

# CDG-GREX

## 25 February 2022



CDG-GREX video meeting, 25 February 2022

- a) CIBE disagrees with the conclusions of the study that:
- the end of the quota regime *“had only indirect effects on the economic viability of the EU sugar supply chain”* and that *“EU sugar sector has shown satisfactory overall resilience since end of quotas”*, given the losses encountered and the 8 factory closures since 2015;
  - *“the moderate increase of prices in recent years is an indication that the EU sugar market is in the process of finding a new balance”*: the sugar price remains at the reference threshold in many areas in the EU, despite a strong rally in world prices.
- b) CIBE stresses that without appropriate tools, the current situation of the EU beet sugar sector remains unsustainable.

- c) CIBE recalls that direct national aids granted by national authorities are not crisis management tools and are not part of the EU CMO regulation. The EU beet sugar sector cannot rely only on such national aids during European market crises to support its resilience, as suggested in the study.
- d) CIBE cannot accept that the “do-nothing” policy should continue as suggested by the Commission.
- e) CIBE concludes that the study does not fulfil the mandate, recalled in the CAP Joint Statement by the European Parliament, the Council and the Commission on the CMO provisions related to the EU sugar sector to identify and evaluate possible solutions and policy measures to improve the resilience of the sector.



- c) CIBE therefore suggests looking forward and that in line with the CAP Joint Statement, the following 4 key areas and questions be followed by deeper discussions and concrete recommendations:
1. Crisis management: how to adapt as soon as possible the instruments foreseen in the CMO regulation to allow the sugar reference threshold included in the CMO Regulation to really act as it should, i.e. as a real safety net? Is the current level of the sugar reference threshold sufficient? Could public intervention for sugar provide a useful safety net in the event of a collapse in world market prices? Under what terms and conditions could Article 222 be adequate for the sector? Could any other sugar specific measures be implemented?
  2. Risk management: how to better adapt and foster the adoption of risk management tools foreseen in the CAP?

3. Contractual relationships: how to innovate in contractual relationships, between growers and manufacturers as well as between manufacturers and buyers? How can EU market price better reflect the EU supply/demand balance and how can the timing in market information be improved?
4. Impacts of the Green Deal: How to address the structural and competitiveness issues of the sector in the light of the potential consequences of the EU Green Deal strategies (Farm to Fork, EU Biodiversity 2030 and Fit for 55), especially when phytosanitary risks and the huge increase in input costs have been identified as crucial?



# Thank you for your attention!



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