

EU SUGAR BEET: AT THE CENTER OF GLOBAL SUSTAINABLE CHALLENGES

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VIBRANT RURAL AREAS & CIRCULAR BIO ECONOMY

- 1 700 000 ha beet area in 2018/19
- 19 European sugar beet producing countries
- 140 000 beet growers
- 106 beet sugar factories
- 23 000 direct jobs supported by the sector
- 18 ethanol factories



In total, the sector provides more than 362,000 direct and indirect jobs across the European Union and contributes almost 16 billion EUR to the EU's GDP. Sugar sector jobs are found mainly in rural areas; they are highly skilled and well paid. The sector allows the production of high added-value products.



SUSTAINABILITY & ENVIRONMENT

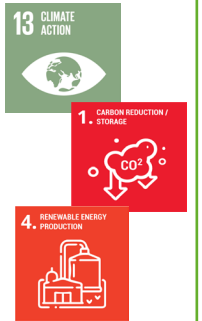
In 2013 CIBE, with sugar producers (CEFS) and trade unions in the food and agricultural sectors (EFFAT), founded the **EU Beet Sugar Sustainability Partnership - EUBSSP**. To highlight and disseminate good agricultural, industrial social and environmental practices in the sector. Sugar beet is grown in rotation. The EU sugar beet sector has a long tradition of state-of-the-art practices and technology, of social dialogue and of continuously working to improve **resource-use efficiency and reduce environmental impacts**, with the support of 14 technical beet institutes in the EU, aiming at:

- preserving soil fertility, biodiversity and structure
- ensuring nutrient management by balancing fertilizer requirements of different crops
- reducing levels of soil-borne pathogens and other pests and diseases and thus reducing the requirement for plant protection products
- helping to control weeds
- increasing the potential of CO₂ capture www.sustainablesugar.eu.

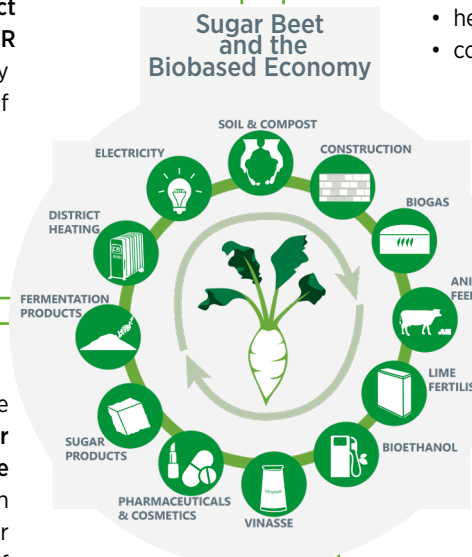


CLIMATE CHANGE

- 1 hectare of beet captures around 37t of CO₂ net
- Beet is a remarkable converter of solar energy, producing 5 times more energy than it consumes **#FarmersClimAct**
- Producing feedstocks in biorefineries for the biobased industries helps decarbonising the economy. For example, ethanol from sugar beet:
 - reduces net GHG emissions - on average by 70% compared to fossil fuel
 - provides an immediate solution to decarbonising energy by directly replacing fossil fuels in existing combustion fleets at the lowest carbon abatement cost of alternative fuels
 - helps reduce emissions of air pollutants
 - complies with strict sustainability criteria regarding land use.



The EU sugar industry has committed to reduce GHG emissions by 43% by 2030, compared to 2005.



INNOVATION & PROGRESS

Why innovation? Because it:

- builds resilient activities
- ensures productive & decent employment
- protects the environment & ensures sustainable use of resources

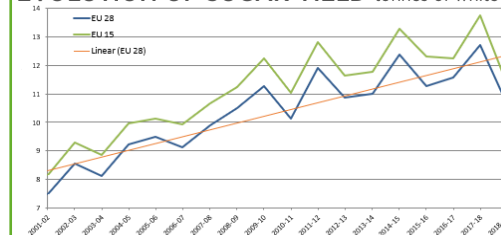


CIBE supports the important role of progress & innovation, in particular related to **breeding of new beet varieties**, beet growing best practices such as **integrated pest management**, organic beet cultivation and **digitalisation** of beet cultivation. We plead for the development of a **solid regulatory framework** that guarantees a balance between environment, protection and quality agricultural products.

@AgriProgress

Group Agriculture & Progress

EVOLUTION OF SUGAR YIELD tonnes of white sugar per hectare harvested



Constant investment in good practices and sugar beet breeding has **↑ sugar yield per hectare by 2%/year** during the past 2 decades while inputs **↓ significantly**.

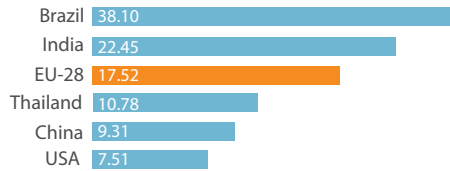


FOOD SECURITY & GLOBAL MARKET

The EU beet sugar sector contributes to global food security with the highest social and environmental standards:

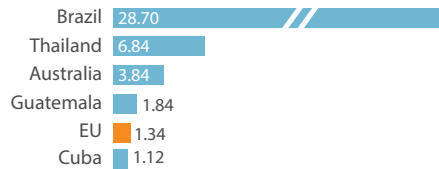
EU: WORLD'S 3RD SUGAR PRODUCER

in million tonnes in 2017 - source ISO 2018



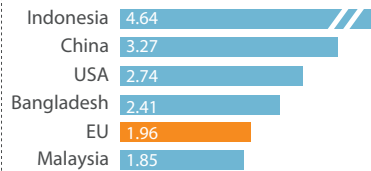
EU: WORLD'S 5TH EXPORTER OF SUGAR

in million tonnes in 2017 - source ISO 2018



EU: WORLD'S 5TH IMPORTER OF SUGAR

in million tonnes in 2017 - source ISO 2018



SUPPORTING DEVELOPING & EMERGING ECONOMIES

The EU already offers preferential access to the EU sugar market to 112 countries, representing an import potential of 25% of EU consumption:

- **to all developing countries:** duty-free quota-free access to all 88 African Caribbean Pacific & Least Developed Countries (Economic Partnership Agreements and Everything But Arms scheme)
- **duty-free Tariff Rate Quotas (TRQs) granted to 14 preferential partners** (Guatemala, Costa Rica, El Salvador, Honduras, Nicaragua, Panama, Colombia, Peru, Ecuador, the Ukraine, Georgia, Moldova, Vietnam, Canada), of which 11 can export raw cane sugar to the EU
- **duty free TRQs granted to Balkan countries** (Albania, Bosnia & Herzegovina, Serbia, Kosovo, FYROM)
- **duty free access via Inward Processing Regime for sugar** from all over the world
- **reduced duty TRQs: WTO-TRQs (CXL)** granted to major sugar exporters Australia, Brazil, Cuba, India and FTA-TRQ granted to Mexico.



A PLEA FOR FAIR TRADE & LEVEL PLAYING FIELD

High volatility & trade distorting support by third countries undermine our resilience.

The current world sugar market is a residual market, subject to **high volatility**: it frequently trades below the average production costs of even the most efficient sugar industries.

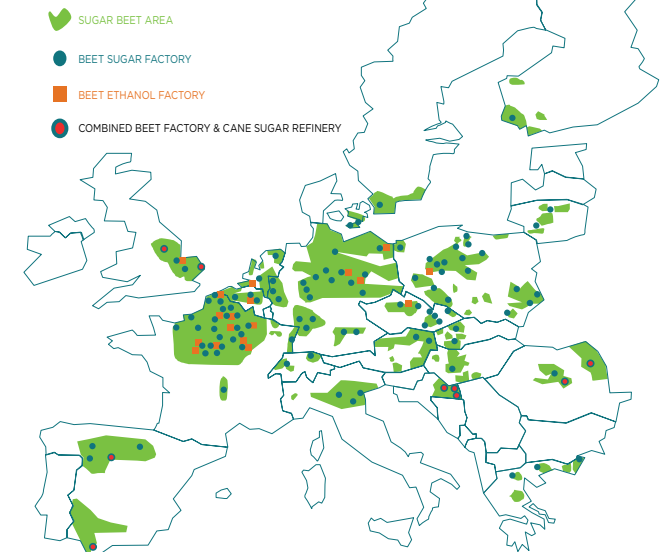
This is due in large part to the **trade-distorting support measures of some of the major sugar producers and exporters**, such as Brazil, Thailand and India.

As a result, **the EU beet sugar industry is not competing on a level playing field with sugar producers in third countries.**

What we support

We support a trade policy that allows the EU sugar industry to compete **on a level playing field** in the EU and world markets. We **oppose** further market access concessions to third countries that do not respect EU standards and that create **double standards between domestic and imported sugar products.**

SUGAR BEET IN THE EU



FOR A STRONG SUSTAINABLE SUGAR BEET SECTOR: SPECIFIC CHALLENGES FOR EUROPEAN BEET GROWERS



CIBE calls for a strong, common and adequately financed CAP and opposes any renationalization.

CIBE notes the increasing risks of divergences included in the Commission's CAP proposal for 2021-2027 which could lead to divergent national policies and weaken the EU single internal market for agri food products in general and for beet sugar in particular. CIBE calls for the establishment of a common level playing field, with common goals and common rules in the two pillars of the CAP to be applied by Member States.

CIBE calls for consistency between EU policies on agriculture, trade, environment and health as this consistency is currently sorely lacking. In particular, CIBE calls for the maintenance of a workable toolbox for growers to combat weeds, pests and diseases and opposes the creation of double standards between domestic and imported beet sugar products.

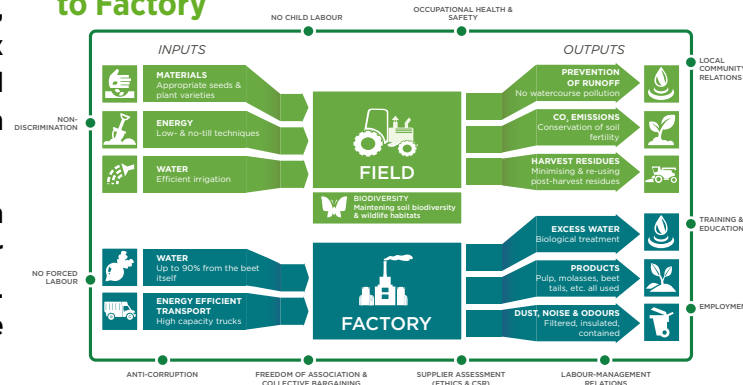
CIBE takes note of the recommendations by the High Level Group on Sugar set up by the Commissioner for Agriculture but calls for concrete and rapid results. In particular, CIBE calls for measures to improve the resilience of the EU beet sugar sector.

How to improve and strengthen the position of growers and growers' associations in the supply chain?

CIBE calls on the Commission and Member States to ensure that the CAP/CMO regulation and the Directive on unfair trading practices are respected by all sugar beet processors and to support:

- the positive role of growers' organizations and producer organisations in collective negotiations on the key terms of the beet contracts (incl. value sharing clauses, prices and quantity),
- the need for appropriate market indicators,
- the need for transparency and balance in value sharing clauses.

Our Commitment: Sustainability From Field to Factory



How to ensure sustainability, competitiveness, productivity gain and innovation?

CIBE calls for:

- assessing the environmental and economic impacts of the bans/restrictions on Plant Protection Products
- working with the EU beet sugar sector as regards further active substances of importance for the sector and in the renewal process so as to adopt appropriate science-based and risk-based decisions with appropriate timing
- putting in place accompanying measures, such as research and development support
- supporting innovation, in particular as regards an appropriate regulatory framework from New Breeding Techniques
- supporting the continuous progress in productivity and the maintenance of a workable toolbox & sustainable practices for growers.



SUGAR BEET, A REMARKABLE CROP

FOR A STRONG SUSTAINABLE SUGAR BEET SECTOR: SPECIFIC CHALLENGES FOR EUROPEAN BEET GROWERS



How to manage high volatility and risky markets?

Ensure sector resilience



CIBE calls for:

- the option to offer growers the possibility to base their beet contracts on sugar futures
- the access to efficient risk management tools: for example, the introduction in the CAP of the Income Stabilisation Tool in the beet sugar sector, to be managed by growers should be rapidly investigated. This tool should be supported by the Member States and the EU
- supports from the EU for such programmes in the form of re-insurance programmes (for which a dedicated crisis reserve might be used).

Provide access to appropriate safety nets in the CAP



CIBE calls for:

- an improvement of safety nets and exceptional measures:
 - available safety nets mismatched to deal with specific sugar market crisis
 - allowing the use of Article 222 of CMO regulation; allowing growers to participate in a possible production reduction/adjustment scheme, to be activated independently from other CMO measures
 - a support in the form of incentives for the production of ethanol. A tool to divert sugar from food market to non-food market and to temporarily lift the 7% cap on crop-based biofuels should be investigated in the event of sugar market crisis in the EU
- a new crisis reserve, to be implemented in case of extreme crisis and with no impact on farmers' direct payments, should be established rapidly to finance exceptional measures.



Oppose any further market access concessions, stop the dumping on world market and mitigate possible Brexit impacts



CIBE calls for:

- a stop to granting market access concessions: CIBE opposes the concessions on sugar and the EU-Mercusur agreement
- opposing dumping of sugar by third countries on world markets
- fair competition on international markets
- avoiding a no-deal scenario on Brexit
- including sugar beet in eventual support policies and compensation measures to mitigate negative impacts.

