

Press release 1 | 27 January 2021

Nordzucker: 2021/22 campaign successfully completed

- Overall good campaign performance in all factories
- Yields above average
- Corona infection chains prevented

Fact Box Nordzucker Group:

- Duration:

Average 122 days beet campaign / 199 days sugar cane crush in Australia

- Volume processed:

17 million tonnes of sugar beet (including 184,000 tonnes of organically grown beet) / 5.3 million tonnes of sugar cane

- Yields per hectare:

72.1 tonnes of beet with 17.7% sugar content / 85 tonnes of sugar cane with 13.7%

Nordzucker successfully completed sugar production from sugar beet and sugar cane in most of its factories. The campaign was completed in Finland and Lithuania before the end of the year, in Poland and Slovakia in the first decade of January and in Germany between 18 and 27 January. The processing plants in Denmark (end of January) and Sweden (beginning of February) are still in operation. On average for all factories, the campaign will last 122 days. In Germany, Denmark and Lithuania, organic beet was also processed into organic sugar again in the first days of the campaign.

High yields and good prices for sugar beet

Sufficient and well-distributed rainfall during the summer in almost all European growing regions led to above-average beet and sugar yields (12.8 tonnes of sugar

per hectare). Germany even achieved one of the highest sugar yields ever, with an average of almost 80 tonnes of beet per hectare (73 tonnes in the 5-year average) and a sugar content of about 18 percent, with 14.2 tonnes of sugar per hectare (13.3 tonnes).

In addition to the good yields, higher sugar prices will have a positive impact on the beet prices of the contracts with a variable price model. "The variable sugar beet contracts with our growers will achieve the best prices since the end of the sugar market regime and noticeably higher prices than in the fixed price model," emphasises Dr Lars Gorissen, CEO. "The competitiveness and attractive role of sugar beet in agricultural crop rotation is thus confirmed".

High capacity utilisation and good campaign progress at the factories

Beet processing was almost trouble-free at all locations. In some factories, the thick juice now in storage will also be processed into granulated sugar and bioethanol for fuels and chemical products in the spring. As in other sectors of the economy, there were supply bottlenecks and cost increases for auxiliary materials and energy. In addition, there were logistical bottlenecks, at times also in sugar beet, which were quickly resolved thanks to the initiative of all those involved. "The campaign duration documents the efficiency and optimal utilisation of the factories. These challenges were solved through the good interaction of all company divisions from agriculture, purchasing, production and logistics to sales and marketing ", is how Axel Aumüller COO assesses the campaign. "At all locations in Europe and Australia, we can be satisfied with the course and result."

Well-distributed rainfall also led to above-average yields in the region of the three sugar mills of Nordzucker's majority holding Mackay Sugar Ltd. in Australia. Starting with sufficient rainfall after the harvest in the previous year, the rainfall in 2021 also favoured the growth of the sugar cane and the second best harvest in the last ten years was recorded. However, rains have repeatedly interrupted the harvest. In Australia, the three sugar mills started the crushing season at the beginning of June and also ended it successfully at the end of December 2021 after an exceptionally long season (199 days).

Critical infrastructure: Corona infection chains could be prevented

Comprehensive hygiene concepts and protective measures against the Corona virus were also necessary in the 2021/22 campaign. Axel Aumüller, COO: "The measures taken and the disciplined behaviour and consistent actions of all employees prevented infection chains in the factories and administration. This enabled the campaign to be ended safely. Nordzucker belongs to the "critical infrastructure". This means we have a special responsibility to supply the population with sugar as a foodstuff. Thanks to the commitment of our employees, this has once again worked excellently".

Background

Campaign

Sugar beet campaign, or campaign for short, is the period of the year during which sugar beet is processed in sugar factories. The campaign usually lasts from mid-September to January.

Nordzucker Group

The Nordzucker Group, headquartered in Braunschweig, Germany, is one of the world's leading sugar producers. The company extracts a wide range of sugar products from beet and cane at 21 sites in Europe and Australia - some of it in organic quality. Nordzucker also produces animal feed, molasses, fertiliser, bioethanol, biogas and electricity. The raw materials beet and cane are fully utilised. Circular economy and sustainability along the entire value chain have been a priority in the company for decades. A total of around 3,800 employees across the Group stand for sustainably produced products and excellent service.

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