

18th April 2011

Abstract

There are fast growing niche markets for sugar and sugar derivatives, production and handling of which throughout the whole supply chain meets more rigid and demanding environmental and social standards. There has been an impressive expansion in non-conventional sugar markets with average growth rates more than 10 times higher than that of world sugar consumption. Organic sugar grew from just 20-40 thousand tonnes only in 1999 to over 300 thousand tonnes of estimated output in 2009 with an average annual growth in excess of 25%. A further growth in both output and demand to a level of about 450-500 thousand tonnes a year by 2015 is projected. Growth rates are similarly impressive in the case of Fairtrade sugar. Global volumes of Fairtrade sugar increased from less than 20 thousand tonnes in 2007 to about 90 thousand tonnes in 2009. In absolute terms, however, two analysed markets (those for organic sugar and Fairtrade sugar) represents just a minuscule part of the world sugar market responsible for less than 0.2% of world consumption in the case of organic sugar and 0.1% in the case of Fairtrade sugar. There is, however, a new emerging market, which may significantly overgrow the existing sugar niche markets. In the near future, sugar and cane derived products certified that they have been produced in a socially and environmentally sustainable way will form another niche market with the size significantly exceeding those of "traditional" niche markets. Moreover, sustainable certified sugar and some cane derived products as ethanol could become main stream in some developed markets in the longer term.

The paper first discusses the market for organic sugar reviewing practices and standards for organic production, as well as supply availability and demand potential for organic sugar. The second chapter is dedicated to the market for Fairtrade sugar with a special emphasis on general concepts of Fairtrade as well as both demand and supply growth and future potential of the market. The final chapter is dedicated to sustainable sugar as an emerging niche product. There are a number of internationally recognized certification programmes, which would assure final consumers that, even in the case of non-organic and non-Fairtrade, sugar and cane derived products sugar and cane derived products have been produced in a socially and environmentally sustainable way. After providing information on non-sugar specific international certifiers which can certify different aspects of sustainability, then attention is focused on Bonsucro (originally called the Better Sugarcane Initiative - BSI) as an international sugar crop specific certification system providing sustainability certification to producers of cane sugar and sugar cane derived products.