



World Association of
Beet and Cane Growers



NEWS FROM WABCG

EDITORIAL

Here we are back from Colombia!

It was fantastic to see, once again, the WABCG family all together!

A huge thanks to our Colombian member, Procaña, for preparing such a successful event. I am delighted to see that delegations from 14 different countries



made this long trip to discover the prosperous sugarcane of the Valle de la Cauca.

During our two working days in Cali, we focused on sustainability. We had a good overview on how different countries try to achieve the same ambition, and I have to say that I am particularly

pleased with our 'Final Statement' (see enclosed), summarizing that investment, at farm level, should be encouraged all around the world, by associating growers' associations. This is the only way to accelerate our move towards this better sustainability that we are all promoting.

This was illustrated perfectly by the excellent field visit. From the use of sheep to weed sugarcane fields to the use of drones to optimise cane replanting, we had a good demonstration that, when trying to find new technology, there is no room for ideology: the most modern tools can combine perfectly with those that have already proved to be effective!

I am sure you enjoyed your trip as much as I did, and I now invite you to save the date for our next meeting, in London (United Kingdom), on 20th November 2023!

David Thompson, President
WABCG

JULY-AUGUST 2023

NEWS FROM WABCG:

TO BE RETAINED FROM CALI!

The World Association of Beet and Cane Growers, which counts 36 cane and beet growers' associations from 34 countries, met in Cali, Colombia, on 15th June 2023, at the kind invitation of Procaña, and concluded its work with the following final statement.

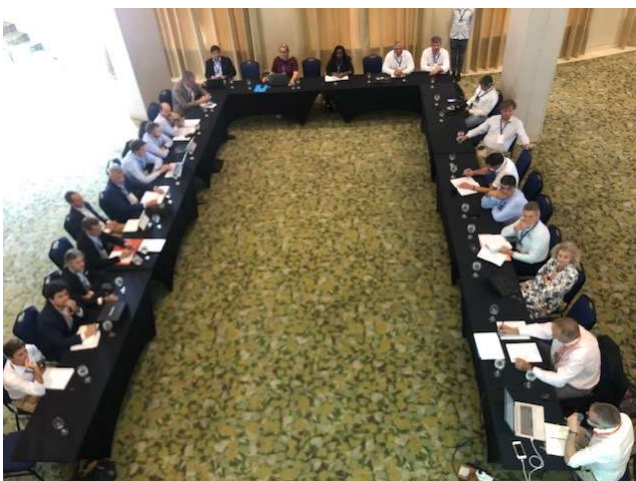
"Sugar beet and sugarcane growers celebrated the 50th anniversary of Procaña, the Colombian sugarcane growers' association, and **underlined the importance of independent, recognised, and professional growers' associations for the sustainability** of sugar and ethanol industries around the world. These associations should be acknowledged as the necessary interface between governments, consumers, and civil society to constantly adapt and improve farming practices.

Sugar beet and sugarcane growers dedicated their work days to **exploring the innovations achieved around the world to promote sustainability**, in terms of fertilization practices, irrigation optimisation or pest management, amongst others. Innovations towards precision agriculture are a reality all around the world, and can provide farmers with opportunities to accelerate their impact on mitigation of climate change. Strategic guidance, based on new technologies and technical support, designed by growers' associations,



in dialogue with governments, technical institutes and civil society should be encouraged around the world.

Sugar beet and sugarcane growers underline the fact that new practices often imply new risks for farmers, and that better conditions on sugar market should be the occasion to **encourage investment at farm level, but also throughout the production chain**. Sugarcane and sugar beet are amongst the crops which offer the best ratios in terms of diversification potential, and particularly when considering their coproducts (bagasse, pulp), which can have strong potential in terms of green chemistry such as biogas and cogeneration. **This should be encouraged in a sustainable way and can only be reached by associating farmers' share in the value with the entire industry and with the support of enabling government policies."**



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.



NEWS FROM ROMANIA



The drought in the spring and summer of 2022 severely affected agricultural crops in Romania including sugar beet. The very high summer temperatures and lack of rainfall resulted in an average yield of only 45 tons of beet/ha and a sugar content of 17.3%.

In Romania this 2023/24 season, the spring was cold and wet and caused a late start to beet sowing, the first beets being sown in mid April. However, sowing progress was slow during the remainder of April and early May due to low temperatures and new abundant rainfall on already wet fields. Heavy rainfall in June ensured that the beet grew quickly and covered the ground and good yields can be expected.

Damage from diseases and pests is so far limited during this period, as in 2023 it was still possible to use seeds treated with neonicotinoid products in Romania.

The area sown with sugar beet this year is 8,100 ha higher than last year due to the acquisition of the Luduş sugar factory from Tereos and its restarting in 2023. The average sugar beet area/farm in 2023 in Romania is 38.50 ha, but there are large farms with around 200-650 ha of sugar beet annually. We expect this year's processing campaign to last from mid-September to early January.

In recent years new pests appeared and are increasingly difficult to control in Romania and in some Eastern and Central European countries (e.g. beet weevils, beet fly, beet moth, leafhoppers, wireworms). Some

of these pests can inoculate several viruses and bacteria and can lead to infections that are extremely difficult to control without appropriate tools.

The European Commission's proposal to halve the use of pesticides by 2030 is causing great concern for our farmers who fear it will lead to a drop in yields and acreage in the future.

The European Court of Justice's decision to completely ban the use of neonicotinoids in the European Union has come as a complete and unpleasant surprise to our farmers. These insecticides could only be

used for seed treatment in some European countries, including ours, under the legal instrument of emergency authorization. In Romania and Central and Eastern European countries there is a beet weevil pest that can destroy an entire beet field in a few days. At present, this pest can only be effectively controlled by using neonicotinoids to treat pelleted beet seed.

If neonicotinoids could no longer be used in our country in the future, this would lead to a significant loss of sugar beet acreage and would jeopardize Romania's domestic consumption with sugar produced in the country.

The better sugar prices in the last few months have encouraged sugar factories and farmers to increase the sugar beet areas in our country this year and we hope that this trend will continue in the future.

**Ioan GHERMAN, President
Romanian Sugar Beet Growers Federation (FCSZR), Romania**





NEWS FROM BRAZIL

In Brazil, the 2023/24 crop that started in April should reach more than 650 million tons, adding all the producing regions of Brazil (central-south and northeast).

The reason for the increase in volume is shown by the weather, good rains during the planting phase, and with an ATR effect (also good sugar concentration).



other major products: fiber (bagasse) and decarbonization credits, which are raw material for countless other industry by-products.

Faced with a moment where decarbonization and the search for renewable carbon become present, sugarcane and beets are extremely important to help the planet in this process.

***José Guilherme Nogueira, CEO
Orplana, Brazil***

International sugar market prices encourage sugarcane production, with good expectations of gains for sugarcane producers and mills. Due to this factor, Brazilian mills should have as much sugar production as possible due to attractive prices, but where ethanol has also represented an important part of gross revenue.



The costs of inputs, relatively low, are still a strong point of attention for sugarcane producers in Brazil.

Discussions on sugarcane pricing in Brazil continue to gain strength among producers and mills, seeking a more egalitarian and balanced model, and producers request a review of the technical and economic aspects of the current model.

Currently, producers sell ATR (total recoverable sugar) but the raw material sugar cane produces two



NEWS FROM BELIZE

The 2022-2023 sugar cane crop in northern Belize commenced on December 27, 2022 and came to an end on June 15, 2023. Overall, weather conditions were dry and hot during the crop period and did not adversely affect the harvesting and transportation of cane. However, the industry was faced with a shortage of labour for harvesting, especially cane cutters, mainly because the rehabilitation of the northern highway, which runs through the sugar belt, offered more attractive employment opportunities. Also, the implementation of the increase of the minimum wage in January 2023 encouraged workers to seek employment in other sectors, especially the tourism and construction sector.



During the 170 days of the 24 week period of crop, four cane farmer associations and the miller, Belize Sugar Industries Limited (BSI), harvested and delivered a total quantity of 997,950 metric tonnes of sugar cane. The Belize Sugar Cane Farmers Association (BSCFA), whose 3,320 members comprise of 66% of all registered cane farmers, contributed 52% of these cane deliveries, while the other three associations and BSI contributed 37% and 11% respectively. The 15% decrease in cane deliveries this year over last year is a stark reflection of the severe effects of climate change, as the flooding caused by Hurricane Lisa in late 2022 affected the recovery of cane fields and yields from the prolonged drought in 2019.

Total sugar production amounted to 101,683 metric tonnes of which 11% is for local consumption and 89% for export to the European Union, England, the United States of America and the Caribbean Community. It took more metric tonnes of sugar cane to produce one metric tonne of sugar, namely from 9.3 last crop to 9.5 this crop.

Cane farmers expect to receive a better sugar cane price this crop since the world market price of sugar has been increasing and the miller has been producing and selling more direct consumption sugars and less raw sugars. The miller pays the cane farmers in three instalments – the first instalment upon cane delivery during the crop, the second instalment on the fifth Wednesday after the end of crop, and the final instalment on the first Monday in November. Cane farmers, therefore, are looking forward to a better cane price estimate for this crop's second instalment when compared to last year's cane price estimate of US\$31.54 per ton on which the second instalment was paid.

Notwithstanding the improved cane price, cane farmers continue to grapple with the high cost of fuel and agrochemical inputs. Post Covid prices are double what pre-Covid prices were. The Government of Belize granted some relief to the cane farmers by waiving the General Sales Tax (12.5%) and Excise Tax on diesel purchased by cane farmers for the harvesting and transportation of sugar cane to the mill.

The current scorching heat is making conditions conducive to pest infestation in the cane fields, such as the froghopper and stem borer. Since the cane farmers associations are Fairtrade certified, cane farmers are unable to continue using agrochemicals that are effective in managing this infestation because they are now on the prohibited list. Cane farmers are hard pressed in finding alternatives to combat the infestation in a cost effective manner.

For the BSCFA and its members the situation is even more complicated. Tate & Lyle Sugars (TLS) of England, which buys Fairtrade eligible sugar from BSI, refuses to pay BSCFA for the sale of Fairtrade sugar and the payment of Fairtrade Premiums. This came as a result of BSCFA not signing a long term commercial



agreement with BSI. This agreement has been under negotiation for almost the past two year. The four associations are Fairtrade certified and sell their sugar cane to BSI. BSI extracts and sells Fairtrade eligible sugar to TLS. TLS then buys a portion of this sugar as Fairtrade certified. TLS should then distribute the Fairtrade Premium of US\$60 per metric tonne derived from these sales to each association in proportion to their respective sugar cane deliveries. But TLS has not paid any Fairtrade Premium to BSCFA for the 2021-2022 and 2022-2023 crops. It is worth noting that both BSI and TLS are part of the group of companies owned by American Sugar Refining Inc of the United States of America.

Nevertheless, our outlook for the industry is optimistic. The BSCFA hopes to conclude a fair commercial agreement with BSI and obtain payment of the Fairtrade Premium through the implementation of regulations for the importation and exportation of sugar that puts the responsibility for the payment of the Fairtrade Premium on BSI. Cane farmers look forward to taking decisive action along with other industry stakeholders to address the impact of climate change, especially through the implementation of a US\$10 million project that, will among other activities, replant up to 10,000 acres in climate resilient sugar cane varieties. Cane farmers are determined to continue investing in their operations with the hope of capitalizing on the likely continued upward trend in the price of sugar. Cane farmers are encouraged by the initiative of the Government of Belize to revise the Sugar Industry Act with a view to modernizing the industry regulations, in connection with which the establishment of a Commission of Enquiry is being considered. BSCFA has proposed that this Commission will investigate all matters relating to the cultivation, harvesting and delivery of cane to the mill; the manufacture, handling, and sale of sugar and molasses; and the cogeneration and sale of electric energy to the national grid.

Oscar Alonzo, Chief Executive Officer
Belize Sugar Cane Farmers Association, Belize



Froghopper monitoring in farmer's cane fields



Providing Metharizum to farmers to combat stem borer infestation.





World Association of Beet and Cane Growers

NEWS FROM THE USA

USDA in the June WASDE estimates US production in 2023/24 at 9.13 million STRV (*Ed : Short ton, raw value*). Beet sugar production was forecast to be 4.95 mil STRV, which would be down year-over-year by 221,000 STRV (-4%) and lowest since 2019/20. Cane sugar production was forecast to be 4.18 mil STRV. That would be 50,000 STRV (+1%) higher year-over-year, and would be a new record level of cane sugar production.



Since the June WASDE, drought conditions have continued to intensify in some key sugar production regions as reported in the US Drought Monitor: overall D1-D4 drought in Michigan increased by 45 percentage points from early June; Minnesota drought has increased by 32 percentage points; North Dakota drought has increased by 2 percentage points, and Louisiana drought has increased by 10 percentage points. It bears watching the levels of “abnormally dry” as well, which have been growing across the US in many sugar regions. North Dakota and Minnesota beets have been surviving off of heavy clay based soils that hold onto every ounce of moisture. A widespread rain event did offer some relief to the drought with most farmers reporting over 1.75 inches of rain and some areas receiving up to 3 inches (*Ed : 1 inch = 2.5 cm*).



Crop condition reports from USDA-NASS show the impact of that increasing dryness. Acres of good-to-excellent Sugarbeet conditions has fallen in MN to about 60% near the 5-yr average; good-to-excellent sugarbeet conditions in Michigan has fallen below 50% near the bottom-end of the 5-yr average for this time of year; good-to-excellent sugarbeets in North Dakota has fallen to near 60% down from 90% earlier in June.

Overall planting to sugarcane and sugarbeet was reported by USDA-NASS on June 30. Sugarbeet planting rose to 1,128,500 acres (*Ed : 1 acre = 0.4 ha*) from last month’s estimate by 1.6% (or +17,700 acres). Acreage planted to sugarbeets rose from previous estimates by about 1,000 acres in Michigan; 10,000 acres in Minnesota; 6,000 acres in

North Dakota. Area harvested to sugarcane is projected at 922,000 acres, which is down 8,200 acres from last year.



The July 12 WASDE will provide an updated forecast of the 2023/24 sugarbeet and sugarcane crop taking the new acreage estimates as well as any developments from the progress of drought across sugar-growing states.

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Turning to the Red River Valley Sugarbeet Growers’ neck of the woods – we started planting sugarbeets around May 2nd (a generally average start date), we had a strong 10 days of favorable weather, but then received excessive moisture, and the last ¼ of the crop took a little longer to finish. All beets were planted by May 30th. Because of the later planting, we planted an extra 20,000 acres to ensure our cooperative has enough volume to put through the factories. Immediately after planting, it got very dry. We finally received our first widespread rain was June 24th. We received about 1.5 – 3.5 inches of very welcomed rain across the entire growing region. Growers are beginning their first *Cercospora* applications. Resistant weeds of kochia and waterhemp continue to be our main pest enemies. We monitored sugarbeet root maggot flies and had high populations, growers were able to suppress the flies, but it has been a significant challenge since the EPA has removed chlorpyrifos. We are still awaiting a decision from the court system whether we will be able to use chlorpyrifos in the future or not.

Harrison Weber, Executive Director, RRVSGA & Rob Johansson, Director of Economics and Policy Analysis, American Sugar Alliance, USA

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