

Press release

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Nordzucker begins 2018/2019 campaign

Below-average yields expected

Braunschweig, Germany, 30 August 2018

The Nordzucker Group's sugar beet campaign will begin on 12 September this year. Extremely dry conditions have led to a later campaign start date at the plants and will cause significant regional differences in the harvest this year. Nordzucker therefore expects to see below-average yields. The campaign will end in January 2019.

The first sugar beet of this growing year will be processed at the Chełmża (Poland) and Trenčianska Teplá (Slovakia) plants from 12 September. Plants in other countries will then gradually begin sugar production over the following days. The campaign will be up and running at all Group plants by 9 October. This one-week delay to Nordzucker's campaign is a reaction to the extremely dry conditions in the majority of growing regions over the summer months. A preliminary thick juice campaign began at the Nordstemmen plant on 28 August.

After a somewhat late start to the sowing period, the beet initially began growing quickly during the warm weather, compensating for the slight delay. However, there was almost no rainfall in many locations over the summer. Areas particularly affected by this included the growing regions of Denmark, Sweden, Poland and Germany. Sugar beet in Slovakia and Lithuania, on the other hand, grew at an acceptable rate under good conditions with sufficient rainfall. Beet tests in all countries have so far shown very significant

regional differences with regard to expected yield. This makes it considerably more difficult to forecast.

Dr Lars Gorissen, Chief Executive Officer, confirms, “Overall, we expect to see below-average yields. The extremely dry conditions were a major challenge for the agricultural industry. This can be seen in grain and rapeseed yields in many places. We have reacted to this difficult situation and are starting the campaign around one week later. In Germany, Sweden, Denmark and Finland, we have also paid part of the beet price to the growers in advance to improve liquidity.”

With regard to the current market situation, he adds, “Oversupply on the world market and within the EU has led to massive drops in the sugar price. Unfair competition in the EU through coupled payments and subsidies in the larger production countries are putting prices under further pressure. However, the beet is an important crop for the growers and for crop rotation. Even under the current conditions, it still contributes to operating income of the farmers and has further yield potential.”

Organic beet will again be processed into organic sugar this year. Nordzucker has expanded its growing areas for this considerably, and has secured additional contracts for areas in Germany, Denmark, Sweden and Lithuania. Organic sugar is produced at the Schladen, Kėdainiai and Nykøbing plants.

Campaign to end in January

Axel Aumüller, Chief Operating Officer, emphasises, “We are well aware of the situation in the fields. In order to take this into account on the production side, the plants are starting at very different times. The campaign will then end in January.”

Overall, Aumüller believes that all of the plants are well-prepared, saying, “We have invested in expanding warehousing and logistics facilities, energy efficiency and customer service. The performance of our plants will remain a high priority going forward. We will continue to invest in them, adapting flexibly to the market situation.”

Here are the start dates for the 2018/2019 campaign for all of the Nordzucker plants at a glance:

Germany	
Clauen	15 September
Klein Wanzleben	expected 18 September
Nordstemmen	19 September
Schladen	18 September (organic beet)
Uelzen	21 September
Denmark	
Nakskov	25 September
Nykøbing	9 October (organic beet)
Sweden	
Örtofta	25 September
Finland	
Säkylä	4 October
Lithuania	
Kėdainiai	15 September (organic beet)
Poland	
Chelmża	12 September
Opalenica	25 September
Slovakia	
Trenčianska Teplá	12 September

Background

The Nordzucker Group, based in Braunschweig, Germany, is one of the leading sugar manufacturers in Europe. The Group also processes sugar beet into bioethanol and animal feed. Sustainability along the entire value chain is a top priority for the company. A total of 3,200 employees and 18 production and refinery facilities across the Group ensure excellent products and services, thus providing a strong foundation for further growth.