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CAP reform - European sugar users oppose any attempts to revert back to sugar market intervention

In light of the outcome of the final trilogue on the CAP the reform, the Committee of European Sugar Users (CIUS) is relieved that the decision on the inclusion of sugar in products eligible for public intervention has been delayed until a further assessment can be made at the end of the year. This will provide a chance to the High Level Group to assess the conclusions of the on-going study.

“Going back to market intervention instead of market orientation, would give a very wrong signal to the market. The European sugar sector is very competitive and already protected by highly restricted imports of sugar that are currently at record lows”, says the Secretary-General of CIUS, Muriel Korter. “Adding more intervention tools would be detrimental to the entire competitive sugar supply chain. We are today experiencing sugar shortages across the European Union and going back to intervention – meaning reverting back to limiting production - would only worsen the supply situation. “

The abolition of sugar production quotas did not lead to more sugar supplies available.

While the sugar sector claims lack of support by the Commission during its worst market crisis, we would like to highlight that in addition to the available tools in the current CMO Regulation the following safety nets are also available for the sugar sector:

- The existing Private Storage Aid for sugar linked to the reference price and the existing crisis reserve, are available in case of severe market disturbances, which is not the case for the moment
- Member States have granted Voluntary Coupled Support (VCS) to aid their national beet sector.

Additional safety nets are unnecessary and would undoubtedly add more complexity to the market.

Sugar imports are relatively low for the moment, although they are needed to compensate for insufficient EU sugar production. This marketing year is experiencing record low, many sugar beet producers are sold-out and cannot supply any additional demand for the moment

We are hopeful that the on-going study on adaptation strategies of sugar supply chain will provide EU Stakeholders an accurate analysis of the sugar market dynamics and realities. We look forward to continue our contribution to the DG AGRI study.

CIUS represents more than 15 000 sugar using companies, ranging from artisan, small and medium sized enterprises to multi-nationals. Together our members purchase about 70% of the EU's annual production of sugar and provide direct employment to over 700.000 people in Europe.