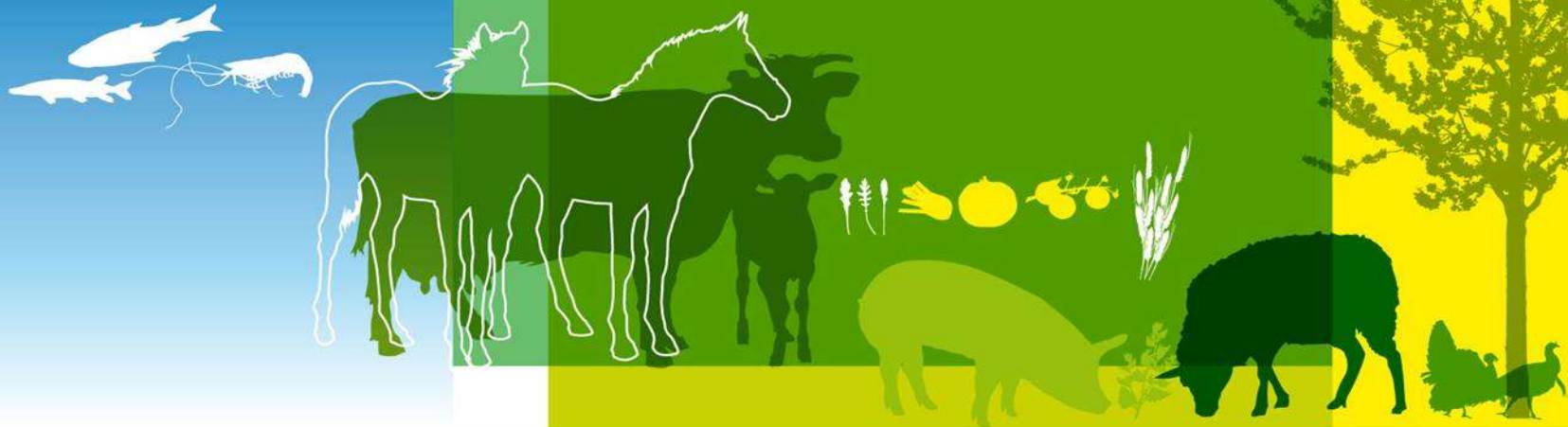


SMO (Sugar Market Observatory)

French Sugar Information System Implementation of the common market regulation



Brussels, on July 2018, 3



Price and Margins Observatory (OfPM)

- The OfPM, hosted by FranceAgriMer, was created in 2010, with **the main mission to analyse prices transmission and margins** in the agricultural and food value chain, from the agricultural product with their own production costs to the consumer prices , with costs and margins of the first transformation (from beet or sugar cane to sugar), the second transformation (from bulk sugar to consumption sugar or incorporation in sweet products, the trade at different steps (wholesale, distribution). The initial aim was indeed to **analyse the transmission of price in front of the increasing volatility throughout the value chain.**
- With the new **Egalim** law, still not definitively voted, the mission of the Observatory is diversified, to an extent which is not totally defined yet.
- **Analyse and establish the agricultural production costs, basis of future contracts about agricultural products between stakeholders.**
- **Maybe certify opposable data throughout the value chain in case of litigation**

Sugar in Price and Margins Observatory

The circuit of sugar in its various uses leaves a small part to the food consumption of the households, either as sugar as such or sweet products. Taking the example of the current forecast balance sheet for the **2017/2018** campaign, **total French production** stands at **6,327 Mt**, of which 231,000 tons of cane sugar is produced in the French overseas territories, while **food consumption** represents **2,9 Mt**, or **46% of total production**, including industrial use. **Sugar is** therefore first and foremost a **commodity**, an **industrial B to B product** whose economic analysis does not come directly under the Price and Margins Observatory. The only case where the role of the Observatory could apply would be the value chain up to the sugar as such sold to the consumer. OFPM does not analyze the sugar sector so far.

Collecting and processing data system in the sugar sector in France

- The **collection of data** is done by FranceAgriMer on a regulatory basis, with the help of the industry
- The change in the regulation of the sugar sector on October 1st 2017 does not hardly change the nature of the data collected except, of course, the data specific to quotas
- The data collected are firstly transmitted to the Commission according to the regulations, but also supplemented by other elements specific to France for carrying out monthly forecasts.

FRANCEAGRIMER AND THE SUGAR SECTOR

Missions of FranceAgriMer

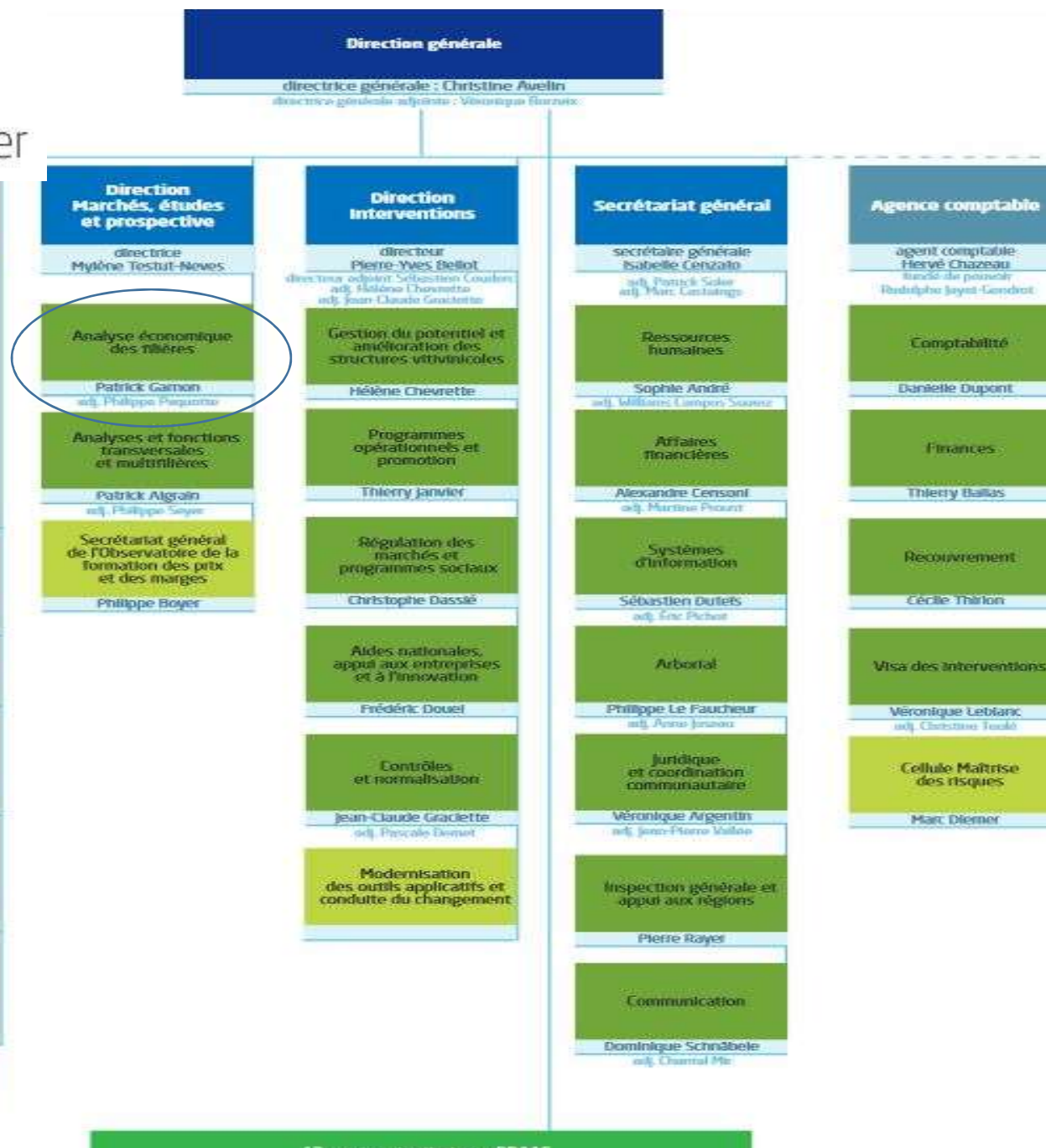
- FranceAgriMer is a **public agency** under the supervision of Agriculture Ministry, in charge of the agricultural economy, agribusiness and sectors, with three main missions :
 - **Inform** on economic and market situation
 - **Help the sectors** to forecast and define their collective strategy
 - **Apply common and national policies** and pay subsidies and incentives.

FAM has 1050 agents including about 105 at the headquarters and 40 in the regions for the first mission above mentioned, that we shall mainly discuss later



| |
|---|
| Mission Filières |
| Jacques Andrieu |
| Délégués filières Ludovic Paris (grandes cultures) Marie-Agnès Oberli (fruits et légumes) Isabelle Chibon-Tathian (arboriculture) Olivier Blanchard (ail) Jérôme Lafon (miel) Claude Chailan (PDM) Maryse Saboulard (viandes) Didier Jossa (vins) |
| Mission Affaires européennes et internationales |
| Carole Ly |
| Déléguée IAA |
| Claire Legrain |
| Mission Appui au pilotage et à la gouvernance |
| |
| Mission Audit interne |
| François Bitard |
| Direction de programme déléguée "Expansion2" |
| |
| Délégation Certification de service fait |
| |

03/07/2018



Secrétariat général
de l'Observatoire de la
formation des prix
et des marges
Philippe Boyer

**Direction
Marchés, études et prospective**
Mylène Testut-Neves



**Analyse économique
des filières**
Patrick Garnon
adj. Philippe Paquette
Grains et sucre
Marc Znibi
 **Filières
spécialisées**
Julie Barat
Élevage
Anne-Marie Mathérat
adj. Myriam Ennifar
Pêche et aquaculture
Cécile Guillot
**Délégation nationale
de Volx**
Denis Cartier-Millon

**Analyses et fonctions
transversales
et multifilières**
Patrick Aigrain
adj. Philippe Boyer
Mission Prospective
Françoise Brugière
Évaluation
Anne-Sophie Wépierre
**Analyses
transversales**
Tarek Mhiri
Prix et consommation
Fabien Djaout
**Système d'information
économique**
Marie Lecocq
Documentation
Claudine Ankri

DECLARATIONS

Declarations

A. Declarations relating to beetroot

- I – Areas
- II – Price

B. Declarations relating to sugar.

- I - Production
- II - Stocks
- III - Price

Declarations

- All the declarations are strictly in accordance with the recently amended Community rules (Reg n° 2017/1185), with the entire co-operation of declarants. It should be noted that this collaboration has for a long time made it possible to define precise technical specifications to guarantee at the same time the homogeneity of declarations, their confidentiality and their compliance with Community rules.
- In the course of the campaign, forward-looking statements are made from estimated areas and yields, followed by provisional declarations (for sugar production in March for metropolitan France and Reunion Island and June for the Caribbean and French Guiana), then definitive notifications.

Declarations

- Everything is not definitive related to the new rules (formats not communicated, price zones very recently defined in 3 European zones, prices of beets to come ...), but France will apply without delay any common precision or decision.
- Then, all data required at community level are communicated to the Commission by ISAMM network.
- Beside the mandatory declarations to the commission, France organized a complementary declarative system related to its specificities, such as the coexistence of a mainland production of sugar beet and an overseas one of cane sugar or estimated yields by technical organisms.

BALANCES

FRENCH BALANCE SHEET

Since 1 October 2017 (end of quotas), the French balance sheet no longer distinguishes deliveries on the domestic market of food sugar, sugar for alcohol / ethanol and sugar for the chemical and pharmaceutical industry.

The French balance sheet is thus built, in terms of **production**, first by relying on the **declared sugar surfaces areas**, using a **sugar yield coefficient**, established by the Technical Institute of Beet (ITB).

Then, this forecast is replaced by the **provisional production declared** by all sugar manufacturers to FranceAgriMer.

FRENCH BALANCE SHEET

Sugar exchange data (foreign trade, import and export) is obtained from French customs. In the balance sheet, **sugar trade** (raw sugar is expressed in white value) and **trade of processed sweet products** containing sugar (400 8-digit items in the Combined Nomenclature) are distinguished.

The quantity of sugar is obtained by applying a coefficient of sugar content to the quantities of products.

Stocks are reported every month by all manufacturers, including specific information about French sugar stored in other Member States.

Thus, **domestic uses are calculated by difference and represent the adjustment variable for our French sugar balance.**

FRENCH BALANCE SHEET

Forecast Sugar Balance (Post Quotas)

(in 1 000 tons, white sugar value)

| | 2017/18 (October - September) (1) Forecast |
|--|--|
| | Total |
| I - Supply | |
| 1 - Stocks October 1st | 492 |
| - free | 492 |
| <i>(including 2016/17 carry-over)</i> | |
| - private storage | 0 |
| 2- Production | 6 327 |
| - mainland France | 6 096 |
| - overseas territories | 231 |
| 3 - Pure sugar imports | 305 |
| 3.1. Imports from EU | 210 |
| 3.2. Imports from third countries | 95 |
| 4 - Sugar Imports in processed products | 750 |
| Total supply | 7 874 |

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FRENCH BALANCE SHEET

| | |
|--|--------------|
| II Uses | |
| 1 – Domestic deliveries <i>(including regulatory sugar for distillation)</i> | 2 900 |
| 2 –Pure sugar exports | 3 610 |
| 2.1. Exports to EU | 2 200 |
| 2.2. Exports to third countries <i>(including French sugar exports from other MS)</i> | 1 410 |
| 3 – Sugar exports in processed products | 900 |
| Total uses | 7 410 |
| III – Stocks on 30 September | |
| - free | 464 |
| - private storage | 0 |
| Total stocks on 30 September | 464 |

(1) - Differences between different totals are related to rounding differences.

Sources : COMEXT, FranceAgriMer

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ÉTABLISSEMENT NATIONAL DES PRODUITS DE L'AGRICULTURE ET DE LA MER

SCHEDULE OF COMMUNICATIONS

SCHEDULE OF COMMUNICATIONS

Sugar Communications as of October 1, 2017

MANUFACTURERS TO FRANCEAGRIMER

SUGAR

Price : Until 15th each month (selling price from last month and forecast for the current month)

Stocks : Until 20th each month for last month

BEET

Prices : Before 31 May each year for last campaign

Surfaces : Before end April each year for current campaign and forecast for the following campaign

Sugar Production : Before end of February- end of May for French Caribbean islands- for current campaign (provisional production)
Before end October for the last campaign (final production continental and overseas territories)

FROM FRANCEAGRIMER TO THE EC

SUGAR

Price : End of month for last month

Stocks : End of month for last month

BEET

Price : Before June 30 each year for last campaign

Surfaces : Before May 31 each year for current campaign

Sugar Production : Before March 31- June 30 for French Caribbean- for current campaign (provisional production)
Before November 30 for last campaign (final production continental and overseas areas)

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ÉTABLISSEMENT NATIONAL DES PRODUITS DE L'AGRICULTURE ET DE LA MER

SCHEDULE OF COMMUNICATIONS

Ethyl Alcohol Communications from October 1, 2017

From manufacturers to FranceAgriMer

Ethyl Alcohol

Production: Before February 1 for the last civil year

Bioethanol Production Before October 31 for the last campaign

(from sugar or sugar syrups)

From FranceAgriMer to the EC

Ethyl Alcohol

Production: Before March 1 for the last civil year

Bioethanol Production: Before November 30 for the last campaign

(from sugar or sugar syrups)

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Thank you for your attention

