

Exporting raw cane sugar to Europe?

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Raw cane sugar is becoming more popular in Europe as consumers grow increasingly interested in natural and unrefined food products. However, the market is highly competitive. As an exporter of raw cane sugar you must be able to offer competitive prices to gain access. It is best to sell your raw cane sugar in the European market through specialised importers of natural, organic and Fairtrade products.

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1. Product description

Raw cane sugar is made from the extracted juice of sugar cane (*Saccharum officinarum* L.). Sugarcane grows mostly in warm climates around the world. After harvesting, the canes are pressed to extract the juice. The sugar cane juice is then evaporated by heating. The remaining product is raw cane sugar.

European buyers distinguish between different types of raw cane sugar. These differences are based on the differences in origin and whether the raw cane sugar is partially centrifuged or not at all. Centrifugation separates sucrose crystals from other components of sugar cane juice. The lighter the raw cane sugar, the more it has been centrifuged and the less molasses it contains.

Raw cane sugars which have not been centrifuged are commonly called Non-Centrifugal Sugar (NCS) or whole raw cane sugar. They still contain high concentrations of molasses and have a dark colour. Depending on the origin of the sugar, it can also be called jaggery (South Asia), panela or rapadura (Latin America), muscovado (the Philippines) or Barbados sugar (Barbados).

Demerara sugar and turbinado sugar are partially centrifuged raw cane sugars. Demerara sugar is a light brown raw cane sugar originally produced in Guyana (a former colony called Demerara), with relatively large granules. Due to its increasing popularity, demerara sugar is now also produced in other countries such as Mexico and India. Turbinado sugar does not have a specific place of origin. It gets its name from a turbine-like centrifugal process which results in smaller granules than those found in other raw cane sugars.

It should be noted that there are no legal definitions for these specific types of raw cane sugar, and manufacturers use them freely for different types of sugar.

Classification of raw cane sugar: Harmonised System (HS) code: 1701.13.90, which is defined as 'Raw cane sugar, obtained without centrifugation, not for refining'.

Tip:

- See our other [studies about honey and sweeteners](#) for more information about the honey and sweeteners market in Europe.

2. Which European markets offer opportunities for exporters of raw cane sugar?

Consumption

Raw cane sugar is growing in popularity as consumers become increasingly interested in natural and unrefined food products.

The United Kingdom is the leading market for raw cane sugar in Europe, with a long history of importing and processing raw cane sugar. [Tate & Lyle](#), one of the United Kingdom's largest sugar refineries, began importing and processing cane sugar in 1859. [Billington's](#), a large British trading company focused on natural unrefined sugars, started to import and sell demerara and muscovado sugar in 1858. British consumers are therefore more familiar with raw cane sugar compared to consumers in the rest of Europe.

The market for non-centrifugal cane sugars (NCS), such as panela and muscovado, is even smaller than that for other raw cane sugars such as demerara and turbinado, which are partially centrifuged. The market for NCS is largest in southern Europe. Southern Europe has relatively large populations of migrants from the Philippines (producer of muscovado) and Colombia (producer of panela). For example, Italy and Spain were the main destinations of Filipino migrants between 2002 and 2011. Spain is the main destination for Colombian migrants. In 2011, 374,000 people born in Colombia were living in Spain. These migrants have a relatively high interest in NCS from their countries.

Over the next five years, demand for raw cane sugar is expected to continue growing. An increasing number of people will become interested in raw, unrefined products. Industry sources indicate that the potential for increased demand is particularly high in Germany. In 2015, Germany was the leading country in launching new raw food products.

Tips:

- Focus your promotion on European countries or regions with a large diaspora from your country.
- The website [FoodDrinkEurope](#) can be an interesting source for information on consumption patterns of various food products, including raw cane sugar, across different European countries.

Imports and production

Europe does not produce any raw cane sugar and has to import all of the raw cane sugar it uses from other countries. See the section on competition for information about suppliers of raw cane sugar to Europe.

Table 1 Largest importers in Europe of non-centrifugal cane sugar, average annual value of imports in 2007-2011, in USD

Country	Import value
Italy	975,000
Spain	773,000
United Kingdom	696,000
France	283,000
Germany	148,000
Finland	59,000
Other countries	119,000

Source: Panela Monitor, 2012

According to Colombia's export promotion organisation ProColombia, Italy, Spain, Portugal and Germany are major importers of Colombian raw cane sugar. The Bureau of Agriculture and Fisheries Standards of the Philippines also identified Italy as the main importer of muscovado sugar from the Philippines in 2013. The Peruvian company Norandino estimated that Italy accounted for 80% of its raw cane sugar exports in 2015.

The United Kingdom is a major buyer of raw cane sugar from India, accounting for an import value of around €500,000 in 2011.

The above data on non-centrifugal cane sugar do not include trade in partially centrifuged raw cane sugars such as demerara and turbinado. However, they confirm the leading roles of Italy, Spain, the United Kingdom and Germany in the European market for non-centrifugal cane sugar.

Tip:

- See our study on [trends for honey and sweeteners](#) for more information on trends and statistics for sweeteners.

3. What trends offer opportunities on the European market for raw cane sugar?

Demand for natural ingredients

A growing group of consumers perceive brown and unprocessed sugar to be healthier and more natural than white, refined sugar due to critical food research regarding synthetically manufactured food products. As a producer of raw cane sugar, you can use the fact that your product is unrefined to promote your product.

Though aspartame was originally introduced as a new, 'healthier' artificial sweetener substitute for refined sugar, similar food research has linked aspartame to health issues such as depression, headaches and autism. As a result, some consumers have started to substitute their white sugar with brown sugars. Consumers

perceive brown sugar as unrefined and natural, whether the brown sugar is actually refined and centrifuged or not.

Tip:

- Respond to the trend for natural sweeteners by promoting your product as unrefined and natural.

Ethical sourcing

Growing consumer interest in ethically sourced products provides opportunities for Fairtrade certified raw cane sugar. Consumers in Europe are increasingly concerned about suppliers and the circumstances under which their product is produced, such as working conditions at factories.

While Fairtrade sales are growing significantly in certain categories, sales of Fairtrade cane sugar dropped in 2015. The main cause of this drop is the expected end of European sugar beet production quota management in 2017. This shift has already influenced prices of white sugar and has made it difficult for Fairtrade sugar to compete with cheap European sugar. The price of white sugar is expected to decrease even more until 2017, after which it is expected to remain relatively stable.

European companies remain interested in Fairtrade sugar however. For example, the Italian confectionary manufacturer Ferrero has [committed to source 20,000 tonnes of Fairtrade cane sugar](#) between 2016 and 2019.

Tips:

- Check the website of [Fairtrade International](#) for more information on opportunities for fair trade cane sugar.
- See the retail data on [Fairtrade certified sugar](#).

Organic certification

Consumers are also increasingly interested in organic food products. They are looking for products with a small environmental impact. This trend has stimulated the market for organic-certified products. The size of the organic market in Europe increased by 7.6% between 2013 and 2014. In 2015, Sweden's organic market grew by 40% in 2015.

The organic market in Europe is becoming increasingly mainstream and is highly developed in west-European countries such as Germany, France and the UK. The European Union has been actively promoting organic production by developing a single harmonised standard and product logo for application across the entire European Union.

Sustainability gaining importance

Consumer concerns about global issues such as climate change are stimulating European buyers of raw cane sugar to become stricter in their requirements for the sustainability of raw cane sugar production. For example, they are increasingly promoting the reduction of water and energy use and of waste.

Tips:

- Refer to the [International Federation of Organic Agriculture Movements \(IFOAM\)](#) for information on

organic sales and trends in Europe.

- For more information about fair trade and organic cane sugar, see [our study on organic and Fairtrade cane sugar](#).

4. What requirements must raw cane sugar meet to be allowed onto the European market?

Buyers in the European Union have strict requirements for raw cane sugar. You will only be able to successfully market your product in Europe if you comply with these requirements. See our study on [buyer requirements for honey and sweeteners](#) for a detailed analysis of these requirements. They deal with the following topics:

- Food safety – traceability, hygiene and control
- Pesticide residues
- Genetically Modified Organisms (GMOs)
- Food safety certification
- Documentation
- Samples
- Payment and delivery terms
- Halal and Kosher certification
- GMO-free certificates
- Sustainability and Bonsucro
- Organic and Fairtrade certification
- Quality
- Labelling
- Packaging

It is important that you have a clear understanding of the requirements listed above. European Union food safety legislation and buyer requirements are of particular concern as consumers are highly critical when it comes to food safety. The [General Food Law](#) is the legislative framework for food safety in Europe. To guarantee food safety and allow appropriate action in cases of unsafe food, food products must be traceable throughout the entire supply chain.

It is important to define critical control points to monitor for any food safety hazards ([HACCP](#)). Relevant hazards in sugar cane production and sugar processing include contamination by physical elements (plastic residues, metals and dirt) and chemical elements (cleaning agents).

Prevent any contamination of your product to ensure that your raw cane sugar is safe for consumption. If European companies or authorities find that the safety of your raw cane sugar cannot be guaranteed, they will take it off the market and register it in the [European Union's Rapid Alert System for Food and Feed](#).

Tips:

- Establish a traceability system and keep samples from each of your suppliers to trace the origin of a product in case of non-conformity.
- Keep your facilities clean by setting up strict operating procedures, such as cleaning schedules for your processing equipment.
- Search the [European Union's Rapid Alert System for Food and Feed \(RASFF\) database](#) to see examples of withdrawals from the market and the reasons for these withdrawals.

Quality requirements

Raw cane sugar mainly consists of types of sucrose, fructose and glucose (<95-98%). Additionally, the product contains water (1.5-3.5%) and minerals (<1-5%). Low moisture content significantly lengthens its shelf life by reducing the risk of mould and other contamination by microorganisms.

For European buyers, mineral content is a major topic in quality standards. The maximum level of mineral content is dependent on the type of raw cane sugar and whether the sugar has been partially centrifuged. Mineral content is often measured as ash. Unless the sugar contains many impurities, minerals account for most ash. For example, in the [Philippine National Standard for Muscovado Sugar](#), the ash level in muscovado sugar may not exceed 3%. Compared to demerara sugar, muscovado sugar can have a much higher mineral content. Under the standards of Tate & Lyle, a large British sugar refiner/importer, [demerara sugar should not exceed a maximum ash level of 0.45%](#). Compliance with this standard requires partial centrifugation of the raw cane sugar to remove excess molasses.

If raw cane sugar is overheated, it can contain high levels of acrylamide. Acrylamide has the potential to cause cancer. There are no European legal requirements for the [level of acrylamide](#) yet, but the European Union is investigating the need to take legal measures. The German government has set a maximum acrylamide value of 1000 µg/kg for all food products. Low levels of acrylamide can be achieved by Best Practice Management such as lower process temperatures and closed production systems.

The Codex Alimentarius, a joint food standards programme of the Food and Agriculture Organisation (FAO) and the World Health Organisation (WHO), has prepared a [Standard for Non-Centrifugated Dehydrated Sugar Cane Juice](#). This quality standard is still being developed and has not yet been adopted officially.

In view of the lack of an international quality standard, compliance with the standard in your country will help European buyers to assess your quality. Because general practices for raw cane sugar production vary significantly between different countries of origin, several national governments have established their own quality standard for raw cane sugar. For example, Colombia and Ecuador have established mandatory quality standards ([Norma Técnica NTC 1311 Productos agrícolas: Panela](#) and [Norma Técnica Ecuatoriana NTE INEN 2332:2002](#)) and India has a Ministerial decree on [Jaggery Grading and Marking Rules](#).

The quality of your raw cane sugar depends largely on your raw material (cane juice). Important parameters for assessing cane juice quality are: solids present in the juice ('Brix'), juice sucrose percentage (actual cane sugar present in the juice) and the purity coefficient (percentage of sucrose present in the total solids content of the juice). Cane is ready for harvesting when it has attained a minimum of 16% sucrose and 85% purity. The purity percentage can be calculated using the HR Brix level and percentage of sucrose in the cane: $\text{Purity Percentage} = (\text{Sucrose \%} / \text{Brix level}) * 100$.

Labelling requirements

Make sure you are able to track the individual batches of your product.

For bulk products, you should use the English language for labelling, unless your buyer has indicated otherwise.

Include the following information:

- Product name
- Batch code
- Whether the product is destined for use in food products
- Name and address of exporter
- Best before date

- Net weight in metric units
- Recommended storage conditions
- *Organic and fair trade*: Name/code of the inspection body and certification number

Packaging requirements

Raw cane sugar is packed in 10, 25 or 50-kilogram Kraft paper bags or polypropylene (PP) bags with a polyethylene (PE) inner bag, which provide protection from moisture and contaminants. This is necessary as sugar attracts moisture. Buyers may have specific packaging requirements as well.

An example of raw cane sugar in bulk packaging:

Source: Peacock Salt

Tips:

- Harvest your canes at peak maturity. The cane should be properly cleaned and any contaminants such as leaves and roots removed. The harvested cane should then be quickly transported to the processing plant or factory.
- Ensure preservation of quality by:
 - Thoroughly cleaning your processing and packaging equipment before packaging the sugar.
 - Protecting the cargo from moisture during loading (to avoid mould).
 - Ensuring appropriate temperature, humidity/moisture and ventilation conditions during transportation.
 - Protecting the cargo from pests such as beetles and moths.
 - Keep tools and facilities clean to prevent contamination and degradation of quality.
 - Prevent contamination by foreign materials.
 - Apply the FAO's [Code of Practice for the Reduction of Acrylamide in Food](#).
 - Discuss with your buyer what quality they expect in terms of granule sizes and colour variations in your raw cane sugar.
 - Keep storage temperatures low for a longer shelf life. Raw cane sugar can be stored for up to 9 months if stored at a temperature of 30°C and for 12 to 48 months at a temperature of 20°C.

5. What competition do you face on the European raw cane sugar market?

Competition with similar products on the European market

It is relatively easy to export your raw cane sugar to the European market. The absence of strict standards allows only for production with low technology, compared to the production of white sugar.

Apart from the obvious price competition from white refined sugar, raw cane sugar producers' main competition comes from producers of refined brown sugars and palm sugars. See [our study on palm sugar](#) for more

information about this product.

Palm sugars have several properties in common with raw cane sugars. Like raw cane sugar, they are also natural and unrefined sweeteners. However, palm sugars are priced higher. The benefit of palm sugars is their low glycemic index. This is particularly relevant in the segment for diabetics.

There are also sugars with a light brown or dark brown colour to which molasses is added back into refined white sugar. In this way, the industry can control the exact amount of molasses that goes in and ensure a uniform brown product. These brown sugars are similar in price to raw cane sugar but do not have the benefit of being unrefined and natural. However, consumers often perceive brown sugar as healthier in general, whether it is refined or unrefined.

Direct competition from high-intensity sweeteners such as aspartame, sucralose and stevia is limited. These sweeteners mainly target the large-scale food and drink manufacturing industry.

Competition among suppliers

Your competitors in the raw cane sugar market are based in many different countries.

India is the world's largest producer of raw cane sugar (not for refining). This country is expected to produce 5.7 million metric tonnes of raw cane sugar in 2016. In 2011, its exports amounted to around 31,000 tonnes. A low average export value of €0.56/kg in 2010 suggests that India's raw cane sugar is of relatively low quality and intended for use as fermentation stock.

Colombia is the world's second largest producer of raw cane sugar (not for refining). In 2014, Colombian raw cane sugar production reached 1.4 million tonnes, with a 15% increase compared to the previous year. Colombia mainly exports its raw cane sugar to Europe and the United States. The relatively high export value of €1.42/kg in 2011 suggests that the product is of relatively high quality.

The Philippines is an upcoming raw cane sugar producer. In 2014, its [production of muscovado sugar increased by 22%](#) compared to the previous year.

Other major suppliers of raw cane sugar include Pakistan, China, Brazil, Bangladesh and Myanmar.

There is no specific difference in quality between raw cane sugar from these different regions.

Tips:

- Do not attempt to compete directly with conventional sugars as it is not possible to compete on price.
- Compete with palm sugars and other brown sugars by promoting the natural, unrefined properties and relatively low price of your raw cane sugar compared to palm sugars.
- Differentiate yourself from the competition by investing in a professional processing line that improves product quality and minimises the risk of the presence of foreign particles.

6. Through what channels can you get raw cane sugar onto the European market?

Market segments

The consumer market is the largest segment for raw cane sugars. This segment requires retail-packed raw cane

sugar in granules or cubes of high quality. For an example of cubes, see [La Perruche Pure Cane Rough Cut Cubes](#). Raw cane sugar is generally packed for retail in Europe by importers. They have the required certificates, packaging capabilities and logistical capabilities to supply retailers. Retailers need small and frequent deliveries. Moreover, suppliers need to be able to take back products if a food safety issue is identified.

Manufacturers of fair trade and organic products form other important segments. See for example the [Green Dream](#) chocolate bars. For more information about fair trade and organic cane sugar, see [our study on organic and Fairtrade cane sugar](#). Mainstream manufacturers do not often use raw cane sugar as it is more expensive than white, refined sugar.

Tips:

- Look into the opportunity to supply different product presentations such as granular sugar, cubes and flavoured mixes.
- Discuss opportunities for organic or fair trade certifications with your buyers, for which there are good opportunities in Europe.

Market channels

Figure 1: Major market channels for raw cane sugar

Raw cane sugar is imported through four main channels: specialised importers of natural products, specialised importers of organic products, specialised importers of Fairtrade products, and sugar companies. The specialised importers are of the most interest to raw cane sugar exporters.

Examples of specialised importers are:

- [Rapunzel](#) (natural)
- [Do-It](#) (organic)
- [Alter Eco](#) (Fairtrade)

The large-scale sugar companies focus on refined sugar. Some of them also offer raw cane sugar to widen their product range. However, these companies generally focus on partially centrifuged sugars such as demerara.

At retail level, raw cane sugar is sold mainly by regular supermarkets. Foods and beverages manufactured with raw cane sugar as an ingredient are often sold to health shops, retailers focused on organic products and other specialised retailers.

Tips:

- Focus your promotion efforts on importers that supply directly to end users, such as bakeries or consumer markets.
- Do not focus on supplying directly to food manufacturers. They prefer to purchase from importers, which offer a convenient one-stop-shop. Food manufacturers focus their activities on the development, manufacturing and marketing of foods.

7. What are the end market prices for raw cane sugar?

European retail prices for raw cane sugar are listed in the table below. Some retailers define the type of raw cane sugar they sell, others do not. Raw cane sugar is priced at around €5 per kg on average, with a range from €1.95 to €8.58 per kg. To compare, prices for conventional refined sugar are averaging around €0.70 per kg in 2016.

According to [Fairtrade International](#), the premium for Fairtrade raw cane sugar is USD 0.06 per kg. The premium for Fairtrade and organic raw cane sugar is USD 0.08 per kg.

Brand details	Retailer	Price and package size	Price per kg
Tesco Unrefined Demerara Sugar	Tesco, United Kingdom	€1.95 / 1 kg	€1.95 / kg
Sainsbury's Fairtrade Demerara Unrefined Cane Sugar	Sainsbury's, United Kingdom	€3.94 / 2 kg	€1.97 / kg
Van Gilse Ruwe Rietsuiker Fairtrade	Albert Heijn, Netherlands	€1.65 / 500 g	€3.30 / kg
Ethiquable Ruwe Rietsuiker Fairtrade	Jumbo, Netherlands	€4.29 / 500 g	€8.58 / kg
REWE Beste Wahl Brauner Roh-Rohrzucker	REWE, Germany	€1.49 / 500 g	€2.98 / kg
Seeberger Rohrzucker grob, unraffiniert	Amazon.de, Germany	€1.89 / 500 g	€3.78 / kg
Alnatura Sucro de canne brut (organic)	Migros, Switzerland	€3.20 / 500 g	€6.40 / kg
Sucre de canne en poudre, brut non raffiné (organic)	Monoprix, France	€2.39 / 500 g	€4.78 / kg
Krav Rårörsocker	COOP, Sweden	€2.80 / 500 g	€5.60 / kg

Price breakdown for raw cane sugar (panela, in consumer bags or cubes/blocks):

1. Raw material sugar cane: 5%
2. Processing and export: 25%
3. Shipment: 5%
4. Import, packaging and distribution to wholesalers: 25%

5. Distribution to retailers: 15%
6. Retail: 25%

Tips:

- For more information on worldwide prices for conventional sugar, see the [International Sugar Organisation](#).
- Use organic and Fairtrade certification to obtain a premium and/or develop sustainable practices that positively impact your working environment and reputation. For example, improve the efficiency of energy use in your production of raw cane sugar.
- Reduce fluctuations in the prices of your raw materials by making agreements with your suppliers. Build in price flexibility, but also set minimum and maximum prices for the raw materials. Over the long-term, mutually beneficial agreements can help to prevent large price fluctuations.
- Focus on cost reduction to become price-competitive. Costs of raw cane sugar production depend to a large extent on the quality of your raw material (cane juice). See the section on product specifications for information on cane juice quality.