

SUGAR CDG

High-Level Group on Sugar
Final report July 2019

Brussels, 19 November 2019

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1. Process

The Group:

- *held three meetings, offering the possibility to **all interested parties to express their views** (Member States, key stakeholders, and international experts).*
- *identified and analysed the **main issues** affecting the EU sugar market.*
- *has discussed **conclusions and recommendations** on how the EU sugar sector's effort of consolidating its market orientation post-quota could be accompanied during its last meeting on 12/06/2019.*
- *Final report was published on EUROPA on 5/07/2019 and discussed in the Agri-Fish Council of 15/07/2019.*

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- 2. Background: **successive reforms and market evolution since end of quota**
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2. Main issues identified

*MS' views were **convergent** for most of the identified issues but differed substantially on VCS and the use of the emergency authorisation on neonicotinoids.*

- 1. VCS:** effective tool in regions facing difficulties to avoid significant decrease /complete stop of sugar beet production in areas sensitive for socio-economic and environmental reasons **versus** the potential distorting impact on competitiveness and level playing fields in the EU.*
- 2. Use of emergency authorisations for neonicotinoids:** lack of suitable alternatives **versus** the potentially distortive effect on the EU sugar market.*

3. Summary of HLG's recommendations:

- *The HLG has identified potential causes of actions for all key players: the Commission, national authorities and the sector's participants themselves.*

Combined efforts are needed to move forward and strengthen sector's new market orientation.

- *Recommendations reflect, address, and achieve an appropriate balance between a multitude, and sometimes strongly opposing set of needs and interests.*

3. Summary of HLG's recommendations:

*Main recommendations addressed to the **national authorities** include:*

- *strengthening (market) **risk management systems** for the sugar sector,*
- ***strengthening farmers position** in the value chain, including by promoting POs in the sugar sector,*

3. Summary of HLG's recommendations:

*Recommendations addressed to the **main stakeholders** (farmers and sugar producers):*

- *continuing **to adapt** to a more market oriented environment*
- *intensifying the implementation of appropriate **risk management systems**, including the diversification of sugar industrial facilities to develop new products*
- *making full use of the available financing for **research and innovation** at EU and national level,*
- *becoming more actively involved in the establishment of research programme priorities, both at national and EU level.*

3. Summary of HLG's recommendations:

Main recommendations addressed to the Commission concerned:

- *monitoring the appropriate implementation of **Voluntary Coupled Support** and emergency authorisations for **neonicotinoids***
- *tackling **unfair trade or domestic support practices** by sugar-producing third countries*
- *exploring the possibility for enhanced sugar notifications offered by the planned the **Market Transparency Initiative***
- *initiating a **comprehensive review** on possible strategies for improving the **long term market resilience of the sector***
- *examining the possibilities for other market measures, in particular those under **Article 222** of the CMO Regulation.*

3. Summary of HLG's recommendations:

*The Group agreed with the Commission's assessment that the implementation of **market measures** during the transition period, when the sector is in process of finding a new balance, would not effectively address the main challenges of the sector.*

This does not mean that market measures could not be used in the future.

*Thank you
for your attention*

Full HLG report:

https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/plants_and_plant_products/documents/final-report-high-level-group-meeting-sugar.pdf