MERCOSUR DEAL: DESTRUCTIVE FOR EU BEET SUGAR SECTOR AND MISLEADING FOR EU CONSUMERS

UNITING BEET GROWERS CIBE since 1927

CEFS EU SUGAR

IT FAILS TO LEVEL THE PLAYING FIELD FOR EU SUGAR FARMERS & MANUFACTURERS

#stopmercosur

	BRAZILIAN SUGAR CANE INDUSTRY	EUROPEAN SUGAR BEET FAMILY FARMS
	8,7 million ha of sugar cane harvested	1,4 million ha of sugar beet harvested
	1ST WORLD SUGAR PRODUCER & EXPORTER	
	More than 400 plants	88 EU plants
Type of cultivation	Monoculture	Crop rotation
Average area per grower	The average cane area managed by sugar cane plants are several tens of thousands of hectares	100 000 EU farmers, each growing an average of 15ha sugar beet
% of beet/cane supply from independent growers	Around 70% of cane supply are managed by sugar cane factories, not independent growers	100% of sugar beet is cultivated and supplied by independent sugar beet growers
Area and productivity growth	A 50% increase in sugar cane acreage during the past two decades An increased productivity	A decreasing sugar beet acreage -25% for the last two decades. A decline that continues... A decrease in EU productivity
Government support	Decades of government support for both cane sugar and ethanol sectors (Renovabio programme - eligibility for Sustainable Aviation Fuels)	Limitation to the development of sugar beet-based ethanol
Genetically Modified Plant	GMO: 6 GMO sugarcane events authorized accounting for 70,000 ha	GMO: GMO are not authorised

THIS DEAL FAILS TO DEFEND EU OWN STANDARDS FOR ITS CONSUMERS

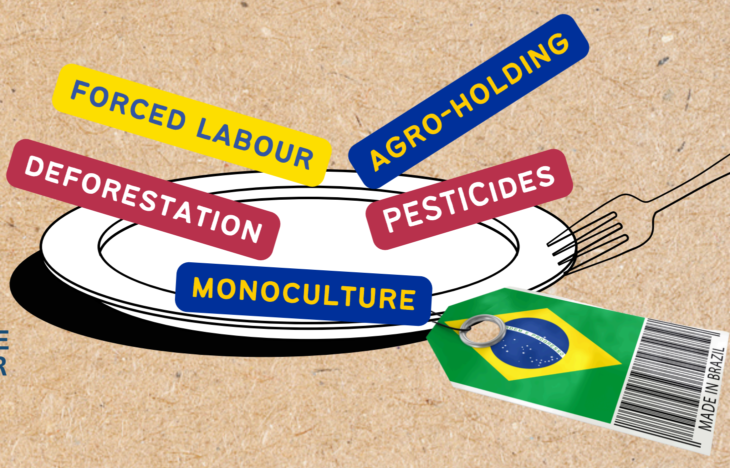
WEAK PROVISIONS ON DEFORESTATION:

SUGAR CANE EXPANSION HAS RESULTED IN LAND USE CHANGE, RAISING CONCERNS ABOUT BIODIVERSITY LOSS AND DEFORESTATION.

SUGAR CANE EXPANSION IS EXPECTED TO AFFECT THE CERRADO ECOSYSTEM AND THE SOUTHERN FRINGE OF THE AMAZON RAINFOREST IN THE COMING YEARS

WEAK PROVISIONS TO PROTECT ENVIRONMENT:

AT LEAST 30 ACTIVE SUBSTANCES BANNED IN THE EU FOR USE IN SUGAR BEET ARE AUTHORISED FOR USE ON SUGAR CANE IN BRAZIL



DO NOT IMPORT FOOD THAT WOULD BE ILLEGAL TO PRODUCE IN THE EU

THIS DEAL INCREASES THE DETRIMENTAL EFFECT OF CUMULATIVE ACCESS ON EU MARKET AND THE ECONOMIC INSECURITY FOR EU OPERATORS:

EU PRODUCTION COSTS ARE **2.3 X higher** THAN BRAZIL'S

+ 190 000 tonnes resulting from two new zero-duty sugar import TRQs of 180,000 tonnes for Brazil and 10,000 tonnes for Paraguay.

Total annual access to EU sugar markets for Brazilian sugar will rise to around **= 950 000 tonnes** including 300,000 from Inward Processing Regime.

- Given existing TRQs granted to other partners and the extreme volatility of the EU market which reacts strongly to additional quantity (even "small"), this cumulative impact will be unsustainable.
- New access granted to Brazilian ethanol imports will be masive with progressive concessions over six years of 450,000 tonnes duty-free for industrial use and 200,000 tonnes at one-third duty for all uses, including fuel. Combined, this equals 8.2 million hectolitres, i.e. 15% of EU ethanol production, comparable to France's beet-based ethanol output.
- New provisions on sustainable products from Mercosur with preferential access to the EU brings further uncertainty as regards possible future additional imports from Mercosur.

EU IS RISKING FURTHER BEET FACTORY CLOSURES AND REDUCTION OF BEET ACREAGE BY GIVING NEW ADDITIONAL MARKET ACCESS FOR MERCOSUR SUGAR AND ETHANOL

THIS DEAL DOES NOT COMPLY WITH OUR STANDARDS AND PUT AT RISK EU OWN AGRICULTURE AND CLIMATE POLICIES AS IT:

DOES NOT PROTECT THE PLANET

- **Does not entail clear legally binding commitments on the Paris Agreement**
- **Jeopardizes the EU's own green transition goals with a "rebalancing mechanism" acting as a new anti-mirror clause measure, could undermine future EU policies**

DOES NOT PROTECT THE PEOPLE

- **Lacks enforcement on labour and human rights clauses**

DOES NOT PROTECT EU FARMERS, FOOD AND ENERGY SOVEREIGNTY

- **Disproportionately favors Mercosur biofuels and raw materials, exacerbating competitive and unfair imbalances**

UNFAIR COMPETITION

- **Increase EU dependence on sugar with lower standards and imports of critical energy transition materials**
- **Threatens the EU's green transition objectives and weakens the competitiveness of EU farmers, compromising our food and energy security**