



World Association of
Beet and Cane Growers



NEWS FROM WABCG

NEWS FROM WABCG :

BACK FROM FARGO!

The World Association of Beet and Cane Growers, which counts 36 cane and beet growers' associations from 34 countries, met in Fargo, USA, on 20th June 2024, at the kind invitation of the Red River Valley Sugarbeet Growers Association, and concluded its work with the following final statement.

“In a world that is sometimes far removed from agricultural realities, sugar beet and cane growers underlined the importance of **highlighting the benefits of their products, their activities and their organisations for society as a whole and for food security.**

Sugar cane and sugar beet are among the agricultural products with the greatest potential for diversification, especially when considering their co-products (bagasse, pulp). In addition to sugar, bioethanol, electricity or biogas production, sugar cane and sugar beet have exceptional diversification potential that should be promoted in the light of expanding demand for bioplastics and low emissions aviation fuels. Strategic guidance based on a long-term vision will enable the entire industry to invest in the future and thus participate in the implementation of renewable energies in the context of climate change.

Sugar beet and cane growers are constantly modernising their farming activities towards more efficient and sustainable practices. The purpose of WABCG is to share knowledge and ideas, and this meeting was an opportunity to benchmark best practices in optimising tillage, fertilisation, irrigation and pest management, among others. Innovative technologies should be promoted and measures to control and mitigate risks, which often increase when practices are changed, should be encouraged.

In the sugar sector, growers and factories are interdependent and therefore a strong organisation within the industry is needed. **It is the mission of WABCG to promote these independent, robust and recognised organisations.** These associations, which bring together private growers, should be promoted throughout the world to enable them to make their voice heard within the industry, government and civil society.”

JULY & AUGUST 2024



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.



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NEWS FROM BRAZIL

Brazilian producers knew that a harvest like 2023/24 would be very difficult. Last year, in Brazil, there was a record in productivity, a record in production, and



falling input costs in a very friendly climate. An average of 12 tons of TRS/ha with high sugar prices. Unfortunately, even last year, what was a dream still persists on a poorly slept night. In technical terms, the harvest was excellent, if it

weren't for the lag in the price paid to the producer, as well as the price of ethanol, which did not increase due to government actions.

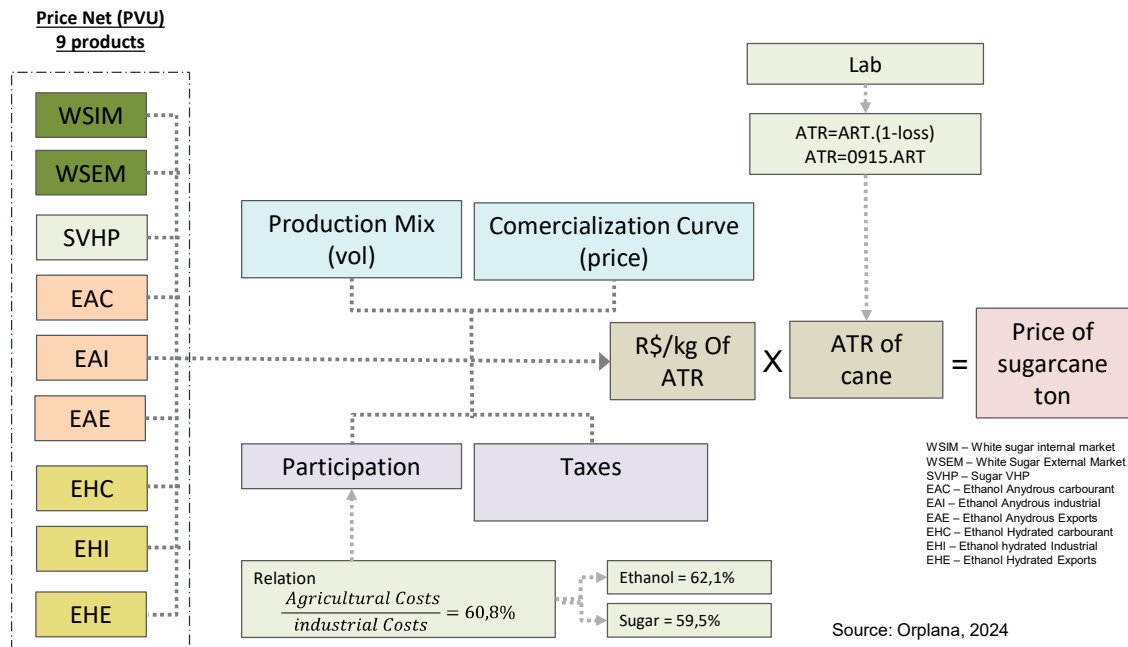
In Brazil, currently the price paid per ton of sugar cane follows two main parameters: Sugars and Ethanol. There are nine products that make up the payment to the producer. Although sugar is doing well, the values and "weights" of ethanol are still relevant and the producer receives around 60.8% of the values of these products, after taxes, without considering port premiums and much less bagasse. As shown in the scheme below.

Given the scenario presented, last year the average value paid to sugar cane producers was approximately USD 29.5 (with an exchange rate of R\$ 5.15/USD). Faced with high inflation, the basic interest rate in Brazil still remains high, which intensifies and increases producer costs. In Brazil, with an average interest rate of 14% per year, in addition to other costs, it shows the difficulty for Brazilian producers to establish themselves. Therefore, a movement that has taken place in some industrial units is the verticalization of sugarcane production directly by industrial units.



15 years ago the producer sugarcane rate represented around 58% and currently represents 37%, mainly due to the mills' action in increasing their own production and leaving the sugarcane producer aside.

Given these considerations, it is urgent for associations and entities to get closer to their bases, seek to be close to government officials and politicians so that they can seek balance and not strangle producers. In the case of Brazil, prices are regulated by the market and negotiations are carried out by entities representing both groups, but it is always important for producers to be prepared so that they can face challenges



like this.



To this end, Orplana has been seeking to hold an annual event together with politicians and producers in Brasilia, in which we managed to place around 600 sugarcane producers and more than 30 million tons in this event, showing the strength of sugarcane producers in Brazil.

Next year, 2025, we will hold the event again and all our friends at WABCG will feel invited. We will count on the presence of some other countries to show opportunities and challenges to producers and prepare to achieve better gains and sustainability for our sugarcane producer, come CanaSummit 2025.

To talk about the harvest we are monitoring, we still have some challenges to be aware of. On the technical side, sugarcane farmers have sought to implement biological products and reduce chemical inputs to improve their production each year. Regarding the Brazilian harvest, it is important to mention 5 points:

- 1) Harvest has accelerated crushing characteristics, compared to last year;
- 2) The average age of the sugarcane fields is a little higher, which means we should have a little more area, although this has an effect on productivity;
- 3) Agricultural productivity should be a point to be analyzed. We estimate around 10 to 12% drop compared to the previous harvest, however it is not a bad harvest but with expected average values;

4) More sugar harvest. The mills invested in sugar concentrators and signed large contracts in 2023 for 3 years, which will continue this movement;

5) Gasoline prices not following the international parity price in the domestic market leads us to believe that ethanol may not advance as much as would be important, impacting the margins of plants and producers.

Therefore, we observed 4 very distinct harvests in a row. Depression harvest (2021/22); Harvest of Recovery (2022/23), Harvest Record (2023/24) and Harvest of Hope (2024/25).

Therefore, we very much hope that the Consecana review will take place, providing better remuneration to producers, keeping farmers in their activities, creating opportunities and generating regional economy.

Furthermore, a direct government intervention seeking biofuels and favoring actions that benefit the energy transition and that we can take advantage of these opportunities that will be brought by low-carbon mobility where ethanol from sugarcane has a very low carbon intensity and can advance in other segments.

José Guilherme Ambrósio Nogueira, CEO
Bruno Rangel Geraldo Martins, Presidente
ORPLANA, Brazil

PERSPECTIVES 2024/25 | BRAZIL - CENTER SOUTH

	2021/22	2022/23	2023/24	Δ%	2024/25E	Δ%
Moagem (mil toneladas)	524.099	548.625	654.434	19,29% ↑	585.350	-10,55% ↓
Produtividade (T/Ha)	67,80	73,26	87,26	19,11% ↑	79,08	-9,37% ↓
Estágio médio de corte (n)	3,45	3,41	3,23	-5,27% ↓	3,39	4,95% ↑
ATR total (mil toneladas)	74.878	77.234	91.113	17,97% ↑	84.253	-7,52% ↓
ATR médio (Kg/t)	142,87	140,78	139,22	-1,11% ↓	140,91	1,21% ↑
Mix Açúcar (% ART)	44,95%	45,85%	48,87%	3,0 p.p. ↑	51,92%	3,05 p.p. ↑
Mix Etanol (% ART)	55,05%	54,15%	51,13%	-3,0 p.p. ↓	48,08%	-3,05 p.p. ↓
Açúcar (milhões de toneladas)	32,07	33,73	42,43	25,79% ↑	41,67	-1,79% ↓
Etanol de cana (bi de litros)	24,16	24,49	27,33	13,22% ↑	23,74	-13,13% ↓
Anidro (bi de litros)	9,92	10,52	10,75	2,18% ↑	10,44	-2,88% ↓
Hidratado (bi de litros)	14,24	13,96	16,57	18,69% ↑	13,30	-19,73% ↓

Source: Elaborated by ORPLANA with data UNICA, CONAB e Pecege Consulting e Projctcs, 2024
Note: Considered a marginal growth 0,20% in area harvested; 90% of sugarcane produces, comes from Center South of Brasil, 2024



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NEWS FROM ROMANIA

This year, compared to last year, the surface cultivated with sugar beet increased by more than 30%, reaching 22,600 ha. At the same time, Romanian farmers have had a preference on sowing Conviso



Smart varieties with almost 82% of 2024 surface.

After a dry winter with almost no snow, a spring followed, let's say satisfactory in terms of precipitation, and beet sowing took place in optimal conditions

And after sowing, there followed a period of rain so that at the beginning of July the beet looks in good conditions with the best development of the plants as the average of the last 5 years (see pictures).

Today we are talking about roots already of 700-900 g and densities of 80,000-110,000 plants/ha, which until now gives farmers hope for a good production.

After sowing, however, the farmers treated the soil with insecticides to combat soil pests, as it seems that the treatment of the seed with Buteo Start is not as efficient as NNI. The increased density of soil pests in recent years makes Romanian farmers exert increased pressure for the reintroduction of treatments with NNI (neonicotinoids) in Samanta.

The climatic conditions in June with high temperatures of 30-35 degrees Celsius followed by rains determined that farmers already carry out 2 treatments against *Cercospora*. An undesirable aspect that especially the farmers in the East faced last year was the RTD syndrome, which later induced the installation of *Macrophomina*, a fact that substantially reduced production in some areas.

Challenges for the autumn of this year will be the negotiations regarding the price of the raw material in the worrying context of the drop in the price of white sugar against the background of the pressure of sugar

imports from Ukraine. The hope of Romanian farmers in the negotiation of the new sugar beet cultivation contract is the entry into force on July 2, 2024 of the ATM system with Ukraine, which reintroduces the EU import tax for sugar.

Florentina Iacob, President
Mihail Dimitriu, CEO
FCSZR, Romania





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NEWS FROM BELIZE

The Belize Sugar Cane Farmers Association (BSCFA) and its 3,207 members send warm greetings to the WABCG affiliates and its members.

The 2023-2024 sugar cane crop in Belize started on December 27, 2023 and will end on July 21, 2024.



The prolonged intense dry and hot weather from February to May facilitated consistent cane deliveries to the mill by the 4,853 registered cane farmers. However, these drought conditions are likely to adversely affect those cane farmers who carried out ratoon maintenance and early replanting.

As the crop progressed cane farmers began experiencing a scarcity and shortage of manual labour for the harvesting of cane due mainly to the pull of more attractive employment opportunities in the construction and tourism sectors and the increase in the minimum wage from US\$1.63 to US\$2.50 per hour.

The start of the rainy season in June brought excessive rains that severely inundated cane fields and sugar roads making it extremely difficult to harvest the available cane and forcing a temporary suspension in milling activities. The threat of Hurricane Beryl to northern Belize, where the sugar belt is located, further complicated this situation and delayed the resumption of cane deliveries.

Presently, cane deliveries and sugar production stand at 998,160 MT and 102,858 MT respectively. Hopefully, with the resumption of cane deliveries on July 8, 2024, enough cane can be salvaged over the next 14 days to meet this crop's targets for cane deliveries and sugar production of 1.1 million MT and 114,662 MT respectively and thus enable cane farmers to mitigate any financial losses.



With the continued favorable world market price of sugar, cane farmers hope to at least obtain a final price of US\$40 per metric ton for their cane this crop as they did for the last crop. **However, the persistent high prices of fuel, fertilizers, herbicides, pesticides, and machinery and vehicle spare parts have been increasing the operational costs of cane farmers.**

Illegal exports (contraband) of brown and plantation white sugars have been creating periodic scarcities of these products in the local market. There have been two main proposals to address this situation. One consists in increasing the low controlled price of US\$0.44 per kg for brown sugar and US\$0.83 per kg for plantation white sugar in Belize to match the higher prices in Mexico where most of the illegal exports are going. The other proposal is for the miller, Belize Sugar Industries Limited (BSI), who is the sole authorized wholesale seller of sugar to local distributors and hence has information on the likely entities that may be involved in the illegal exports, to restrict sales to these entities. With general elections scheduled next year, the Government is not that eager to raise the local price of sugar to consumers. On the other hand, the BSCFA continues to advocate for the

establishment of an independent marketing committee or body that will be responsible for the handling and marketing of sugar and molasses.

Since 2008 cane farmers have been receiving a Fairtrade Premium of US\$60/MT of Fairtrade sugar from Belize sold by Tate & Lyle Sugars (TLS) of England. All four cane farmer associations in Belize are Fairtrade certified for cane sugar. They all sell their Fairtrade certified sugar cane to BSI, who sells the sugar extracted from these canes as Fairtrade eligible sugar to TLS. TLS then sells a portion of this sugar as Fairtrade sugar and pays each association its share of the Fairtrade Premiums in proportion to their respective cane deliveries. The associations invest these premiums to monitor



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compliance of Fairtrade Standards by their member, to issue inputs and services to their members for cane production, to provide social assistance to members and their communities, and to engage in activities for environmental protection. BSCFA has not received any Fairtrade Premiums for the last three crops as there is an ongoing dispute regarding the conditions which TLS proposes for payment of these premiums. The BSCFA has undertaken legal action to obtain payment of these premiums.

In January 2024 the Government of Belize brokered a two year agreement between BSCFA and BSI for the sale and purchase of sugar cane with the condition that a Commission of Inquiry would be established to investigate the sugar industry of Belize and propose recommendations for its viability and sustainability.

In March 2024 the Prime Minister of Belize declared the establishment of the Commission of Inquiry.

The Commission will investigate the entire sugar value chain from the cultivation, harvesting and delivery of sugar cane to sugar production, handling and marketing as well as opportunities for investment in other products such as biofuel (ethanol), potable alcohol and expanded electricity generation to the national grid. Professional experts from Mauritius, England, South Africa and Belize have been appointed as Commissioners, who commenced their work in June by conducting meetings with stakeholders. The Commissioners are expected to submit their final report in November. The recommendations of this Commission will serve as the basis to negotiate a fair commercial agreement with BSI and to modernize the outdated Sugar Industry Act to strengthen the regulatory

framework to promote further development and sustainability of the sugar industry of Belize.



Countries like Belize have been contributing little to the emission of gases that are depleting the ozone layer and causing warm temperatures to rise globally. However, they have been experiencing significant harmful impacts of climate change as evidenced by the increased frequency and intensity of severe droughts, excessive rains and flooding and catastrophic hurricanes such as Hurricane Beryl. Fortunately, Belize was spared the devastating destruction of Hurricane Beryl as it hammered at least five Caribbean countries and pummeled the Yucatan peninsula. Belize expects to mitigate this climatic condition as it commences the implementation of a US\$38 million project funded by the Green Climate Fund, the Government of Belize and industry stakeholders. Over the next five years this project seeks to replant at least

4,050 hectares with climate resistant varieties of sugar cane, facilitate a transition from manual to mechanical harvesting of sugar cane, and promote the irrigation and drainage of cane fields.

Oscar Alonzo, CEO
Belize Sugar Cane farmers Association, Belize



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NEWS FROM USA

The 2024 sugar beet crop in the Red River Valley started going into the ground the week of April 11. This was an early start date and every area was off to a good beginning. The weather then turned rainy and



wet. Planting was now on a start and stop routine for the next month. Planting finally finished up the week of May 22. American Crystal Sugar Company planted 412,000 acres (167,000 ha). All regions in the valley have received

excess amounts of rain this growing season. Some areas have received 10 - 15 inches of rainfall this growing season. Since the crop went into the ground, with all the rain, it has been very difficult to stay on the spraying schedule which is needed. Despite all the adversity, the crop appears to be good to very good.

Weed spraying is finishing up at this time. In another week farmers will be applying their first *Cercospora* spray. With all the moisture and heat, it is prime conditions for *Cercospora*. Resistant weeds of kochia and waterhemp continue to be the main problem for the farmers in the valley. Another area of research is the use of cover crops in sugarbeets. Whether it is fall seeded or spring planted, the need for a cover crop is a valuable input in raising sugar beets.

The outlook for the current crop is good and the price seems to be favorable for the farmer. Mother Nature needs to cooperate for the rest of the growing season.

David Thompson

Red River Valley Sugarbeet Growers Association, USA



Save the date

WABCG/ISO Consultation

25 November 2024

London, United-Kingdom