

International Confederation of European Beet Growers

CONFEDERATION INTERNATIONALE
DES BETTERAVIERS EUROPEENS

CONFEDERAZIONE INTERNAZIONALE
DEI BIETICOLTORI EUROPEI



INTERNATIONALE VEREINIGUNG
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PRESS RELEASE

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EUROPEAN BEET GROWERS REACT TO RUMOURS AND TEXTS CIRCULATED BY THE COMMISSION

For the past few days the press has been propagating rumours fed by the European Commission. These rumours concern the future of the Common Market Organisation for sugar which will be part of the proposals to be presented by the Commission mid-October 2011. Thus, one month before the scheduled date and as the inter-services consultation is just beginning, the Commission is announcing via the media the end of the current CMO sugar and of its market instruments for 2016.

Whilst we take note of the proposal to extend the current CMO by one year, we consider such a short transition period as radical and such a proposal without foundation. It is not even supported by the impact study recently communicated by the Commission's services. Indeed, this study, which besides being provocative and debatable with regards to some of its statements, in no way leads to the conclusion that quota abolition would be the best solution for our sector.

Moreover, the hypotheses underlying this scenario described in the impact study are totally inconsistent. For example, with a sugar beet price decrease of 20% by 2020 in comparison with 2009/10 (and of around 50% in comparison with 2006/07), the abolition of quotas would certainly not lead to an increase in beet production as it is stated, because of the drop in its relative profitability in comparison with alternative crops.

The figures in terms of beet area and production resulting from this scenario (less than 2% increase by 2020) are absolutely not relevant, and indeed misleading. If it is a question of increasing our beet production and our sugar exports, the 2011/12 beet campaign which is now beginning in our beet-growing regions, clearly demonstrates that with an increase in beet area of around 3% and very good yields leading to a total production increase estimate of about 13% compared to 2010/11, it is not necessary to abolish all market instruments for the sector to respond efficiently to demand.

The European beet growers wish to restate that the instruments of the sugar CMO have shown their effectiveness in extreme situations of surplus or scarcity. Thus, they would like to reiterate their priorities for the future which would include extending the sugar CMO, with quotas and the minimum beet price, up to 2020. They would like to stress once again the challenges ahead such as how to ensure a sugar market balance in Europe; how to manage the extreme volatility of world market sugar prices; how to preserve the grower's income and to ensure a fair share of the added value between growers and sugar processors. The proposal leaked by the Commission ignores these challenges and is not consistent with the objectives which the Commission itself defined in its Communication in November 2010. The proposal also ignores the European Parliament's resolution on CAP 2020 voted in June 2011.

As the inter-services consultation is now beginning, European beet growers hope to have a transparent and constructive debate with the European Institutions in the coming months based on sound and well-founded analysis.

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