ADDRESS OF WELCOME

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General Chairman, XVIth Congress ISSCT

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Mr. President and Madame Marcos, Distinguished Guests,
Fellow Delegates To The XVIth Congress of The ISSCT,
And Ladies And Gentlemen:

As general chairman, and in behalf of the executive committee and the organizing committee, it is with great pleasure that I bid you all welcome to the opening ceremony of the XVIth Congress of the International Society of Sugar Cane Technologists. We feel deeply honored that his Excellency, President Ferdinand E. Marcos, and the First Lady, Madame Imelda Romualdez-Marcos, have accepted our invitation to be with us today to open the congress. Their attendance at this opening ceremony bespeaks the importance that our government and our sugar industry attaches to this conference of sugar cane technologists who "have contributed much to an industry which is vital to the economy of our country.

We are indeed gratified that our fair City of Manila has been chosen as the venue of the XVIth Congress and consider ourselves privileged to host the triennial meeting of this important segment of the world cane sugar industry. We are very pleased that delegates from all over the world, numbering more than 800 at the last count, have decided to participate in this congress, and we are particularly delighted that 118 of them are accompanied by their wives.

As host to the XVIth Congress, we have invited speakers who are leaders in their respective fields to give talks on the politics and economics of sugar and the competition to sugar that is posed by the new sweetener - High Fructose Corn Syrup. This part of the programme is included for the first time in this congress in the hope that some understanding of these aspects will be of interest to the technologist and enable him to get fresh insights into other dimensions of the industry, while at the same time enlivening the daily grind of the technical meetings.

In view of the present energy crisis caused by the steadily rising costs of oil, we have, also for the first time in this congress, made arrangements for a symposium on energy. Although the manufacture of alcohol from molasses has long been ancillary to the sugar cane industry in many countries, the current crisis has given new focus on sugar cane as an alternative and renewable source of energy and should
stimulate further research in this area. We hope that the symposium will be both interesting and helpful to the technologists in this regard.

To facilitate entry in the Philippines for the XVIIth Congress the visa requirement has been waived by our President for delegates from countries which presently do not have diplomatic relations with us. The paid-up membership of the society now stands at 1988 from 76 countries. As host country, we have kept up with the publication and circulation of the NEWSLETTERS to the members since the last congress. We have received and reviewed 339 papers submitted for this congress. Of these 251 have been accepted on the recommendation of Section Chairmen and will be read at the congress. Simultaneous translation in English and Spanish will be provided at the plenary meetings, and English and Spanish at the section meetings. We have made arrangements to make your stay as pleasant and enjoyable as possible and we do hope that you will really feel at home with us. If you have visited with us before, you must have already seen something of the traditional Philippine hospitality which is rather well known. We assure the delegates that they will be received with the same friendship and hospitality whenever they can spare the time to visit with us in our homes or places of business.

The delegates who have last week visited some of our sugar cane farms, factories and experimental fields have seen a fairly representative section of our industry. would, however, endeavor to give you a brief account of its more important features, — its potentials and problems, — in order to enable you to get a fuller picture, and also to elicit suggestions during this Congress on how we may best handle some of these problems.

The cultivation of sugar cane is a very old industry in the Philippines antedating its written history which is commonly regarded to have begun when the Portuguese navigator, Ferdinand Magellan, sailing under the Spanish flag, reached the islands in 1521 on the voyage which first circumnavigated the globe. During the early part of the Spanish settlement of the country which began in 1572 sugar was already an item of trade with the neighboring areas in the Asian mainland. However, it was not until the last 50 years of the Spanish colonial regime which ended in 1898 that the industry developed rapidly and became the premier export product, accounting for 30 to 60 percent of the country’s total exports, and achieving at that time an export record of 376,000 short tons. The outbreak of the Philippine revolution for independence, first against Spain in 1896, and then against the United States when it took possession of the Islands in 1898 as a prize of the Spanish-American war, paralyzed the industry and curtailed production which took many years to recover.

With the inception of free trade with the United States in 1909, the industry was modernized with the establishment of centrifugal sugar factories which replaced thousands of small and antiquated muscovado mills. The 1920’s up to mid-1930’s was a period of growth for the industry which was interrupted only with
the imposition of quota restrictions under the U. S. sugar act beginning in 1934. During this period the industry once more enjoyed a preeminent position in the country's economy with sugar exports rising to 63 percent of the total export trade in 1933, and posting a pre-war record crop of 1.4 million tons in 1934.

With the outbreak of the second world war and the invasion of the Philippines in December 1941 the industry ceased to operate, and after 3 years of enforced idleness was virtually totally destroyed during the ensuing struggle for liberation in 1945. It was not until 1954 or 13 years after the start of the hostilities in 1941 that the industry was able to rebuild its plant and facilities and bring production up to the level which permitted fulfilment of Philippine export quota of 980,000 short tons under the U. S. sugar act.

After the war larger factories were built while mill districts were consolidated into larger units with the resultant reduction in the number of factories to 25 from 46 before the war. These 25 post-war factories which also had a total capacity of nearly 80,000 metric tons of cane daily served the industry adequately for many years. However, as domestic consumption requirements increased and new selling opportunities developed in the U. S. market in 1960-61 it became necessary to expand the industry to meet the demand. The country with its unemployment and balance of payment problems could ill afford to pass up opportunities to augment its export income in falling to maintain production at the adequate levels.

After a few years of quota shortfalls the industry accordingly embarked on an expansion program on the encouragement of the government and with the financial support of government financing institutions and banks. Under the program, which began in 1967, acreage increased from 282,000 hectares to 544,000 hectares or nearly twice the former area in cane within a period of 7 years, while factory capacities likewise nearly doubled from 84,000 to 186,000 metric tons of cane daily with the establishment of 17 new mills and the expansion of many of the existing mills. For the first time in its long history, the industry achieved a production level of 2 million metric tons in 1971, and in a relatively short time thereafter, almost 3 million metric tons in 1976.

As a result of the program and its timely execution, the industry was able to meet the country's export commitments during the last five years of the U. S. sugar act, and to supply fairly substantial tonnages to the world market at the time that they were sorely needed in 1974 and 1975, besides making adequate provisions for a rapidly expanding domestic market. It should be noted that the country's domestic consumption is rising at the rate of 6 percent which at this time means some 60,000 metric tons annually, - equivalent to the yearly output of a medium sized factory. In terms of employment and economic activity which have been generated by the establishment of the new factories and the opening up of new areas, the impact of the expansion program has not been inconsiderable particularly in remote localities which have heretofore not been reached by any kind of manu-
It may interest you to know that all of these have been accomplished within the framework of our new society under the leadership of his Excellency, President Ferdinand E. Marcos. At no time in the past has such long strides been made in the development of our sugar industry. However, this is not unusual for our president who has a record of performance in many aspects of nation building, particularly the socio-economy and development aspects — That is unequalled in the annals of our country. The statistics are formidable: in Building Infrastructure, roads, bridges, school buildings, irrigation and drainage systems, powerplants, housing; in Agrarian and Social Reform; in the growth of Agriculture particularly self-sufficiency in rice which is our staple food; in the promotion of Trade and Industry, in the development of Mineral Resources; in the exploitation and development of Geothermal and other indigenous sources of energy; and so on and so forth. There are many more, But I am only a historian of our sugar industry and not of the development program of the administration and I hope I will be forgiven for straying from my subject and invading somebody else's territory which I have no intention of doing except to highlight the fact that the development of our sugar Industry is but one facet of the Herculean efforts that have been and are being made in all sectors of our economy to win a measure of economic well being for our people.

The Philippine sugar industry presently consists of 42 milling districts on 6 of the country's 11 major islands. The area devoted to cane in recent years has fluctuated between 450,000 and 580,000 hectares in response to prices. Sugar cane is grown by independent farmers who mill the cane in sugar factories for an agreed share of the sugar and molasses manufactured therefrom as calculated on the basis of the weight of cane and the analysis of the first expressed juice. Participation ratios range from 60 to 70 percent for the planter and and 30 to 40 percent for the mill, with industry-wide average close to 65:35.

In crop year 1978-79 there were 31,497 planters and 34,116 farms with average farm size of 13 hectares. Fifty-three (53) percent of the farms average 2.83 hectares, while 88 percent average 5.8 hectares. Only 5.7 percent of the farms representing 41 percent of total area have areas of over 50 hectares each. Unlike many countries in Latin America and Africa where large mill-owned estates supply most of the cane, there are but a handful such estates in the Philippines with an aggregate area estimated at some 5 percent or less. The predominance of very small farms in our industry which are unable to absorb a satisfactory level of technology has been a limiting factor in the productivity of the industry.

Mechanization of farm operations in the industry is generally limited to land preparation in about 70 percent of the farm area. Some large farms and mill-owned estimates have mechanized all or nearly all operations including harvesting and loading but these are on relatively minor scale in terms of the total industry. Har-
vesting and loading of cane are generally done manually by migrant labor hired by contractors during the harvest season. Small-sized farms are worked entirely by animal drawn implements, while the large and medium-sized farms which are managed by progressive farmers are mechanized in varying degrees in most of the farm operations except harvesting and loading.

As a result of the continuing sugar cane variety improvement program that has been carried out for many years, local varieties bred by philsucom are almost exclusively used in the industry. These varieties have been developed for cane tonnage and sugar content as well as resistance to more prevalent diseases and have proved to be high-yielders. These varieties are now being propagated for general distribution.

Productivity in the industry vary rather widely. It is not unusual for moderately-sized farms of around 100 hectares which are efficiently and to produce 7.5 metric tons of sugar per hectare and there are many large farms that yield as high as 10 to 15 tons. On the other hand, we have the extremely low yields obtained in a large number of very small and sub-marginal farms which range from 2.5 to 3.5 tons. The industry average is thus pulled down to around 5 to 5.5 tons.

On the basis of total factory capacity of 187,000 metric tons of cane daily for the existing 42 factories, annual production capacity of the industry is estimated at 3.7 million metric tons, raw value. In crop year 1978-79 production has declined to 2.37 million tons. Due to very low world prices the industry had thus operated at only 64 percent of factory capacity that year. Very recently 3 refineries have been established with a daily capacity of 500 metric tons each. These bring the total refinery capacity in the country to about 1.0 million tonnes yearly and will enable exportation of refined sugar from the country in the near future. Our industry, despite its problems, would thus be in a position to help supply the world's growing need for sugar more than it is presently able to do if the price is right.

Thank you,