



NEWS FROM WABCG

EDITORIAL

At this time of year, on my side of the globe, we're getting ready to start our beet harvesters, always with the uncertainty about yields that makes this period so special.

It's also a feeling of uncertainty when I look at the world sugar market! After a euphoric start to the year, we are now at a turning point where we can feel the market trying to figure out where to go in the coming months...

But there are some uncertainties that are really unbearable, and that's what my Brazilian colleagues experienced at the end of the summer. It was heart-breaking to learn, just as I was about to start harvesting my beet, that fires were raging in the sugar cane fields of central and southern Brazil.

I'd like to take this opportunity to express my full support for my fellow growers in that region! Good luck, we're all with you!



**David Thompson, President
WABCG**

SEPTEMBER 2024

NEWS FROM SOUTH AFRICA

Sugarcane growing in South Africa continues to face threats to its existence including a milling crisis, the impact of the climate crisis and the government-imposed sugar tax.

Despite these challenges, however, our growers have committed themselves to the evolution of their farming practices to meet the climate threat and to make sure the annual crop meets the sustainability standards expected by local and international sugar buyers. At the same time, we are investigating the viability of our biomass supply to produce bioethanol and sustainable aviation fuel as well as the development of an energy drink made from cane juice among other projects.

In the 2023/24 harvesting season, South Africa growers produced more than 18 million tons of sugarcane with a value of R16,2 billion (\$875million) which is significant considering two sugar mills were forced into business rescue towards the end of the season and above average rainfall saw exponential flooding in April 2022 and February 2023.

It is estimated the resultant damage to farm and supporting infrastructure such as roads and bridges totalled more than R500 million rand (\$28 million).



Also, the build-up of silt in the rivers which feed into the UNESCO iSimangaliso Wetland system in northern KwaZulu-Natal – the province which produces a vast amount of the country's sugarcane crop - has at least 2 500ha of some of the highest yielding cane fields under water due to back-flooding.



World Association of
Beet and Cane Growers



Regardless and in line with the country's transformation agenda, we remain committed to the support and advancement of black sugarcane growers. Our domestic industry supports about 24 000 small-scale previously disadvantaged growers who in the main are women.

These headwinds have neither blunted our commitment to those who are most vulnerable in the face of the current challenges, nor are our growers swayed from their tenacious commitment to the survival of the sector.

The industry has distributed more than R413 million (\$22.3 million) in support funding to small-scale and black growers in the 2023/24 financial year to secure their continued sustainability in a very difficult operating environment.

Cheap imported sugar from South Africa's nearest neighbour and Southern African Customs Union trading partner, Eswatini has further threatened domestic producers who faced double digit increases in input costs, such as wages. These increased by 16% in 2022 and a further 9.6% increase in February 2023.

And since the invasion of Ukraine by Russia in February 2022 both fuel and fertiliser costs have soared with the cost of diesel fuel having spiked by more than 38.7% a litre between January and December 2022.

The default in annual industry levy payments by the two embattled sugar millers has further rocked our domestic sector which according to industry statistics has lost 250 000 tons in domestic sugar sales or R1.2 billion (\$67 million) in revenue and cut more than 16 000 jobs since the introduction of the government's Health Promotions Levy or sugar tax in 2018.

The rate is fixed at 2.3 cents per gram of the sugar content that exceeds 4 grams per 100ml. In February this year the government pegged the rate at 2.3cents

per gram of sugar over the threshold for the next two years.

With future challenges including the prediction of above normal drought conditions come 2024 and proposed reform to the law relating to the more equitable use of water resources by the South African government, the introduction of a campaign to save the domestic sugar industry was an imperative for us.

At our recent Annual General Meeting, SA Canegrowers launched the third phase of its *Home Sweet Home* campaign.

This third phase is a symbol of hope for the future of an industry which is in severe distress. The first phase of the campaign was to educate consumers on the domestic industry while the second phase was aimed at building relationships with major retailers in

the country.

One million livelihoods in deep rural and often poor areas where there are few employment opportunities depend on South Africa's sugar industry. Critical to

the survival of our sector is that consumers buy sugar that is produced by domestic farmers. The third phase of our campaign is geared to educate the public about the threat of imports which could cost our sector over R2 billion (\$112 million)-a-year. We are using digital platforms to build a community of

South Africans committed to sustainable rural communities in our cane growing areas," he said.

The Home Sweet Home pledge can be found at www.SaveOurSugar.org.za

**Dr Thomas FUNKE, CEO
CANEGROWERS, South Africa**





World Association of
Beet and Cane Growers



NEWS FROM CIBE (EUROPE)

CIBE is an associated member of WABCG. It defends and represents the interests of beet growers vis-à-vis European Institutions and international organisations since 1927. CIBE is composed of national and regional associations from 18 European beet-producing countries.

These include growers from 15 EU countries (Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, the Netherlands, Poland, Romania, the Slovak Republic, Sweden) and growers from 2 non-EU countries (United Kingdom and Switzerland).

It's been another spring and summer with difficult and complicated weather conditions for many European sugar beet growers. Not enough or too much rain or too much heat, once again our beet must show its resilience.

On the one hand, in large parts of southern-central and south-eastern Europe, June, July and August were exceptionally hot, with several days seeing maximum temperatures above 35°C, which negatively affected summer crops. On the other hand, water excess persisted in large parts of the Netherlands, western and southern Germany, north and central France, and northern Italy. Winter and/or summer crops in several of those regions have been suffering since the start of the season from waterlogging, associated pest and disease pressures, and difficulties faced by farmers in conducting field operations. Frequent rainfall also hampered harvesting in northern France, the Benelux countries and north-western Germany, where winter crops had already been impacted by overly wet conditions during most of the season.

Beet sowing had been delayed by around 2 weeks in many regions. The presence of foliar diseases, especially mildew and *Cercospora*, on beet are significant in some plots. Moreover, SBR (*Syndrome de basse richesse* - Low sugar content syndrome) remains present in South Germany and virus yellows in some regions in France. Let see if good climatic conditions



could prevail as from September, allowing some recovery and increase in sugar content. This makes estimates at this stage premature.

Research intensifies to find solutions for beet protection following the loss of over 30 active substances in plant protection products since 2018. First solutions are emerging, notably to combat aphids and sugar beet virus yellows but they are not fully satisfactory at this stage. Crop protection remains a key issue as well as the adaptation to climate change and innovation, the level of costs of production, the management of market crisis as well as the trade policy. Short and long-term challenges for farmers accumulate. European farmers' expectations remain therefore high after the big farmers' protests of the beginning of this year. The new political context following European elections appears to be more favourable for them. But it remains to be seen whether this will translate into positive concrete actions.

Elisabeth Lacoste, Director
CIBE, Europe



Registration will open very soon!

WABCG/ISO Consultation

25 November 2024
London, United-Kingdom