



European  
Commission

# Sugar regional prices: final output

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Agriculture  
and Rural  
Development



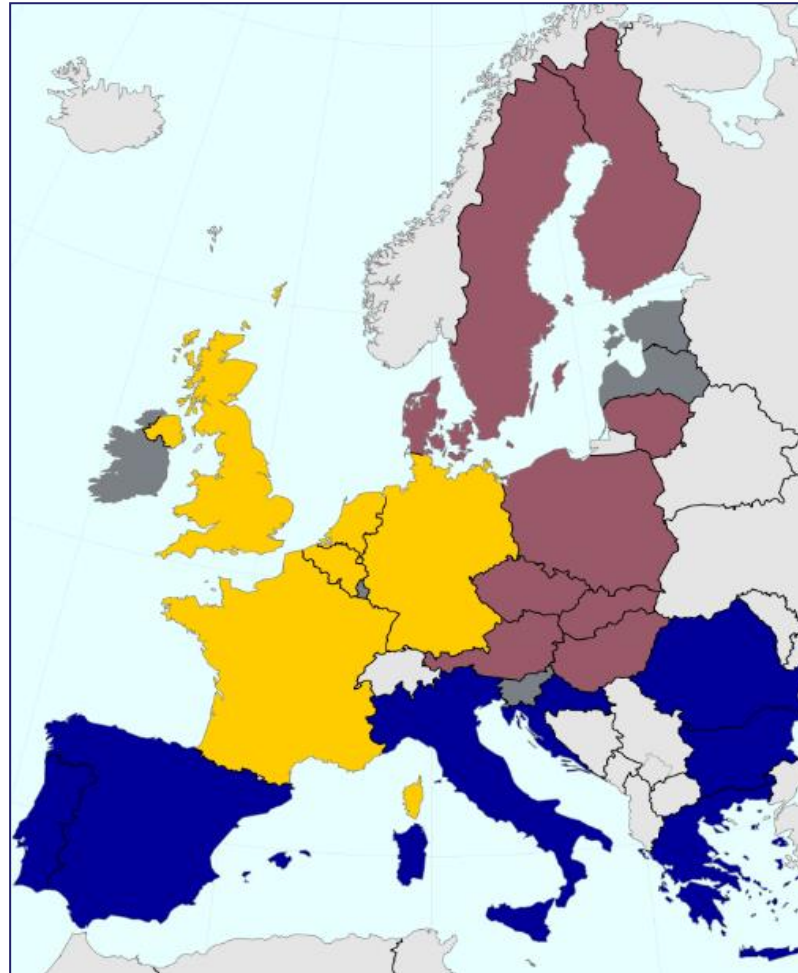
## Background

- The original proposal of regional prices was presented at **CMO Committee** (twice) and **Sugar Market Observatory**
- The exercise **enhances transparency** (on a part of the supply chain) at zero cost, no additional burden is imposed to MS or stakeholders
- No technical/methodological objection was raised
- In general a **favourable opinion** was collected, with the relevant exception of sugar producers (CEFS). Few MS are sceptical on the relevance and on the need of the exercise
- Some MS (UK, AT) sent a written position/contribution, some others interacted informally with DG AGRI

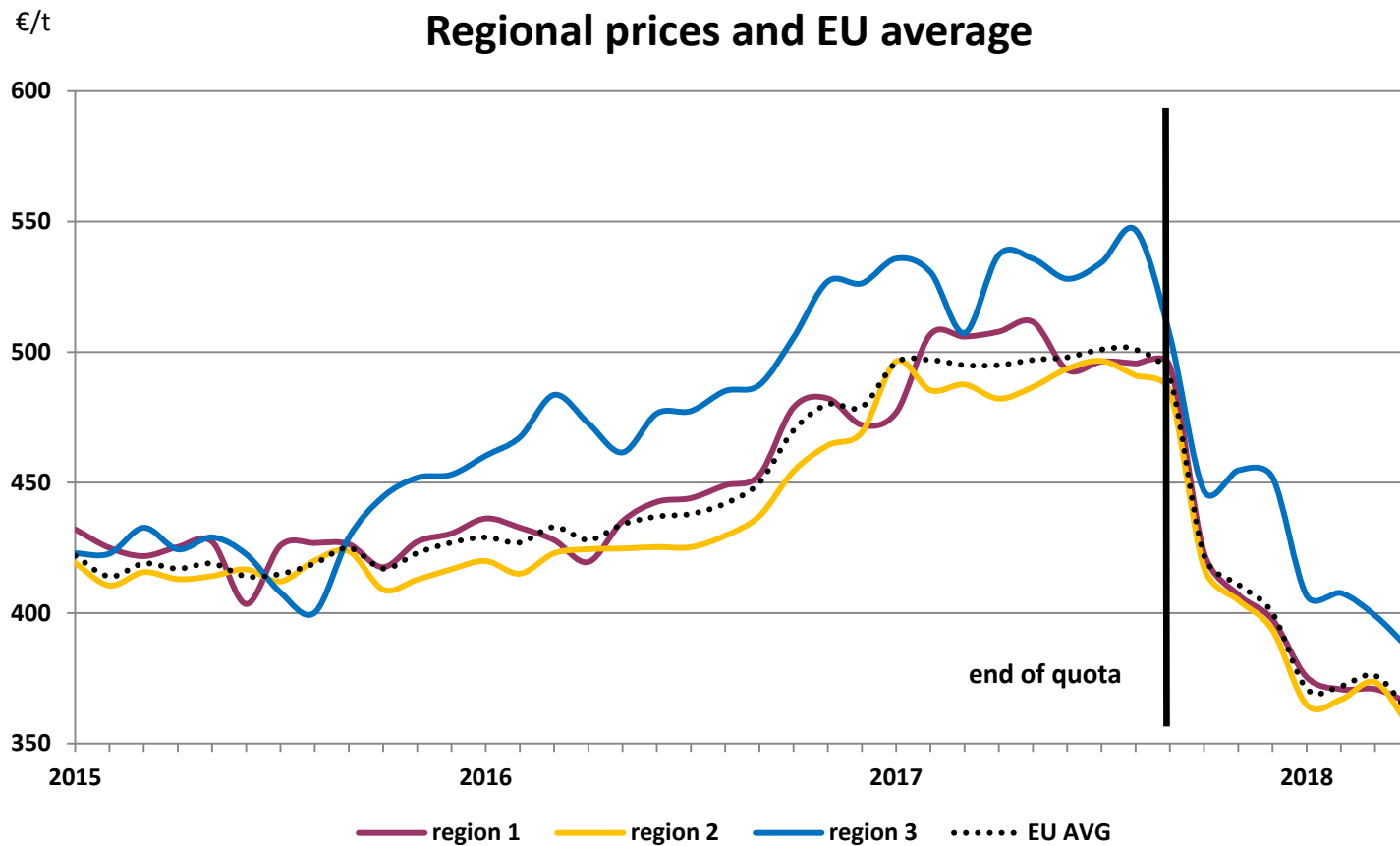
## The choices at stake

- The original Commission proposal featured **4 regions**; different MS and stakeholders asked for extension to 5 regions and for reduction to 3 regions
- The proposal to **extend to 5 regions has been rejected**; the statistical quality of the aggregation would be particularly high but **confidentiality would put at stake** (industry too concentrated, one industrial group would be associated to a region, to be avoided)
- The proposal to **reduce to 3 regions has been deeply analysed and finally adopted**; the information is less granular and the statistical quality slightly worse, but the proposal will for sure establish an **aggregation particularly robust and stable through time**

## Map of the 3 regions






# Prices in the 3 regions



# Final results: required conditions are met by all regions and by all indicators

## Quality check

	Intra-cluster correlation	Intra-cluster price difference indicator #1	Intra-cluster price difference indicator #2	Intra-cluster standard deviation
AT-CZ-DK-FI-HU-LT-PL-SE-SK	0.88	49.3	44.4	40.30
BE-DE-FR-UK-NL	0.92	32.2	32.7	27.76
BG-ES-GR-HR-IT-PT-RO	0.85	47.3	45.2	40.61
Overall EU average	0.85 	53.3 	47.3 	42.55 