



## Final Statement

### World Association of Beet and Cane Growers (WABCG)

30 November 2020

The World Association of Beet and Cane Growers, which counts 36 cane and beet growers' associations from 34 countries, met by video conference on 30<sup>th</sup> November 2020.

**Sugar and ethanol markets in 2020 were tremendously volatile.** In the short term, the world pandemic Covid-19, calling for widespread lockdown measures, impacted the level of consumption around the world. Speculators, who considered agricultural markets to be a safe haven during times of financial and economic uncertainty, dramatically amplified volatility, and sugar value lost one third of its value within 2 months, before bouncing back. But Covid-19 also had a macroeconomic impact, especially on currency parities, which has probably changed the fundamentals of the sector in a longer term and which will need further adaptation worldwide.

Since it is the growers who have to translate the effects of short term volatility into long term decisions on their farms, they underline the importance of taking this into consideration in order to sustain the essential cohesion between growers and factories, mitigating risks for the production chain. **Innovation to manage the effects of price volatility should be promoted.** Growers' associations should be accompanied in building new tools, including for example the reasonable use of sugar futures to fix cane and beet prices. **Diversification of outlets** from cane and beet processing should also be used towards this goal as it has proven an efficient strategy to improve the resilience of sugar beet and sugar cane sectors. Initiatives linked to green chemistry such as bioethanol, bioplastics and biogas should be encouraged and supported by the sector, industry and governments.

The year 2020 has also been a challenging year around the world in terms of agronomy. Climate change is a reality for farmers, increasing the uncertainty of yields and increasing price volatility. Farmers are the most impacted by climate change, but they also know that they are the ones who can take action to mitigate the effects of climate change. **WABCG considers that it is crucial to develop tools and strategies to adapt to climate change and its consequences. Strategic guidance based on technical support and innovation processes, designed by growers' associations, in dialogue with governments, technical institutes and civil society must be prioritized.**