



NEWS FROM WABCG

JUNE 2018

EDITORIAL

At last some good news can be heard from the market! It seems that speculators have heard the bullish news this month and changed their views concerning our market. They were net buyers of more than 8.5 Mt last April; this level is now under 4 Mt and raw sugar gained more than 10 % during the month!



And what was the news that we heard? Most of it was linked to the development of ethanol – in Brazil, of course, but even in India and in Thailand. Once again, this shows that ethanol is one of our best risk management tools against sugar volatility. It can be developed easily all over the world, for the benefit of the entire planet!

Food, fuel and feed are not in competition: the sugar value, now that the ethanol production is at a highest in the world, is here to prove it! On the contrary, covering different outlets makes it possible to minimize the risk of one of them – and the goal of this is, currently, to prevent volatility on one of them!

As a growers' association, we need to demonstrate this to our representatives and to the civil society: having more outlets is not a way to increase the value of our products, it is a way to stabilize this value. And thus to strengthen our entire industry, for the benefit of its consumers.

Jean-Pierre Dubray, President WABCG

NEWS FROM THE NETHERLANDS

The Netherlands is a small country located in the Northwestern part of Europe. We were happy to host the last WABCG meeting some weeks ago in Rotterdam. We hope everyone enjoyed the stay in the Netherlands. Unfortunately the participants couldn't see any sugar beet in the field because of the late season this year. Our host Johan Klompe sowed his beet just before our visit and they hadn't emerged at the time that we visited his farm!



The average sowing date this year was 17 April. Two weeks later than average, because of the wet conditions in the south of the country. The sowing in the north of the country wasn't delayed, but in the south the drilling was about a month later than we are used to. We had high temperatures and a quick germination, but on some places the combination of heavy rain followed by high temperatures lead to a crust on the soil that the plants couldn't penetrate. About 1 % of the area had to be re-sown. Mainly because germinated seeds could not penetrate the crust. Overall the late sowing date is compensated by the high temperatures after sowing. We expect an average sugar yield of about 14.5 ton sugar/ha.

The contrast with last year is big. Then the sowing date was normal, but the month April was cold. The rest of the year was favourable and therefore we eventually had a record yield of 15.5 ton white sugar /ha. We also had a record length of our campaign from the beginning of September till February. Fortunately we had little frost this winter. We didn't lose any beet because of frost damage. The coming campaign is expected to be shorter. We expect that the campaign will last from the beginning of September to the second half of January. On the one hand because we expect a lower yield and on the



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other hand because we hope that the two factories will process more beet each day. Last year one of the factories couldn't process beet for a number of days because of a broken conveyor belt. Cosun has two sugar mills, each with an average processing capacity of 28,000 ton/day.

A hot topic in the Netherland is the ban on neonics in the EU. These products are used to protect the beet plants against insects and against viruses that are spread by aphids. Next year we won't be allowed to use these chemicals, unless we get a derogation for the use of these products. We have good arguments for getting a derogation, but the public opinion is against us.



Most arable farmers in our country grow sugar beet. All sugar beet in the Netherlands are processed by Royal Cosun, a cooperative of sugar beet growers. Royal Cosun has about 9000 members, all beet growers. Usually a farmer grows sugar beet every four to six year. Other crops in the rotation are potatoes, wheat, onions, barley and different vegetables. The acreage planted with sugar beet this year is more or less the same as last year: 86.000 ha.

Jan Willem van Roessel, Secretary to the board
Royal Cosun, The Netherlands

Next meeting of the WABCG:
26 November 2018
London, United Kingdom

Next study, to be published this month:
"The sugar sector in Pakistan"
soon available upon request.

NEWS FROM NICARAGUA

Unfortunately our country is nowadays involved in a human rights crisis between the Nicaraguan people and our government, caused by the stubbornness of the presidential couple. They are unwilling to dialogue with the Nicaraguan people and instead are killing whoever is not on their side and is on the streets protesting peacefully. Armed only with courage and stones, we have a heroic university youth that is unwilling to be silenced by the police and government's threats.



But let's talk about sugar cane that is our common interest! As I said to the people who were at the Rotterdam conference, the 2017-2018 sugarcane harvest just finished in May. It was a record production for both mills and growers from APRICO. For MonteRosa mill the record was of 107.38 kg/mt (10.77mt/ha of sugar) and for San Antonio mill, the producers' record was 99.7 mt/ha (10.73 mt/ha of sugar). In Nicaragua there are only four sugar mills. Due to the worldwide surplus production, our selling price decreased by 10% compared to the 2016-2017 price. It is important to know that the sugar mills operate 95% mechanical harvesting and 5% manual harvesting. This is leading us to negotiate the harvest price and timing of this procedure that is done by the mills.

We ask God to help Nicaraguan people to be able to overcome this bad situation so that we can once again be a peaceful and democratic country. The deaths of these heroic Nicaraguan young people lead us to a better country.

Jose Antonio Mayorga Sirera, President
Asociación de Productores Privados de Caña de Azúcar de Occidente (APRICO), Nicaragua