World Association of Beet and Cane Growers

NEWS FROM WABCG — SEPTEMBER 2026

EDITO

Once again, we are reminded of the power of speculation in our sugar markets. By shifting their positions by around 9 million tonnes of sugar – sugar that exists only on paper! – speculators have helped prices rise by almost 20%, bringing them back to more solid levels.

Beyond the market mechanics, however, let us welcome these higher prices! They are a first step towards better returns for our products, at a time when growers around the world are facing an increasingly challenging economic environment.

I remember the round-table discussion we held in Sweden at the beginning of the summer, when every WABCG member highlighted the impact of rising input costs on farms. Fuel, fertilisers and other production costs are increasing in virtually every country. For growers, the pressure on margins is real and widespread.

Against this backdrop, the recent rise in sugar prices is a welcome signal. It is certainly not enough to offset all the additional costs we are facing, but it is a positive start.

The question now is whether this upward movement can be sustained – not only by financial markets, but also by buyers of physical sugar. We need stronger prices to translate into better returns all along the supply chain, and ultimately into fairer remuneration for the growers who produce the raw material.

This is what we are fighting for within the WABCG: ensuring that beet and cane growers around the world can obtain a fair return for their work and for the risks they take.

So let us welcome this first step – and hope that the market continues to move in the right direction!

Owen Menkens, President WABCG

NEWS FROM SOUTH AFRICA

The Crop

The harvest of sugarcane has been relatively stable up to now. Tonnage and yields have improved, making for a good prospect from a crop perspective. The cane quality has also been better than in the 2025/26 season and most of the sugar mills have performed well. The cane crop estimate is 17,6 million tons whilst the sugar estimate is 2 million tons. The local market for South African sugar is estimated at 1.25 million tons, largely lower, due to import flooding into the country.

Imports

The sugar industry in South Africa is under tremendous pressure. Imports have been flooding into the South African market due to the very low world price. This has displaced South African sugar onto the world market at a loss and has cost the industry around R2 billion ($125 million) in revenue. In addition, the world market has not yielded sufficient returns for the export sugar and as a result the price paid to growers has also declined. Local sugar prices have not changed in 2 years!

Tongaat Hulett

Tongaat Hulett is hopefully nearing the end of its take over by Vision Sugar. The last part of the financial transaction is being completed and we are positive that this will be done by the end of September. The company faced liquidation in mid June and it was only due to the intervention of the government's investment arm, that this could be averted.

The Strike

At present, 11 of the 12 sugar mills, are on an industrial strike. The strike started on the 15th of August. The millers and their workers cannot reach agreement. The dispute is on a wage differential and whilst the strike is ongoing, cane farms are being burnt in arson attacks, whilst the cane cannot be crushed. The growers are extremely frustrated by this situation and are urging the parties to resolve their differences.

Growers are losing a lot of money while they are waiting for the strike to end.

Financial situation

The South African sugar industry is in a crisis. The market is under pressure whilst at the same time, prices cannot be increased due to the increased flood of imports eroding the local market share. At the same time, input costs have increased by an average of 8% and these have been driven by changes in the fuel prices, world fertiliser prices and the cost of chemicals.

Thomas Funke, CEO
Canegrowers, South Africa

WABCG meetings

WABCG/ISO Consultation
30 November 2026
London, United Kingdom
(with a field visit on 29th November for WABCG members)
Registration open soon!

WABCG Council
31 May to 3 June 2027
Mauritius

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).

As a new marketing year is getting underway shortly, with the start of the harvest due in a few weeks' time, many European growers are worried about their crop.

Exceptional and repeated heatwaves across western and central Europe this summer brought record-high temperatures, water deficit and adversely affected the crop. France, Easternmost Belgium, south-western Germany, Austria, Slovakia, Czechia, Hungary, South-eastern Poland, Northern and central Italy, western Romania, Switzerland and the UK were the most impacted. Heat stress and water deficit exacerbated and encouraged the proliferation of harmful organisms and the lack of appropriate tools to control it caused extreme damages to the crop in many regions. As in previous years, pest pressure is very heterogeneous, but the same regions are repeatedly impacted: in France by virus yellows and this year by weevils like in Austria and Switzerland, in South Germany by the SBR (Syndrome de basse richesse)/RTD (Rubbery Taproot Disease) complex, in the UK by beet moths. The return of rainfall and slightly better conditions arrived late August. However, it seems unlikely that beet can recover significantly from such stress, especially in the fields infested and damaged by harmful organisms. It is likely that some of the badly affected fields will simply not be harvested.

At EU level, CIBE continues to fight to avoid ban/non-renewal of key active substances used for sugar beet protection. The Commission's current proposal to simplify the Food and Feed Safety regulations, as it stands, goes in the right direction but comes too late and will bring too little (if anything) in terms of new effective solutions for crop protection. Unfortunately, we do not expect much improvement from the European Parliament and the Council in the coming months.

The extent of the impacts of such adverse conditions remains to be confirmed by development in the coming weeks. However, average sugar beet yields in Europe will likely be below 5-year average. The French sugar beet sector has announced that at national level the 2026/27 average yield could be 20% lower than the 5-year average. By the end of September, CIBE will have a clearer view on its first production estimate for the 2026/27 MY which begins on 1st October. Combined with the decrease of around 8% of the 2026/27 beet area compared to 2025/26, the expected lower yields may lead to a significant reduction of 2026/27 European production, possibly reaching a record low. At the same time, the average sugar price reported by the Commission remains low at around €500/t at the date of this article. Ending stocks for the 2025/26 MY are estimated at 2.62 Mt (i.e. a 19% stock-to-use ratio), a high figure, and input prices (especially fertilisers) and costs of production have already affected growers' cash flow. The situation of sugar companies is also fragile after two years of declining prices. The temporary suspension of imports under the Inward Processing Procedure has been implemented in the EU to stop its abuse and to provide some relief, but it was implemented too late to prevent the accumulation of excess stock. Furthermore, the suspension will only be in place for one year. The risk is that exceptionally high sugar stocks for 2025/26 could continue to depress the market price. The lower production expected for 2026/27 could be offset by higher imports, leading to carryover of the market imbalance into 2026/27.

Five sugar beet factories were closed in 2025, one is not operating in 2026, in July 2026 the closure of the UK's oldest factory, to take effect in 2027 was communicated and recently late August 2026 the German company Nordzucker announced the closure of one of its factories in Denmark, leaving the country with just one factory as from the next MY 2027/28.

Sugar beet has always been regarded as a resilient crop, but in the face of exceptional extreme conditions and inconsistent policy decisions, this resilience is jeopardized. It shows how important it is for the EU beet sugar sector to strengthen the sector's resilience through research and innovation, but also to revise the sugar regulatory framework in the next CAP post 2027 to be able to activate appropriate market measures and for CIBE to push to introduce the right EU sugar policy. CIBE further calls on European governments and Institutions to put in place the appropriate short and long-term policies and tools for a robust and sustainable EU sugar beet sector, one that is attractive, resilient, competitive and economically viable, which ensure level playing field with third competitors and which allow our sector to meet the demand for European agri-food sovereignty, for European bioeconomy and for carbon neutrality.

The targeted measures adopted in July to support EU farmers facing high fertiliser costs and responding to the impact of the Middle East crisis fall short of matching the scale of the crisis and are drastically outweighed by other financial pressures, such as the EU's Carbon Border Adjustment Mechanism (CBAM). Now, with this historical drought affecting all productions from arable crops to vegetables at the same time, further urgent financial support will be necessary. In such uncertain and risky environment, moving from one exceptional and urgent package to another is necessary in the short term but cannot be the only way to go in the longer term. That is why the current debate on the next Common Agricultural Policy 2028-2034 is crucial. CIBE is playing its part in this debate.

Elisabeth Lacoste, Director

CIBE, European Union

News from Brazil

A stronger sugarcane crop, but growing pressure on growers' margins

The 2026/27 sugarcane season in Brazil's Center-South region is showing clear signs of agricultural recovery. After a difficult 2025/26 campaign, marked by lower yields and reduced cane availability, production is expected to increase significantly this year.

According to projections presented by Pecege and based on data from UNICA, CONAB and CTC, sugarcane crushing in the Center-South could reach around 641.9 million tonnes, 5% more than the 611.2 million tonnes processed in 2025/26. Agricultural productivity is also expected to recover, reaching 78.16 tonnes per hectare compared with 74.43 tonnes last season. By contrast, the harvested area is expected to increase by only 0.6%, to 8.26 million hectares.

This means that the expected increase in cane production is mainly the result of better agricultural performance rather than a significant expansion of planted area. This recovery is welcome news for growers after the difficulties of the previous season.

However, higher production does not necessarily mean higher returns.

More cane, but less sugar

One of the main features of the 2026/27 season is the change in the industrial mix between sugar and ethanol. The share of total recoverable sugars (ATR) allocated to sugar is expected to fall from 50.4% to 46.3%, while ethanol's share should increase from 49.6% to 53.7%.

As a result, sugar production is projected at around 38.6 million tonnes, down 4.4% from the previous season. At the same time, sugarcane ethanol production could reach 27.6 billion litres, an increase of 12.5%. Both anhydrous and hydrous ethanol production are expected to rise.

The growing importance of ethanol is particularly relevant in the current market environment. Brazil already has a 32% mandatory ethanol blend in gasoline, while domestic ethanol consumption is expected to continue increasing. According to Pecege projections, ethanol demand could rise by around 11% in 2026/27.

For mills, this creates greater flexibility in deciding whether to produce sugar or ethanol. For growers, however, the key question is how this flexibility is reflected in the remuneration of the cane delivered to the mill.

A recovery in production, but not in profitability

Another warning sign concerns cane quality and prices. Although total ATR is expected to increase by almost 4%, the average ATR per tonne of cane is projected to fall slightly, from 137.79 kg to 136.37 kg.

More importantly, the projected average value of ATR for 2026/27 is around R$0.94/kg, 13% below the previous season and approximately 22% below the 2023/24 level.

Sugar prices are also under pressure. The projected average New York No.11 price for the 2026/27 season is around 15.5 US cents per pound, compared with 24.5 cents in 2023/24.

At the same time, production costs continue to increase, with machinery operations, fertilisers and diesel among the main sources of additional pressure on growers' margins.

The result is a paradox: Brazil is heading towards a significantly larger sugarcane crop, but this does not necessarily translate into better economic conditions for producers. Both growers and mills are facing tighter margins.

Sharing more of the value created by the sugarcane chain

This situation reinforces the importance of improving the way value is shared throughout the sugar-energy chain.

Sugarcane is no longer simply a raw material for the production of sugar and ethanol. Brazilian mills increasingly generate value from a wide range of products and by-products, including electricity, biogas, vinasse, CO_2, dry yeast, bagasse and organo-mineral products.

Yet many of these sources of value are not currently fully reflected in the remuneration received by growers. How we can see the table below, based on Datagro Data, impacts of additional sugar routesto increase.

For ORPLANA, this is becoming an increasingly important issue. Growers should not depend exclusively on the price of sugar and ethanol. As the industry diversifies its production and develops new sources of revenue, producers must also participate more fairly in the value generated from the cane they supply.

The 2026/27 season therefore sends a mixed message. Brazil is recovering its production, with more cane and significantly more ethanol. But higher volumes alone will not guarantee the economic sustainability of sugarcane farming.

The challenge for the coming years will be to ensure that productivity gains, industrial diversification and the development of new products translate into a fairer distribution of value across the entire chain. For sugarcane growers, producing more must ultimately also mean earning more.

José Guilherme Ambrósio Nogueira, CEO
Orplana, Brazil

Remuneration as a Sugar	Produced	Increment	Minimum accumulated	Maximum accumulated
Typical mill in Brazil without ethanol	87% sugar 13% molasses	13% molasses in sugar price = 3,9%	87,0% + 3,9% or 90,9% of sugar	90,9%
Conversion molasses in ethanol	13% molasses to ethanol	13% molasses in ethanol and ethanol to sugar	87,0% + 9,8% or 96,8% of sugar price	
With mix ethanol and sugar 50%/50%	50% ethanol 50% sugar (Brazilian price ethanol)		90,9% + 4,1% or 95% of sugar price	
Energy cogeneration	Bagasse to electrification the mill	4% to 8%	99,0%	103%
Yeast extraction	To animal consumption	1% to 2,2%	100,0%	105,2%
Ethanol industrial, neutro or ref.	Others extraction on distillery	0,5% to 2,5%	100,5%	107,7%
Biogas / biomethane	From Vinasse	5% to 9%	105,5%	116,7%
Renovabio / Cbios (by ethanol)	Depends of the score carbon substitution	0,3% a 0,5%	105,8%	117,2%
Integration Corn and ethanol, inside the mill	Corn from Brazil	6% to 10%	111,8%	127,2%
Biogenic CO2	Co2 from the process of ethanol	1% a 1,5%	112,8%	128,7%
Data: Elaborated by Orplana from Datagro, 2026.				