



NEWS FROM WABCG

EDITORIAL

Uncertainty has always been part of farmers' lives. For a long time we have had to deal with uncertain weather conditions, too little rainfall or too much water, long periods of very high temperatures and freezing winters. For a long time we have known that from one year to the next, pests



can be discreet or voracious. We know that these risks are part of our work, and for a long time we have been trying to find new tools to mitigate them, through investment in new practices and new tools, diversification and mutualisation.

One good example is given in this editorial by our Danish colleagues,

who have just elaborated a new insurance scheme with their factory.

But new risks are emerging, that are far away from our sector. Two examples will be given in this edition.

The first one comes from our Colombian colleagues: with a currency that has lost 15% in a year and inflation which has risen by 13%, how can they confidently forecast their next crop? The second example comes from our Austrian colleagues, in Europe: by changing the technical rules of the game two months before sowing, by prohibiting active substances without efficient alternatives, how can growers remain confident in their crops?

Although weather conditions and pest risks have been our everyday life for a long time, up till now, the regulations were on our side to protect us from macroeconomics.

But if from now on regulations and macroeconomics unite to amplify the risks facing us, the equation will be hard for the growers to solve – and the impact on consumers will be devastating.

Dear colleagues from all over the world: you have my full support!

**David Thompson, President
WABCG**

FEBRUARY 2023

In memoriam

***Our dear friend Ismael Perina Junior
(former Vice-President of WABCG)***



"The Organization of Associations of Sugarcane Farmers in Brazil received with great regret the news of the death of the producer and, above all, a friend, Ismael Perina Júnior. Ismael played an active role in Brazilian agribusiness, defending the interests of sugarcane farmers and, above all, strengthening the country's sugar-energy sector. He marked a fruitful career at ORPLANA when he served as chairman between 2007 and 2013 and is currently a member of the Organization's Advisory Board, in addition to representing it at IPA – Instituto Pensar Agropecuária. Grandson and son of a rural farmer from the city of Jaboticabal, he was also president of the Sectorial Chamber of Sugar and Alcohol of the Ministry of Agriculture, among other important performances. Ismael leaves an excellent legacy throughout the sugar-energy chain, especially to sugarcane farmers, with whom he shared important knowledge such as innovative techniques for planting and managing the sugarcane crop. ORPLANA regrets the passing of this respected professional and extends its solidarity to the family and close ones of this great friend."

***Gustavo Rattes de Castro, President
Orplana, Brazil***



NEWS FROM AUSTRIA

The 2022 beet year began satisfying after cultivation in March with relatively late rainfall in May. The beet fields developed very well and good yields could be expected. Unfortunately, a long dry and hot period



followed from June to mid-August and ruined the good prospects again. It was only the delayed rainfall at the end of the vegetation period that helped the sugar beet to achieve a beet yield of 80 tons, which was ultimately above the 5-year average.

Sugar content never recovered and reached just a little bit more than 16%. The white sugar yields per hectare average is 11.5 tons and vary between 9 and 15 tons of white sugar per hectare depending on the rainfall in the growing regions.



Sugar beets are stored at big storage places, around the half are connected to the railway.

The sugar market in Europe has regained its balance. Sugar prices have risen, which means that sugar beet prices are also rising accordingly. For the past harvest in 2022, the price is forecast to be doubled compared to last year and will be over € 60.00 per tonne of sugar beet.

Due to the general increase in energy prices, production costs have also risen by at least 20%. However, these are more than covered by the higher beet prices.

A proposal by the European Commission to halve the use of pesticides by 2030 is causing great concern for beet farmers. That would massively endanger sugar beet cultivation in Austria and probably also in large regions of Europe.

In mid-January, the European Court of Justice came as a complete surprise and completely bans the use of neonicotinoids. In recent years, these insecticides could only be used for seed treatment in some European countries, including Austria, within the legal tool of emergency authorization. In Austria there is a special pest, the beet weevil. This beetle can destroy an entire beet field in a day. Only by using neonicotinoids in seed treatment the beet weevil can be controlled and the population and its spread can be regulated efficiently.



The beet weevil is a special pest in Austria and can damage a young beet field within one day.

The Austrian authorities are currently examining whether the judgment of the European Court of Justice should be implemented immediately or whether the special situation in Austria allows the active substance to be used. However, an exception seems to be extremely difficult. If neonicotinoids could no longer be used in the future, this would result in massive land losses and put Austria's self-sufficiency in domestic sugar at risk.

***Markus Schöberl, Director
Association of Austrian Beet Growers, Austria***



NEWS FROM DENMARK

The campaign 2022 finished with the last beet being processed at the factories the 29th of January. Overall it was a good campaign with a yield at 12.2 tonnes of sugar per hectare, close to our 5-years average. We had fine conditions for harvesting the beet, but the end of the campaign ended up being quite challenging.

It has as well been a season with some variations in yield between growers and between regions because of local dry conditions during the season and resowing of 10 % of the beet area – the highest percentage ever.

The harvest conditions were good until the beginning of December, where we got severe frost down



to 8 degrees for several days in the areas with beet. Almost all beet were lifted and covered with toptex before the frost but a few fields with beet remained in the ground until after Christmas. Most of the beet from those fields were not suitable for producing sugar and ended up being used for biogas – but luckily it was only a very few fields, between 100 and 200 hectares. Almost all beet from clamps which were lifted and covered before the frost were processed at the factories, but it was necessary to remove a small part of the beet material on the outside close to the ground and in some clamps as well on the sides of the clamp. We could here experience a difference in the quality - beet lifted under good conditions in November performed best in the end.

The consequence of the frost was intensified due to the high temperatures between 8 and 12 degrees from the end of December and beginning of January. It speeded up the process from frozen to rotten beets. They did a great job at the sugar factories where they managed to process almost all the beet, even though the factories went down in speed and even stopped sometimes during the last couple of weeks – less than 1 % of the beet ended up being discarded and used for Biogas.

It has been an exceptional year with the frost and high degrees afterwards and for that reason the growers – who suffered with a loss above app. 3 percent of the beet – has received a certain amount of compensation from the sugar company.

The growers who have lifted the beet well in time before the frost and done a good management have received close to a full compensation, while growers who were too late in the field are only given a small compensation.

We have a general clause in our agreement that beet must be lifted and covered latest by the 10th of December. From the 2023 season **we have agreed about a common insurance scheme.** If a grower ends up with a loss because of rotten beets in the end of the campaign, he is entitled to a compensation. The scheme was already agreed last year in the springtime – long before the troubles in the 2022-campaign.

We take 1 DKK (0,13 Euro) from every tonne of beet during the campaign for the insurance scheme to cover the potential payments in the scheme. If we don't use the money, it will be paid back to the growers after the end of the campaign. In order to be covered by the insurance the growers must fulfil the basic requirements for good management, including e.g. lifting and covering the beet in time. If you do so you can get a compensation from the insurance scheme at 80 % of the basic beet price plus all normal extra payments for sugar content, late delivery bonus etc.

Troels Frandsen,

**President Danish Beet Growers Danske Sukkerroeddyrkere
(Danish Beet Growers), Denmark**



Removing damaged/rotten beets from the side of the clamps during the last weeks of the campaign before delivering to the sugar factory
(Photo: Sten Sigersted, Nordic Sugar).



NEWS FROM COLOMBIA

I would like to extend my greetings to the WABCG family, with whom we share the most relevant information about our sector, and I would like to point out that this year is



going to be an eventful one for Colombia in political, economic and market terms.

ECONOMIC INDICATORS: The table below shows the fundamental indicators for our sector, highlighting the biggest depreciation of the Colombian Peso, since 2000, equivalent to 21% accumulated for the year, and the 7.5% increase in inflation, which has a strong impact on economic performance.

Item	2020	2021	2022
Market exchange rate	3,693	3,744	4,256
CPI (Inflation)	1,61	5,62	13,12
Minimum Monthly Wage	877.803	908.526	1.000.000
Transportation allowance	102.854	106.454	117.172
DTF (average year)	3,26	2,03	8,85

Source: Banco de la República Prepared by: PROCAÑA

PRODUCTIVITY INDICATORS: The impact of climate variability largely explains the behavior of technical indicators in 2022. According to our Cenicaña Research Center, the historical average rainfall is 1,367 mm; and in 2021 and 2022, increases of more than 20% have been recorded, reaching 1,618 mm and 1,659 mm, respectively.

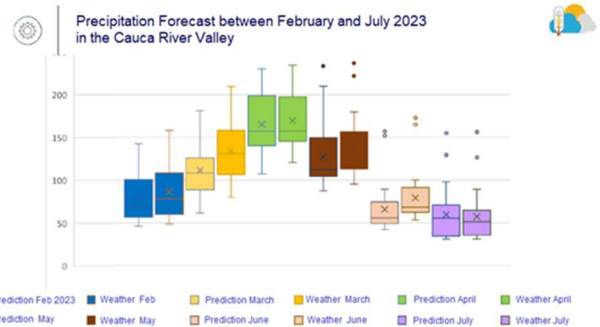
This situation led to an increase in the age of the crop from 13.5 months to 13.9 months, milled cane recorded a 2% decrease compared to 2021, production in tons of cane per hectare decreased from 127 in 2021 to 118 in 2022, while the average yield remained at 10.6%.

Sugar yields in the first half of the year were lower than historical averages, maintaining the trend recorded for this parameter since 2016.

Item	2020	2021	2022	Variation 2021-2022
Planted area (hectares)	241.500	241.168	241.500	NA
Harvested area (hectares)	196.907	170.687	175.096	3%
Mechanical Cutting %	65%	70%	67%	4%
Manual Cutting %	35%	30%	33%	9%
Milled sugar cane (ton)	23.558.560	22.872.461	22.372.630	-2%
Sugar production (tons)	2.217.105	2.099.941	2.380.347	12%
TCH	112	127	118	-8%
TCHM	9,1	9,6	8,7	-10%
Average yield	11,18	10,6	10,6	0%
Age Cutoff (Months)	12,4	13,5	13,9	3%
Ethanol (millions of liters)	394	397	308	-29%
Energy (GWh)	1.615	1.685	1.825	8%

Source: Asocaña - Cenicaña Prepared by: Procaña

According to the World Meteorological Organization (WMO), the current La Niña season will continue to lose strength until April 2023. Thereafter, neutral conditions are expected to prevail, while the probability of an El Niño season forming during the boreal winter of 2022/2023 is negligible. Thereafter, neutral conditions are expected to prevail, while the probability of an El Niño season forming during the boreal winter of 2022/2023 is negligible.



TRADE ASSOCIATION MANAGEMENT:

Negotiations with the National Government: PROCAÑA has actively participated in meetings with the National Government (Vice President and Ministers) and representatives of the international community. Together with consultants, we are developing a strategy to present proposals that promote integral rural development. We are also sharing the progress of our chain with other sectors. PROCAÑA participates in the Regional Binding Dialogues, source of the National Development Plan 2022-2026, as a space to consolidate peace, prosperity, and coexistence in the territory.

SOCIAL MANAGEMENT: A number of social achievements were made in 2022:

- **Social Fund for the Sugarcane Agro-industry:** Since 2019, farmers and mills have been making voluntary donations to invest in rural communities in the hills and high mountains. For every peso donated by the sector, we have managed to obtain 1.5 pesos with allies such as the Governor's Office of Valle. To date, more than US\$1 million has been invested in the improvement of rural roads that have benefited small farmer associations, more than 5,000 residents of various ethnic groups, and facilitating the provision of food to communities.
- At the beginning of 2022, the Board of Directors decided to increase the contributions from 0.04% to 0.25% of its income in order to support other social projects that improve the conditions of the



inhabitants, support the farmers in the surrounding areas and create a permanent well-being in the region.

- **Rural Commitment:** This is the first model in Colombia for training and job creation in alliance with Asocaña, Azucari, Cenicaña and the support of public policy with government entities. To date, 1,851 jobs have been generated and support has been provided to entrepreneurs in various municipalities.
- **Tree Planting (Sembratón):** Under the leadership of PROCAÑA's New Generations, we have planted 6,044 trees on the properties of our subsidiaries, with the support of river users' associations, the National Army and various entities in the area. This activity is part of establishing biological corridors as plant propagators and hosts for fauna and beneficial, contributing to biological pest control, water conservation and carbon offsetting.
- **"Aldeas" Alliance:** PROCAÑA and the Caicedo González Riopaila Castilla, El Amparo and Mariana Hoyos de Gutiérrez Foundations have consolidated this alliance, a synergy through which we seek to promote the articulated work of the business and social sectors to create practical and sustainable solutions to social problems together with the communities. The Alliance's first program, Family Gardens, has resulted in 1,227 gardens being established, 60% of which are managed by women heads of households.
- **Corazón de Caña:** Last October, we were delighted to launch this wonderful sectoral Reputation Strategy that aims to position the sugar cane agro-industry as a national pride, just like Colombia's coffee and flowers.

50 YEARS OF PROCAÑA

On June 15th, Procaña will be 50 years old. 5 decades of fulfilling the dream of the visionary founders who, moved by their love for the land, gave life to this association. 50 years of contributing to the well-being of communities, generating development and employment in the territory, leading transformation processes towards more sustainable practices, contributing to equity and creating opportunities through various social programs.

Within the framework of the Congress of the World Association of Beet and Sugarcane Growers (WABCG), on June 14th, 15th and 16th, we will be holding our 50th anniversary celebration, and we hope that all of you will be able to attend it in our city.

Martha BETANCOURT, Executive Director
Procaña, Colombia



Save the dates!

WABCG Council 2023

13-16 June 2023
Cali, Colombia

Information regarding final program & registration is coming very soon!

WABCG/ISO Consultation

20 November 2023
London, United Kingdom