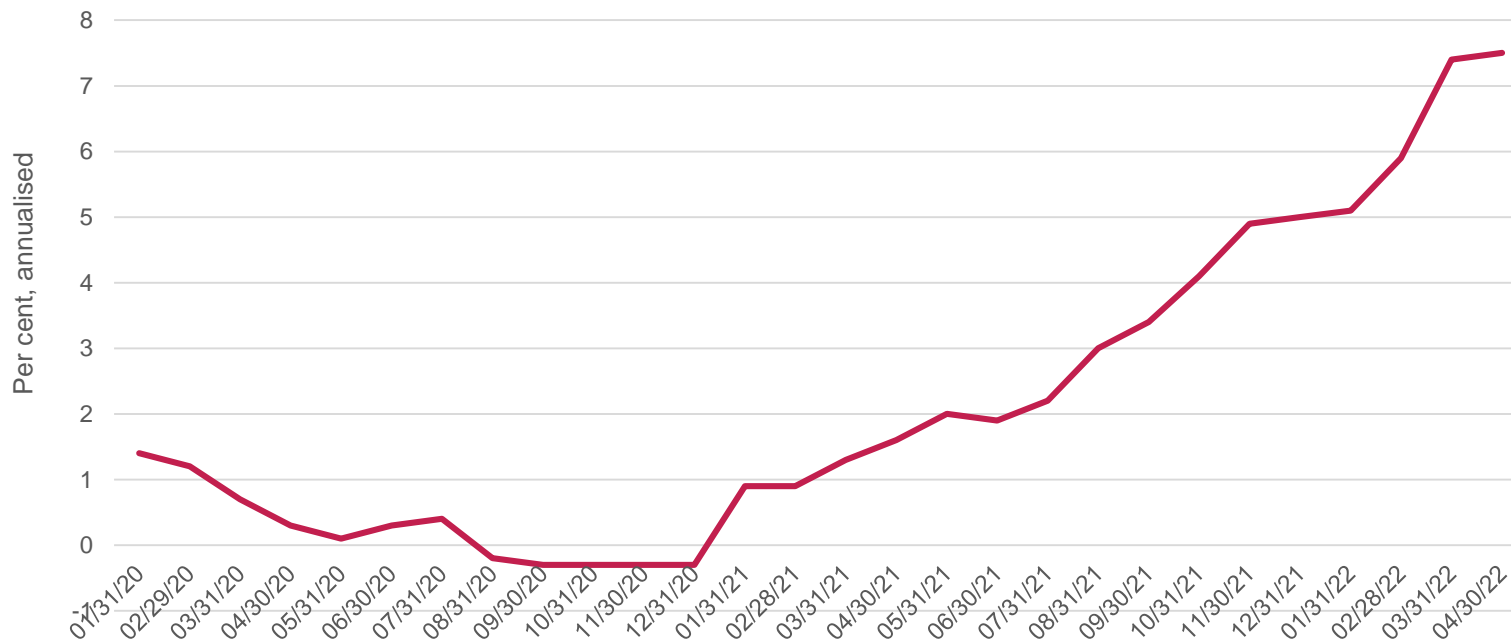


# SUGAR MARKET OBSERVATORY

12 May 2022

# Inflation is accelerating

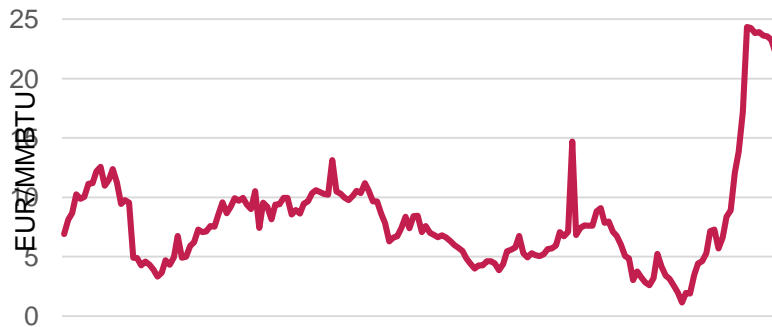
Euro Area MUICP All Items YoY NSA



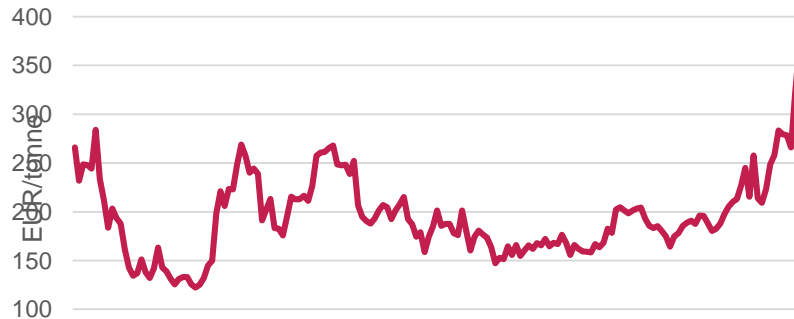
Source: Eurostat

# Costs are exploding

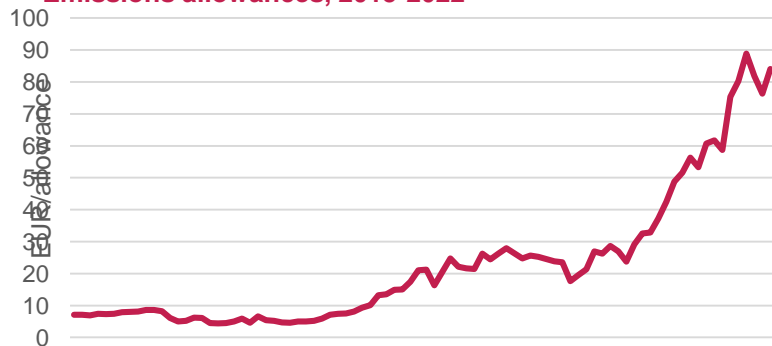
German natural gas spot price, 2007-2022



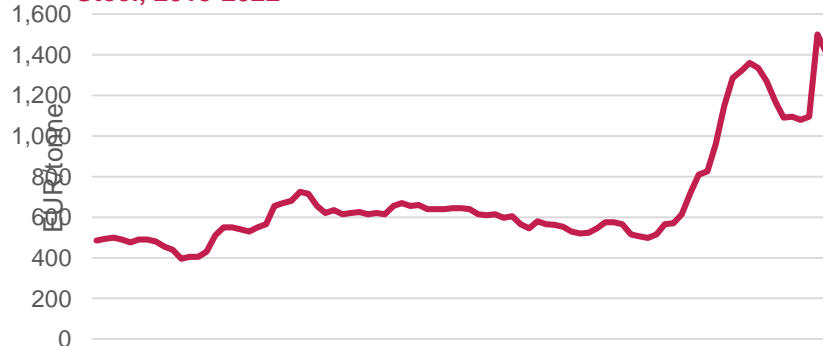
Wheat generic mastiff, 2007-2022



Emissions allowances, 2015-2022



Steel, 2015-2022



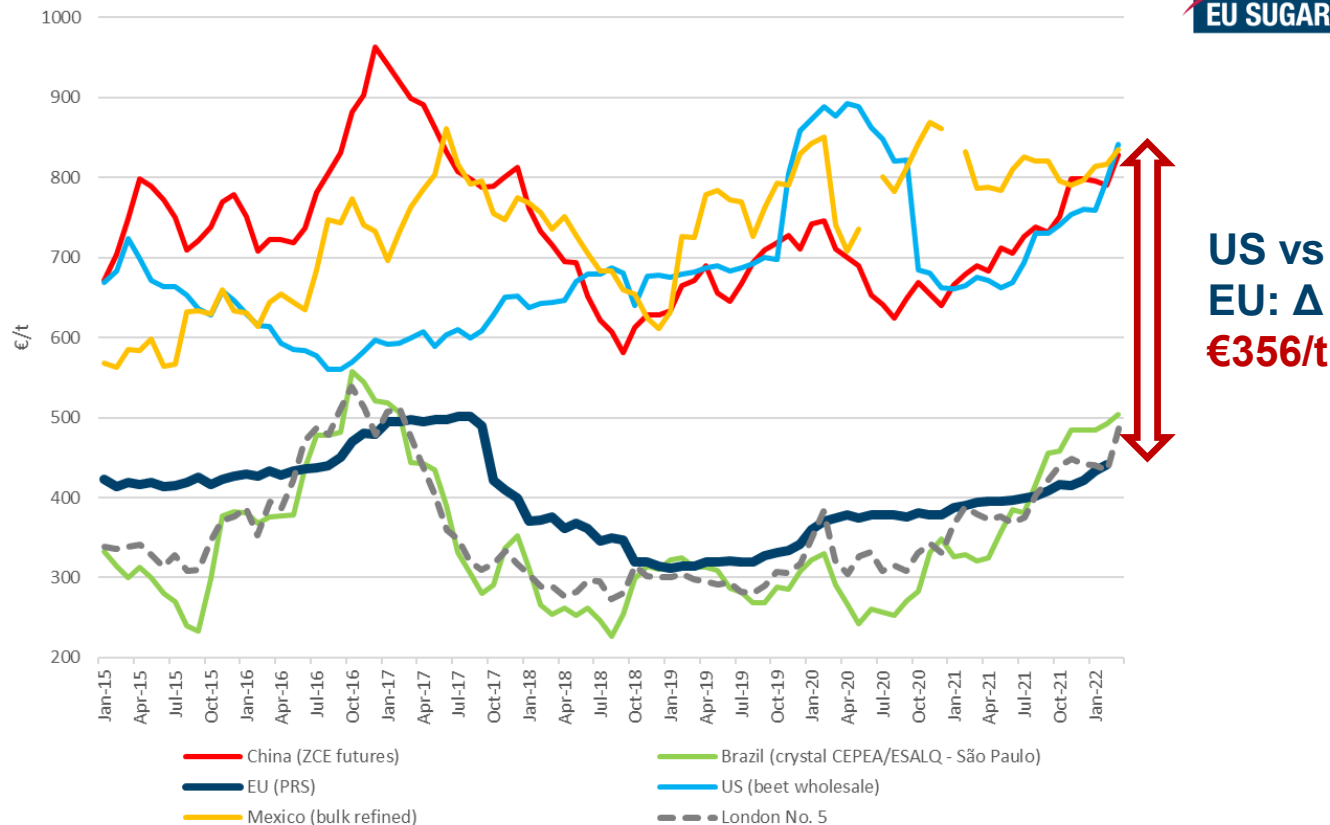
Source: Bloomberg Intelligence, Euronext,

# Decarbonisation is becoming a major costs factor

- For factories in rural areas, energetic self-use of biomass residues is the most cost-effective solution.
  - But overly-stringent sustainability criteria (and taxation) could make this pathway unviable.
- High steel prices increases the cost of necessary investments



**But EU  
sugar  
prices  
remain  
among  
the lowest  
in the  
world...**





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