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CIVIL DIALOGUE GROUP
ARABLE CROPS -SUGAR

UNITING BEET GROWERS
CIBE
since 1927

Organic Sugar Beet in the EU

Elisabeth Lacoste - Director CIBE

Civil Dialogue Group - Arable crops - sugar, 16 March 2018, Brussels,

Organic sugar beet - Figures

Organic arable crops in the EU (incl. LIE, CH) (Source: FiBL)

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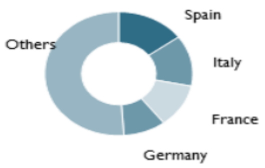
EUROPE: ORGANIC FARMLAND 2016

Europe
13.5
Million ha

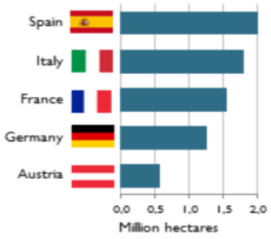
Half of Europe´s organic farmland is in 4 countries.



Distribution of organic agricultural land by country 2016

Spain
2.02
Million ha

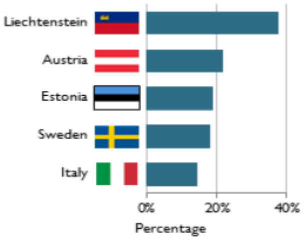
The country with the largest area of organic farmland is in Spain, followed by Italy and France.



Top 5 countries with the largest areas of organic agricultural land 2016

2.7%
of Europe s farmland is organic
(EU 6.7%)

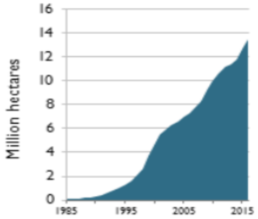
Nine countries have 10% or more of their agricultural land under organic management.



Top 5 countries , where more than 10 percent of the farmland is organic 2016

+73%
in the decade
2007-2016

In 2016, almost 0.85 million hectares more were reported compared with 2015.



Growth of the organic agricultural land 1985–2016

Source: FiBL survey 2018 www.organic-world.net

Organic arable crops in the EU (incl. LIE, CH) (Source: FiBL)

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EUROPE: ORGANIC RETAIL SALES 2016

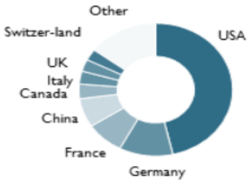
Europe 33.5 billion €

Germany 9.5 billion €

274 € are spent per person in Switzerland

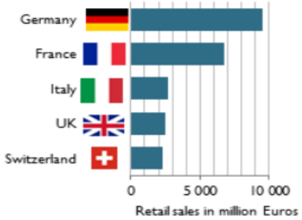
9.7 % of the food market in Denmark is organic

The European Union (30.7 billion €) is the second largest single market after the US (38.9 billion) and China.
By region, North America has the lead (41.9 billion €), followed by Europe (33.5 billion €) and Asia.



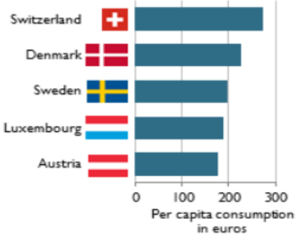
Distribution of retail sales value worldwide by country 2016

The European countries with the largest markets for organic food are Germany (9.5 billion €), France (6.7 billion €), Italy (2.6 billion €), and the UK (2.5 billion €).



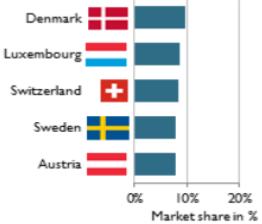
The countries with the largest markets for organic food 2016

Switzerland has the highest per capita consumption of organic food worldwide, followed by Denmark and Sweden.



The countries with the highest per capita consumption of organic food 2016

The highest organic share of the total market is in Denmark, followed by Luxembourg, Switzerland, Sweden, and Austria.



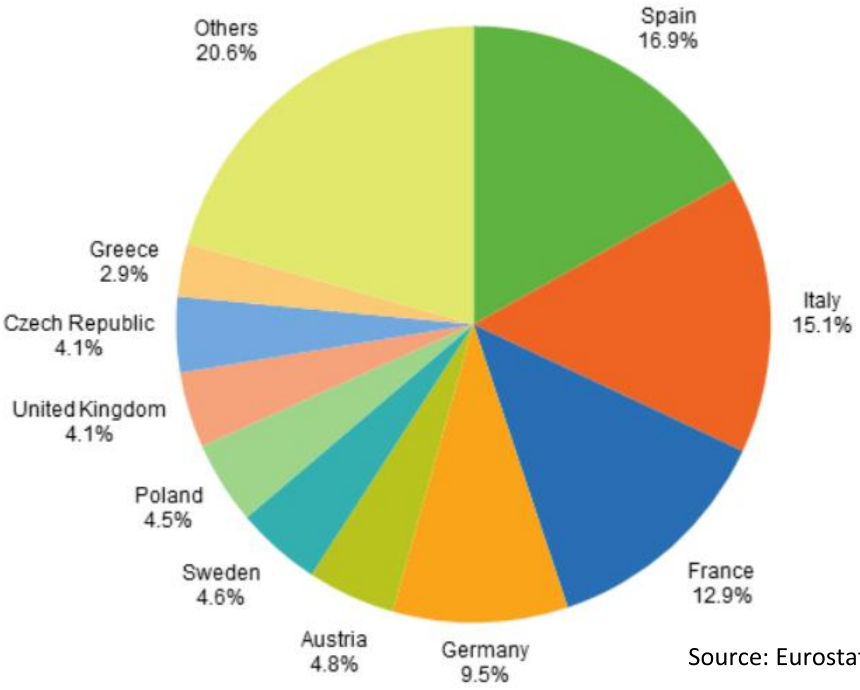
The countries with the highest organic shares of the total market 2016

Source: FiBL survey 2018 www.organic-world.net

Organic arable crops in the EU (Source: Eurostat)

- Total organic area in the EU28 = 11.9 million ha in 2016
- Organic production area is divided into 3 main crop types:
  - **44% arable land crops** (mainly cereals, fresh vegetables, green fodder and industrial crops), around **5 million ha**
  - 45.1 % permanent grassland (pastures and meadows), > 5 million ha and
  - 10.9% permanent crops (fruit trees and berries, olive groves and vineyards).
- In 10 EU Member States arable land crops accounted for more than 50 % of the organic area, while in 15 Member States pasture and meadows predominated (> 50 % of organic area)
- Arable crops were highly predominant in Finland, Denmark and Sweden with shares of 99.0 %, 83.4 %, and 77.9 % respectively
- From 2012 to 2016, the share of total organic area in the total utilised agricultural area (UAA) within the EU rose from **5.6 % to 6.7 %**

Share of total organic area in the EU in 2016

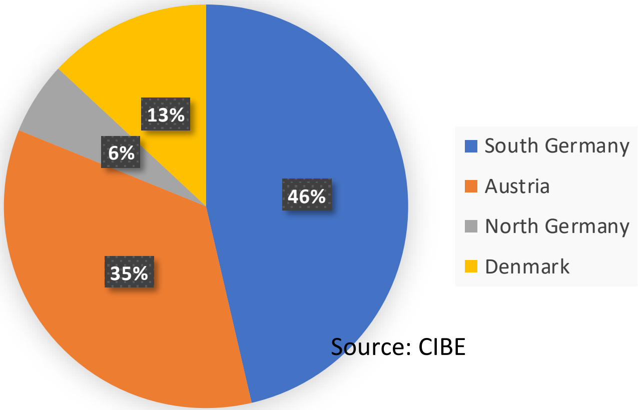


Source: Eurostat

Organic beet in the EU (Source: CIBE)

- Very slow development of organic beet in the EU started in 2000-2005
- Regain of interest in 2017
- Total organic beet in the EU-28 = **3 450 ha in 2017** (**0.2 % of total EU28 beet area**)
  - 1 200 ha in Austria
  - 1 600 ha in South Germany (of which 800 ha for beet to be processed in Switzerland)
  - 200 ha in North Germany
  - 450 ha Denmark (of which 200 ha under conversion)
  - (40 ha Italy)

EU organic beet area in 2017



Source: CIBE

➢ Positive outlook as from 2018 (+50%, **5 290 ha in EU in 2018 tbc**):
  - + 800 ha in Austria (= 2 000 ha in total)
  - + 800 ha in Lithuania (to be confirmed)
  - + 100 ha in France
  - + 140 ha in Italy
  - + 200 ha in Switzerland

Development of organic sugar beet in the EU

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- First period with organic beet 2000-2015: limited demand, processing issues (only few days of a factory activity, organic beet processed separately at the beginning of the processing campaign), cultivation issues, relatively low organic beet prices

- Conversion from conventional to organic takes 3 years (beet from land under conversion is considered conventional)

- New start in 2017:
  - around 20-25 000 t of organic sugar produced in the EU-28 (**0.1% of EU28 production**):
    - for direct consumption and
    - for industrial uses (baby food, organic baked products, beverages etc.)
  - following **growing demand for locally produced organic products**
  - improved demand / sale return of other products arising from beet sugar production (**organic pulp for feed, organic molasses** for fermentation industry, organic factory lime)

Development of organic sugar beet in Austria

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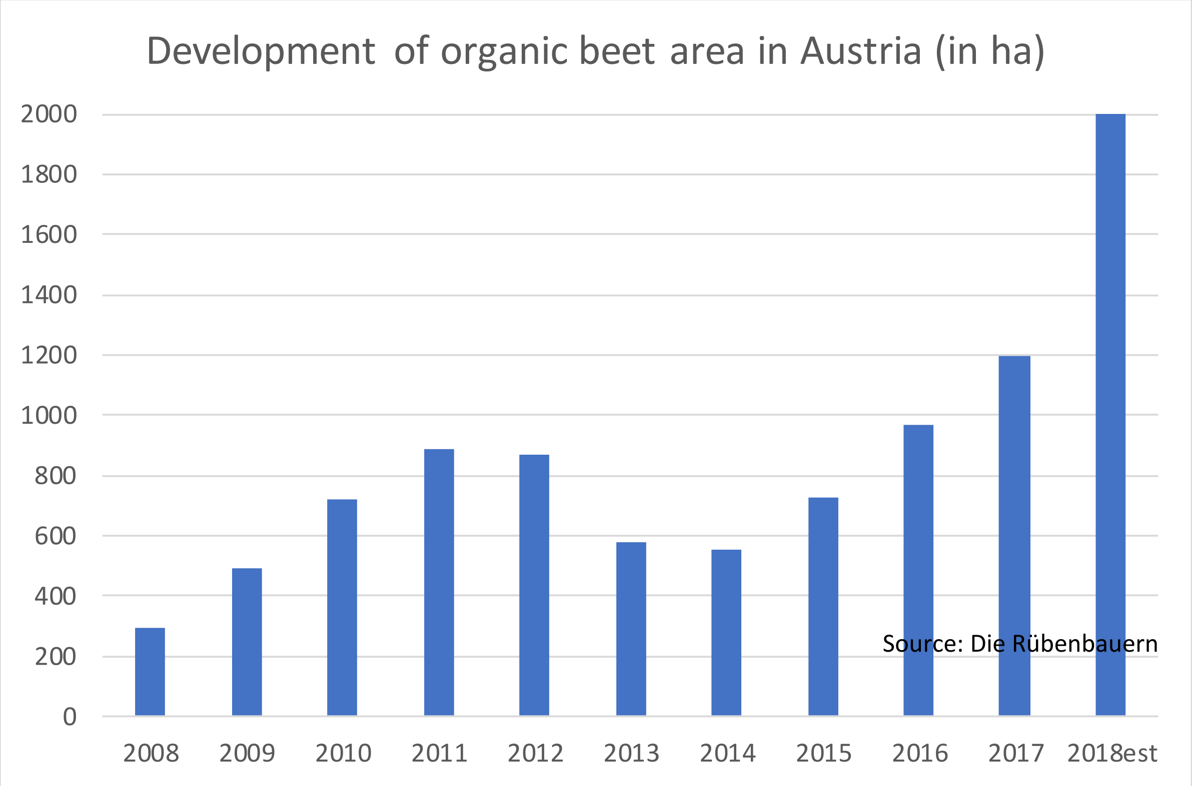


Development of organic sugar beet in the EU

- Market issues:
  - **Expanding high value added market** but still a “niche” market
  - Competition with organic cane sugar from third countries : **organic sugar cane area around 82 980 ha globally in 2016** (Source: FiBL & IFOAM survey 2018)
  - Organic raw cane sugar imported in the EU (from Brazil, Cuba, Paraguay, Costa Rica, Colombia, India, Mauritius etc.) under different tariff lines :

    → no specific trade statistics for organic sugar

    → issue related to EU organic label equivalence/conformity; what specifications for imported raw cane sugar?

Origin Paraguay

Origin India

Origin Brazil

Origin Costa-Rica

Sugar trade flows – Import statistics (Source: Eurostat/Comext elaborated by CIBE - extraction March 2018)

EU imports in t (rounded)	2012/13	2013/14	2014/15	2015/16	2016/17
Raw sugar not for refining (for direct consumption)*	**375 000**	**386 000**	**352 000**	**433 000**	**455 000**
Of which Brazil	205 150	161 100	101 250	157 460	111 270
"Other Special sugars"**	**23 185**	**28 480**	**17 158**	**30 480**	**31 680**
Brazil	5 240	4 300	4 920	6 770	4 580

* 17011390, **17011490**
** 17019100, 17019990

No specific tariff line(s) for organic cane or beet sugar

Average price 2012-2016 of imported "special sugars" (incl. 17011490) from third countries into the EU = 1.2 €/kg

Organic sugar beet growing issues

Challenging organic beet growing conditions

Growing of EU organic beet is governed by strict conditions (new agreed June 2017 EU regulatory framework Council Regulation on organic production and labelling of organic products + Annexes to enter into force on 1st January 2020 + EU horizontal legislation on food and feed controls)

- grower generally needs EU organic certification
- only organically propagated, untreated seeds are allowed
- fertilizer application has to comply with the guidelines for organic farming: mineral fertilizers substituted with **organic fertilizers**
- use of "chemical" pesticides is prohibited, **organic "natural" pesticides** may be allowed

➢ Support per ha may be granted by MSs /regions via 2nd pillar

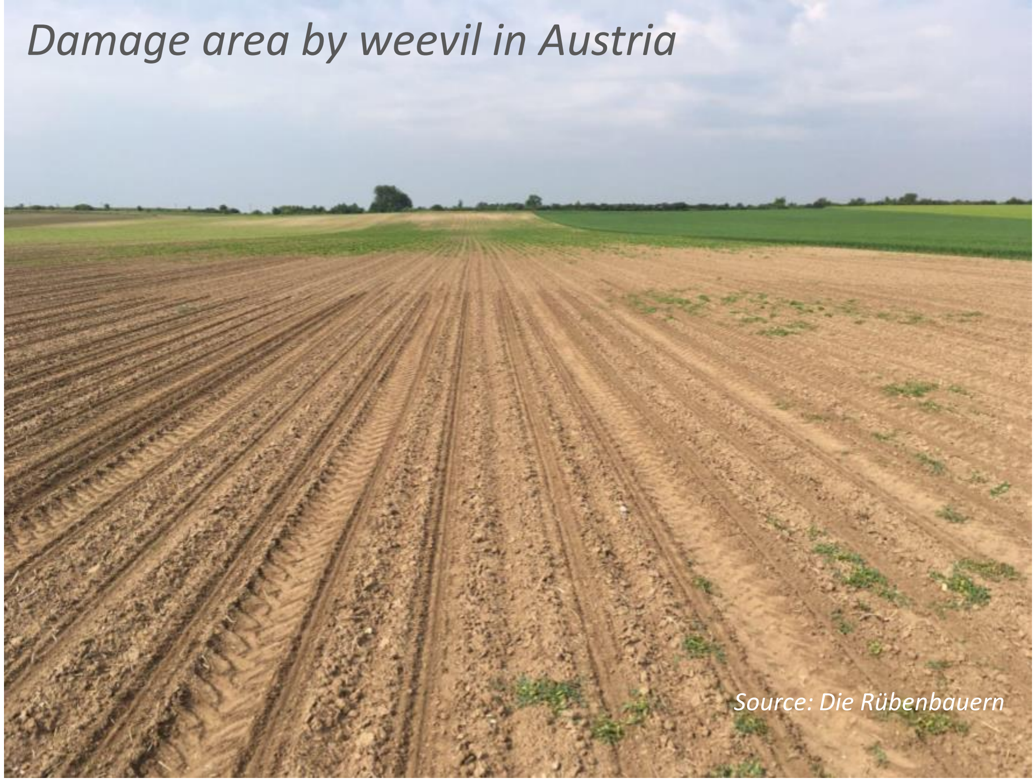
➢ **CIBE annual Technical meeting in November 2017** includes a focus on organic beet: exchanges on challenges, practices, technology

Challenging organic beet growing conditions

- Highly demanding crop: main challenges for cultivation:
  - Choice of the variety (mainly Cercospora tolerant varieties)
  - Choice of the field/soil (preferably selected field with lower pest presence)
  - Nutrient supply issue and intercrop choice (leguminous)
  - **Pest issue is huge**: weevils, wireworms, flea beetles, aphids…very high risks ! Control is impossible, potential huge losses after planting
  - **Mechanical/manual weed control** also constitutes a particularly **huge issue**
    - Around 150 to 300 hours/ha of labour!
    - High labour costs
    - New technology & automated equipment/robot for mechanical weed control is necessary

  - Climatic conditions are key: 2017 very wet year was dramatic for organic beet in DK!

Challenging organic beet growing conditions



Weed problems in some fields in Denmark

Challenging organic beet growing conditions

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Manual weed control
at the early stage of the vegetative period

Source: Die Rübenbauern

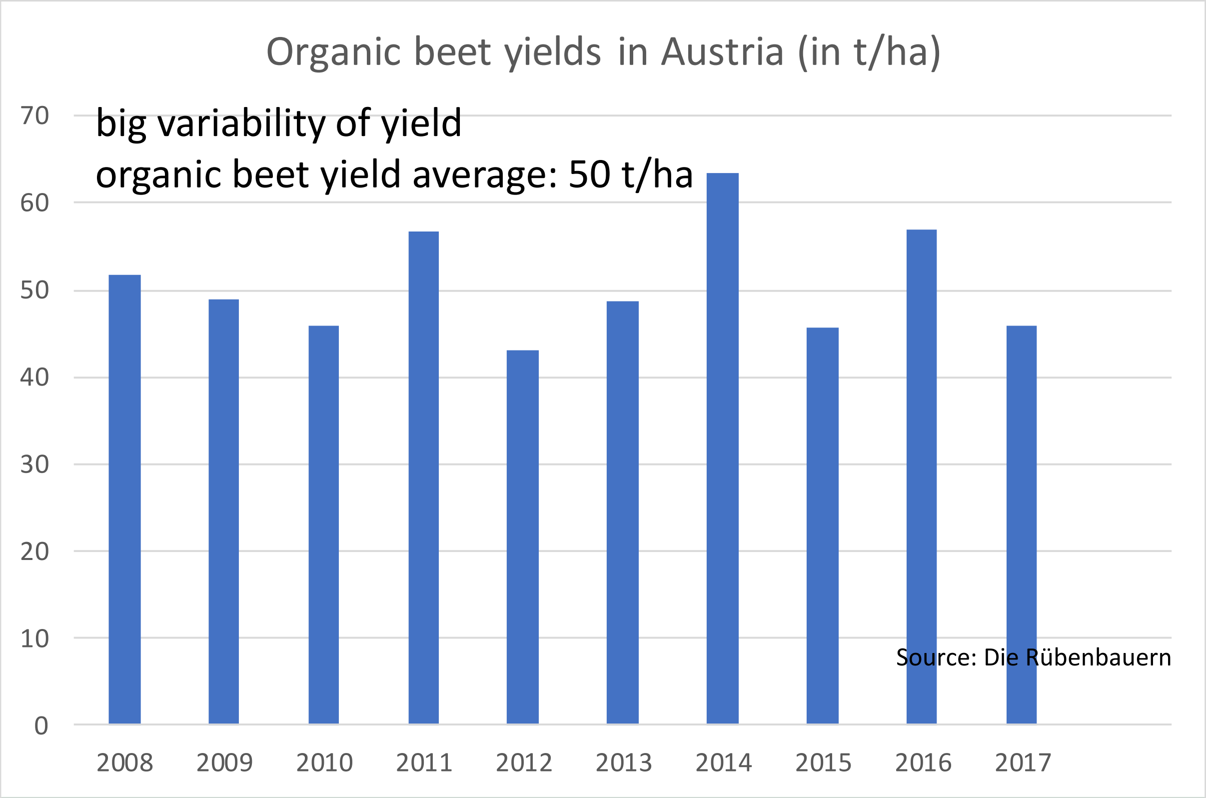
Back to the roots?
(1948)

→ Investments and innovation necessary!

Organic sugar beet yield in Austria

225-17 Markus Schoberl - video 1.mp4

Organic sugar beet yield in Austria



Average conventional beet yield in Austria (2009/10-2016/17): 75 t of beet/ha

- Organic beet yield around 33% lower

Challenging organic beet issues

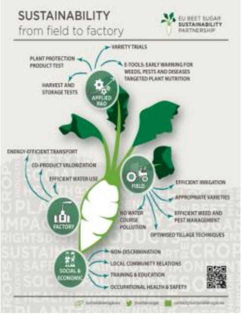
1. Creation of added value:
   - **Further productivity gain necessary** :
     - at agriculture level: active R&D, **support for R&D and investments** is necessary
     - at industrial level: logistic, efficient scale of production, marketing
   - **premium** of organic sugar versus conventional sugar (retail consumer price (rounded): organic cane sugar x4 conventional beet sugar and organic beet sugar x3): what dynamic for organic sugar (and sugar co-products) market in the EU (taking into consideration that organic sugar differs from conventional sugar only by the cultivation practices)? What dynamic for prices ?
   - ➢ Could be an opportunity in beet regions with lower conventional beet yield but depends on market dynamic

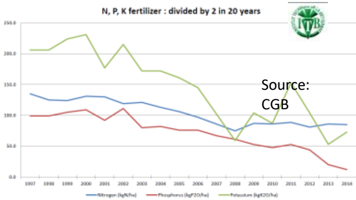
2. Sharing of added value: **contract scheme** for organic beet must be adapted
   - Basic organic beet price get currently a premium of around €40 - €60/t compared to conventional beet price (around x2,5 – x3) → assessing the right premium
   - Appropriate balance of risks between growers and processors is necessary
   - Issue of organic beet price during the conversion period
   - Duration of the contract should be in line with organic conversion
   - **Market transparency**: market data?

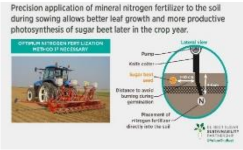
Organic beet versus conventional beet

- **“Conventional beet” combines the dual need for environmental sustainability and economic sustainability:**
  - Regular developments/innovation in the EU beet sugar sector, **dissemination of good practices → reduction of the uses of PPPs (see EUBSSP)**
  - As from 2017 in a highly competitive context, further **investments and support** will be necessary to achieve higher envi sustainability (alternative tools) in a context of increasing pressure (and confused debate!) on the use of PPPs
- Will the two cultivation methods **converge** ?
- Issue of differences in terms of sustainability…
- **high envi sustainability and low economic sustainability of organic beet versus good/very good envi sustainability and high economic sustainability of conventional beet**

EU BEET SUGAR SUSTAINABILITY PARTNERSHIP
EU BSSP
#FollowTheBeet through the season







New developments/innovation have started in 2009 in mechanical weeding…currently combined with sustainable uses of PPPs !

Désherb'Avenir V

Mai 2017

Traditional hoeing in between the sugar rows

Hoes equipped with reels

Future Robots ?

Save the date!

Next Désherb'Avenir VI in 2019!

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Thank you for your attention!

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