

Sugar industry: Zafra 2023/24 has begun



The "Ciro Redondo" sugar mill in the central Cuban province of Ciego de Ávila is one of the most modern in the country. A biomass power plant was installed in 2020 (source: [Directorio Cubano](#))

This year's sugar cane harvest ("Zafra") [began](#) in Cuba on Monday. After a massive slump in what was once the island's most important export, a slight recovery in the sector is set to begin this year with restructuring. However, there is not enough money for big leaps.

The president of the state sugar holding Azcuba, Julio García Pérez, called for a "shorter but efficient" harvest. While more than 50 mills ("centrales azucareros") were used in previous years, only 25 sites will be involved in this year's harvest, ten fewer than in the previous season. The aim is to concentrate existing resources on the most modern facilities. In many Cuban sugar mills, equipment from the 1940s and 1950s is still in use, which is being kept running with creative solutions.

The first 23 mills will be up and running by the end of December, with two more to be added in January once maintenance work has been completed. In addition to 56 mills, the sector includes 12 distilleries, 11 refineries, 114 sugar derivatives plants and 10 rum factories, employing a total of 71,203 people. Despite its almost complete liquidation in the early 2000s, the sugar sector is now once again considered strategic for Cuba and is expected to contribute to the diversification of exports and increasingly to energy production in the coming years. In 2020, in one of the largest investments of the past decade, a 60 megawatt biomass power plant was put into operation in the "Central Ciro Redondo" (Ciego de Ávila province) in collaboration with China and the UK, which is expected to save 100,000 tons of oil annually by converting bagasse into electricity during the harvest season.

This year's sugar harvest will take place under a new management model for the first time. As part of the "93 measures to rescue the sugar sector" launched by the government last year, all sugar mills have been constituted as independent companies. Azcuba hopes that the "self-administration of the territories" will lead to efficiency gains and greater incentives for employees, as some of the profits will remain in the companies. On average, 84 percent of the expenditure required to finance the harvest should be generated by the respective sugar mills themselves.

The restructuring is the latest in a series of attempts to reform the hard-hit sector. In 2011, the former sugar ministry was replaced by the holding company Azcuba. A lack of investment, shortage of fertilizers and spare parts, as well as a large fluctuation in the workforce have caused sugar production in Cuba to fall to historic lows in recent years. For years, cultivation has had to be done almost entirely without artificial fertilizers and herbicides due to a lack of foreign currency, and with the start of the current economic crisis fuel also became a scarce good. The sector reached its lowest point in the 2021/22 season with a result of 474,000 tons, an amount last produced in Cuba at the beginning of the 20th century. At the end of Zafra 2022/23, the result was 820,000 tons, 32 percent below the plan of 1.2 million tons. This year, the target is also likely to be over one million tons again, but Azcuba has not yet announced target numbers.

In the 1980s, the once prestigious sector supplied over eight million tons of refined sugar per year, making Cuba one of the largest sugar producers in the world. Domestic demand today is around 700,000 tons, with China being the main customer. Last year, around 400,000 tons were reserved for the domestic market and a further 400,000 tons were exported to the People's Republic. ([Cubaheute](#))