



Meeting summary

12 September 2024

A meeting of the European Union Sugar Market Observatory (SMO) took place in hybrid mode and was chaired by DG AGRI, Unit E4.

The senior economist of the International Sugar Organization (ISO) presented an overview of the recent developments and prospects for the global sugar market. The 2023/24 global sugar balance is at a small deficit, but the deficit is expected to grow significantly in 2024/25. The cane crop in main producers Brazil and India is smaller than last season. Other main exporters (South Africa, Australia) also had lower production. In contrast, global consumption is expected to continue to increase. With the substantial deficit in 2024/25, the stock to use ratio is declining, which could support global prices. A significant number of possible disruptors could impact the global market situation, which were further discussed by the SMO experts.

CIBE provided an update on the current EU sugar crop. The beet area has increased by 7% this year, but this increase will be offset by below-average yields. Weather conditions and pest pressure have been challenging for farmers and have affected yields in different ways across the EU. The organisation will publish its first production estimates at the end of September. In the longer term, farmers are particularly concerned about pest pressure and the competitiveness and risk profile of the beet crop compared to other crops and effective solutions are required.

DG AGRI provided an update of the EU sugar market situation. Since the last SMO meeting in March, there has been a notable decline in the EU average sugar price from the peaks recoded at the end of 2023, but they remain above the world prices. For marketing year 2023/24, a shift in

trade flows is visible, with exports performing much stronger than imports. Stock levels at the end of July remain above those of the previous year, but the difference is decreasing rapidly. The initial estimates for 2024/25, published in June, put production at 16.4 million. EU producers shared their expectations for the current campaign, which are less optimistic than those used for DG AGRI's initial estimates. ACP/LDC shared their concern about the slowing import rates, which seem to hit raw sugar imports from EPA/EBA countries relatively hard.

DG AGRI presented data on imports and exports under the inward processing regime (IPR). DG TAXUD provided further insight on the rules governing this special customs procedure, followed by a technical discussion with the SMO experts.

Experts were given the opportunity to pose questions and give their views on the future of the ATM/DCFTA with Ukraine. DG AGRI explained that the Commission has restarted the process of reviewing DCFTA with the aim of finalising it before the end of the current autonomous trade measures (ATM), but there is no official deadline. DG TRADE has launched a [call for evidence](#) (open until 1 October), which gives stakeholders the opportunity to share their views on the review. Experts already shared their various positions on the impact of Ukrainian imports on the EU market.

ISO presented its 2024 study on the domestic sugar price development, offering insights into the price developments in several regions worldwide.

Presentations can be found on the [sugar market observatory website](#). The next meeting of the SMO will take place in 2025, no date has been set yet. An ad hoc meeting could be organised if the market situation calls for it.