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Future of the european Union sugar market

11 October 2016

Sugar expert group / Civil dialogue group

Summary

1- The French sugar sector

2- French sugar sector and the 2006 reform

3- Preparation for the post-quota in France

4- Points of vigilance

5- Conclusion

The French sugar sector

- France represents the **1st sugar production in Europe** and is ranked 10th in the world

- **26 000 beetgrowers** on 383 000 ha
- **about 8 000 canegrowers** (in overseas departments) on 42 200 ha for about de 250 000 t of sugar

French sugar sector and the 2006 reform

Following the 2006 sugar restructuration, France :

- gave up 683 000 t of sugar quota
- dismantled 5 sugar plants

2006 regulation (R-318/2006) implied the ending of the quota regime after 2014/15

The 2013 CAP reform postponed this date until 2017

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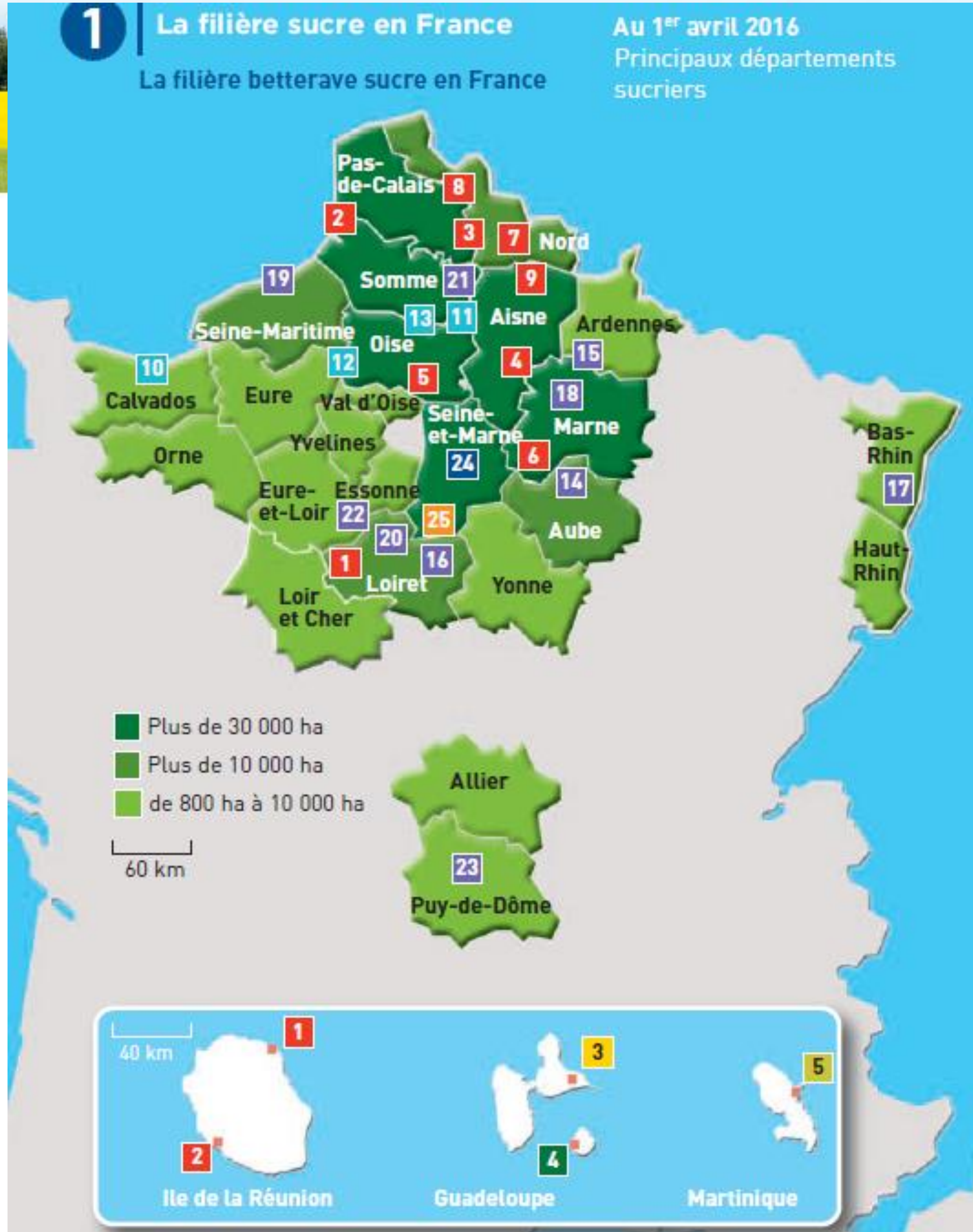

Preparation for the post-quota in France : a new inter-branch organisation

Inter-branch tasks :

- Preparation of national inter-branch agreements
- Regulatory follow-up (UE and international) including the ALE negotiations
- Issues of common concern : research, sugar and health...

Preparation for the post-quota in France : a new inter-branch agreement

A national inter-branch agreement has been signed by beetgrowers and undertakings in order to :

- regulate the relationship between beetgrowers and undertakings over a period of 3 years which gives visibility to all actors
- validate a standard contract for beet purchase

Points of vigilance for the crucial period which starts with the end of sugar quotas

Increased monitoring of the european market (sugar and isoglucose) :

- taking into account the specificities of sugar sector while discussing the horizontal regulations

- keeping relevant indicators for market analysis (productions, prices, balance sheet) in order to preserve market transparency for all actors, and to anticipate possible market

Conclusion

- The end of sugar quotas is a big change and represents a challenge for all Member States (including France)
- The CAP reform gave the sector a few years delay to adapt to this new situation :
  - tools have been mobilized at european level,
  - a new organisation of the sector has been set up in France at the national level
- Tools to be maintained after 2017 (market reporting, private storage aid...)