The EU beet sugar industry is preparing for one of the biggest changes in its history: the end of production quotas on 1 October 2017. The end of quotas presents substantial opportunities for EU beet sugar manufacturers, in particular the possibility to produce more sugar for food use and to export without limits. To benefit from these openings, the EU beet sugar industry has worked hard to increase its competitiveness.

Nevertheless, the end of production quotas could put the sector under pressure. Competition will intensify, lower white sugar prices are possible, and isoglucose is expected to take an increased market share. Less competitive EU beet sugar manufacturers may struggle to survive in a harsher market environment. This could have consequences for the 28,000 direct workers and 137,000 farmers that depend on the sector, as well as for the vulnerable rural communities of which sugar factories are often the economic backbone. It is essential that policy-makers remain vigilant with regards to the future of the industry.

CEFS and EFFAT take this historic opportunity to make the following recommendations:

- Aid for private storage will be the only specific and defined instrument that remains to support the EU beet sugar industry after the end of production quotas. As such, it must be fit for purpose. The conditions of the activation of aid for private storage must be the object of particular attention in order to ensure that they are the most effective possible.

- In the event of unfavourable developments in the EU sugar market from 1 October 2017, redundancies may occur. The European Commission should explore the suitability of the different Structural and Investment Funds (ESI) in order to support workers and operators. It may be necessary to make exceptions regarding the criteria for the introduction of some of these funds.

- From 1 October 2017, EU beet sugar manufacturers will be obliged to notify both the selling price of their principal product (white sugar) and the purchase price of their primary input (sugar beet). This high degree of market transparency is not matched by transparency further down the supply chain. The European Commission should consider the recommendations of the Agricultural Markets Task Force to extend market transparency downstream to the users of sugar, to achieve a better picture of how value added is shared along the supply chain.

- Increased sugar exports will be crucial for the EU sugar industry after the end of quotas. The European Commission should promote EU sugar exports and challenge the arbitrary imposition of trade defence instruments by third country importers. The European Commission should exercise caution in its pursuit of trade liberalisation in the context of the EU’s free trade negotiations, specifically: where no level playing field exists, no market access concessions should take place. Finally, the European Commission should more assertively challenge the trade-distorting support policies of the major world sugar producers and exporters, both in the context of bilateral negotiations and in the WTO.