

16 April 2012

CIUS Press release

EU sugar market is ready for further reform!

Today, CIUS released its position on CAP reform. **CIUS supports a balanced, stable and fair EU sugar market, based on competitive, sustainable domestic production, supplemented by imports to the extent needed.** To meet this objective, CIUS supports the Commission proposal to abolish production quotas in 2015, accompanied by a gradual reduction in import barriers.

The current regime hurts European competitiveness - Continued problems in the EU sugar supply establish that current regulation and market management status quo is not an option. The corrective measures taken by the European Commission have been unpredictable, not market lead and therefore have been inadequacy to give security of supply to EU sugar users.

This chronic supply shortage and increased prices have had an immediate negative impact on the competitiveness of the supply chain – reducing efficiency, restricting the opportunity to respond to consumer demand and undermines the ability to establish strategic partnerships in the value chain. Clear structural reform is needed.

The CAP reform proposal goes some way to securing this new EU sugar market and supply.

‘Clearly we don’t currently have a functioning EU sugar market. This not only harms users but also the long term competitiveness of the whole chain. We don’t have flexibility and therefore the EU market cannot quickly adapt to demands, like any other agri-food commodity market’

‘Demand and market signals going forward are strong. The EU supply chain including EU farmers is ready for reform. There is a clear opportunity for the chain to grow’ said Robert Guichard, CIUS President.

A successful EU sugar regime reform - CIUS supports the Commission’s proposals to end sugar and isoglucose production quotas in 2015. Recent research¹ and predicted future EU demand highlights that competitive EU farmers and processors are ready to take advantage of a quota-free EU sugar market. The whole chain could increase production, secure new export opportunities and provide for better EU supply.

A fair value chain - To further support this CIUS supports robust agreements between farmers and processors, as foreseen in the CAP reform proposals. These can provide certainty and fairness without restricting production and give farmers more certainty and flexibility to react to market opportunities and consumer demand.

¹ Nolte S, Buysse J and Huylenbroeck GV (2011) *Modelling the effects of an abolition of the EU sugar quota on internal prices, production and imports* European Review of Agricultural Economics



Reduction of import barriers - The abolition of production quotas must go hand in hand with a gradual reduction of import tariffs to balance competition and establish a fairer trade environment.

Robert Guichard, CIUS President said 'We welcome the Commission's proposal on CAP reform but it is essential that any reform of the EU sugar regime does not stop at CAP'

He went on to say 'The EU market is also currently reliant on sugar imports, which is predicted to continue. Securing access to imports is not only essential for consumer choice but also future security of supply in the EU'

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Notes to editor

CIUS members purchase almost 70% of European annual sugar production for food use.