

Towards a sustainable and competitive sugar sector:

Prolong the Single CMO for Sugar until the end of the 2019/2020 marketing year

CIBE, CEFS, EFFAT and the ACP/LDCs ask Members of the European Parliament to support the proposal on the Single CMO for sugar in the plenary vote on 13th March 2013, as it was voted in the Committee on Agriculture and Rural Development on 23rd January: Prolonging the Single CMO for sugar until 2019/2020 would go a considerable way to guaranteeing decent employment, improving the sector's sustainability and providing sufficient sugar supplies at sustainable prices for farmers, processors, suppliers, workers and consumers.

INCREASING EUROPE'S COMPETIVENESS

The EU sugar sector has been through a major restructure since the 2006 reforms and 83 factories – almost one in two – have closed. More than 22,000 direct jobs have been lost and more than 150,000 farmers have ended beet cultivation. Nonetheless, **both the EU and ACP/LDC countries are committed to a more competitive sugar sector and are making considerable investments to improve their core business and diversify.**



“While the sector is becoming more competitive it needs more time to ensure its investments bear fruit. Extending the Single CMO for sugar until 2020 will provide the necessary stability and predictability to do so, towards sustainable growth.” Johann Marihart, CEFS President.

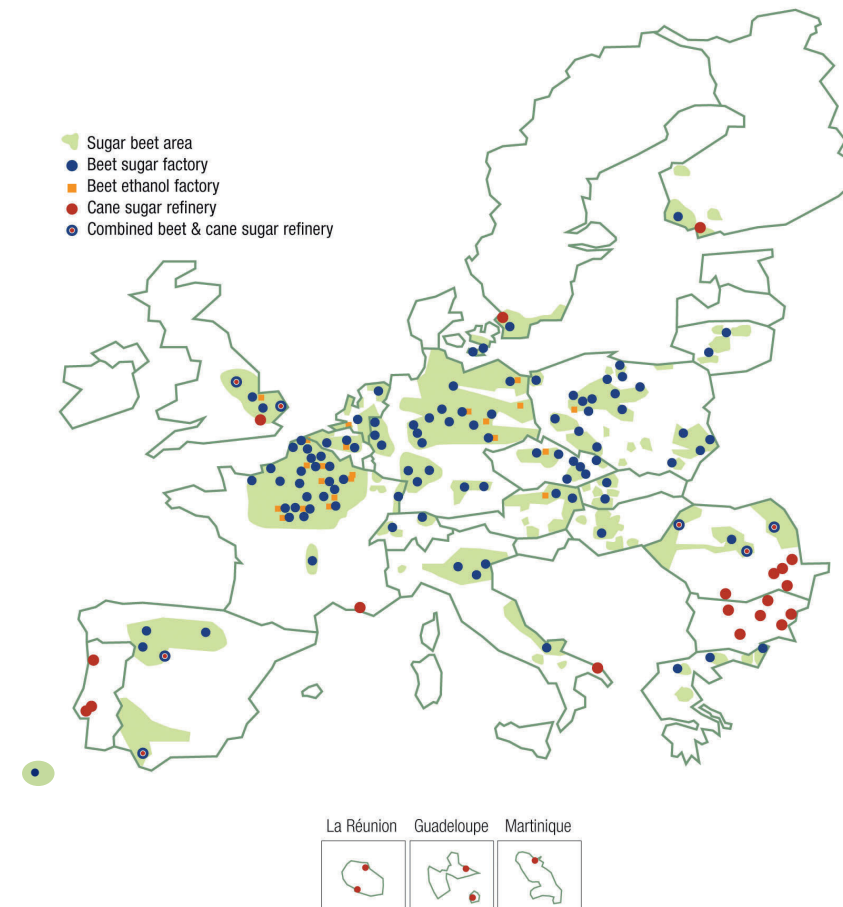
MAINTAINING DECENT JOBS

A robust and competitive sugar industry is a driver of economic activity, especially in rural areas with a long tradition of beet or cane growing. **In Europe, beet sugar is produced in 18 Member States by 106 factories, supporting 160,000 beet growers and 180,000 direct and indirect jobs, concentrated in rural areas severely hit by the crisis.** The sector is also the driver behind a large number of European employers ranging from research institutes to machinery manufacturers, many of which are SMEs.

“Reform should not entail further hardship for workers, especially at a time of considerable socio-economic crisis. It should ensure that decent jobs – and the social investments made in the sector – are preserved and valued.” Harald Wiedenhofer, EFFAT General Secretary.

PROVIDING A MODEL OF ENVIRONMENTAL SUSTAINABILITY AND PARTNERSHIP ALONG THE CHAIN

The sector is contributing to the shift towards a resource-efficient, low-carbon economy. It is improving agricultural and industrial practices and has a key role to play in making European agriculture greener e.g. beet is always a rotational crop, **and a model in terms of sustainability.** Similarly, the land in most ACP/LDC sugar producing countries has a long tradition of sugar cane farming and the multifunctionality of the industry has been widely recognised as reality.



“As a model of environmental sustainability, we are working together at farm and factory level but this needs investment and stability,” Jørn Dalby, CIBE President. **“This partnership is also clear in the sector's specific contractual framework which is crucial to ensure the added value is shared fairly”.**

REALISING THE EU'S DEVELOPMENT GOALS

As the 2006 reform intended, **the EU has become one of the world's largest net importers of sugar, mainly from developing countries.** Sugar industries in ACP/LDCs offer long term food security and contribute to the eradication of poverty, both as suppliers and as creators of export earnings to finance food purchases. There is a growing awareness of the environmental benefits of sugar cane industries in these vulnerable and fragile economies, similar to the EU's policy of sustaining the rural

economy. Moreover, raw cane sugar imports for refining and the refining industry contribute to the EU market and we support the continuation of the current arrangements which result in fair, stable and reasonably remunerative prices for ACP/LDC suppliers. It is also important to maintain the plurality of potential buyers for ACP/LDCs and not to erode their preferences (i.e. duty free, quota free access).

“The European market must remain stable to maintain a viable and attractive market for suppliers in ACP/LDC countries, many of which are long standing trading partners with small and vulnerable economies,” Ambassador Gomes of Guyana on behalf of the ACP Group.

STABILISING THE MARKET AND SECURING ACCESS TO A RELIABLE SUGAR SUPPLY

The Single CMO for sugar provides a buffer for the EU against world market volatility. The abolition of the flexible tools to manage supplies to the internal market (i.e. to withdraw sugar in situations of surplus or to release sugar/allow additional imports in situations of deficit) would increase EU market volatility and damage the EU's ability to secure access to a reliable and predictable sugar supply. Any permanent increase in imports should be strongly opposed. This would undermine ACP/LDC preferences and damage the coherence between the EU's agricultural, development and trade policies.

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