



EDITORIAL

Back from Rotterdam!



Our very sincere thanks to Royal Cosun, once again, for having hosted our 37th Council: growers from 21 countries showed once again their interest in sharing views on the way we have to face

the future. We all know that markets are depressed, but good news can still be retained from those two days – and amongst them:

- Nicaraguan growers now sell, themselves, the part of the sugar they own;
- And the Brazilian ambitious policy for Biofuels.

David Thompson, our Vice-President from USA, perfectly chaired our sessions, and I thank him for that.

Growers, within WABCG, have a lot to gain from sharing positions and ideas, and this is the reason of being of WABCG: taking the best of each country. I am happy that this has once again been acknowledged by FoLicht, which just decided to publish our latest study, pointing out the importance of an independent technical support for the growers. Benchmarking is a key for all of us to progress!

Last but not least, we now know where we will all meet in 2019: it will be in Brazil. All details will be given at our next meeting, on the 26th November in London, but we can already thank Orplana, who will host us!

Jean-Pierre Dubray, President WABCG

NEWS FROM WABCG: TO BE
RETAINED FROM ROTTERDAM

The WABCG Council met on 25 April 2017 in Rotterdam (The Netherlands), and concluded its work with the following final statement:



“Sugar markets are at contract lows, with raw sugar close to 11 cts/lb. This is linked to heavy fundamentals: the volume of production reached a record high this year, and the next campaign will still show a surplus. Nevertheless, despite the fact that many countries decided to promote liberalization in their sugar policy (Thailand, European Union), growers remain confident that the only way to have a sustainable sector is to promote cohesion within the industry. This cohesion should be built by a fair sharing of the value of products derived from beet and cane (sugar, bagasse and pulp, molasses and even energy and electricity production) between growers and factories. The means to do this must be defined by agreement between the different stakeholders and must be respected. Even with low sugar prices, growers will accept sharing losses... as long as they are convinced that they will also share gains.

The diversification of outlets from cane and beet processing must be a priority for the sector worldwide. Cane and beet sugar have exceptional diversification potential. Ethanol utilization remained one of the most achievable ways to reach COP-21 goals, and WABCG welcomes the Renovabio project, launched by Brazil; WABCG encourages its members to have the same ambition in their own country. With a broader spectrum, initiatives linked to green chemistry should be encouraged and supported by the sector, industry and governments.

Sustainability is the priority that growers give to the orientation of cane and beet production throughout the world. This sustainability already relies on a balance taking into account the agronomic, environmental, economic and human factors based on the respect of the regulations and laws in each country. Growers would also like to see the challenge of sustainability addressed at a commercial level, through risk management tools (futures, insurance schemes, mutual funds, etc.) – and particularly now that speculators are acting at a record level in the sugar market.”



NEWS FROM MEXICO

At this moment, the Mexican Sugar Cane harvest is heading towards the end of the 2017-2018 season. We had 50 operating mills this time, from which five have already finished their crushing season. The recent estimates set the following figures: Total Cane Area 773,416 ha; Cane available 53.267 million tons; Cane Yield 68.87 TCH; Total Sugar 5.981 million tons and, Sugar Yield 7.73 ton per ha. According to the estimates, 36 mills are to be finished by the end of May, and the remaining 14 will be finished during the first half of June. 27.5% of the sugar production will be destined to exports. Mexico's access to US market (Quota), set according to the restrictions imposed by the "suspension agreements" is 1,085,484 metric tons, from that volume, at least, 70% must be free flowing <99.2 pol cane sugar directly delivered to the refineries. 500 to 550 thousand tons of sugar might go to industries under the IMMEX program and to the world market.



With the previous figures and observed market prices, sugarcane growers are expecting a contraction from five to ten percent on the price of the cane, compared to 2016-2017.

Between other issues, in 2005 is published the current sugar cane legislation. After hard work and coping with the opposition of the Executive Federal Government, at that time. Three years later, the constitution of the National Committee for the Sustainable Development of the Sugarcane (CONADESUCA) became a reality. Last March, with the participation of important Government Officials; Industry representatives and the presence of the Cane growers, who came from all the production regions of the country, a 10th Year Anniversary was celebrated. The program included interesting conferences. Mr. Jose Orive, ISO Director, gave a great talk, having mentioned the great relation between WABCG and the ISO. CONADESUCA is a Public Decentralized Organism, it depends from the Ministry of Agriculture, who's General Director is Mr. Isaac Cain, a young talented man, who coordinates a team servicing

the Mexican Sugar Cane Industry. In CONADESUCA, according to the Law, participate five Ministries of the Mexican Government, the Sugar Industry Representatives (CNIAA) and the Representatives of Sugarcane Growers National Organizations.

I would like to share with our WABCG Colleagues, part of the words I presented at the CONADESUCA 10th Anniversary, trying to reflect our vision in a complex political moment in Mexico:

"Certainly the Sugarcane Legislation returned to Mexican sugarcane agribusiness its referential frame, giving certainty and horizon of development to the main agro-industry of our country. Sugarcane goes from being a traditional activity of the Mexican countryside, to one inserted into the today's technological advances, which suits the market and focus in the integral utilization of the crop, as a provider of food, energy and other products of important economic, social and environmental value.

It is in the legislation, where Cane growers, Industrials and Government, converge to understand and address the problems, challenges and future of our activity. In the CONADESUCA, under the routes established by its Board of Directors, we have formed working groups giving permanent assistance in the main areas of activity: field, factory, market and structural arrangements. Highlighting the importance and strengthening the attention that the Federal Government dispenses to this important economic branch of the Mexican countryside. CONADESUCA comprises five of the Government Ministries: SAGARPA, Economy, Finance, Labor and SEMARNAT; by the productive sectors, on behalf of the mills, the sugar Industry Chamber and with the representation of Growers, the two National Organizations (CNPR and CNC).

In the present, to respond to more than 180 thousand Cane Growers, who cultivate more than 900 thousand hectares, in 15 States of the country, we must continue to strengthen strategies in the National Program of the Sugarcane 2013-2018. Likewise, taking as a reference by what so far CIDCA (Center for research and development of sugarcane) has done on varieties, pests and diseases, we must redouble efforts and formalize the contribution of the parts, in the topics of research, development and technological transfer, as well as in the field of arbitration and dispute resolution.

Forward, showing the population growth and the development of the world economy as factors underpinning the growth of global sugar consumption at a rate of 1.7 percent and also,



considering changes in sugar consumption habits, it is estimated that within 30 years humanity will demand 50% more sugar than current consumption. Today in the world are consumed 170 million tons of sugar. We are talking about producing, by year 2050, 85 million tons more of sugar, than what the world currently produces. 14 times the current average production of our country, or just over two times that of Brazil!

The size of the challenge is enormous, not impossible. However, we'd prefer that the current environment and the future in which the activity develops showed better conditions. We face specific sectors, who shows an obsession and seeks to discredit the consumption of sugar arguing unfounded health issues. The competition for the market reduces profit margins. Distorted trade agreements and cases of unfair competition, as it is the case with imports of corn fructose in our country. The exchange rates and the cost of inputs introduce uncertainty. Anyway, we must consider the environment, maintain the productivity of the land and plant health and of course, make a profit.

To solve the complex equation of being competitive, profitable and sustainable, CONADESUCA shall remain as the melting pot of proposals, enabling to establish relevant objectives, design appropriate strategies and develop the necessary actions to formulate, as stated in the law, the National Program of the sugarcane agro-industry.

Each of us, in the scope of our responsibility, must comply with and enforce the Sugarcane Law. Develop our powers and duties with honesty. The provisions referred to in the law; as well as the uniform contract, agreements and methodologies, emanating from it, are factors, which promote sustainable development."



The construction of the present stability in the sector was not easy, the solutions implemented, I'm sure, are not the best, but they're functioning to us. That's why this year, our National Organization in coordination with the local associations is imparting Training Seminars on fundamental topics, those related with the Legislation and regulations for pricing; research for new varieties; nutrition and soil care; coping with hydric stress and the

use of agricultural drones. Having started on the second half of January, at the date of this report, in 14 seminars, we have had contact with almost 3,000 growers of several growing areas, we are preparing for 5 events more to be held during May and June. You can access reports on the individual activities in our web page www.caneros.org.mx (sorry, it's in Spanish, but please, give a try!).



The second semester of this year is also, full packed of activity. We are designing a new program for the training seminars, preparing our Regional Field and Factory Technicians Seminars during September, our Annual General Ordinary Meeting in early November and expect to close by mid-December with a National Organization and Local Associations Boards Session. And, of course, eager to see you all in London at WABCG in November 2018!

Carlos Blackaller, President
Unión Nacional de Cañeros (UNC), Mexico



NEWS FROM BELGIUM

One must acknowledge that the campaign from September 2017 to January 2018, the first of the quota-free era, has been



an exceptional one. It lasted for 135 days and resulted in an historically high beet yield of 94.20 tonnes per hectare and an equivalent white sugar yield of 14.97 tonnes per hectare. Moreover, there were no major interruptions at

reception, nor at the logistical level. Sugar manufacturers and beet growers can be proud of the fact that they managed this considerable operation once more successfully.

Unfortunately, the good news ends here.

The "overproduction" of sugar beets, related to both the demand of the manufacturers to sow more beets and to Mother Nature (high yield and sugar content), as well as the liberalisation of the sugar market without accompanying measures, are now being fully felt.

Therefore, the disappointment is great now that the Belgian beet growers take stock of the economic and financial balance of the past campaign. This is especially true for the growers who supply beet to the Raffinerie Tirlemontoise. On the basis of the (provisional) SZ4-price, or the average sugar sales price of the subsidiaries of Südzucker in Germany, Belgium, France and Poland, as foreseen in the contracts, the net price for the beet of the past campaign should be around the price level of 25 euro per tonne of beet at 18.07° Z for the basic contract.

With such a price the farmer will hardly be able to cover his costs and then he should at least obtain the average beet yield of the factory (96 tonnes of beet per hectare). This is not enough when we know that the average cost per hectare fluctuates

around 2,360 euro and take into account the fact that average yield will be 2,371 euro per hectare. There would only be 11 euro per hectare left over to pay the work of the Belgian beet grower...

Hence the importance of the price supplement that must be discussed with Raffinerie Tirlemontoise at the end of the season. This supplement, which must be at least 6 euro, will determine whether the farmers will continue with the beet growing during the next few years. This is especially true for the basic contract, as a guarantee for the manufacturer that he will be supplied with beet (especially if the profitability of the cultivation is low) and for the grower who will find market opportunities (when the crop rotation options are limited). So, growers expect nothing less than a proposal that offers them proper compensation for the risks they take and a decent income for their labour. Their competence, just as the industrial know-how, help guarantee the survival of the beet-sugar sector.

This sustainability challenge presents itself even more, and in a structural way, given that the current sugar market regulation and the new context of a contractual market, take away a large part of the grower's historic negotiating tools.

Certainly, the recent EU Regulation called Omnibus offers the manufacturers and growers various instruments to deal with the new challenges. The majority of these tools are optional and therefore not binding. To make effective use of those instruments, a real willingness and a longer-term vision of all stakeholders is needed to apply the regulation and make it operational. This assumes a balanced and durable partnership between Belgian beet growers and their industrial clients. It is possible and even necessary given the essential role of each party in the production of sugar: no growers, no beets, no sugar. The reverse is also true: no factory, no sugar, no beets.

Peter Haegeman, General Secretary
Confédération des Betteraviers Belges (CBB), Belgium



World Association of Beet and Cane Growers

NEWS FROM IVORY COAST

The 2017-2018 sugar cane season in Ivory Coast began in October 2017 and ended in April 2018 with national production of 1,934,184 tonnes cane (TC) harvested on a total area of 27,731 ha; i.e. a yield of 96.71 TC /ha for 189,664 tonnes of sugar at national level.



The small-scale growers belonging to FEPCANVICI produced 109,361 TC, representing 5.65% of national production on an area of 3,215 ha with a yield of 31.01 TC/ ha.

But the small growers' yields have clearly been decreasing from year to year. Statistics for the 2016-2017 marketing year indicated production of 128,165 TC, for an area of 3,276 ha and a yield of 39.12 TC/ha.

This is why the representatives of growers from the cane production areas: Zuénola (centre), Ferké (north) and Borotou (north-west), met on the occasion of our General Assembly held on 14th April 2018 to assess the situation.



The decrease in yields can be attributed to:

- climate change and in particular the insufficient and poor distribution of rainfall, the deterioration of soils and the lack of

sufficient fertiliser availability at the appropriate time.

- discouragement gradually spreading amongst the growers with regard to the purchase price paid per tonne of cane, which has remained at the same level since 2014, whilst cane production costs have continued to increase over the years.

In order to address this situation and seek appropriate solutions, FEPCANVICI has been given a road map.

A special resolution has been sent to the European Union to ask for aid for equipment, training and to open up roads and runways.

The latest study made by WABCG is published by FoLicht:

What technical support is available to beet & cane growers around the world ?

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HIGHLIGHTS		
EU	216	Sugar exports reach 1.25 m t in October
France	217	Terron pays EUR28,40 per tonne for 2017/18 beets
Mexico	220	CONABASA calls 2017/18 sugar production estimate to 5.961 m t
Brazil	220	Cane crush accelerates with focus on ethanol
Ethiopia	223	Government to accelerate sugar expansion with foreign contractors
China	224	Sugar imports surge to 381.11 m t March 2018
India	226	ISMA raises 2017/18 sugar production forecast to record 11.5 m t
Thailand	228	Cane crush accelerates after Thai New Year

WHAT TECHNICAL SUPPORT IS AVAILABLE TO BEET AND CANE GROWERS AROUND THE WORLD?
by *Timothee Masson*

Although progress has been made in the beet and cane sectors, particular in the field of public sector spending on agricultural research has decreased to the benefit of private sector spending. This is a general trend.

In high-income countries, agricultural research has declined since 1980. This shows has dropped by 30 points in 20 years, and private sector funding has increased the majority of public sector spending remains in the majority (67% in 2016), but has dropped by 10 points compared with the situation 30 years earlier.

We should not ignore the fact that the sector's increased interest in the agricultural sector has since the private sector such as a return on investment, the support for agricultural research tends to focus on research on new varieties, inputs (fertiliser and herbicides) and machinery. As a result, consequently, the share devoted to agronomy (which can be seen in the economic representation of agricultural management) continues to change from its agricultural roots in terms of production, quality and protection of the environment is decreasing.

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The World Association of Beet and Cane Growers (WABCG) is the international organisation which groups together the national and regional associations of sugar beet and sugar cane growers at international level. WABCG has 36 member associations and unites over 5 million sugar beet and sugar cane growers from the five continents. WABCG is present in over 30 countries, producing 60% of world sugar production.