

FOR IMMEDIATE RELEASE:

Press release – AGRI Committee vote undermines prospects for new jobs and growth in the sugar supply chain

Brussels, 23 January 2013. MEPs in the Agriculture Committee sent the wrong signal to one of Europe’s most significant manufacturing sectors today. By voting to extend the sugar quota until October 2020, MEPs undermined prospects for a balanced EU sugar market and a more competitive European food and drink industry. This is important because future jobs and growth in Europe depend on competitiveness.

“We are very disappointed,” said Robert Guichard, President of the Committee of European Sugar Users (CIUS), *“We need a balanced, stable and fair EU sugar market, based on competitive, sustainable domestic production, supplemented by imports to the extent needed. Today’s AGRI Committee vote does nothing to support this goal.”*

Extending sugar quotas until 2020 is contrary to the previous EU agreements to end quotas in 2015. The Commission recognised in its proposals for CAP reform that an end to sugar quotas in 2015 is a necessity to complete the reform agreed in 2006 and deliver a balanced market and a sustainable value chain. The AGRI Committee has failed to recognise the long-term structural imbalance that plagues the EU sugar supply chain.

CIUS members purchase almost 70% of European annual sugar production for use in food and beverages both for domestic and export sales. The present quota system has resulted in major supply shortages and uncompetitive prices. Because of the quota system, EU beet sugar production today falls 20% short of EU demand. EU sugar prices increased by 47% between October 2010 and October 2012 due to artificial shortages, and are now more than 50% higher than world market levels (see EU Commission reports on evolution of sugar market) despite decreased production costs. This has an immediate negative impact on the competitiveness of the European food and drink industry, and puts undue pressure on CIUS members, which include thousands of SME’s throughout Europe, serving increasingly cost conscious customers.

Moreover, with growing global populations, global demand for sugar and sugar containing products is growing faster than global supply (see FAO sugar outlook) just as for most food categories. The European Parliament should be helping, not hindering, European producers to meet that growing global demand. Restricting EU production through continuation of production quotas is equivalent to restricting jobs and economic growth in Europe in this sector.

“The Common Agricultural Policy should serve the whole food supply chain. The AGRI Committee vote risks stifling growth at a time when the EU needs economic recovery and employment. SMEs will be hit particularly hard. We strongly urge the European Parliament to consider the broader community interest when it votes in plenary and to commit to a clear end date of the EU sugar quota regime well before 2020,” said Muriel Korter, CIUS Secretary General.

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Notes for editors: CIUS is the Committee of European Sugar Users – representing the European sugar-using food and beverage industries. CIUS members purchase and use almost 70% of the European annual production of sugar for food use and provide direct employment for over 350,000 people.

CIUS position on EU sugar market reform: [CIUS Brochure - Towards a competitive and fair value chain](#)