

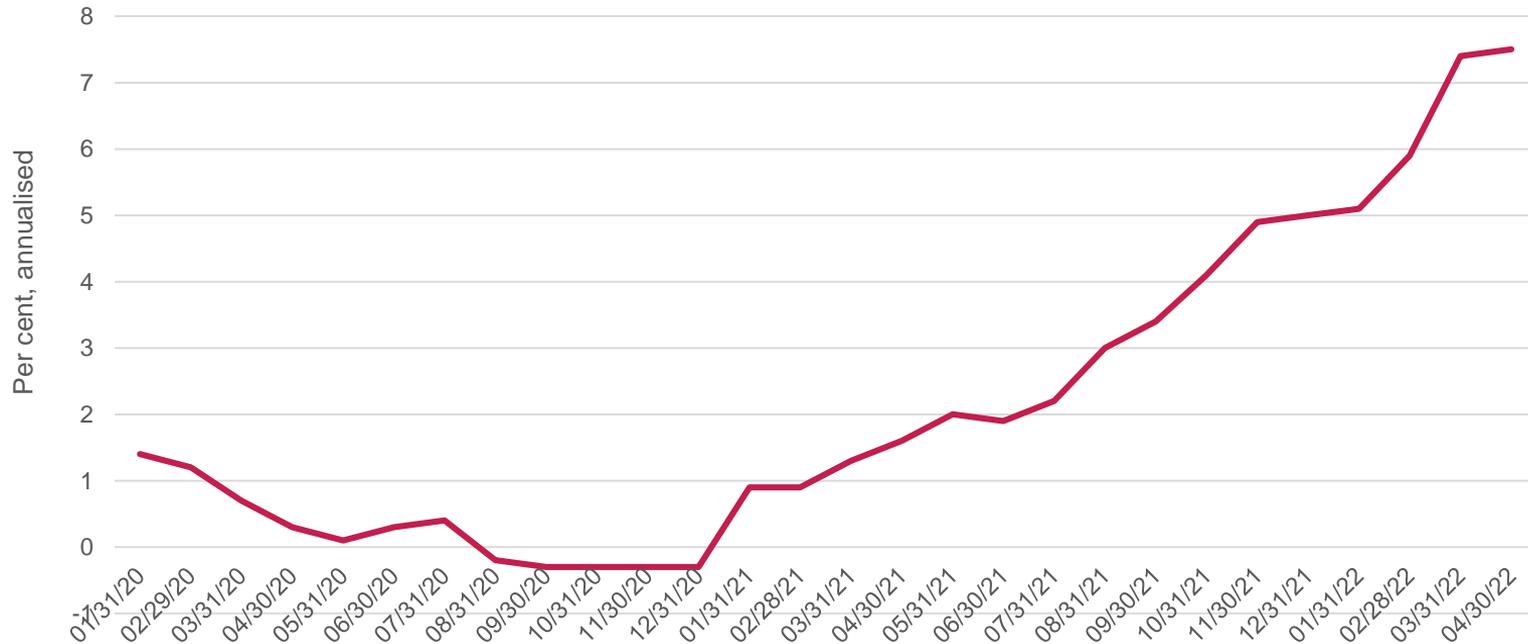


# SUGAR MARKET OBSERVATORY

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



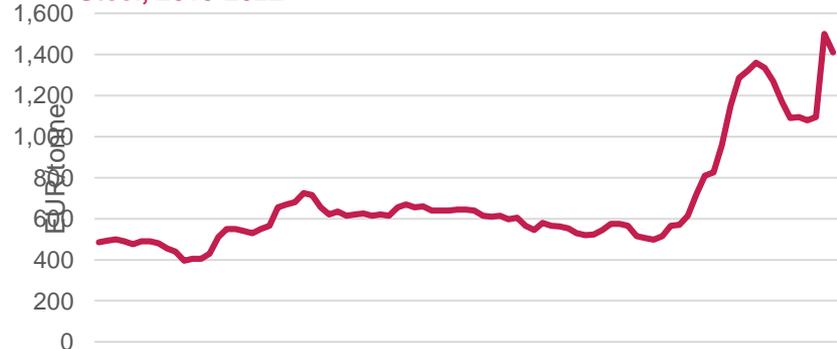
Wheat generic mastiff, 2007-2022



Emissions allowances, 2015-2022



Steel, 2015-2022



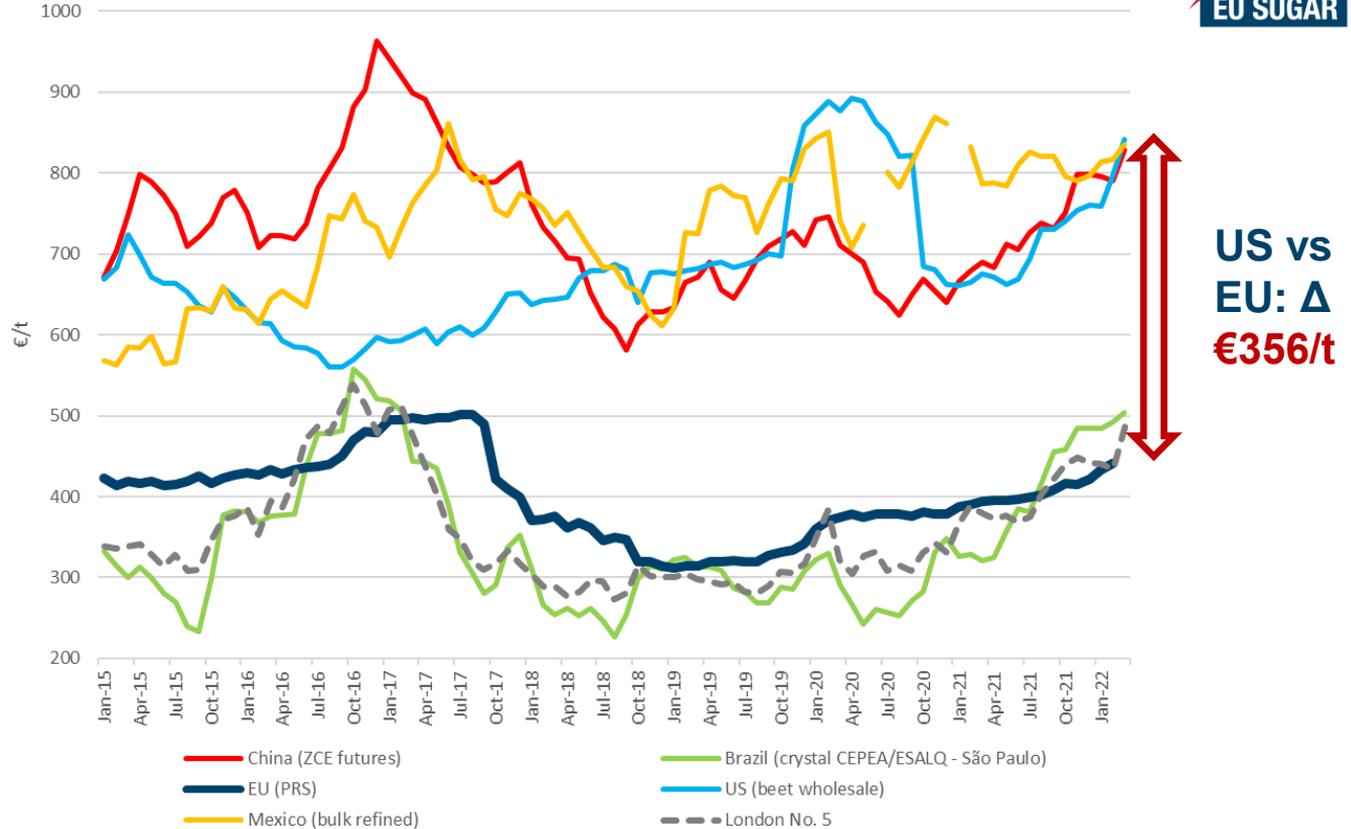
Source: Bloomberg Intelligence, Euronext,

# 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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