International Confederation of European Beet Growers

CONFEDERATION INTERNATIONALE DES BETTERAVIERS EUROPEENS
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CONFEDERAZIONE INTERNAZIONALE DEI BIETICOLTORI EUROPEI

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EU Beet Growers' contribution to the EP debate and the misconceptions of EU Sugar Refiners

Today, on 11 September 2012, at an EP plenary debate, some MEPs will ask the Commission to explain its management of the sugar marketing year 2011/12. This action follows in particular the very active lobbying and communication campaign launched by European Sugar Refiners under pressure from American Sugar Refining Inc. (which owns the Tate & Lyle refinery in London as well as the Tate & Lyle brands) with the EU Institutions and in the press. European raw cane sugar refiners claim that the management by the Commission had favoured the EU beet sector to the detriment of the refining industry. They demand that the EU imports more raw cane sugar from the world market and from non-preferential partners in the future. This lobbying campaign, defending the sole interest of sugar refiners and based on misconceptions, is of concern for European Beet Growers.

The Commission will certainly reiterate and make clear that the market tools implemented in 2010/11 and 2011/12 to manage the EU sugar market were balanced and met the needs of different operators. Furthermore, the facts are that:

1. Contrary to the misconception of sugar refiners, sugar imports to the EU are sufficient. Indeed, sugar imports to the EU have increased to reach unprecedented levels. Preferential imports have been complemented by non-preferential imports in 2011/12. The EU forecast of 3.5 Mt of sugar imports has materialized and includes raw as well as white sugar. Furthermore, the EU market is balanced.
2. Contrary to the misconception of sugar refiners, the EU should not import more raw cane sugar from non-preferential partners; this would be detrimental for developing countries. The EU sugar market is since 2009 totally open (duty-free quota-free) to all developing countries (LDC and ACP countries). As a result, more raw cane sugar imports from other third countries (mainly Brazil) would erode the preferences granted to these traditional partners and lead to a standstill of investments in these countries which have already suffered the tough consequences of the 2006 sugar reform.
3. Contrary to the misconception of sugar refiners, the refining industry in the EU is not treated unfairly. The lack of adaptation and restructuring of refiners to the 2006 sugar reform (despite the transitional aid of €150 million received) and their current overcapacity must not be solved with a change of EU trade policy (suspension of tariffs) on the back of the EU sugar beet sector which did its job and restructured thoroughly (between 2006/07 and 2009/10, 83 beet factories out of a total of 189 in the EU-27 were closed, over 22000 direct jobs in rural areas were lost, and around 140 000 farmers stopped beet growing) while optimising and rationalising its activities.

Finally, the request by refiners disregards the principles and objectives of the CAP. This is in total contradiction with the 2006 sugar reform, as it undermines the effort of competitiveness made by the EU beet sector (it would lead to additional beet factory closures) and jeopardizes its medium-term sustainability.

Refiners claim that they only want "fair" terms of competition: the above facts show that "fair" means "cheap" sugar to safeguard companies' business and margins on the back of farmers, both beet growers in the EU and cane growers in developing countries.

EU beet growers call on the MEPs who are entering intensive discussions along with a workshop scheduled on 17 September at the EP, for credible measures with regards to the Single CMO and sugar regime post-2015 to be adopted in the coming months; respecting the objectives of the CAP, the previous EP resolutions voted, and in line with the Draft report of MEP M. Dantin, so as to prolong sugar provisions up to 2020 without undermining the sustainability of the EU beet sector.