

CIVIL DIALOGUE GROUP ON SUGAR – 2 March 2016

POINT 4

PROVISIONS TO BE CONTINUED AFTER THE END OF THE SUGAR QUOTA SYSTEM

This document summarizes the main elements discussed with Member States in the Sugar Experts Groups

1. REGULATION 951/2006 – TRADE

Issue	Remarks
Import and export licences	<p>Licences are a means to have advanced information on trade tendencies.</p> <p>Surveillance² allows for a very quick update of information too.</p> <p>The licences issue is dealt with in horizontal IA/DA on licences. IA to be voted presumably in March. The present version of the draft provides for the suppression of the licence obligation for sugar as from Oct 2017. However, import licences will continue to be required for TRQ</p>
Notification on IP (art 19)	<p>Some MS do not notify. Limited usefulness to identify processed products with sugar. Seems ok to suppress</p>
Provisions on additional import duties for sugar and molasses (Chapter VII)	<p>The provisions of this Chapter concern Art 182 CMO which includes other products. A horizontal approach is then possible.</p> <p>Sugar additional duties are suspended until Sept 2017 and molasses' are fixed at 0.</p> <p>Additional duties could only be applied to MFN imports (between 2% and 4% of EU imports of sugar)</p> <p>Scope for simplification</p>
Suspension of the application of import duties for molasses (Art 40)	<p>MFN import duties for molasses have been fixed at 0 on the basis of this Article</p>

Issue	Remarks
Calculating methods for import duties (Art 42)	DG TAXUD will take on board transferring these provisions into CN. 1 st discussion at Customs Code Committee took place on 16/2/2016 and seemingly these provisions will be included into the CN in time before Oct 2017. The Committee also considered the possibility of updating the methods.

2. REGULATION 952/2006 – QUOTA MANAGEMENT

Issue	Remarks
Definitions of ‘raw material’, ‘end product’, ‘manufacturer’ and ‘place of storage’ (article 2)	To which extent can this be useful after quotas?
Definitions on sugar production (article 3)	<p>Provisions allowing for a clear definition of sugar production are useful for the establishment of the balance sheet. In particular, these help avoiding that the same quantity is counted twice as production.</p> <p>There is scope for simplification. Possibly no need for such detail considering absence of quotas.</p> <p>Definitions of the different types of sugar production (white, raw, etc) as in paragraph 1 seem to be needed.</p> <p>It might be possible to simplify paragraph 2, which makes detailed distinction of which types of production are considered as production of an undertaking, into some simple provision establishing that sugar production shall not include any production obtained from any of the products referred to in paragraph 1</p> <p>Define marketing year of production depending on year of beet harvest? It helps having a better quality balance sheet</p> <p>Need to notify sweepings? What is the impact on balance sheet?</p> <p>Possible to simplify sugar content in syrups establishing it on a flat-rate basis, or on</p>

Issue	Remarks
	the basis of real yield?
Definitions on isoglucose production (Art 4)	<p>Isoglucose is defined in Annex II Part II of R1308/2013.</p> <p>Supplementary definition of isoglucose is needed for the purposes of establishing a balance sheet? Possibly base production data on quantities sold?</p> <p>Minimum threshold: 10% fructose isoglucose is not traded; after quotas, producers will be free to decide on product; keep a minimum fructose %? It may be useful for balance sheet purposes (to only consider product which is comparable to sugar)?</p> <p>Definition is particularly needed in case isoglucose prices were to be notified. In that case, it could be preferable to concentrate on mostly used products, i.e. 42% and 55% fructose. However, the issue of confidentiality is raised considering that only a few MS produce isoglucose, particularly 55%</p> <p>Measuring by meter after isomerisation could be suppressed? Product may pass several times through the isomerisation columns –and consequently the measuring device- to obtain the specific fructose content</p>
Definitions on inulin syrup production (Art 5)	Inulin syrup is defined in Annex II Part II of R1308/2013. No complementary definition seems to be needed as no balance sheet is established
Approval, checks and sanctions (Chapter III)	<p>There seems to be no clear legal basis to keep a system of approval, checks and sanctions as from Oct 2017</p> <p>Discussion on whether MS can carry out checks and apply sanctions to guarantee</p>

Issue	Remarks
	the quality of notified data
Notifications on prices	5 questions addressed to MS
1 - Price collection for both sugar producers and sugar users?	<p>Price collection from producers to be maintained.</p> <p>Price prevision possibly only 1 month (longer period not much useful)</p> <p>Considering the large number of possible users, difficult and burden to separate and define types of users, to provide for checks or to make price notification only compulsory for certain users.</p>
2 - Minimum/maximum price or standard deviation	Min/max can be not much informative as there can be extreme prices for small quantities. However, this info is known by MS
3 - Distinction between sugar for human consumption and industrial sugar?	Industrial sugar: reduced volumes, segmented market; it does not seem very useful to have distinction of prices in absence of quota, but some consider it useful at least during the first years after quota for information purposes
4 - Price reporting for isoglucose?	Interest in having prices as isoglucose production is expected to increase and it competes with sugar. However, issue of confidentiality due to the reduced number of producing MS
5 - Sugar beet price notification?	Interest in having beet prices as it is an agricultural production. However, standardisation can be difficult due to differences in elements like yield, transport costs, price complements, etc

Issue	Remarks
	Possible for MS to notify prices set on delivery contracts + possible bonuses?
Communications on production and stocks (Art 21)	<p>Notifications on production and stocks are needed for balance sheet purposes. Simplifications possible particularly as regards the periodicity. Can be made twice a year.</p> <p>Notification on areas needed.</p> <p>Notify quantities sold of isoglucose (per month) rather than production or stocks? (small quantities in stock in any case)</p> <p>Separate stocks per marketing year of production?</p> <p>Keep notification on ethanol (art 10 967/06)?</p>
Supply balances (Art 22)	Balance sheets should be established separately for sugar and isoglucose.