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PRESS RELEASE

EU BEET SUGAR SECTOR SOLD OUT TO MERCOSUR

The European Association of Sugar Manufacturers (CEFS) and the International Confederation of European Sugar Beet Growers (CIBE) strongly oppose the conclusion of the EU-Mercosur Association Agreement. The agreement will have a damaging impact on the EU's homegrown beet sugar sector at a time when prices look again to be coming under severe pressure. The 190,000 tonnes of access to the EU sugar market by Brazil and Paraguay will undermine the EU's Green Deal objectives and expose European producers to unfair competition from imports that fail to meet the EU's stringent environmental and social standards.

"The EU-Mercosur deal fundamentally contradicts Europe's environmental and sustainability goals," stated Paul Mesters, CEFS President. "By facilitating imports from countries with weaker standards, this agreement places European sugar manufacturers at a severe disadvantage and disregards the environmental damage. The effect will be that 1.6 million hectares of sugar beet growing in the EU will decline and indirect deforestation will increase."

Brazil, which would get the lion's share of new access to the EU sugar market, uses dozens of active substances in chemical plant protection products banned in the EU for health and environmental reasons. "This deal does not bring any improvement, it is fully disrespectful of EU growers who struggle to maintain their beet productivity and competitiveness vis-à-vis third competitors and who bear the costs of such bans. It's a betrayal after the all the commitments made within the Strategic Dialogue. How dare the Commission do this to farmers? This deal is a symbol of a deep rift between farmers and the Commission, and their response is likely to be radical", said Marcel Jehaes, CIBE President.

The deal would come on top of several major deals that have already substantially opened the EU sugar market, including with Central America, Colombia, Peru, South Africa, and Vietnam. The impact would be exacerbated with the conclusion





of other agreements currently under negotiation with major sugar producers such as Ukraine, Thailand, and India. The cumulative impact could be severe and could result in further beet cultivation abandonment and further factory closures. There is no room for additional market pressure. The influx of cheap sugar imports from Mercosur countries could further disrupt the market, reduce output, and lead to industrial job losses in some of the EU's most vulnerable rural areas. "We urge EU Member States and the European Parliament to reject the ratification of this agreement in its current form and to reject any attempt to split this deal and isolate its trade part", requested both Presidents.

CEFS and CIBE call for a trade policy that supports the interest, the resilience and competitiveness of the EU agricultural sector while upholding European values of sustainability, fairness, and consumer protection. The deal on the table goes against these values and must be rejected.

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