



World Association of
Beet and Cane Growers



NEWS FROM WABCG

EDITORIAL

We have just sent the registration form to enable us all to be together next June in Cali, Colombia.



What a pleasure to reunite the whole WABCG family in the Valle del Cauca, at the kind invitation of Procaña, to celebrate the 50 years of the canegrowers' association in Colombia! If your decision is not fully made, please visit the dedicated website: www.50procana.org.

I also have the great pleasure to launch our 'WABCG Youth Programme'. In a few days, you will receive all the details concerning this new programme, whose goal is to encourage the children of growers' representatives to spend a few weeks on farms around the world, hosted by other WABCG members. We wanted to launch this in order to increase the links we have together, and to motivate young people to travel, to feel the interest of working together for the common good.

So, check your emails!

**David Thompson, President
WABCG**

Save the dates!

WABCG Council 2023

13-16 June 2023
Cali, Colombia

www.50procana.org

WABCG/ISO Consultation

20 November 2023
London, United Kingdom

MARCH 2023

NEWS FROM MAURITIUS

The 2022 Mauritius cane crop outturn fell to a record low level, with sugar production having attained a mere 232,707 tons, which is 9% inferior to the previous harvest. This is an alarming 50% decline since the 2010 crop production, just after abolition of EU guaranteed prices under the defunct EU Sugar Protocol. The area under cane has, on its side, declined by only 30% over this period, implying the brutal decline in productivity.



While climate change has certainly rendered the weather pattern erratic, thereby worsening agricultural throughput in general, there has also been a declining interest in cane cultivation, not only with demographic change but also due to the insufficient financial viability towards producing a commodity. Being an island with limited land resources, the production decline was a foregone conclusion, but to maintain a competitive edge, a minimum production level is essential.

The Mauritian sugar sector has undergone the required reform to adapt to the post Sugar Protocol market environment. From essentially raw sugar for processing, it became a supplier of exclusively direct consumption sugar by 2011, namely through an increase in production of the high value-added special sugars and the setting up of state-of-the-art refineries to convert the balance of raw sugar production into white sugar of EEC Grade 2 quality. Unfortunately, despite this reform, it continued bearing the brunt of the volatility of world market prices which, in addition, are distorted, often falling below world average



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production cost. Mauritius is disadvantaged by its small size, hence no economies of scale, and limited domestic consumption, which is a mere 10% of its prevailing production level, therefore highly exposed to the global distorted prices.



In fact the average price obtained by cane growers and millers for their raw sugar equivalent over the 2010-2021 period has been a mere USD 390 per ton, which is well below the average cost of production globally. This is a reduction of at least 25%, despite the enhanced value-addition locally, compared with the prices obtainable under the EU Sugar Protocol over its concluding years, while production costs have meanwhile continued increasing. Such financial results have obviously been disheartening to producers, resulting in a higher rate of abandonment of cane cultivation, including adequate cultural practices, hence the afore-said outcome.

There have meanwhile been thorough discussions among producers, including with other relevant stakeholders, on remedial actions to be taken to assure the viability of the industry, bearing in mind its socio-economic importance and its contribution to food / energy security and the environment. As indicated in the WABCG newsletter in March 2022, Government even solicited the support of the World Bank for a competitive analysis of the industry, and it recommended a series of policy changes in this regard.

One of the bold decisions taken was the hefty increase in 2021 in the remuneration for bagasse, which had till then been negligible. Bagasse together with molasses, the two main co-products of cane sugar, henceforth account for some 25% of producers' annual revenue, implying a remarkable mitigation of the

future fluctuation of sugar prices. Likewise, increasing emphasis is being placed on the production and sales of the unrefined special sugars, for which Mauritius remains a reference, which help to increase the net sugar revenue on a per ton basis. These high value-added sugars have accounted for over 50% of the production mix over the last few years.



After a bumpy ride over the last decade, the conditions now seem set to assure a viable sugar sector in Mauritius over the foreseeable future.

Devesh Dukhira, CEO
Mauritius Sugar Syndicate, Mauritius



NEWS FROM NORTH GERMANY

The sugar beet campaign in North Germany has just finished. With 164 days it was a very long campaign from beginning of September until beginning of February. Like all arable crops, sugar beet had to contend with a long drought during the growing season. Even in locations where the soil could store the water well, water became rare in late summer and yield growth stagnated. High sugar contents in combination with low beet yields characterized the first days of the campaign. With the onset of rain, the beets still increased in yield, but could no longer reach the average of the last five years.



Frosty temperatures below minus 10 degrees Celsius for some nights at the beginning of December caused frozen sugar beets - even if they were well-covered in clamps or still not harvested in the soil. The following warm weather quickly led to a rotting process in the affected beets. As a result, the processing of these sugar beets was a major challenge in some factories at the end of the campaign. The 2022 campaign closed with an average beet yield of 70 tonnes per hectare and a sugar content of 18.2 percent.

The yields of organic sugar beets had a wide range with an average beet yield of nearly 39 tonnes per hectare and a sugar content of 19.4 percent. This result was also lower than the year before.

In February 2023 we could welcome more than 2,100 of our 6,000 members to the traditional winter meetings. We provide information on the market situation, activities of grower associations and news from the sugar companies. The discussions also focused on future challenges in beet cultivation under political and social framework conditions. The assessment of frost-damaged beets as well as risk minimization during long campaigns were also intensively examined.

Another topic was the beet price that we negotiate with the sugar company Nordzucker for 2022/23. Our sugar beet growers will receive almost 40 percent more money than last year for their beets in 2022/23. That means that they will receive between 44 and 58 euros per tonne. This takes into account lower yields, increased operating costs and higher sugar prices.

On the political level we are facing a new regulation from the European Union for a future sustainable use of pesticides. The aim of this proposal is to reduce pesticide treatments at least 50 percent and a total ban in several protected areas. When this draft would become reality, it could be the end of beet growing for many farms and regions. Another big challenge is the adaptation of the beet sugar industry to meet the commitments for carbon dioxide reductions.

So, there is still a lot to do.

Dr. Heinrich-Hubertus Helmke, General Secretary
Head Association of North German Sugar Beet Growers (DNZ),
Germany





NEWS FROM MALAWI

Smallholder sugarcane production started in Malawi in 1978, with 200 farmers. The cumulative tonnage of sugarcane produced by smallholder sugarcane farmers has been increasing over the years. This has been



mainly due to increasing number of growers joining the enterprise. However, productivity has remained low resulting in lower profitability for small growers.

There are many factors affecting sugarcane productivity and these include lack of legislation to govern the industry (a situation that benefits millers), climate

change, reliance of rain fed production, lack of access to certified seed cane, inadequate extension services, poor governance, lack of transparency and accountability and high production costs.

Sugarcane Prices in Malawi is decided by Millers and Cane Supply Agreements have not reviewed for a while. Recent trends in the price of sugar which the millers in Malawi pay the smallholder farmers have shown the decline in the price of sugar – This is due to many factors including instability in local economic conditions, monopolistic and extreme capitalistic tendencies and stiff competition on the world market with major producers such as Brazil and India as well as smuggling of the sugar from neighboring countries such as Zambia and Mozambique.

SUGAM has over the last over the last 8 years made attempts to address the challenge of inadequate capacity in sugarcane production in various aspects of sugarcane production including sugarcane production training for growers, experimentation in irrigations, training of association leaders, with support from development partners.

However the sugarcane industry remains without any regulatory framework like other countries in Africa

and beyond. In order to bring business operational fairness, the association with support from SOLIDARIDAD and its own resources, commenced consultations on a draft sugar industry bill, 6 or 7 years ago. The process has stalled on occasion, but the association has been persistent in efforts to submit a draft to the government.

A lot of resources, time has been spent on the process. Legal expertise has been sought and lessons learnt from all our neighboring countries. After exhaustive discussions with regional and local grower associations, SUGAM submitted to government a draft sugar industry bill at the beginning of 2022.

The Ministry of Agriculture (Government) invited all stakeholders for validation meeting at the end of which they were requested to make written submissions on the draft, which it is understood they did. The process has however stalled since then. Follow ups with government has not yielded any results until now.

What must we do? Can an industry like ours do without any legislation? The absence of a regulatory legal framework in the country and other capacity challenges sighted above continues to negatively affect smallholder sugarcane growers in Malawi.

Allyx MTENGULA, Executive Secretary
Sugarcane Growers Association of Malawi (SUGAM), Malawi



Trial for irrigation