

Press release

EU SUGAR USERS CHALLENGE DANTIN DRAFT REPORT TO EXTEND EU SUGAR QUOTA SYSTEM

Today, Michel Dantin MEP will present his report to the Agriculture Committee in the European Parliament. The draft report proposes to amend the Commission CAP reform proposal and postpone abolishing sugar quota until the end of 2020.

CIUS believes that this would take the EU sugar value chain in the wrong direction and does not build on the opportunity of the 2006 sugar market reform. This is clearly not acceptable to CIUS (EU sugar users).

Mr Dantin forgets that since the 2006 reform, sugar beet processors have received ample time and funds to restructure, improve efficiencies and consolidate allowing the European sugar beet industry to become one of the world's most competitive in terms of production costs. The food sector, however, continues to face unmanageable price and security of supply volatility - official European Commission figures highlight an increase of 40% in the reported sugar price within a year, a factor that has had negative consequences on food manufacturers across Europe, particularly SMEs.

CIUS President Robert Guichard stressed 'EU sugar users have seen an increase of 40% in sugar price within the last year, leading to significant financial instability for many food manufacturers across Europe, particularly SMEs. This situation is not acceptable.'

Mr Dantin's draft report also proposes to create an automatic release of out of quota sugar in order to preserve structural balances. This is far from being a positive step as it proposes more of the same ad hoc, hand to mouth market measures that exist today and which fail to provide sufficient security of supply visibility promoting market instability. The proposal is likely to benefit only a small sector of the supply chain and will not give better access to ALL stakeholders (Member States currently not growing beet, farmers wanting to grow beet, sugar users, beet processors and cane refiners) in the EU market.

Mr Guichard went on to say 'All stakeholders on the market are asking for visibility in order to prepare themselves for new market conditions. Postponing again the debate to 2018 is not going to help prepare EU farmers or the food sectors to adapt to future market challenges. CIUS demands that the Commission proposal of abolishing quota in 2015 is respected.'