



The EU Sugar Market

AGRI G 4
High-Level Group on Sugar
29 January 2019



The 2006 sugar reform process

- **Production cuts:** quota from 17 to 13.5 million tonnes, non-quota -1.8 million tonnes
- **Sector restructuring:** overall EUR 5,4 billion spent between 2006 and 2011
- **Concentration of production:** -41 percent of factories, concentrated in the most competitive areas
- ~ 60 companies with **110 factories left**
- End of the quota system planned for 2015, and then **delayed by two more years until 2017**



The end of sugar quota

- No more **limit to production**
- No more **minimum price for beet**
- No more **limit to exports**
- No more **preferential access** to import TRQ granted to full-time refiners

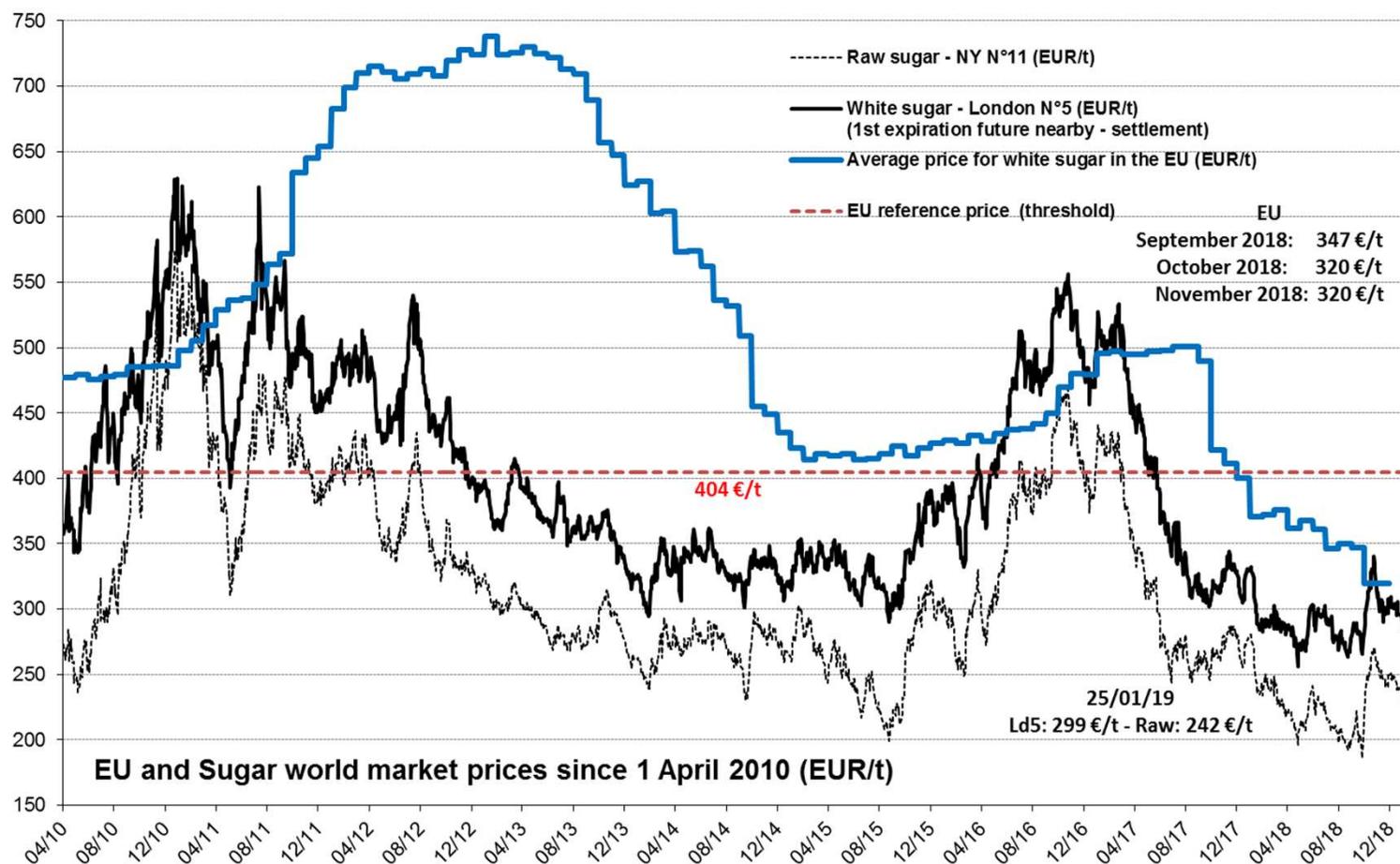


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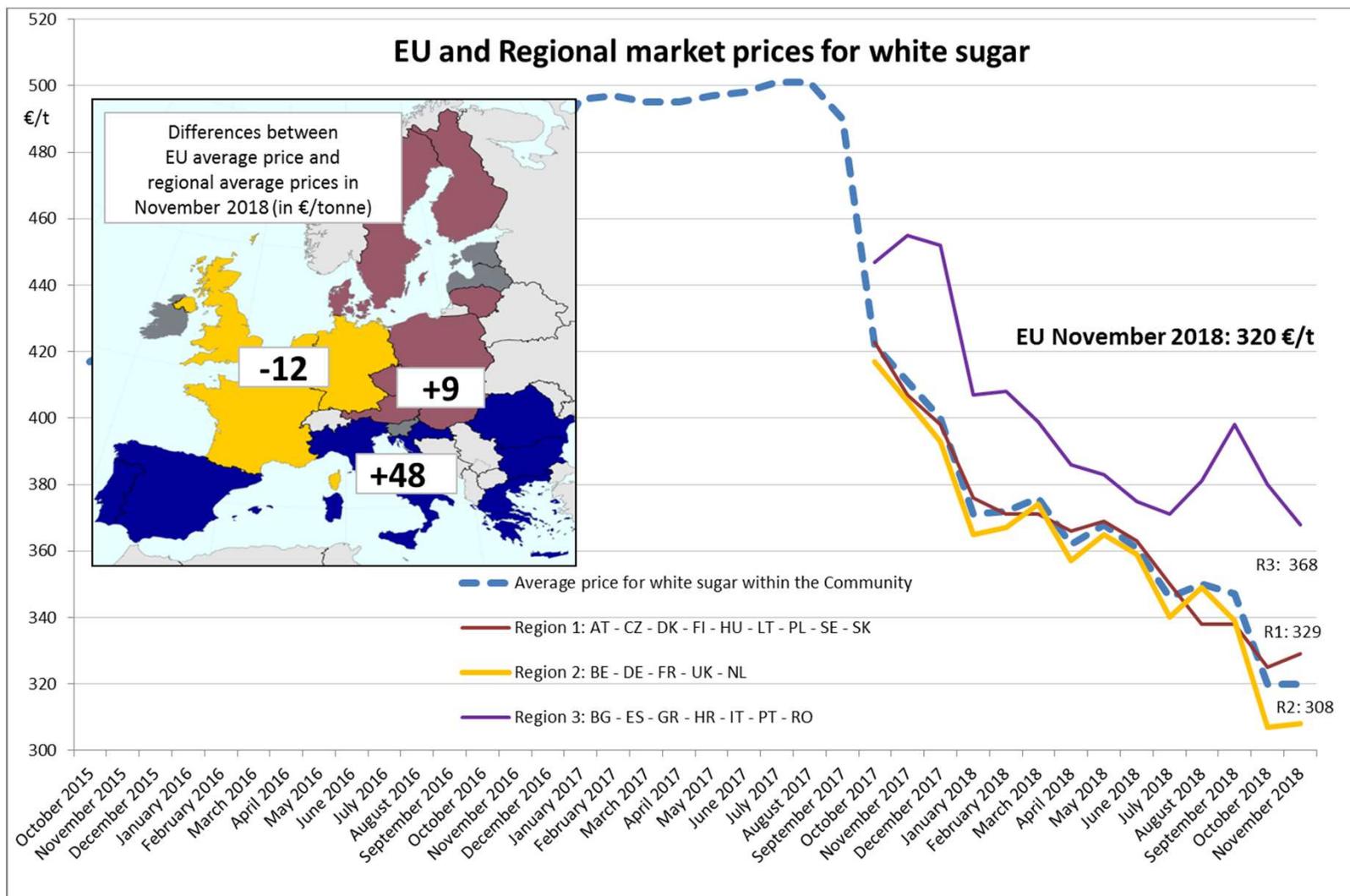
Current market situation

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EU market price and world market prices London 5 and NY 11 - first future – EUR per tonne

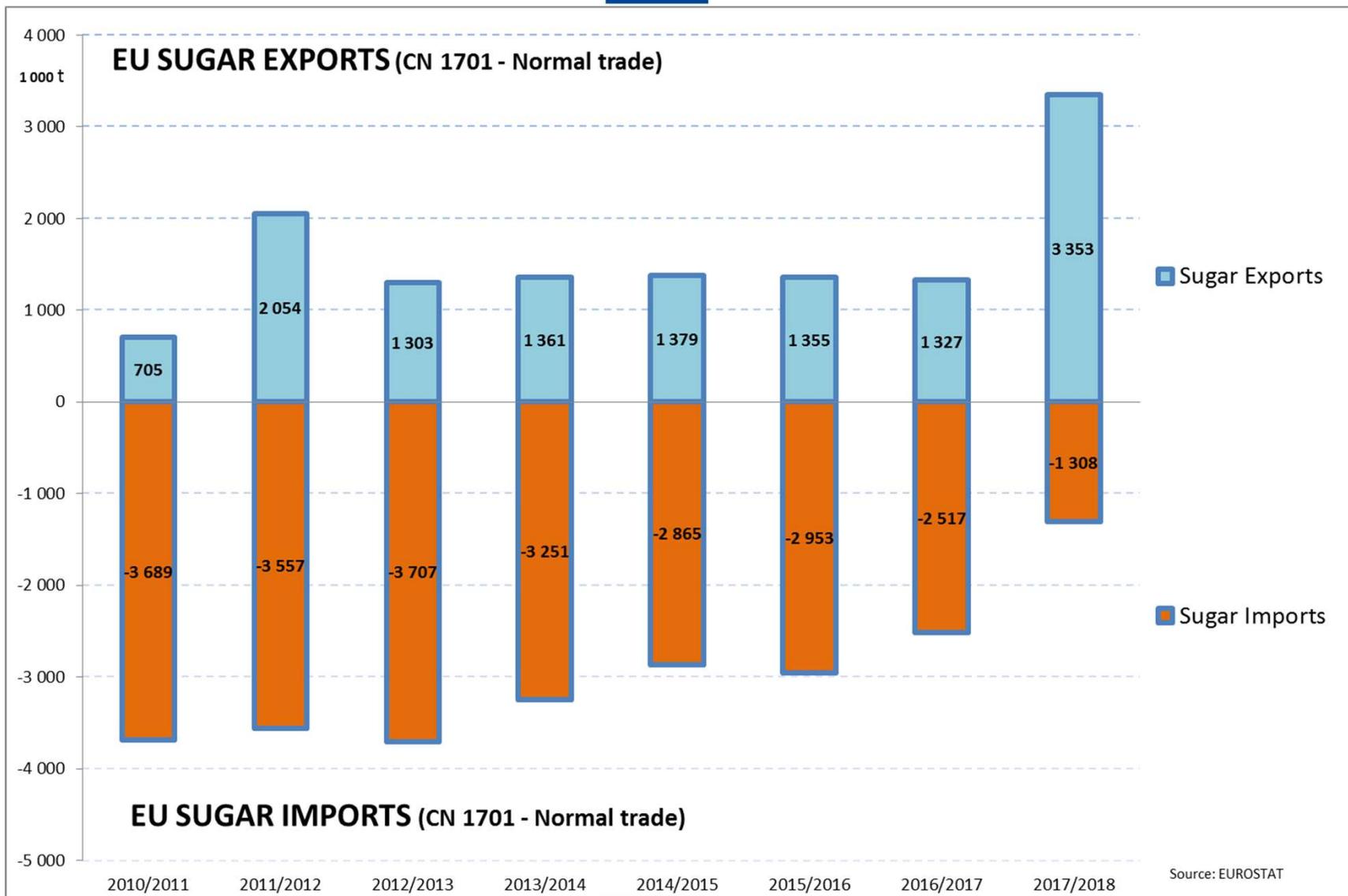


EU and regional market prices for white sugar





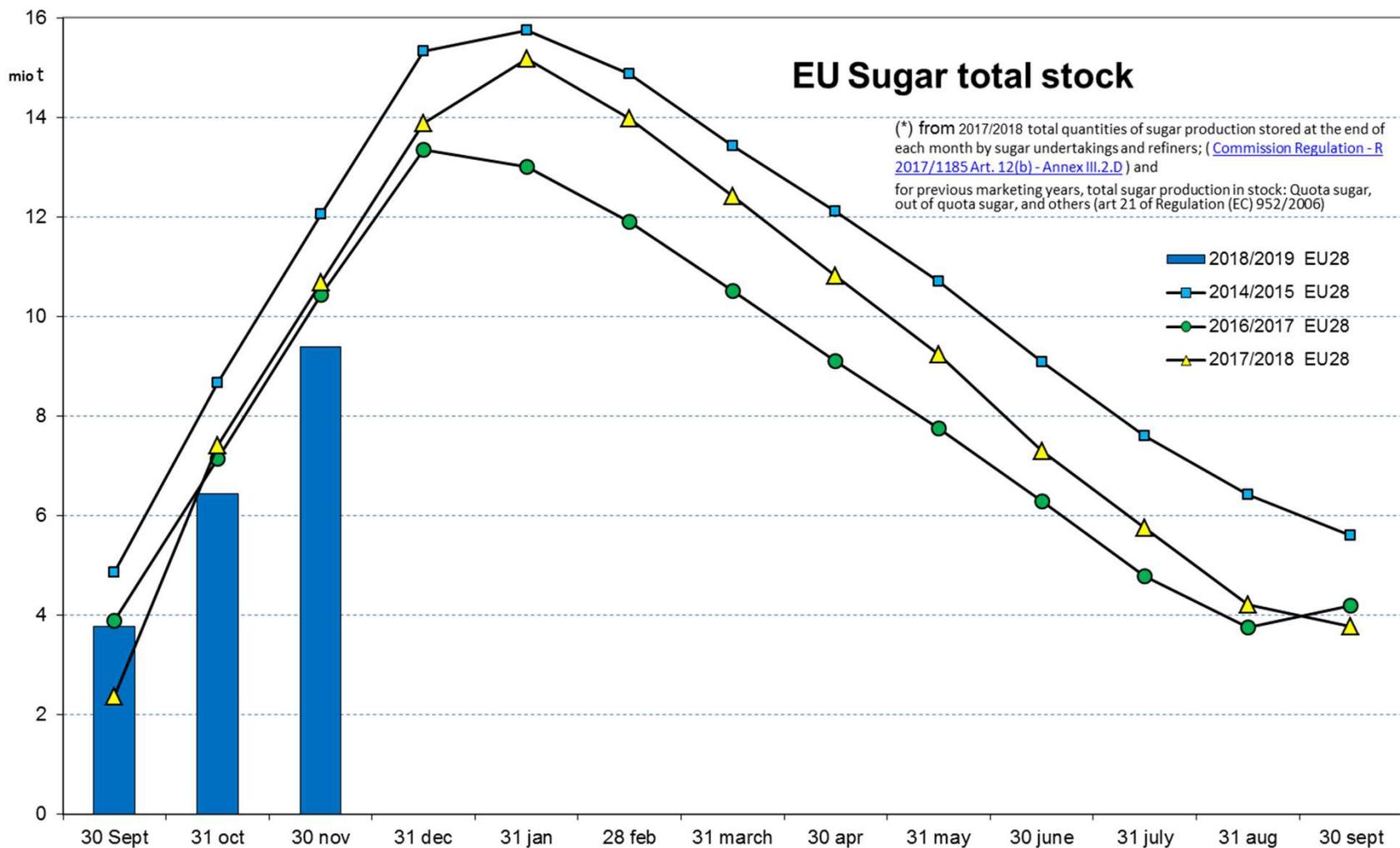
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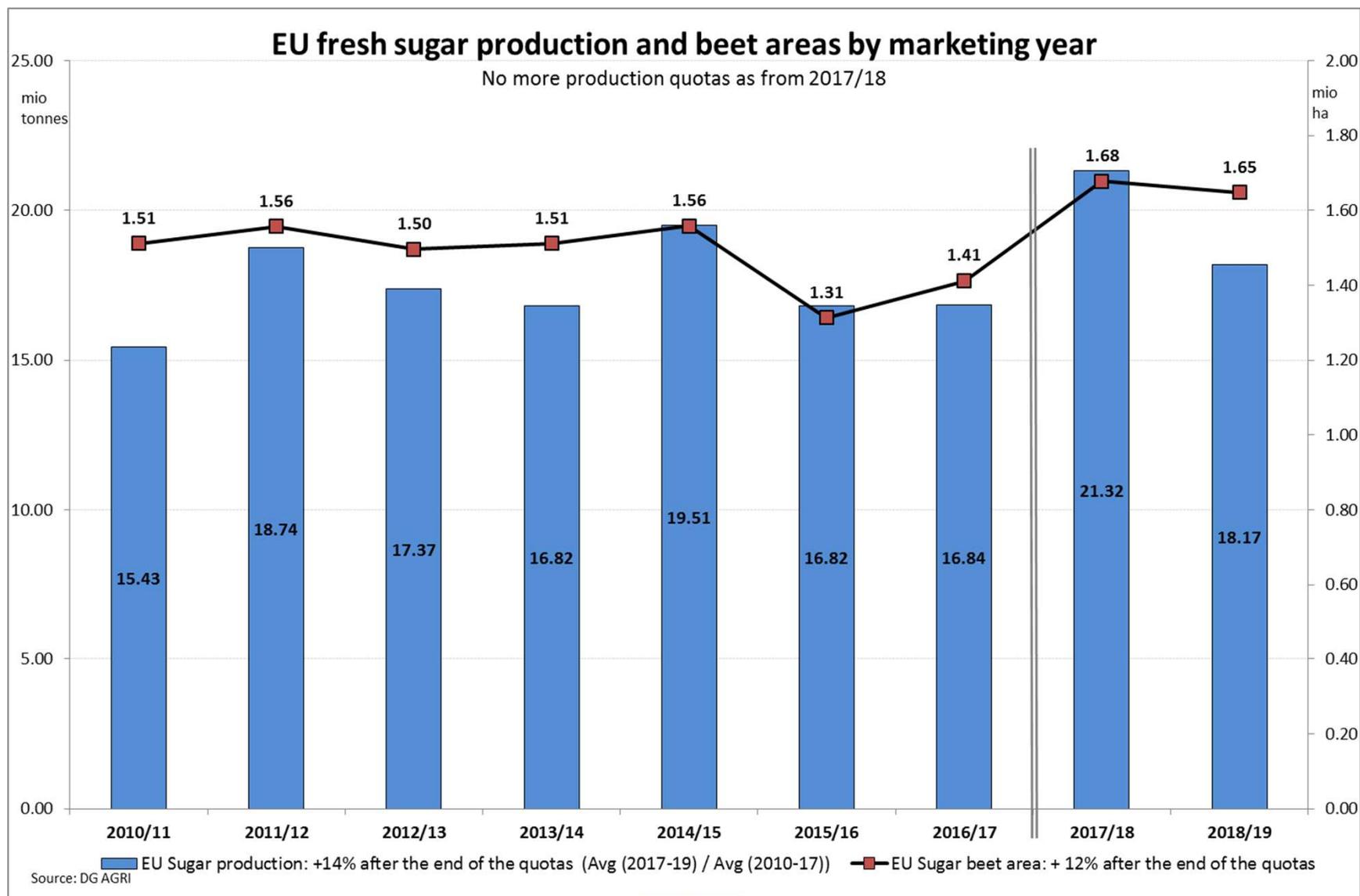
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EU sugar stocks





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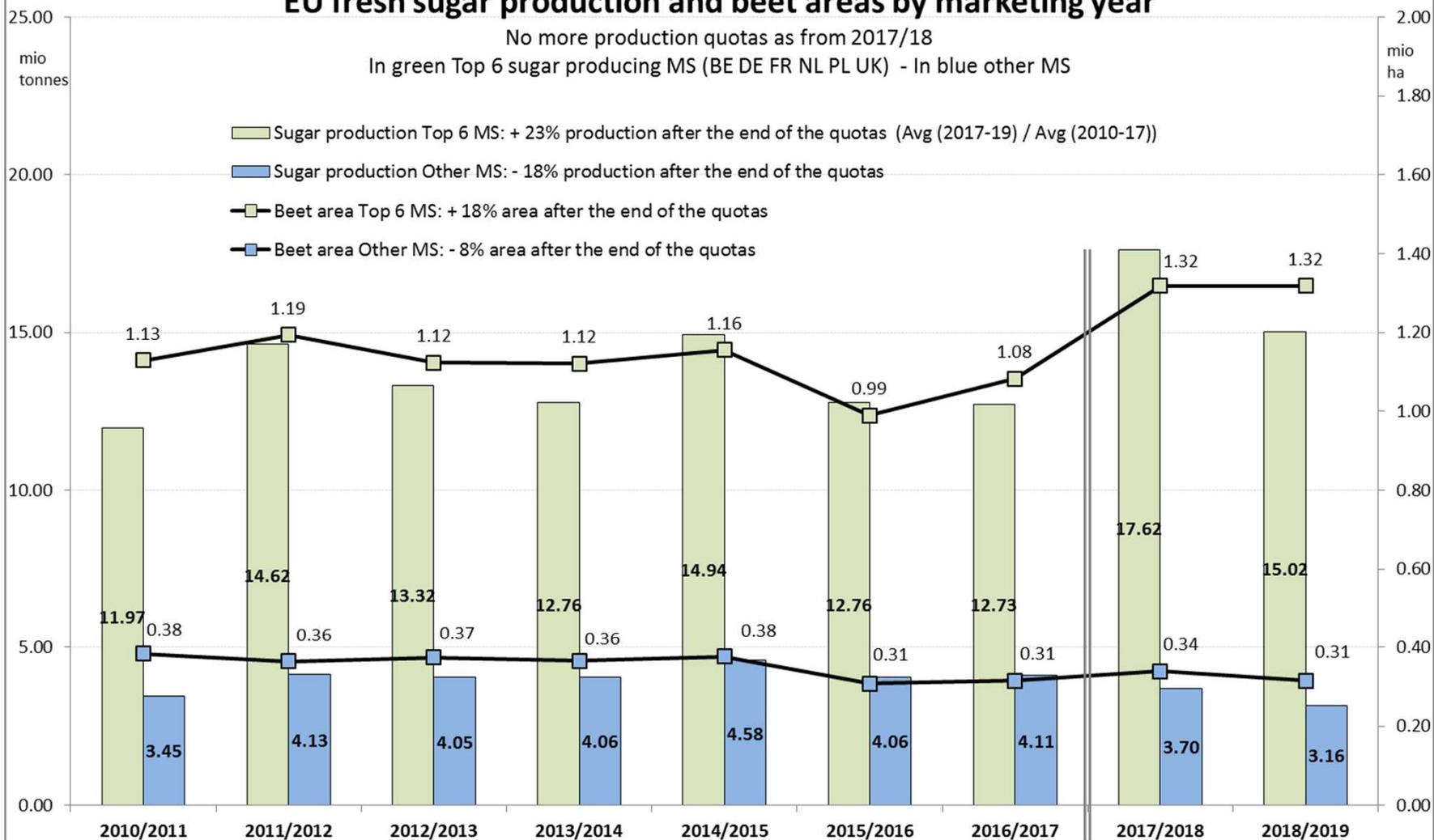


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EU fresh sugar production and beet areas by marketing year

No more production quotas as from 2017/18

In green Top 6 sugar producing MS (BE DE FR NL PL UK) - In blue other MS



Source: DG AGRI

Sugar and Isoglucose Balance Sheet 2017/18 – 2018/19 December 2018

<i>million tonnes December 2018</i>	2017/18 (EU28) (provisional)		2018/19 (EU28) (forecast)	
	Sugar	Isoglucose	Sugar	Isoglucose
Beginning stocks	2.17	0.03	2.42	0.03
Production	21.35	0.60	18.20	0.60
Imports	1.84	0.01	1.86	0.01
as such	1.29		1.30	
in processed products	0.56		0.56	
Total availability	25.4	0.64	22.5	0.64
Consumption/disappearance	18.04	0.57	17.67	0.56
Exports	4.90	0.05	3.35	0.05
as such	3.35		1.80	
in processed products	1.55		1.55	
End stocks	2.42	0.03	1.46	0.03
Total outlets	25.4	0.64	22.5	0.64



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Market outlook

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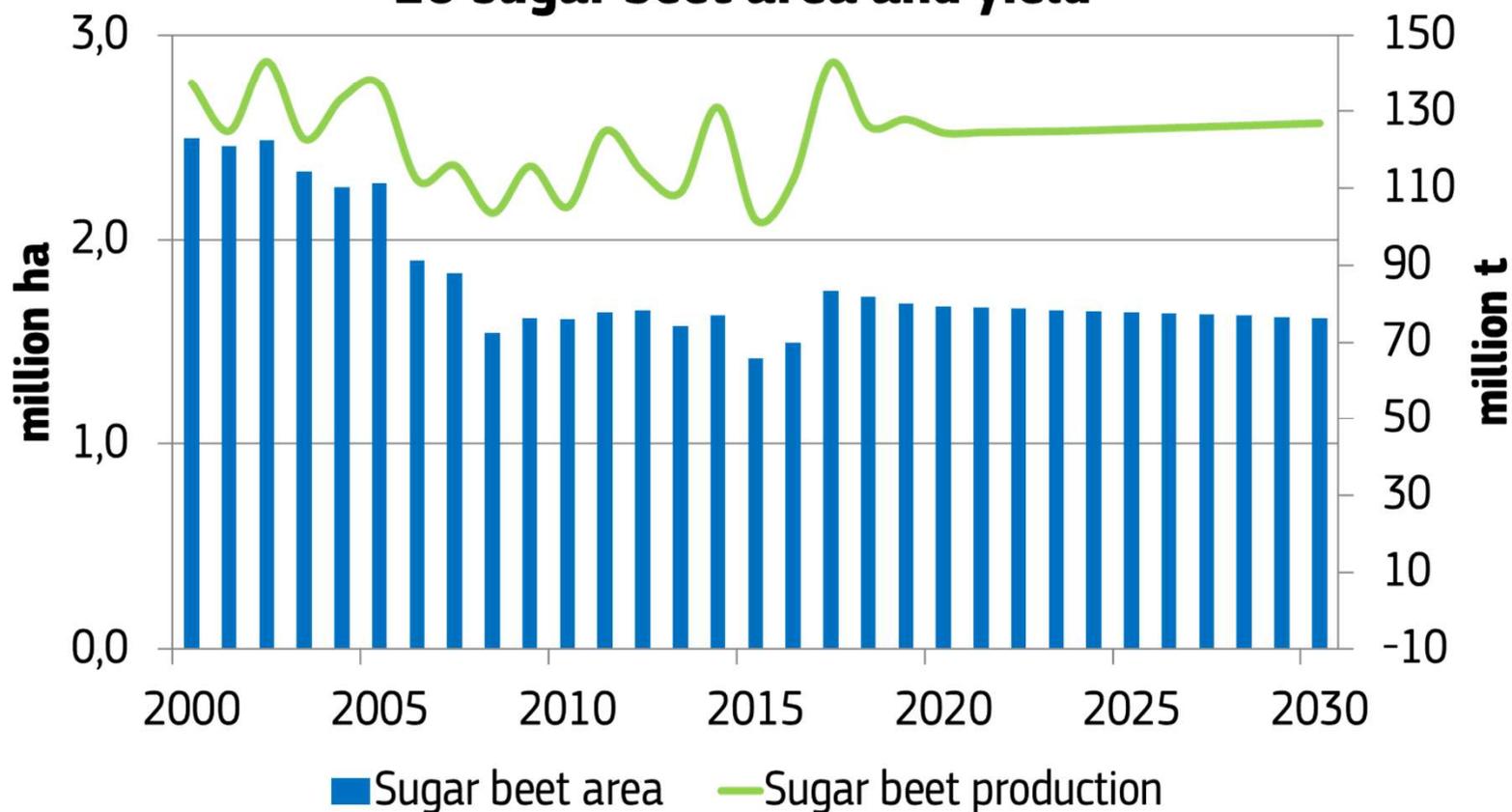
DG AGRI - Medium term outlook

It is not a forecast, but a description of what may happen under a specific set of assumptions, judged plausible at the time of projections

Objectives:

- To better understand markets and their dynamics
- To identify key issues for market and policy developments
- To have a benchmark for assessing the medium-term impact of future market and policy issues

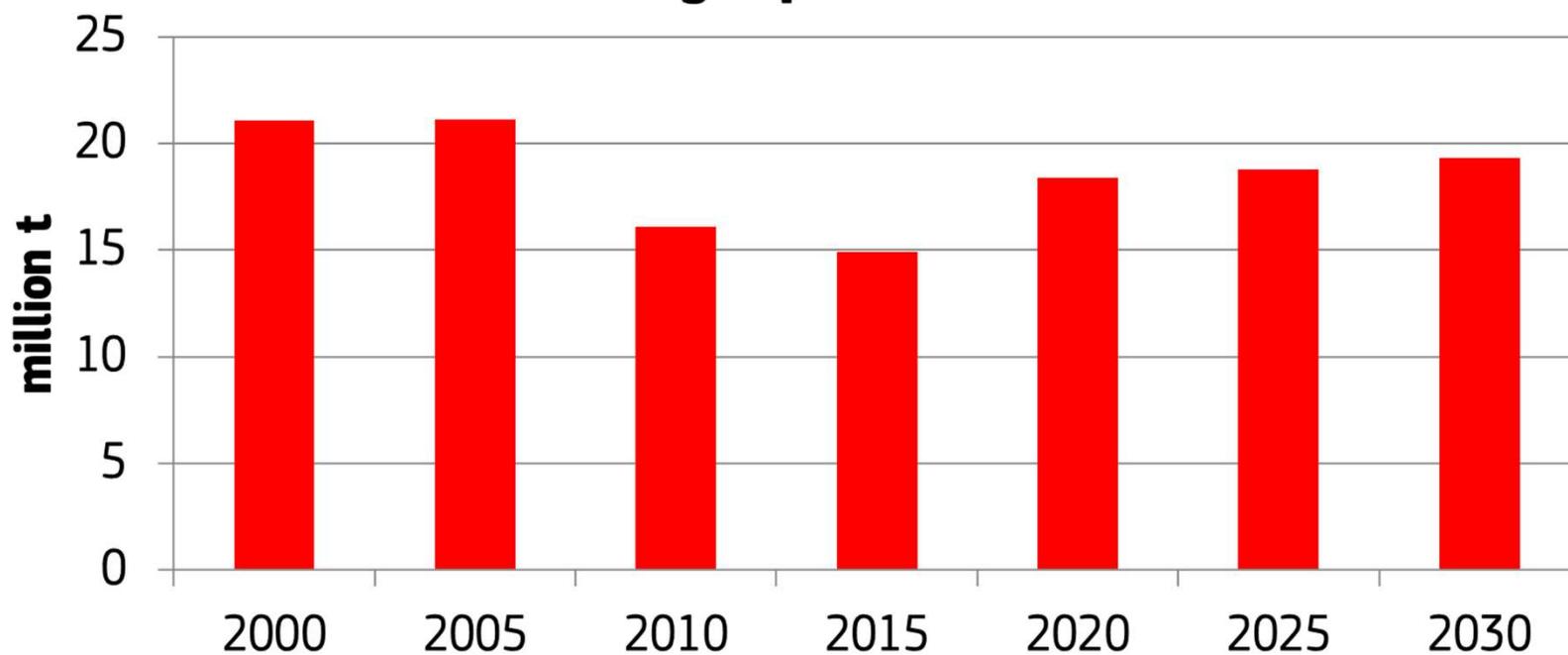
EU sugar beet area and yield



Small area decrease (~0.1 million ha) due to :

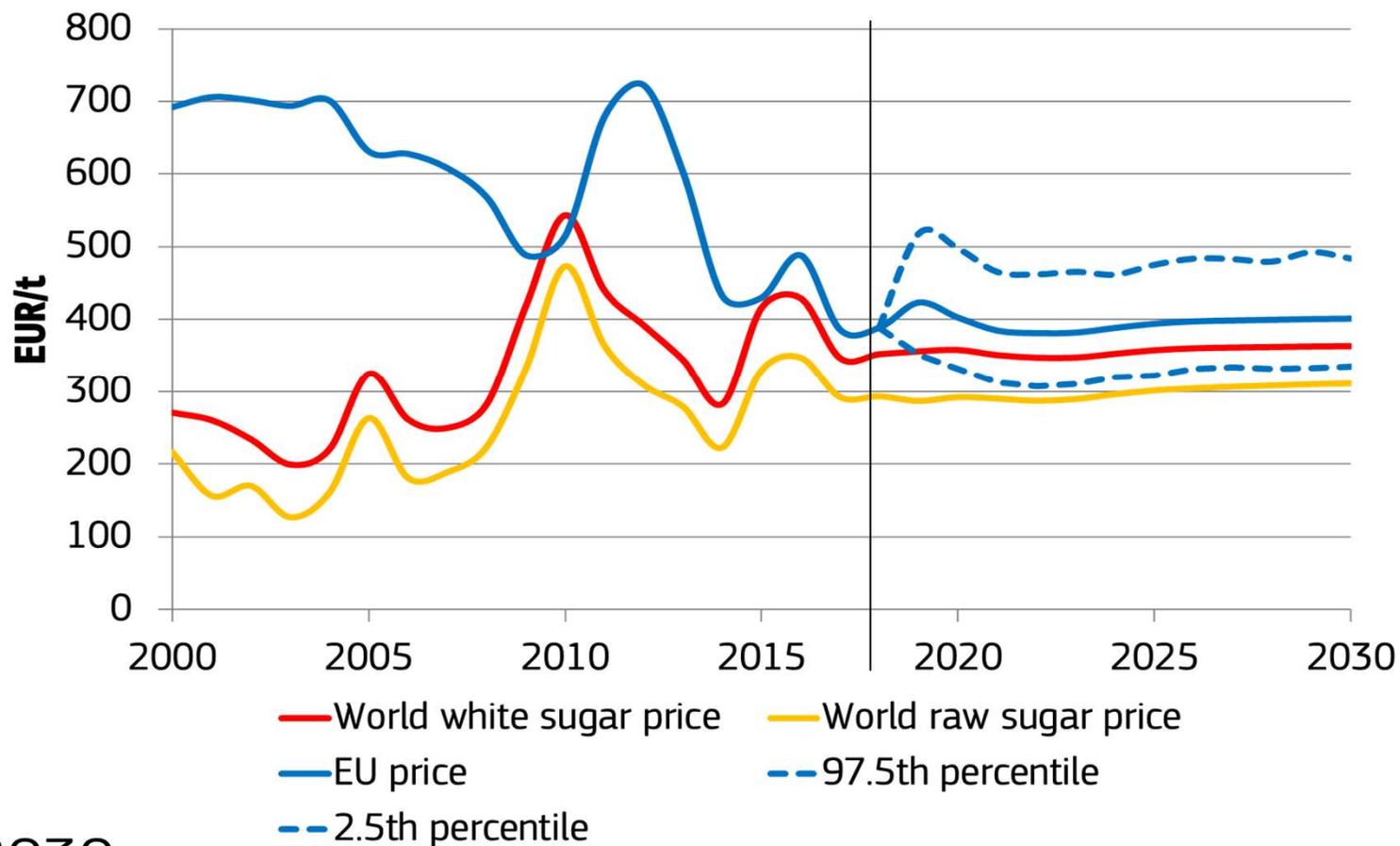
- increasing costs for pest control
- lower yields

EU sugar production



Sugar production forecast at 19.3 million t in 2030
~13% above quota production

World and EU sugar prices

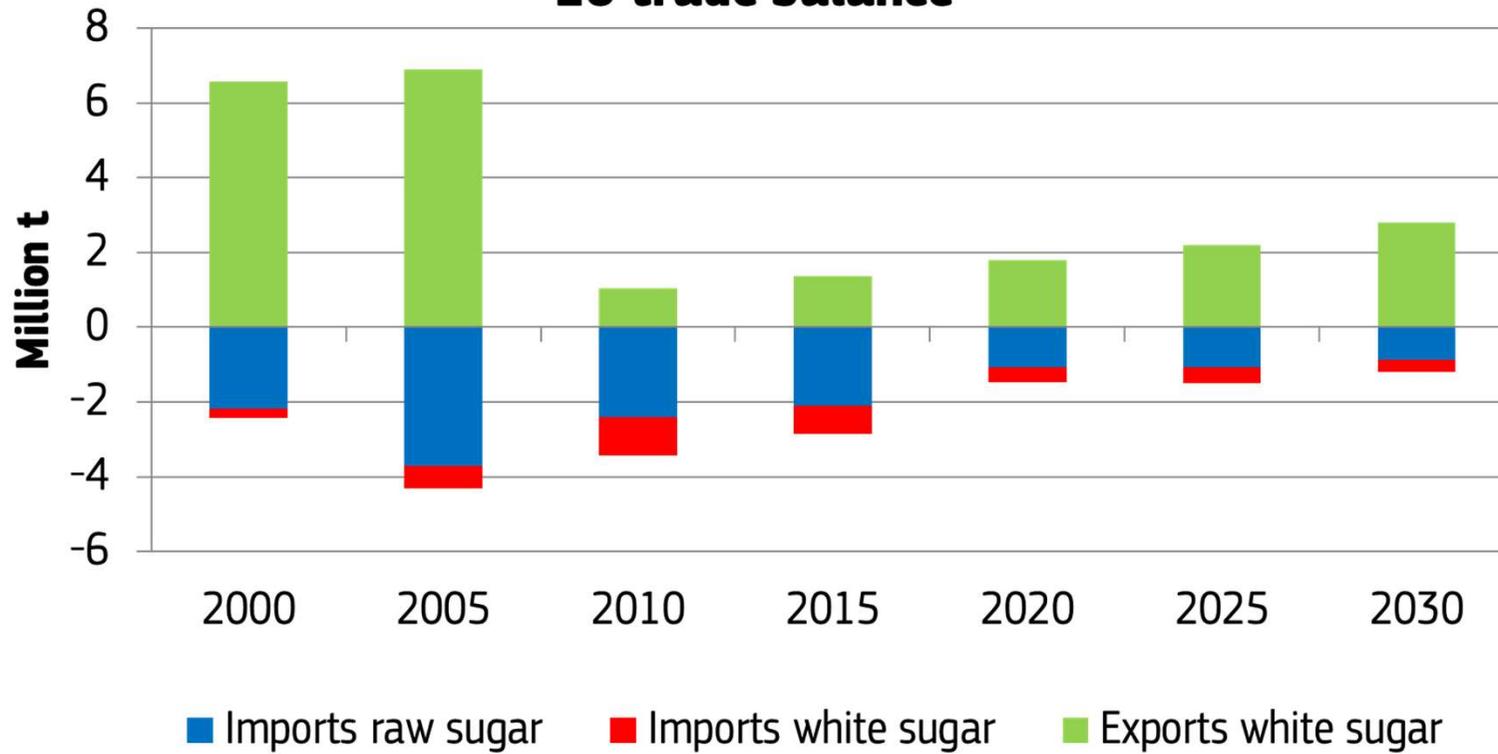


By 2030

- World white sugar price at 363 EUR/t
- EU price at 401 EUR/t



EU trade balance



EU remains net exporter



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*Thank you
for your attention*

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