The 2020 EU Agricultural Outlook Conference

NEXT GENERATION *EU AGRICULTURE*

from the Covid-19 crisis to green recovery

16-17 December 2020

European Commission

Agriculture and Rural Development

SUGAR AND BIOFUELS

DANGIRIS NEKRAŠIUS

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Sugar: production

- Area: competition with other crops
- Yield: impacts of weather, pests and diseases

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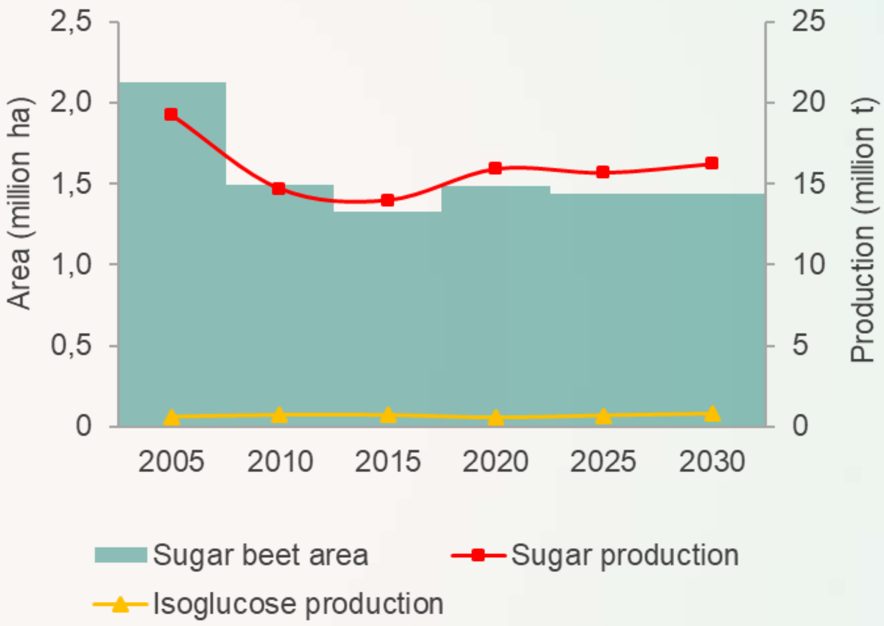
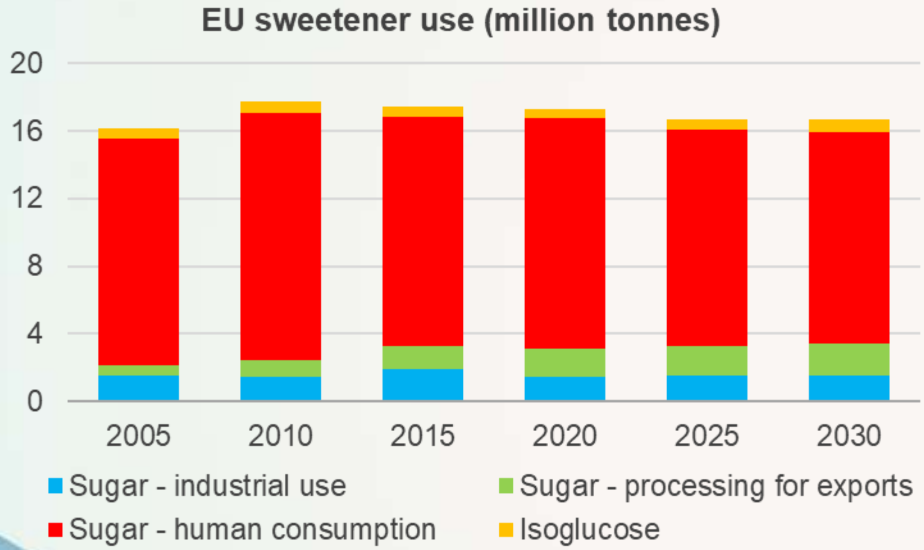
- Production: increase mainly due to higher yields

EU sugar beet area and sweetener production

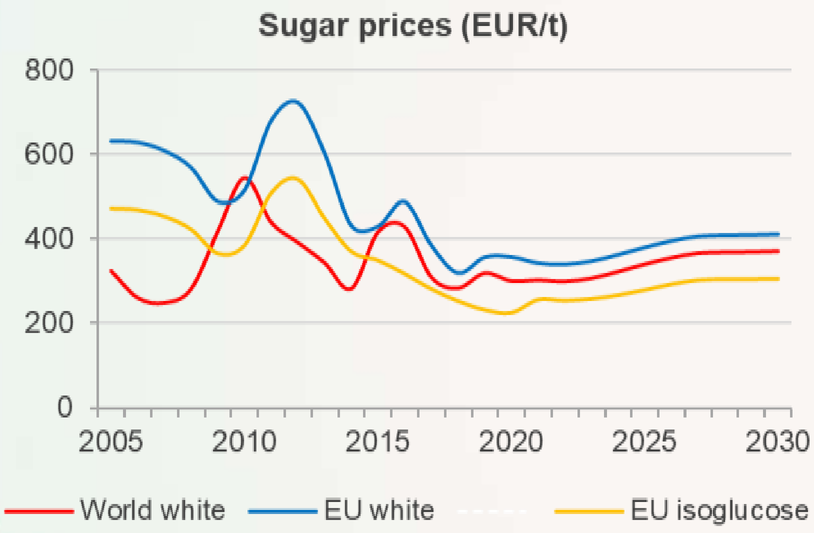


Sugar: use



- Health concerns weigh on direct (food) use
- Exports in processed products to grow
- Industrial use stable
- Isoglucose more competitive

Sugar: prices and trade



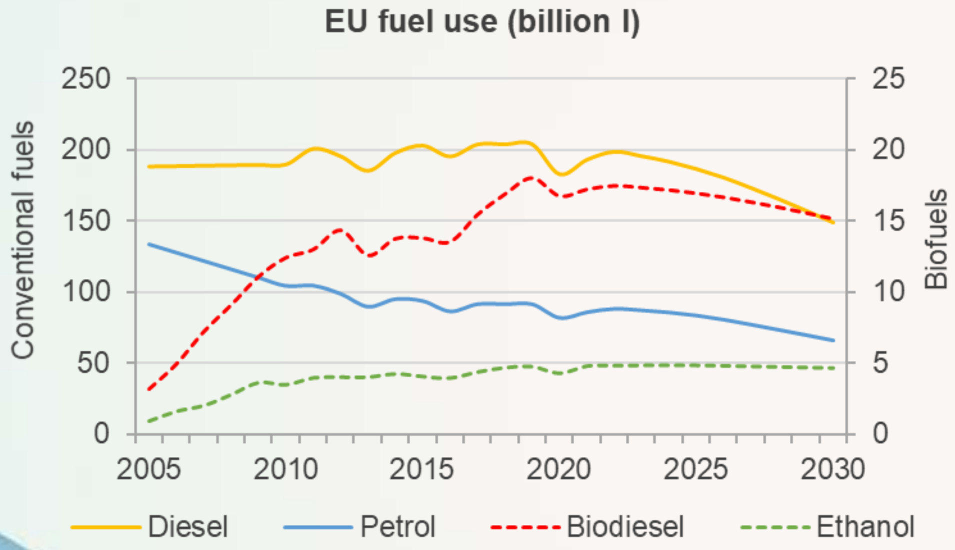
Prices:

- EU & world prices aligned
- EU premium at ~40 EUR/t

Trade:

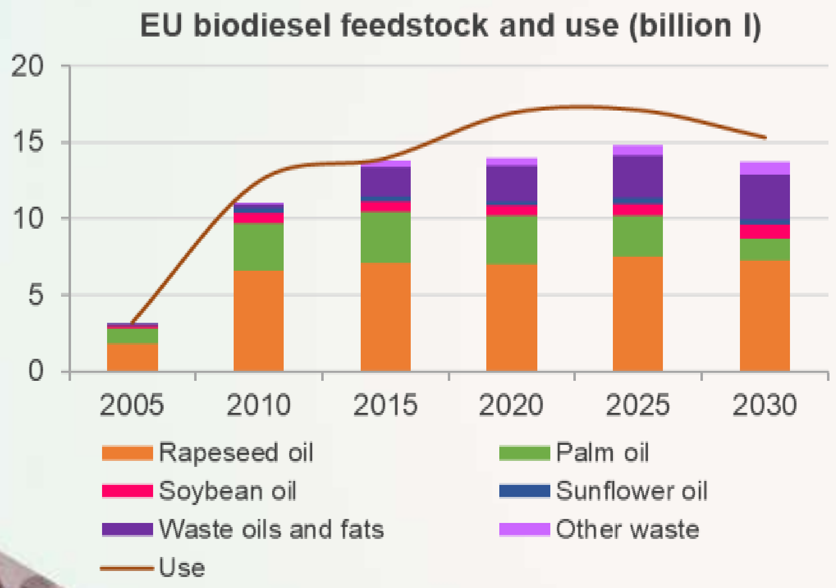
- **Near term**: EU net importer
- **Medium term**: less consumption, less imports, more exports

Biofuels: use



- Fuel demand was locked down in 2020, but should rebound in the near term
- Medium term: decline in fuel use through vehicle fleet efficiencies, green recovery measures
- Effect on biofuels mitigated by increasing blending rates

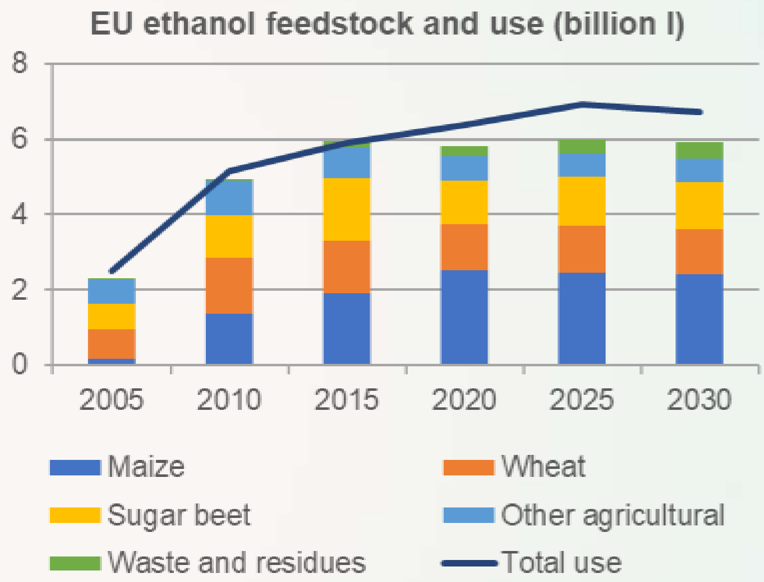
Biofuels: biodiesel feedstock



- **Rapeseed oil** remains the primary source
- **Palm oil** share to significantly decline due to difficulties in certifying it as a low ILUC biofuel feedstock
- **Waste-related** feedstock should expand as technologies mature, although with a limited total impact

Biofuels: ethanol feedstock

- Shares of **maize** and **wheat** to remain relatively stable
- **Waste and residues** shares to grow fastest, albeit with limited overall impact
- **Sugar beet** share expected to grow in the near term due to improved competitiveness



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Biofuels: trade

- EU to remain a **net importer**, but imports to decrease with lower fuel use
- **Biodiesel imports** constrained by:
  - ➢ near term - countervailing duties
  - ➢ medium term - decreasing use of palm oil
- **Ethanol import** boost in the near term:
  - ➢ the rebound in biofuel use
  - ➢ increase in demand for pharmaceutical purposes

Thank you!

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