



Outline of the High-Level Group's Report on the EU Sugar Sector

2nd meeting of the High-Level Group on Sugar
Brussels, 19 March 2019



Discussion of structure: 19 March

Draft text of report without conclusions distributed: 24 May

Comments in writing and during 3rd meeting on 12 June

Discussion of conclusions and recommendations
3rd meeting on 12 June

Final draft report distributed for comments: 24 June

Final report sent to Commissioner Hogan early July

Chapter 1: INTRODUCTION AND CONTEXT

- *Commissioner Hogan's announcement on 19/11/2018*
- *Mandate of the Group and Objectives*
- *Composition and Chair*
- *Description of the work: meetings, topics, external participants*
- *Purpose of the report*

Chapter 2: EU SUGAR SECTOR REFORM

- *Changes undergone by the sector following the 2006 reform*
- *Main reform features leading to the end of quota*
- *Restructuring process in different Member States*
- *EU sugar sector structure*



Chapter 3:

MAIN ISSUES IDENTIFIED

- 3.1 Profitability of the sector/current market situation
- 3.2 Income support, in particular Voluntary Coupled Support
- 3.3 Risk management in the EU sugar sector
- 3.4 Contractual relations between growers and processors
- 3.5 Market transparency
- 3.6 Impact of ban on neonicotinoids
- 3.7 International markets

3.1 Profitability of the sector/ current market situation

- *Evolution of the sector at EU level and worldwide since marketing year 2017/18*
- *Price developments, stocks, trade flows*
- *Short-term outlook of sugar production in different Member States*
- *Situation of the refining industry*
- *Consumption trends/influence of health policies*
- *Market measures available in the CMO Regulation*

3.2 Income support, in particular Voluntary Coupled Support

- *Description of the measure and its conditions/restrictive rules*
- *Use of the VCS measure for the Sugar sector in different Member States, evolution and support levels*
- *Monitoring by Commission, potential consequences*
- *Direct payments' role as income safety net*

3.3 Risk management in the EU sugar sector

- *Volatility of the sugar beet price=> income risk*
- *Futures markets in the EU*
- *Dedicated risk management tools available in the EU*
- *Income Stabilisation Tool, recent improvements and its current use in different Member States*

3.4 Contractual relations between growers and processors

- *Negotiations between beet growers and sugar producers after the end of the quota system*
- *Application of the value sharing provision*
- *Experiences in different Member States*
- *Adaptability of contracts to changing market situations*

3.5 Market Transparency

- *Price information available, stages in the food chain covered by public price reporting*
- *Beet prices*
- *Information on sugar uses*
- *Price transmission between sugar producers and users/retailers*

3.6 Impact of the ban on neonicotinoids

- *System of emergency authorisation, including notification process and EC role, monitoring work/outcome and potential future consequences*
- *Use of the emergency authorisations in Member States (justifications used)*
- *Investments in research & development in the EU, Member States, industry*

3.7 International markets

- *EU's trade policy (tariffs, TRQs and their use)*
- *Main players at world level, main export destinations for EU sugar*
- *Trade policies of third countries, unfair trading practices (India)*
- *Role of sugar in negotiations for Free Trade Agreements (e.g. Mercosur, Australia)*
- *Refiners' request to get better access to raw material at reasonable prices*
- *EU's offensive interests, export of high-sugar content products*



Chapter 4: CONCLUSIONS AND RECOMMENDATIONS

To be discussed in 3rd meeting of the High-Level Group