

2015 Paradise ?

2020 Purgatory ?

EU sugar after 2015 - best solution?

Sugar beet growers, sugar producers and users are ready for the elimination of EU quotas in 2015

27 November 2012

Robert Guichard, President of CIUS



Who we are



3000

350 000

The sugar market



Exceptional measures (Million Tons)

2010/2011

1.356

2011/2012

1.049

2012/2013

1.200

Imported volumes are under control

World sugar
(Brazil, Thailand
etc.)

Customs Barriers

EBA/EPA , CXL,
Balkans etc

EU exporting



The sugar supply chain



Farmers

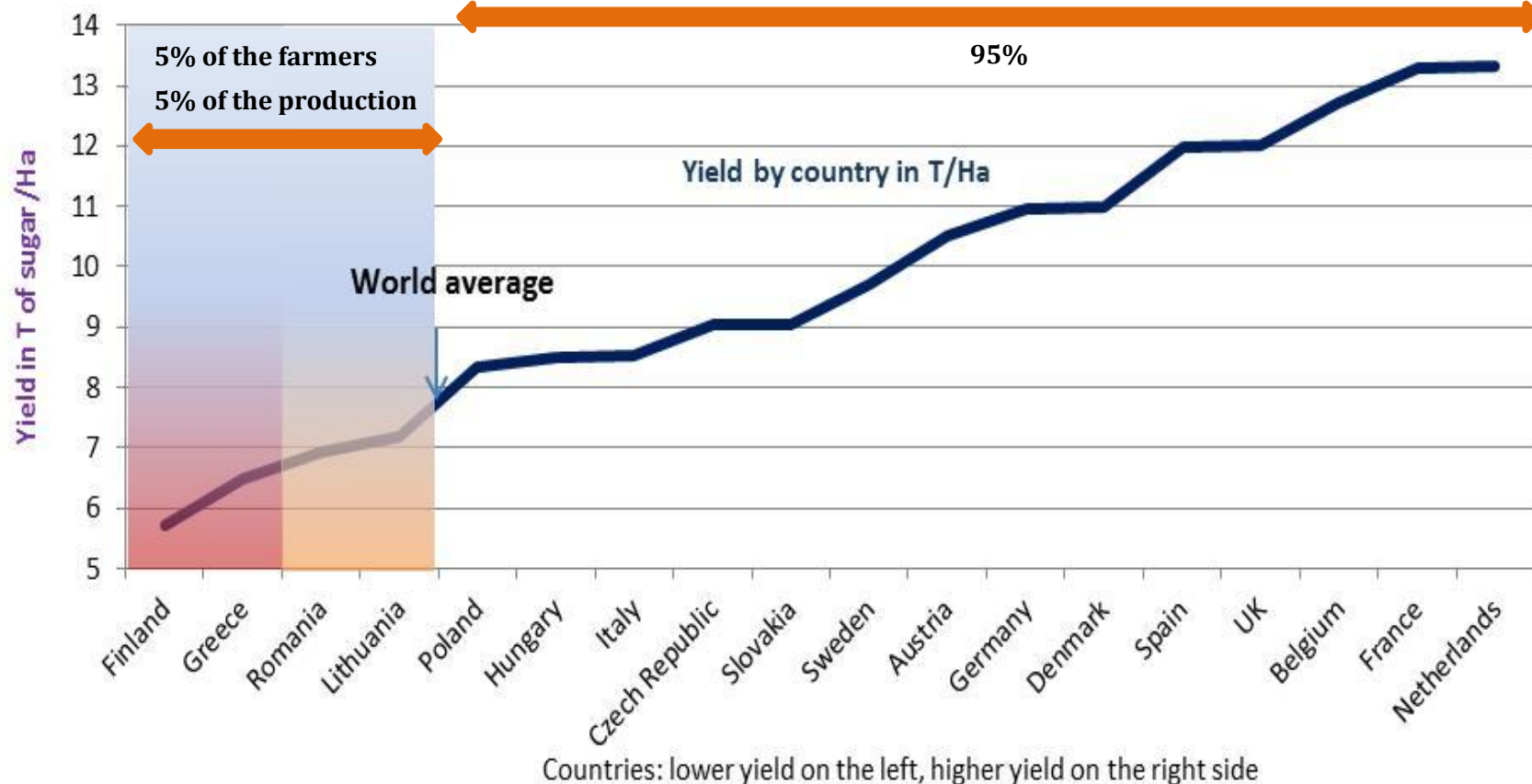
Sugar Industry

ACP/LDC countries

Food industry

The farmers

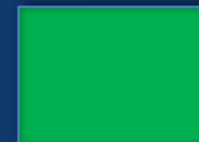
Majority of the remaining farmers are highly competitive



The EU sugar producers



Sugar Industry: Sugar beet processors are best in class in EU



EU industry is investing globally

But EU production is under constraints



The sugar industry: all flags are not green

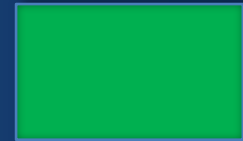


Farmers:



Sugar Industry:

- **EU sugar beet processors:**
 1. Best in class plants
 2. They can process all year round (sugar beet and raw sugar) and run at full capacity.
 3. They drive the EU market.
- **EU sugar beet processors** are limited in exports
- **Refiners** are suffering from the raw sugar sourcing competition with sugar beet processors and underuse refining capacities.



ACP/LDCs

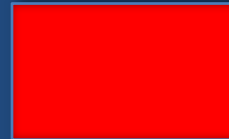


Farmers:



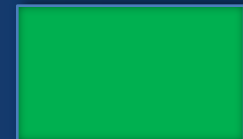
Sugar Industry:

- EU sugar beet processors
- Refiners



ACP/LDC countries:

- The ACP/LDC's are facing high demand in their home and surrounding markets (EU market cannot be the priority)
- ACP/LDC's are not able to fill the gap between demand (16.6 MT)and production quota (13.3 million T)



The food industry in trouble because of quotas

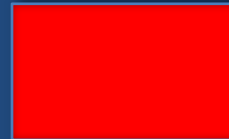


Farmers:

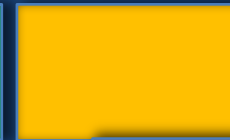
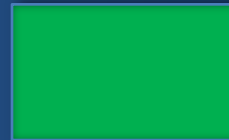


Sugar Industry:

- EU sugar beet processors
- Refiners

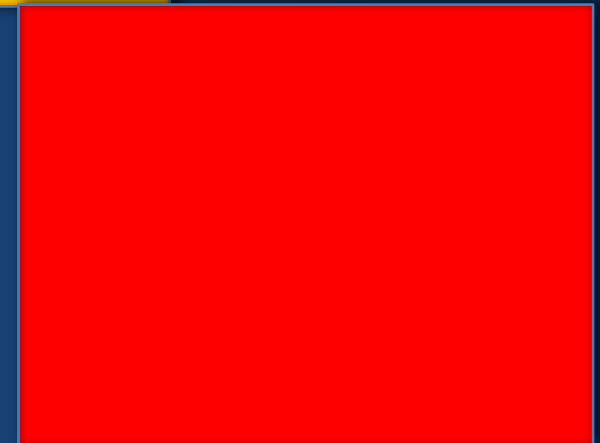


ACP/LDC countries:



Food industry:

- Risk of out of stocks
- There are plenty of countries out of EU where the sugar price competitiveness is an issue



The changes to foster competitiveness



Farmers:



Elimination of quotas:

Farmers and sugar industry can exploit their competitiveness, develop a profitable growth and become leaders on the world market.

Sugar Industry:



- EU sugar beet processors
- Refiners



Gradual reduction of import tariffs:

Fair competition for refiners

ACP/LDC countries:



ACP/LDC's keep first priority for imports

Food industry:



Food industry gets security of supply, competitiveness is improved

~~Quotas~~

CIUS - European sugar users

Tel: +32 (0)2 539 18 00 Fax: +32 (0)2 539 15 75 cius@cius.org

www.cius.org