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Sugar regional prices: final output

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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

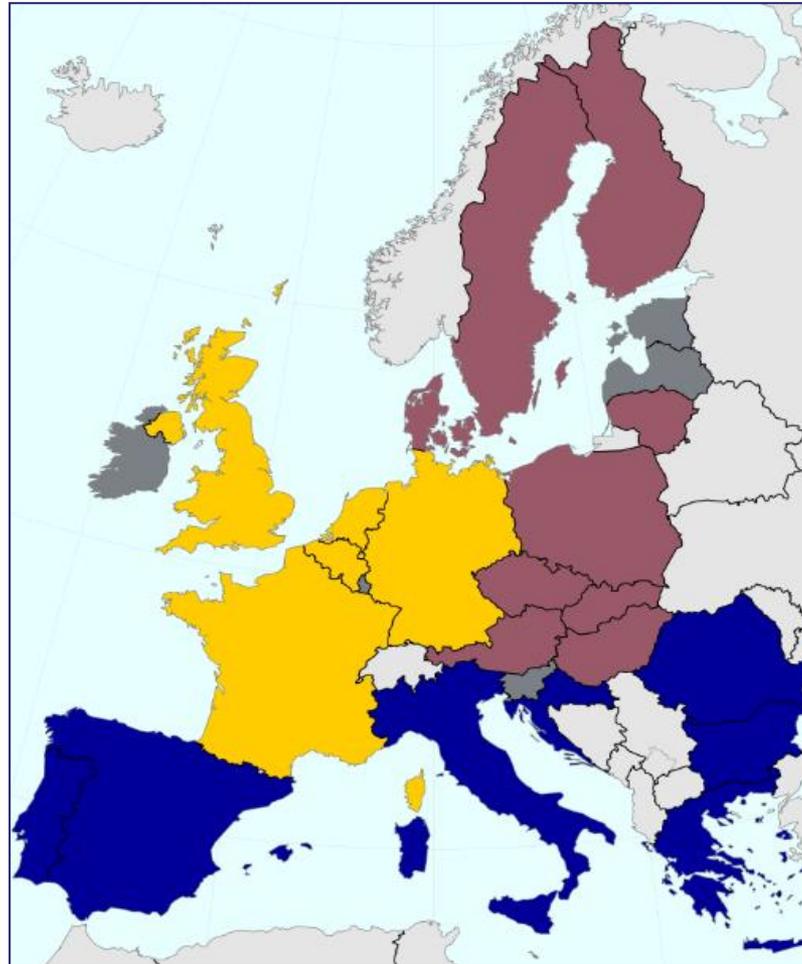
The choices at stake

- 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**



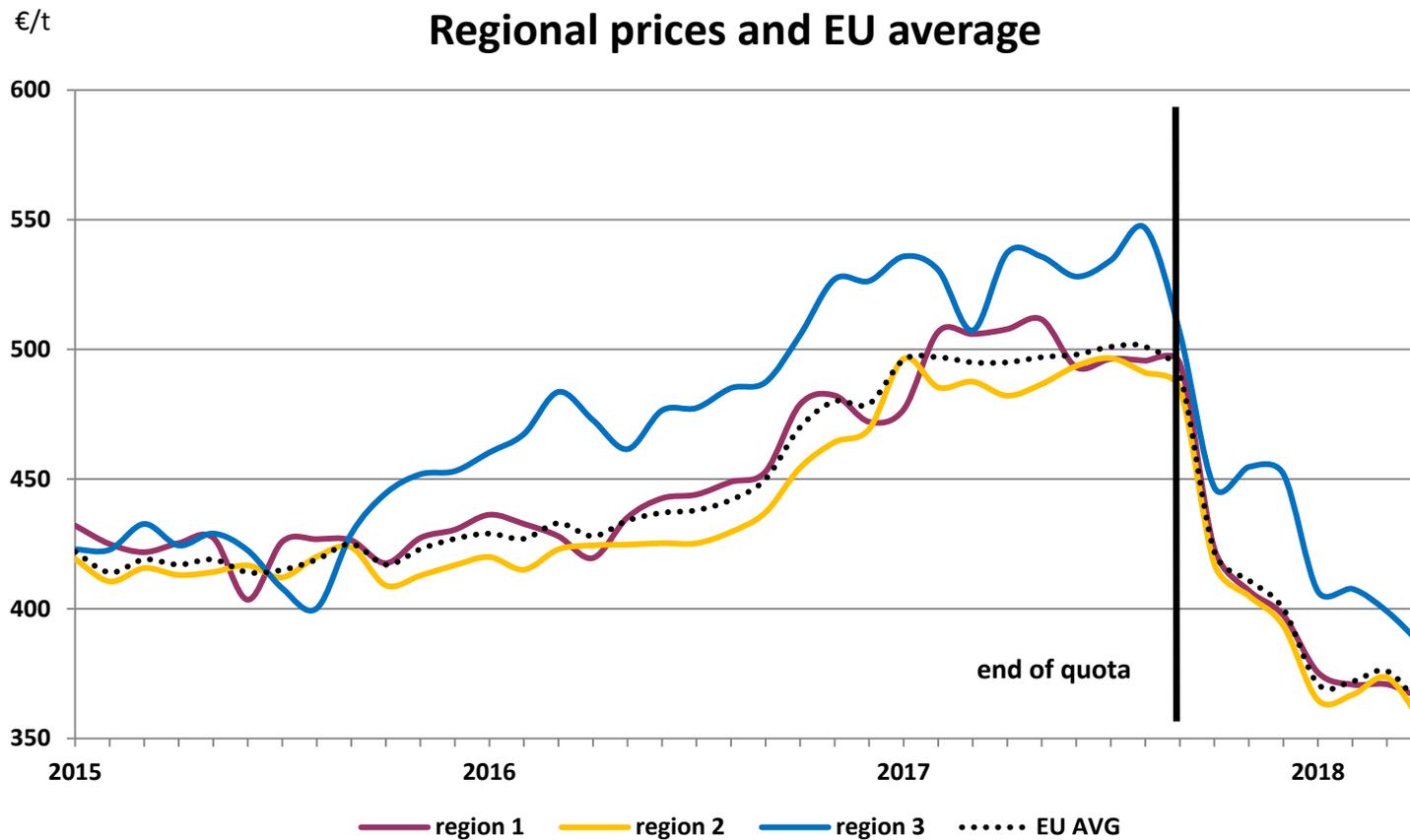
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Map of the 3 regions



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Prices in the 3 regions



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

| | Intra-cluster correlation | Intra-cluster price difference indicator #1 | Intra-cluster price difference indicator #2 | Quality check |
|----------------------------|---|---|---|--|
| | | | | 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  |