

CIVIL DIALOGUE GROUP

ARABLE CROPS -SUGAR

D.083/12.04.2019



Organic Sugar Beet in the EU

Elisabeth Lacoste - Director CIBE

Civil Dialogue Group - Arable crops - sugar, 12 April 2019, Brussels

**Organic sugar beet and
sugar - Figures**



The World of Organic Agriculture 2017

Organic Farmland 2017



69.8 m ha

Organic farmland in million hectares

+20%

From 2016

181

Countries with organic farming

Top 3 countries
(land in million of hectares)



Organic Producers 2017

The number of organic producers is increasing

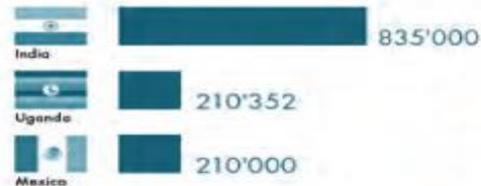
2.9 million

Organic farmers

+4.7%

From 2016

Number of producers:
Top 3 countries



Organic Market 2017

The global market is growing and consumer demand is increasing

More than 92

Global organic food market in billion euros

Top 3 countries
(market in billion euros)



18.0% Organic market growth

13.3% Market share

288 € Highest per capita spending is in Switzerland

FiBL

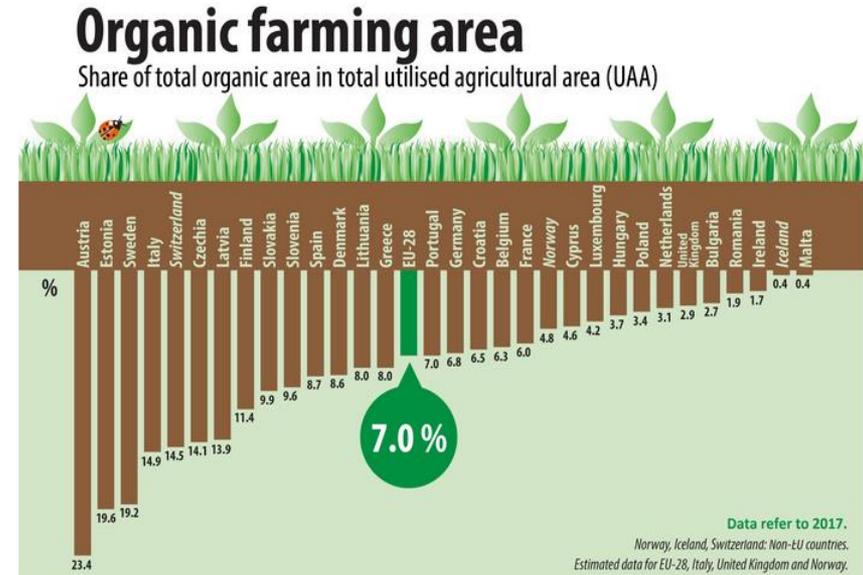
Source: FiBL survey based on national sources
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More information: www.organicworld.net - statistics.fibl.org

Infographic 1: Organic agriculture worldwide: Key indicators 2017

Source: FiBL survey 2019

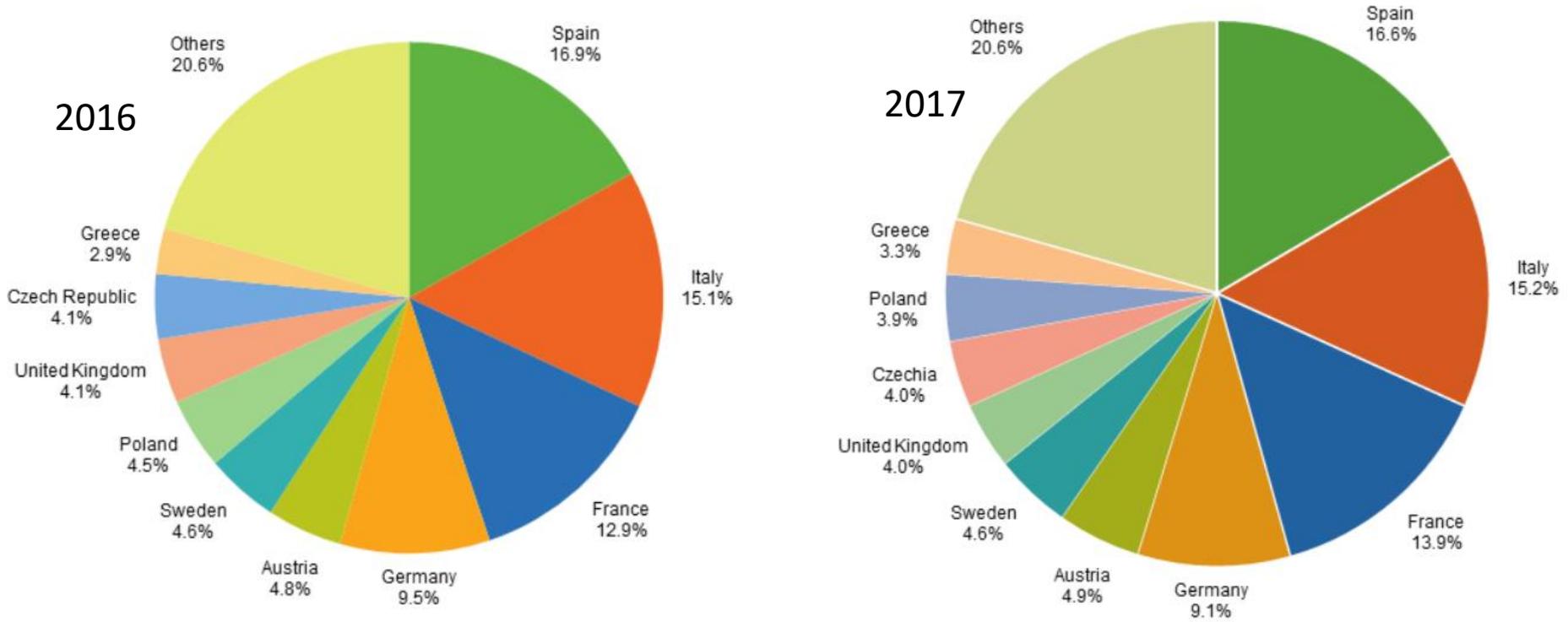
Organic farming in the EU (Source: Eurostat) [a fast growing sector](#)

- Organic farming covered **12.6 million hectares** of agricultural land in the EU-28 in 2017 (11.9 million ha in 2016)
- This corresponds to **7 % of the total UUA** of the EU-28.
- From **2012 to 2017**, the total organic (UAA) within the EU rose by **25 %**
- The countries with the highest shares of organic land were **Austria, Sweden and Estonia**. In each of these countries the organic share was above 19 % of the total agricultural land.
- Around **2 % of the agricultural holdings in the EU-28 were fully organic** (i.e. had only organic agricultural land) in 2016, up with 30 % since 2013



Share of total organic area in the EU-28 in 2016 and 2017

(Source: Eurostat)



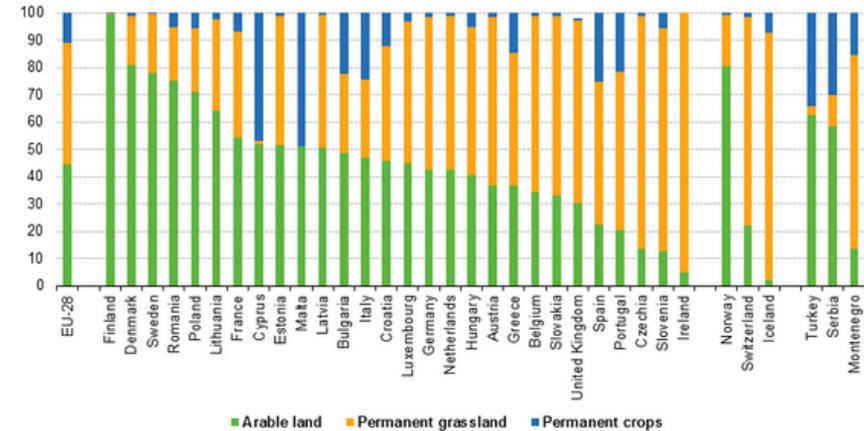
Organic arable crops in the EU (Source: Eurostat)

- Organic production area is divided into 3 main crop types:
 - **44.5% arable land crops** (mainly cereals, fresh vegetables, green fodder and industrial crops), > **5.5 million ha**
 - 44.4 % permanent grassland (pastures and meadows), > 5 million ha and
 - 11% permanent crops (fruit trees and berries, olive groves and vineyards).

■ In 11 EU Member States arable land crops accounted for more than 50 % of the organic area, while in 13 Member States pasture and meadows predominated (> 50 % of organic area)

■ **Arable crops were highly predominant in Finland, Denmark and Sweden with shares of 99.2 %, 81 %, and 77.9 % respectively**

Arable land crops, permanent grassland (pastures and meadows) and permanent crops, by country, 2017
(% of total organic area — fully converted and under conversion)



Note: No data available for the Former Yugoslav Republic of Macedonia
Note: Preliminary data for EU-28, Italy and Montenegro
Source: Eurostat (online data code: org_cropar)

Organic Sugar Cane (Source: FiBL, 2019 and Eurostat)

Fully converted and in conversion 2017



- **World organic sugar cane area fell by 6% between 2016 and 2017 from 82 983 ha to 77 703 ha** and represent 0.3% of global sugar cane area
- Fair Trade Sugar Cane area fell from 186 700 ha in 2015 to 153 000 ha in 2016

Crop group	2016 [ha]	2017 [ha]	Change 2016-2017[ha]	Organic share [%]
Sugarcane	82'983	77'703	-5'280	0.3%

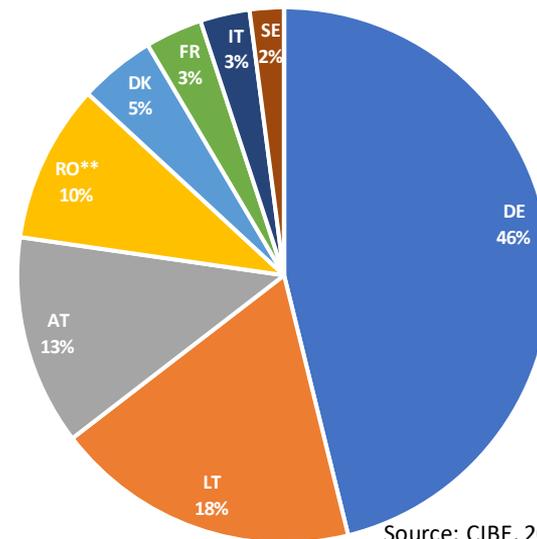
- Latin America 67,206 ha in 2017 (86% of global area), 0.5 % of the total sugarcane in the region, key producing countries: Paraguay (over 41 000 ha), Argentina (almost 14 000 ha) and Brazil
- Africa 8 087 ha
- Europe around 5 000 ha in 2017 (Eurostat, CIBE), **0.3%** of the total European beet area (EU-28 + CH)
- Asia 2 399 ha
- Oceania 11 ha

Organic beet in the EU : still a niche but a positive trend (Source: Eurostat, CIBE)

Some statistic issues to be clarified

Country	2017 Eurostat**	2017 CIBE	2018 CIBE	2019 CIBE (est/objective)
DE	2100.00	1800	2000	3000
AT	1214.00	1236	550	2095
LT	837.00	1000	800	800
RO**	471.00	386	415	500
DK	385.00	250	200	200
SE	217.00	0	90	200
NL	133.00	0	0	0
UK	118.00	0	0	0
IT	79.00	79	130	1500
CZ	65.08	0	0	0
HU	63.56	0	0	0
ES	59.72	0	0	0
PL	35.67	0	0	0
FR	9.00	9	150	1500
Total	5787.03	4760.00	4335.00	9795.00

Objective 2019: 0.6% of EU beet area



Source: CIBE, 2018

*Includes organic and conventional in conversion to organic

** CIBE 2017 & 2018 figures are harvested area (not sown area)

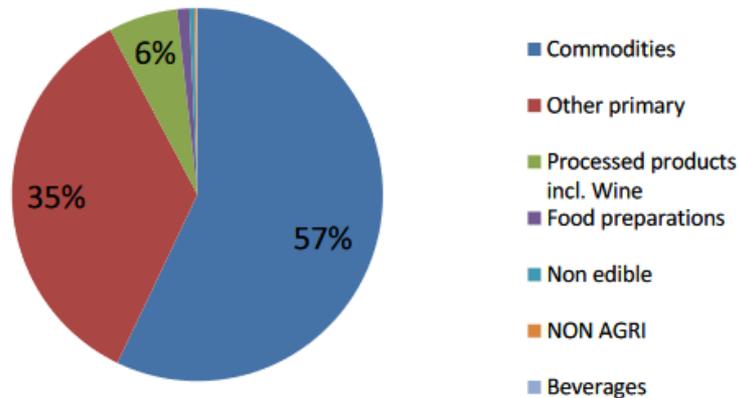
e.g. RO lost 18% of organic beet area in 2017 and 47% of organic beet area in 2018

AT lost 90% of organic beet area in 2018

- EU organic sugar market estimated around 200 000 t in 2018 (30% of world market?), of which at least 50% of B2B
- **Around 80% of organic sugar consumed in the EU is imported** (from Brazil, Paraguay, Costa Rica, India, Thailand) → traceability of organic raw sugar imports is key

- TRACES (TRAde Control and Expert System) is the European Commission's multilingual online management tool hosting the sanitary certificates requested on intra-EU trade and importation of animals, food, feed and plants.
- Since October 2017, the Certificate of Inspection Col that must accompany every consignment entering in the EU, has become electronic. The module for COIs has been developed according to the Organic regulation in force. It ensures the traceability of the products intended to be imported into the EU as organic, as well as the exchange of information between the different actors of the supply chain. **The system provides an automatic built-in check for the CN codes of the products, by allowing only the import of products falling in the scope of the EU organic legislation.**

- EU organic imports are dominated by commodities: in 2018, the EU imported a total of 3.257 million tonnes of organic agri-food produce, of which 57% was in the form of commodities and 35% as other primary products.



Four products categories, classified as commodities, constitute the most important product imports, in volume terms, into the EU: "Oilcakes"(352.043 tonnes, 10.8%); "Cereals, other than wheat and rice"(255.764 tonnes, 7.8%); "Wheat"(243.797 tonnes, 7.5%); and "Rice"(216.017 tonnes 6.6%)

Source: Traces

- First elements regarding the **volume of organic (beet and) cane sugar imports** (Source: Traces):

Country	Imports of Beet and cane sugar (tonnes)	% of organic agri-food imports into the EU
Brazil	53 244	73.6%
India	22 794	18.1%
Mexico	16 018	22.5%
Peru	2 418	1.2%
US	696	0.4%
Tunisia	557	1.4%
<i>Other</i>	<i>70 601</i>	
TOTAL	166 328	5.1%

To be further analyzed with Agri – B4? →

The image is a vertical split. The left side shows a field of sugar beets with a semi-transparent white overlay. The right side shows a close-up of the same plants. The plants have large, rounded, green leaves with prominent veins. The soil is dark brown and appears to be in a field setting.

**Organic sugar beet:
regulatory framework**

- The new Regulation on organic production and the labelling of organic products (Regulation (EU) 2018/848) was published on 30 May 2018. The new rules will apply from 1 January 2021. Until then, the Commission will finalize and publish Delegated Acts and Implementing Regulations
- Organic production falls within the scope of the Official Controls Regulation, which has been amended recently. Most of the articles in this new Regulation will apply from 14 December 2019
- EU horizontal legislation on food and feed controls

- The EU imports organic products from third countries under two different regimes:
 - 1) **Equivalence**: equivalent third countries (US, Canada, Japan, South Korea, India, Argentina, Australia, New Zealand, Costa Rica, Chile, Israel, Switzerland and Tunisia) which have a production and control system recognised as equivalent, for certain product category, by the EU, listed in Annex III of Regulation 1235/2008 and
 - 2) The control body system: private bodies authorized by the European Commission and listed in annex IV of the Regulation that can operate in third countries and certify operators for the purpose of exports.

- As from 2021 with the new Regulation 2018/848 the CB's will have to apply the **compliance** to EU rules unless a bilateral free trade agreement between the EU and that third countries agree on equivalence scheme

- **Organic controls need to be improved:** European Court of Auditors – ECA – Special Report 4/2019 issued on 14 march 2019 https://www.eca.europa.eu/Lists/ECADocuments/SR19_04/SR_organic-food_EN.pdf

- The growing global trade in organic products involves long-distance transport of both internally and externally produced foodstuffs. “Organic” is not a synonym of “local”, although the new organic regulation includes the objective of “encouraging short distribution channels and local production
- In 2018, 114 countries sent organic products to the EU. Around 87 % of the imported organic products are certified by equivalent control bodies
- **The Commission should:**
 - **Address remaining weaknesses in Member State control systems and reporting**
 - **Improve supervision over imports through better cooperation**
 - **Carry out more complete traceability checks**

- Imports of organic raw cane sugar are quite significant
 - Imports regime of these imports should be controlled/differentiated :
 - Preferential sugar
 - Imports with IPR (in this event, the respect of IPR rules should be checked – no equivalence between imported organic sugar and exported non-organic sugar)
 - Non-preferential regime (payment of full-duty)
 - Countries of origin would be a first indication of the import regimes used
- Further analysis/control necessary

The image is a vertical split. The left side shows a field of sugar beets with a semi-transparent white overlay. The right side shows a close-up of sugar beet plants with some leaves showing signs of stress or damage. The text 'Organic sugar beet growing challenges' is overlaid on the left side.

**Organic sugar beet
growing challenges**

1. Creation of added value:
 - **Further productivity gain necessary :**
 - at agriculture level: active R&D, support for R&D and investments is necessary
 - at industrial level: logistic, efficient scale of production, marketing
 - **premium** of organic sugar versus conventional sugar (retail consumer price (rounded): organic cane sugar x 4 conventional beet sugar ; organic beet sugar = conventional beet x 3.5)
 - Could be an opportunity in beet regions with lower conventional beet yield but depends on market dynamic
2. Sharing of added value: **contract scheme** for organic beet must be adapted
 - Appropriate balance of risks between growers and beet processors necessary
 - Basic organic beet price get currently a premium of **more than €60/t** compared to conventional beet price (around **x 4**) → assessing the right premium
 - Issue of organic beet price during the conversion period
 - Duration of the contract should be in line with organic conversion
 - **Market transparency:** market data?
3. What tools to cover the income risks (yield and price) for both growers and processors ?

- Growing of EU organic beet is governed by strict conditions
 - grower generally needs EU organic certification
 - only organically propagated, untreated seeds are allowed
 - fertilizer application has to comply with the guidelines for organic farming: mineral fertilizers substituted with **organic fertilizers**
 - use of “chemical” pesticides is prohibited, **organic “natural” pesticides** may be allowed
 - beet processing certification

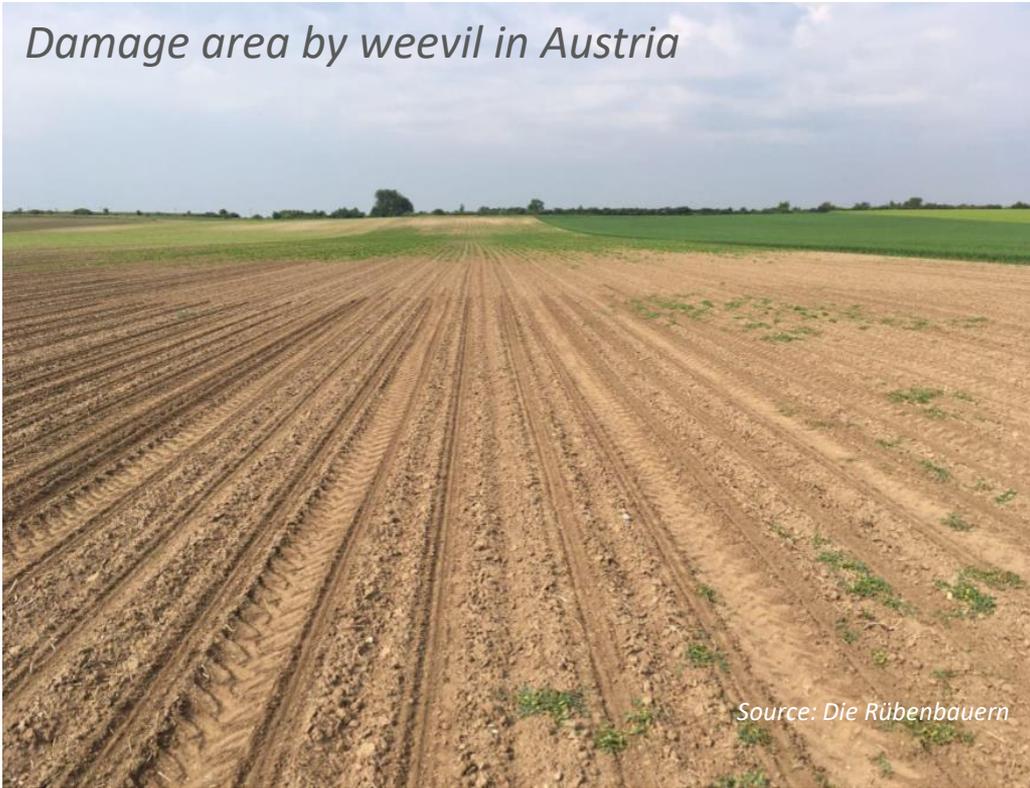
- **CIBE annual Technical meetings in November 2017 and 2019:** include a focus on organic beet - exchanges on challenges, new developments and practices, technology -

Challenging organic beet growing conditions

- Highly demanding crop: main challenges for cultivation:
 - Choice of the variety (mainly Cercospora tolerant varieties)
 - Choice of the field/soil (preferably selected field with lower pest presence)
 - Nutrient supply issue and intercrop choice (leguminous)
 - **Pest issue is huge:** weevils, wireworms, flea beetles, aphids...very high risks ! Control is impossible, potential huge losses after planting, **2018 was dramatic for organic beet in AT: 1150 ha lost because of weevil infestation**
 - **Mechanical/manual weed control** also constitutes a particularly **huge issue**
 - Around 150 to 300 hours/ha of labour!
 - High labour costs
 - New technology & automated equipment/robot for mechanical weed control is necessary
 - Climatic conditions are key: **2017 very wet year was dramatic for organic beet in DK**
- **High variability of yields** + Average organic beet yield: around 30% lower than conventional beet yield
- **Applied Research & Development ongoing**

Challenging organic beet growing conditions

Damage area by weevil in Austria



Source: Die Rübenbauern

Weed problems in some fields in Denmark



Photo by
Nordic Sugar

Challenging organic beet growing conditions

Manual weed control
at the early stage of the vegetative period



Back to the roots?
(1948)



→ Investments and innovation necessary!

New developments/innovation have started in 2009 in mechanical weeding...currently combined with sustainable uses of PPPs !

Save the date!

Désherb'Avenir VI

15 et 16
mai 2019

📍 Beryn en
Santerre
(80)



Future Robots



Traditional hoeing in between the sugar rows



Hoes equipped with reels



Challenging organic beet processing conditions

- Logistic (early harvest)
- Sufficient tonnage
- Adapted process
- Marketing

EU Organic beet sugar: a swot analysis

Strengths	Weakness
Growing demand for organic sugar	Niche market
Well structured EU sector	Logistic and processing challenge
High technical expertise	High Technical issues/ Risk management
	Difficulties of the conversion period
Opportunities	Threats
High growth of organic products on global markets	Standardization / loss of value
High value added (organic premium)	Continuity of organic premium
Innovation (robotics)	Increase of production cost
Import regulatory framework	Competition with organic raw sugar
Support from public opinion and Institutions	Potential negative impacts on conventional beet

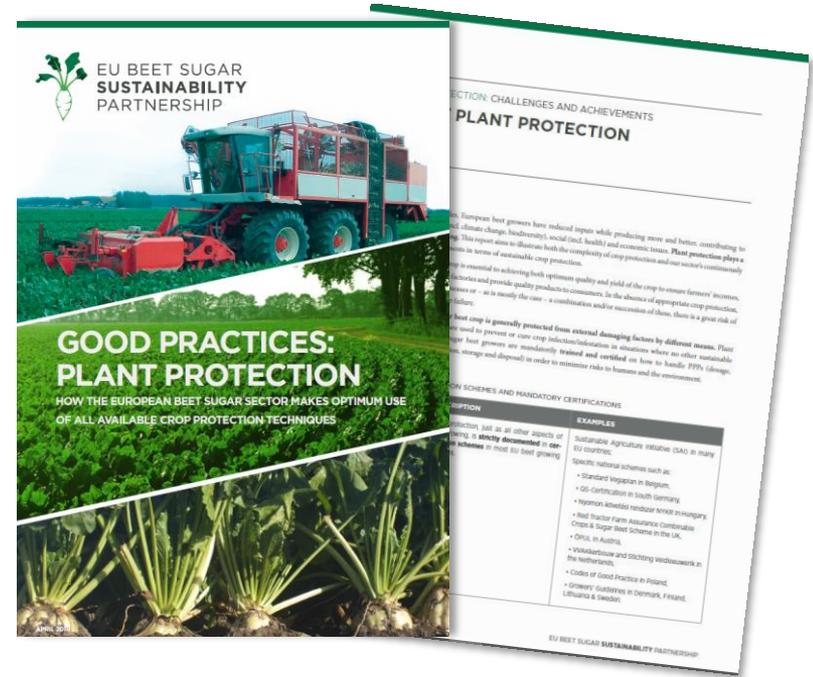
- **“Conventional beet” combines the dual need for environmental sustainability and economic sustainability:**
 - Regular developments/innovation in the EU beet sugar sector, **dissemination of good practices** → **reduction of the uses of PPPs**
 - ➔ **see new update of EUBSSP report on Plant Protection**
 - Further **investments and support** will be necessary to achieve higher envi sustainability (alternative tools) in a context of increasing pressure (and confused debate!) on the use of PPPs
- **Organic beet still not economically sustainable: Very good envi sustainability and low economic sustainability of organic beet versus good envi sustainability and high economic sustainability of conventional beet**

New Report: Good Practices – Plant Protection Products

How the European Beet Sugar sector makes optimum use of all available crop protection techniques

Structure of the report:

1. Sugar Beet: a key rotational crop
2. Using the appropriate sugar beet varieties: a continuing success story
3. The sowing of treated beet seed: a progress in terms of sustainability
4. Weed control: weed stress on beet is permanent for the first part of the crop season – the sooner addressed, the better
5. Post-establishment pest and disease control: monitoring is key
6. The challenges of organic beet cultivation and protection





AGRICULTURE
& PROGRESS

Joining forces in an agricultural and
primary processing platform
for sustainable crop production

The Platform (@AgriProgress) was set-up in 2019 by its founding members



Confederation of European Maize Producers (**CEPM**)
European Association of Sugar Manufacturers (**CEFS**)
International Confederation of European Beet Growers (**CIBE**)

- In the context of the Platform, the agricultural and primary food processing industry **join forces** to provide society and decision-makers with answers and suggestions on the needs and challenges of **guaranteeing sustainable agricultural production** and the **important role of innovation** in this context.
- We plead for the **development of a solid regulatory framework** that guarantees a balance between, environmental protection, qualitative agricultural production whilst guaranteeing the farming community an adequate level of welfare.



Thank you for your attention!



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