

Escaping the regulatory straitjacket to regain our food sovereignty by sustainably ensuring our energy independence.



Résumé de l'article

Au fil des années le secteur du sucre ambitieux et performant s'est trouvé enserré par un carcan réglementaire à toutes les étapes de sa production. Plus récemment le Pacte vert et ses deux composantes « De la fourche à la fourchette » et « Fit for 55 » vont rajouter dans leur forme actuelle des contraintes multiples qui se heurtent aux conséquences redoutables de la crise du Covid et de la guerre Russie-Ukraine.

Dans ce contexte, le secteur du sucre européen doit-il passer sous les fourches caudines de réglementations désormais inadaptées ou au contraire obtenir des institutions européennes la pleine reconnaissance de sa contribution à la sécurité et l'indépendance alimentaire et énergétique de l'UE ?

Summary

Over the years the sugar sector has been increasingly constrained by a regulatory straitjacket covering all stages of production. More recently, the Green Deal and its two components "Farm to Fork" and "Fit for 55" threaten to add multiple constraints that risk clashing with the formidable consequences of the Covid crisis and the Ukrainian war.

In this context, should the sugar sector be subjected to regulations that are not adapted to its needs? Or should it be fully recognised for its contribution to food security and energy independence?

I have always thought of crisis as a resource. With COVID, the climate crisis and the Russia-Ukraine war, the European Union is reliving the ten plagues of Egypt a la 21st century. Should we despair or find in these successive upheavals a springboard for action? To resign ourselves would be to condemn ourselves. Indulging in the status quo would lead to the same result. Whether it is a question of the major food surpluses/deficits and therefore of its sovereignty or the specific case of sugar, the European Union must use the food lever to its advantage.

The conference on the future of Europe organised on the initiative of the French Presidency of the Union has just delivered its first conclusions. They emanate from citizen forums which throughout a 98-page report describe a wistful vision of Europe. That is to say an independent, sovereign Union, respectful of the environment, offering citizens a high level of security, health, employment and education. In short, these European citizens – representatives of EU public opinion – are calling for “a new European model”. Yes, but which one?

The need for a new European model

The citizens' forums brought together by the Conference on the Future of Europe are defining a vision that runs counter to the strategy pursued by the EU over the last few decades: they are neither favourable to free trade nor to growth for growth's sake, nor to competitiveness as the basis of societal balance. Very clearly, they aspire to EU sovereignty. And they are right.

Over the years I have been increasingly sorry to see the weakening of the European agricultural model. The original Common Agricultural Policy, which offered producers price stability, guaranteed income, and protection of the internal market has disappeared, replaced by successive revisions: CAP II, CAP III, CAP IV, and so on.

All these revised agricultural policies no longer have anything in common with present needs because they suffer from three defects:

- First, they are based on low prices that necessitate public financial support for producers to reach an economic minimum – and then only with difficulty. In this way the CAP is expensive without necessarily benefiting the main stakeholders.
- The second structural weakness is due to the generalisation of free trade agreements, initially via multinational trade agreements under the aegis of the WTO, then via the multiplication of bilateral or regional agreements such as Mercosur. These agreements have totally destabilised European agriculture and undermined its export capacities for agricultural raw materials. Even agri-food powerhouse France is seeing its agricultural trade balance deteriorate. The cereal balance is barely neutral and 22% of corn consumed is imported. It is above all thanks to the wine and spirits sector and certain dairy products that the trade balance of the European agri-food sector remains in the black.

- The third weakness relates to the distortions of competition between imported and exported products, which begin with the economic, environmental and social conditions of production of third country agricultural raw materials. Imported products benefit from technologies and inputs prohibited to those made in the EU, which are hemmed in by an administrative straitjacket that is antithetical to economic efficiency and technological innovation.

EU food sovereignty requires radical transformations

The war in Ukraine has demonstrated with extreme violence the fragility of the European Union as well as the food and energy dependence of the world's populations. What seemed like a given forever – food security – is no longer. Agriculture and the agri-food sector in general are suddenly revealed as a major strategic tool. Like a food lever.

This notion of a food weapon has always been used by the United States for its exclusive benefit. It is not for nothing that they can export unlimited quantities of oilseeds or cereals to our market without any customs duties. But for now what do we do? We analyse the needs of poor countries in primary cereals. We are scrambling to export obviously insufficient volumes of wheat and maize from Ukraine. We are trying to convince President Putin to maintain Odessa as a free city, a port which would remain open to all Ukrainian exports. These attempts are to be supported, but they do not in any way respond to the scale of the problems posed, nor to the inevitable duration of the conflict with Russia.

In fact, we believe it is necessary to approach the problem in two stages: short-term measures followed by long-term structural transformation.

With regard to the short term, the Commission has proposed various measures which can without prejudice be described as “detailed measures”. This is the case with the return to production of the 10% of land set aside for ecology. As these lands are by nature not very productive, the impact will be minimal, even marginal. Thus, there is also the €500 million allocated to deal with the increase in the cost of inputs; specific aid for the pig sector; the relaxation of State aid rules; the reorientation of ethanol towards food; and even easier access for imports, particularly American imports, to the Community market.

But nothing is questioned when it comes the objectives and means of the Farm to Fork package. Its recessive logic remains: - 50% reduction in pesticides use, - 20% for fertilizers, and +25% organic farming, even though the loss of purchasing power in disadvantaged areas is putting downwards pressure on the consumption of organic products.

The very important draft directives or regulations on three essential texts for the agri-food sector, namely seeds, pesticides and new techniques of varietal selection, remain marked by a retrograde approach giving primacy to the precautionary principle to the detriment of the principle of innovation.

As we have just seen, important short-term measures could be taken for the greater benefit of farmers, industrial processors and consumers. But if they were adopted, we would still be very far from the mark.

Indeed, in the long term, it is the Common Agricultural Policy that needs to be rebuilt, free from subjugation to international rules based on the lowest common denominator. This means renegotiating with the WTO, re-opening free trade agreements, and forcing an end to the artificial system of trade-distorting subsidies. To this must be added the necessary recourse to new genetic techniques on which China is betting all its agricultural development for the coming decades.

The sugar sector: so much to offer and so little consideration!

There was a time when the sugar sector was recognised as a strategic sector contributing to EU food security. An innovative and efficient sector that remains among the most competitive in the world.

Longer than other sectors, European sugar has remained faithful to the founding principles of the CAP: Community preference, independent management of exports without recourse to subsidies and a price system that has achieved the feat of being favourable to farmers, processors and consumers alike.



Caught up in the opposition of the EU authorities to the quota system which governed it – as was also the case for milk – in October 2017 the sugar sector entered “the common law of the CAP”. Five years later, 15 factories have closed permanently. 88 factories now produce European sugar. This has benefited neither sugar beet farmers; nor sugar processors, forced to close factories following negative financial results; nor consumers, retail prices having, on the whole, remained stable. On the other hand, sugar users benefited from the very sharp price reductions when purchasing supplies from sugar manufacturers.

For my certainly non-objective perspective, European sugar seems to me the expression of an ideological, not to say discriminatory, management by the public authorities of the Union. These descriptors are justified whatever our angle of analysis.

- As a first angle of analysis, let us take the "level playing field", which is one of the foundations of EU policies. These vague words mean equal treatment between those products produced inside and those produced outside the Union. But nothing could be further from this concept with regard to the international trade in sugar, which is always a variable of adjustment in the EU's free trade negotiations, with the consequence of increasing imports and reducing our exports; in short, to reduce the productive potential of the sector. Nor does the "level playing field" apply when it comes to the multiple regulations governing the sugar sector, in particular for the active substances contained in plant protection products.

- The ban on neonicotinoids that made national derogations necessary - recognised as scientifically justified by a recent EFSA report - is the best example of this; as well as the suppression of many molecules without any alternative substance available. Pesticide management, seed management, water management, input management: in all these areas our competitors are better equipped than us and are subject to fewer constraints. We demand that imports and European production be treated in the same way through effective mirror clauses.
- The energy component of sugar production deserves our attention more than ever. The Commission aims to support the development of renewable energies and energy efficiency to deliver carbon neutrality by 2050. To achieve this objective, sugar producers must be able to use beet pulp as a source of bioenergy to run their factories. This energy must be recognised as renewable. Unfortunately, the Commission's Fit for 55 proposals would make this very difficult. The anaerobic digestion of pulp by farmers also suffers from unfavourable treatment and is not the subject of any promotion on the part of European public authorities. At a time when the Green Deal is pushing for circularity and energy independence, when we are faced with the threat of gas rationing due to the war in Ukraine, beet pulp being refused recognition as a sustainable and renewable energy source. Under the Commission's Energy Taxation Directive, it would even be taxed in certain cases at the same rate as fossil fuels.
- At the same time, the Commission shows a desire to reorient ethanol production towards traditional food uses without any objective basis. The Commission forgets that with beets nothing is lost and everything is transformed! And that ethanol used in transport also contributes to reducing our dependence on Russian oil.
- Finally, there remains the central question of "sugar and nutrition". This subject has been revived multiple times: considered a dangerous product in the 1970s, sugar has gradually regained its rightful place in a balanced diet with an active lifestyle. Today the pendulum tends to swing back under the action of activist NGOs and certain consumer organisations. At the request of five Nordic countries in 2016 wishing to update their national nutritional recommendations on the consumption of sugars, EFSA (European Food Safety Agency) worked on the question of whether it is scientifically justified to set a maximum limit of sugars for the protection of health. The answer - after examining more than 30,000 scientific references - is clearly "no", just as it was in 2010 in a previous report by the agency. In its new opinion issued on 28 February 2022, EFSA recalls that sugar is an essential element for the functioning of the human body, muscles and brain. The EFSA adds that the problem is not sugar per se, but calories, On this basis, EFSA surprisingly concludes "that sugar should be consumed as little as possible"! We are here 1,000 leagues from rigorous scientific induction.

The European sugar sector more than ever has a strategic role to play

It can contribute in no small way to the food self-sufficiency of the European Union.

It can, if conditions are met, support the realisation of the EU's climate objectives by using the energy intrinsic to beet pulp to run factory processes. Thus the sugar sector can contribute to the energy independence of the European Union: a strategic objective which supports the parallel goal of food security.

European sugar already contributes to global sustainability. Objectively, it is the most sustainable in the world: it emits less CO₂, uses fewer active substances and in lesser quantities, and uses less water than elsewhere. It is better to produce the sugar we need in Europe than to bring in less sustainable sugar from other parts of the world.

How can the sugar sector be (re-)recognised as an integral part of the EU agri-food system? Networking, building alliances, engaging in constructive debate with NGOs: these are our priorities. In addition to relaunching an open partnership with the European institutions.



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