



4 June 2018

Trade for All: the EU-Mercosur negotiations

Dear President Juncker,

Representing European sugar manufacturers, sugar beet growers, and employees respectively, CEFS, CIBE and EFFAT are watching with concern the ongoing EU-Mercosur trade negotiations.

We would like to recall the theme of the Commission's current trade strategy, which is 'trade for all'. We recognise the importance of opening overseas markets for EU products. But the EU's trade policy must work for everyone: defensive as well as offensive sectors, agriculture as well as industry.

The EU beet sugar sector has been neglected by trade policy in recent years, and used as a bargaining chip in negotiations. Over the past five years bilateral access to the EU sugar market has increased almost threefold, and now totals over 700,000 tonnes. WTO (CXL) access has also increased, to almost 800,000 tonnes.

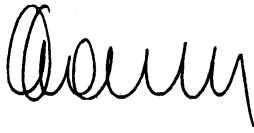
These agreements were concluded well after the 2006 decision to abolish sugar quotas, which has transformed the EU from a net importer to a net exporter. We are now faced with a situation where market access for third countries well exceeds market requirements. These requirements will incidentally fall substantially with Brexit.

EU sugar beet growers and processors are suffering despite having engaged in drastic restructuring to increase their competitiveness and sustainability. Our sector is currently enduring an unprecedented period of hardship. Sugar prices are well below the EU reference threshold – the benchmark for the health of the sector – and insufficient to cover the costs of even the most efficient EU producers. Recent and potentially-forthcoming decisions to ban plant protection products will damage the competitiveness of the sector vis-à-vis third countries and undermine good environmental practices.

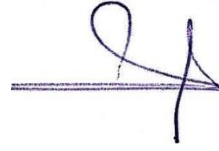
This adverse context will have consequences for the rural communities that are sustained by sugar beet cultivation and processing. The sugar sector provides a sustainable income for 140,000 farmers across the EU, as well as high-quality, industrial, remunerative employment in regions where few alternatives exist.

We implore the European Commission, European Parliament, and Member States to listen to the EU sugar sector and to defensive interests in general and to resist unreasonable demands from the Mercosur countries. The EU-Mercosur agreement will shape the perception of the EU of a generation of EU farmers and primary food processors. If the EU's trade policy fails to work for everyone, the European project, of which EU farmers have so far been supporters, will suffer.

Yours Faithfully,

A handwritten signature in black ink, appearing to read 'J. Marihart', written in a cursive style.

Johann Marihart,
President
European Association of Sugar Manufacturers (CEFS)

A handwritten signature in black ink, appearing to read 'Eric Lainé', written in a cursive style with a prominent loop.

Eric Lainé
President
International Confederation of
European Beet Growers (CIBE)

A handwritten signature in black ink, appearing to read 'H. Wiedenhofer', written in a cursive style.

Harald Wiedenhofer,
Secretary General
European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)