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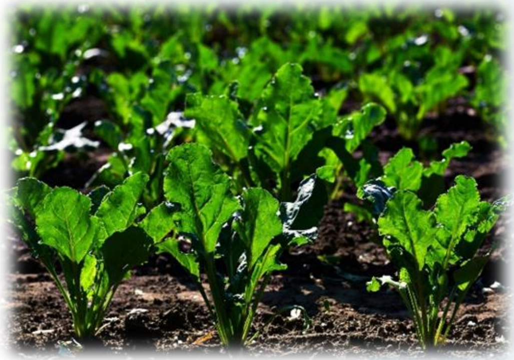
Study on the adaptation strategies of the sugar supply chain after the end of sugar quotas – Statement by Austria

Joint Meeting GREX Arable Crops & CDG



Directorate-General Agriculture and Rural Development
Plant Products Unit
25 February 2022

Sugar sector in Austria

- Austria did not expand the sugar beet area after the end of the sugar quotas
- In addition to the low sugar prices on the EU market, sugar beet growers faced enormous pest problems in the last few years

  → This led to declining sugar beet areas
- In 2021, a trend reversal was evident, and this is expected to continue in 2022
- Currently, two sugar beet processing plants of one company are in operation

Adaptation strategies in Austria

- Contractual relations and agreements within the trade are important components of the sugar sector
- In Austria the sugar beet growers and the sugar processing company have a long history of fair cooperation
- Regarding the especially serious pest problems over the last few years, we set a research focus on pest and disease control in sugar beet crops, in particular on sugar beet weevil
- National insurance scheme on production risks (hail, drought, frost, …)

Conclusion

- Contractual relations allow for effective planning of production
- Volatile price situation will continue to be a challenge for the whole sugar sector – necessary to continue to closely monitor the sugar market
- Competitiveness of the sugar sector depends on various factors – sugar sector is a sensitive sector
- Availability of suitable plant protection products in combination with reduction targets
- (CMO) Measures will be available within the new CAP – may have to assess in some time whether they are appropriate to address possible future challenges

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Thank you very much for your attention!