



## NEWS FROM WABCG

### EDITORIAL

World sugar markets are at a level that has not been reached for over 10 years.

Good news for all of us! But we know perfectly well that this is mainly due to lower yields in the field al-



most everywhere in the world. Weather conditions over the last few years have certainly been anything but normal, but also because we were not all able to fertilize our fields properly due to high fertilizer prices worldwide.

So in fact this price increase is a normal adjustment to what is needed at field level to encourage us to go on.

We have to bear in mind that the level of production has been stable since 2015. This year at world level we will produce even less than in 2017. At the same time consumption has slowly increased, following population growth (+ 10 Mt since early 2015).

So the current peak in prices is necessary in order for us to provide food for our population in the long term. As leaders of growers' associations it is our job to make sure that those who need the economic incentive to continue their activities – the growers – will benefit from it!

**David Thompson, President WABCG**

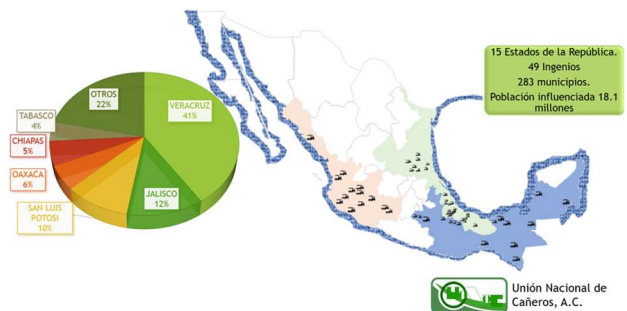
## MAY 2023

### NEWS FROM MEXICO

In our country, Sugar cane is planted under heterogeneous conditions. 15 States out of the thirty-two, register sugarcane cultivation and allocate one or more of the forty-nine operating mills. Sugarcane plantations are developed from few meters over sea level in the coastal plains of the Pacific, the Gulf of Mexico, and the Yucatan Peninsula to elevations up to 1,300 meters in mountain valleys and hill country. It's estimated that irrigation is available in 30% of the sugarcane area, so the rain season is determinant over cane and sugar yields.



Localización de las Regiones Cañeras e Ingenios Azucareros



Reporting on the former season, 'Zafra' (Ed. Note: in Mexico, as in many Spanish-speaking countries, the campaign is called 'zafra') 2021-2022, weather conditions were favourable, and it showed a recovery, seeming that drought damage was overcome, with a harvest of 799.8 thousand hectares, reaching 54.6 million tonnes of cane crushed, resulting a production of 6.185 million tonnes of sugar. Yields put us back on track at 68.37 TCH and 7.73 tons of sugar per hectare harvested. Cane quality, which in Mexico is measured as Kilograms of Recoverable Sugar Standard Basis (KARBE), was the highest national average in the last 10 years period reaching 119.334 kilograms per net ton of cane. A greater sugar production resulted in change of market proportions. Domestic Market accounted for 66.3% of the sugar produced, the remainder 33.7% was exported to the US and other countries (World Market). Mexico exported four hundred thousand tons to the world market.

Moving to present, the development of sugarcane for the 2022-2023 harvest was doubly affected, on one side



World Association of Beet and Cane Growers

below average rain and on the other, the excessive price reached for fertilizers, that more than doubled their price. We assume that growers pretended to counteract, reducing doses, or trying other alternatives. Which is resulting in adverse numbers regarding to yields of cane harvested and sugar produced; on top of that, the increased lack of labour, that I understand is not privative of our sector in Mexico, but in any most of the Mexican agricultural activities. Colleagues from Central America Countries has also reported us a comparable situation.

This Zafra 2022-2023 has only forty-eight mills in operation: Ingenio Puga in the State of Nayarit, because of financial problems, is out of operation. Canegrowers are sending their cane to nearby mills, a partial solution, and a great negative social and economic impact. A year earlier, we also reported the closure of another mill (Xico) in the North-eastern State of Tamaulipas. The operational outcomes of the present Zafra 2022-2023 are shown in the table below. Where it's observable the decrease in production.

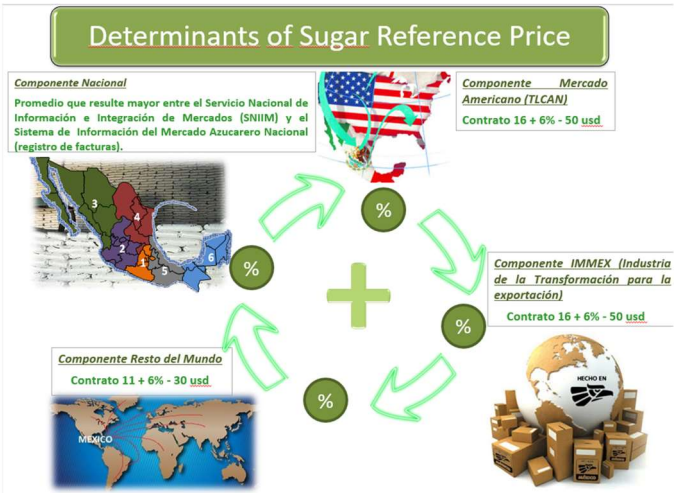
SEASON 2022-2023		
CONCEPT	3rd ESTIMATE (CONADESUCA)	REAL (APRIL 15, 2023) WEEK 24
AREA HARVESTED	813,831-00 HA	656,225-00 HA
CANE CRUSHED	49'154,802 TON	41'195,468 TON
CANE YIELD - TCH	60.399 TCH	62.776 TCH
SUGAR PRODUCED	5'429,370 TON	4'500,271 TON
OPERATING MILLS	48	39
ADVANCE		83.81%

Even though, estimated harvest area increased to 814 thousand hectares, estimated sugar production is projected to decrease by more than 756 thousand tons from previous season production.

The priority to supply the national consumption is guaranteed, along with the US Quota determined for Mexican sugar, under T-MEC (NAFTA) and the A D and C V Agreements and the needs of the IMMEX industries. A minimum, near zero exports, are expected to world market this year.

Sugar prices in Mexico show similar strength as those of Contract 11 and Contract 16, The payment to canegrowers is determined by quality content and sugar prices. It's expected a significant price recovery this year. Considering an average cane quality of 115 kilos, and a price per unit of KARBE at 55 USD cents, the price of cane per ton is projected to reach a record nominal price of

USD\$63.25. This price might compensate part of the increased cost, estimated per ton in 7 to 8 US dollars, due to fertilizers, diesel, and labour higher prices.



Union Nacional de Cañeros, last year, initiated a project to evaluate whole cane harvesters, as a mean to overcome the growing lack of labour. We imported from Thailand 9 machines of the Model F-16M, from the Krushi-Chang Company. We are field testing them in different areas and conditions. The equipment shows excellent quality in its manufacture and the principle of operation is convincing on low to medium yields. As any process of mechanization there is a learning curve and fields need to adequate to the machine demands, row spacing, rocks removal, etc.



A short video on this harvest option and more is available in our YouTube channel @union-nacionaldecanerosa.c. with this link you can access the specific video :



<https://youtu.be/La-12m2Ryac>



We hope you'll like it!

**Carlos Blackaller, President**  
 Unión Nacional de Cañeros, A. C. – CNPR, Mexico



## NEWS FROM BELGIUM

Let's try to guess what the future of the sugar beet is in Belgium...

### ***Everything will depend on the price of sugar at world level!***

If world prices fall back to the levels we have seen over the last 4 years, the Belgian (and European) beet-sugar sector is simply doomed. Europe has disengaged from the management of food commodity markets such as sugar, milk, cereals, oilseeds, and meat. Europe (and especially the North-West) used to be a sugar exporter because of its combination of quality soils, temperate climate, and the know-how of the industry, but environmental constraints have caused it to lose part of its production. Today we import about as much as we export. The only good news is that we import mostly raw sugar and export mostly processed products that contain sugar. This means that an added value is created in Europe that supports a significant number of families.



### ***At the local level, the future depends on the willingness of our sugar manufacturers.***

Are they willing to make the necessary investments to stay in the race for productivity and sustainability?

To do so, they will have to maintain a pace of investment in tool renewal and improvement. But the factories will also have to be more energy efficient and decarbonize their processes. All this will probably involve restructuring of the large groups with closure of smaller, less efficient plants and longer campaigns for the others. We have known the time when beet processing campaigns lasted 80 to 100 days, but we are now said that an efficient plant needs longer campaigns, around 110 to 130 days. They will have to put in place a good control of the risks linked to long campaigns and to the long conservation of beets in silos.



Once the strategy of the manufacturers and their needs in beets are known, what interests us as sugar beet producers is of course the price of the beet, but not only.

Let's mention some essential points for a balanced relationship between growers and manufacturers:

- 1- There has to be a correct value sharing. Since beet is not sold at a fixed price known in advance, the sharing of the value created by the sale of sugar must be done in a fair and transparent way.
- 2- But there must also be a balanced distribution of risks: but which risks?

The economic risks linked to a sugar price that is too low to be remunerative. Producers are no longer able to take the risk of producing at a loss. Any good distribution of risk requires the setting of a minimum price that covers at least the production costs.

Another component of the economic risk, the risk of underproduction (impact of the non-fulfillment of the contract) and overproduction (valuation of the non-contract) must also be shared by the parties.

Then come the agronomic and climatic risks which are a priori borne by the grower. On the other hand, the climatic risks due to the long conservation of the beets are the responsibility of the manufacturer but cannot be considered without the co-responsibility of the grower in the preservation of the quality of his goods.

- 3- Managing risks means putting in place risk management tools. The first risk that comes to mind is that of

the length of the campaigns, which exposes us to winter conditions that are dangerous for the preservation of the quality of our beets. On this subject, our position is clear: if the manufacturers believe that maintaining production tools inevitably requires longer campaigns, we will not oppose this. But we need a

collective risk management plan and a logical assumption of responsibility by the manufacturer of the related additional costs, as well as a crisis management plan in case of risk occurrence.



### **Preserving our right to produce**

Losses of plant protection products (herbicides, insecticides, fungicides), increasingly green and restrictive Common Agricultural Policy, extreme regulations on sensitive areas (nitrogen, erosion, etc.), etc. The regulatory constraints and the lack of risk management tools make beet growing more and more risky. The first consequence of this evolution is that, even when prices are good, farmers are reluctant to continue cultivation and are turning to crops with less agronomic / climatic / economic risks.

### **The great challenge of tomorrow is to keep our right to produce!**

Before, it was enough for manufacturers to promise good prices for people to commit themselves. And the productivity gains made thanks to joint investments in research and by the seed companies have above all enabled the sector to remain competitive with sugar cane. But today these productivity gains have disappeared, and the manufacturers have understood that they must join us to defend together our right to produce.



The interests of growers and manufacturers are convergent, and we must work more and more in an interprofessional way !

### **They managed to do it in the past, so we will do it too**

Everyone knows that the sugar beet industry has existed for more than two hundred years in north-western Europe. If it owes its creation to a certain Napoleon who tried to free himself from the blocking by the English of sugar imports from overseas, it owes its development above all to the will and perseverance of many generations of sugar growers and manufacturers.

Numerous inventions and innovations at the agronomic, genetic, and industrial levels are the fruit of the work of engineers and practical people, passionate about progress and the search for greater productivity and less arduousness. A first turning point took place in the 80's, when the production techniques and the tools at our disposal (whether genetic, mechanical or for the protection of the plants) had allowed to reduce considerably the arduous-

ness of the culture. What remained was to work on productivity. But very quickly a new challenge appeared: to produce in a more respectful way of the environment (today we say: more sustainable).

Contrary to what today's ecologists would have us believe, farmers have been taking into account environmental aspects in their agricultural practices since that time, and in forty years enormous progress has been made by the profession, with the help of the upstream and downstream sectors, but also the supervision of the various ministries concerned (agriculture, environment, public health, economy), public research, parastatal organizations or private

organizations.

**We do constructive ecology**, which combines the search for productivity and sustainability. This is the opposite of most environmentalist NGOs and other degrowth ideologues who do destructive ecology. They promise us an ecological paradise, but in an economic desert where there may only be food for the rich. We promise a world where everything will be done so that a maxi-

mum number of people have access to quality food at an affordable price.

It is up to us to keep on defending the compatibility between the search for productivity and respect for the environment, between producing more per hectare while using fewer inputs. To do this, we need passionate people who are convinced that everything will be achieved through innovation and technology (we call them technologists). This is of course more complicated than letting nature grow and harvesting what nature wants to give us, as the environmentalist ideologues (the 'ecologists') teach us. But it seems that they forget who feed them... Please, don't criticize agriculture with a full belly!

**Bruno De Wulf, CEO**

**Confédération des Betteraviers Belges (CBB), Belgium**