

International Confederation of European Beet Growers

CONFEDERATION INTERNATIONALE
DES BETTERAVIERS EUROPEENS

CONFEDERAZIONE INTERNAZIONALE
DEI BIETICOLTORI EUROPEI



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INTERNATIONALE VEREINIGUNG
EUROPÄISCHER RÜBENANBAUER

MIĘDZYNARODOWA KONFEDERACJA
EUROPEJSKICH PLANTATORÓW BURAKA

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European sugar beet growers concerned by the likely deterioration of the conditions and terms of beet purchase as from 2017

European Beet Growers held their General Assembly in Utrecht on 19th May 2016. They examined the gloomy outlook of the EU sugar market and the main economic and political issues facing beet growing in Europe, with a special focus on the abolition of the EU quota system as from 1st October 2017.

The DG-Agri Director of agricultural markets confirmed that the proposal by the EU Commission to implement temporary market measures for MY 2015/16, i.e. additional sugar imports and release of out-of-quota sugar on the EU market for a total of 300-400 000 tonnes will finally not be adopted in May as originally proposed. *“This is a wise decision”*, commented Jørn Dalby, Chair of CIBE’s Economic and General Affairs Committee. *“This proposal would indeed have been a blow to European beet growers who have adapted to market drivers and reduced their beet area in MY 2015/16 by 15% to reduce stocks”* stressed Jørn Dalby. *“Ahead of the abolition of sugar quotas as from 1st October 2017, we absolutely need to avoid accumulating unnecessary sugar stocks. In addition, sugar prices and beet prices remain very low: therefore, this proposal and its timing would have been a non-sense. The EU Commission must above all prevent any catastrophic and unsustainable market situation which only benefits big sugar users to the detriment of growers”*. Furthermore, European beet growers remain extremely vigilant with regards to the bilateral trade talks with the US and with Mercosur and to any further opening up of the EU sugar market. Sugar, sugar products and beet based ethanol are extremely sensitive products in these negotiations, where there is no level playing field for the EU beet sugar sector.

The beet sowing for MY 2016/17, i.e. the last beet sown under the quota regime, is now completed in most of the CIBE members’ countries. The very first indication of 2016/17 beet area shows an increase of around 9% compared to 2015/16, following the 15% decrease in 2015/16. The sector is now looking at the post-quota period. European beet growers also warned the EU Institutions that the European beet sugar sector has entered a period of turbulence with regards to the negotiations of future written agreements within the trade post-2017. *“Given the current situation, European beet growers fear a marked deterioration of the conditions and terms of beet purchase as from 2017. The maintenance of the contractual framework in the beet sugar sector as from 2017 is crucial and we welcome in particular the upcoming publication by the EU Commission of the draft delegated act that will ensure the legal security of collective negotiations on value sharing clauses between beet growers and their beet processor. But we regret that the collective negotiations of these specific clauses will not be mandatory as they are today. We call on the European Parliament and the Council for the fastest possible adoption. In addition, force is to note that the pressure is now high on beet growers who will bear decrease in prices and increase in volatility”* underlined CIBE President Bernhard Conzen.