



THE EU SUGAR MARKET TODAY

38th American Sugar Alliance
Symposium

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CEFS (European Association of Sugar
Manufacturers)

7 August 2023

 www.cefs.org

 [@SugarEurope](https://twitter.com/SugarEurope)

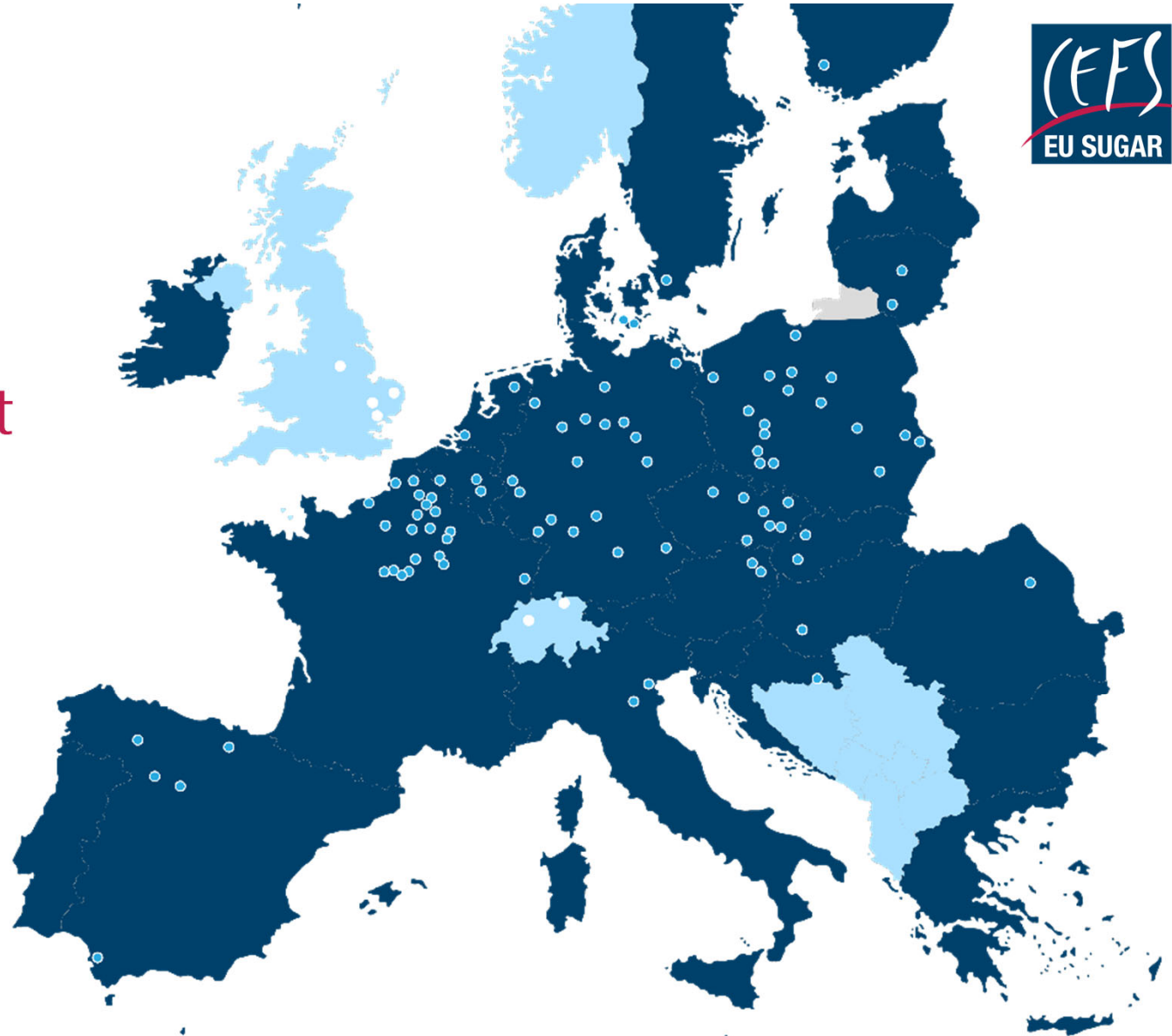


CEFS stands for the
Comité Européen des
Fabricants de Sucre or the
European Association of
Sugar Manufacturers

We represent sugar-
producing companies in
the EU & Switzerland

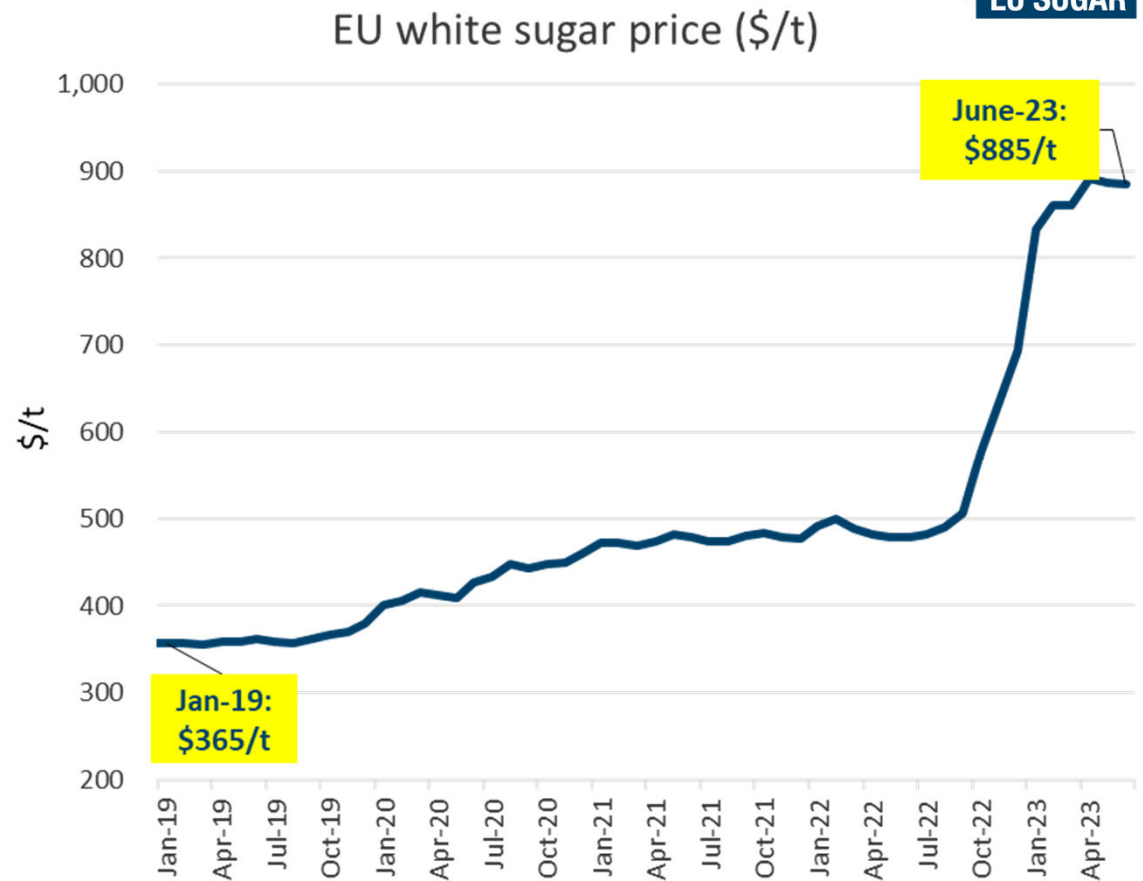


There are 88 beet
sugar factories
active in the EU -
27





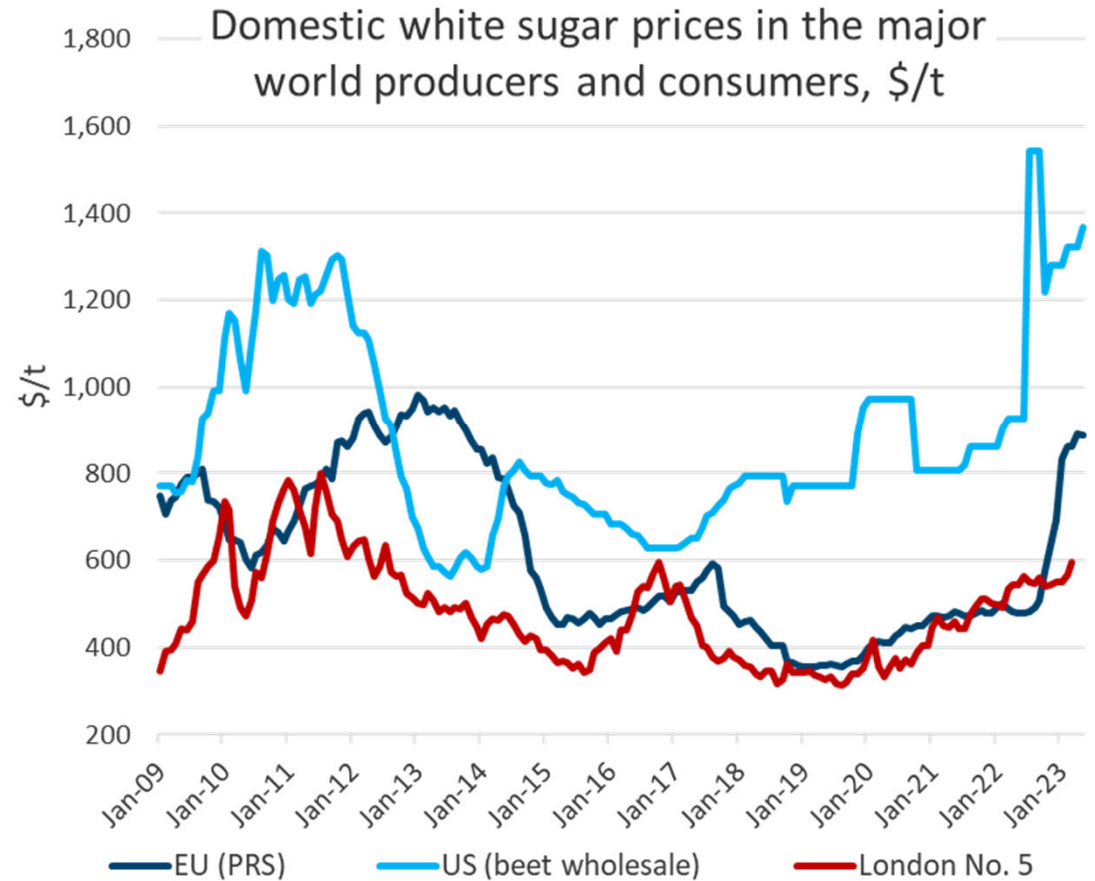
EU sugar prices have recovered since record lows of **\$356/t** in Jan-19 to reach **\$885/t** in June-23



Source: European Commission Price Reporting System .



But EU sugar prices remain below those in the U.S.



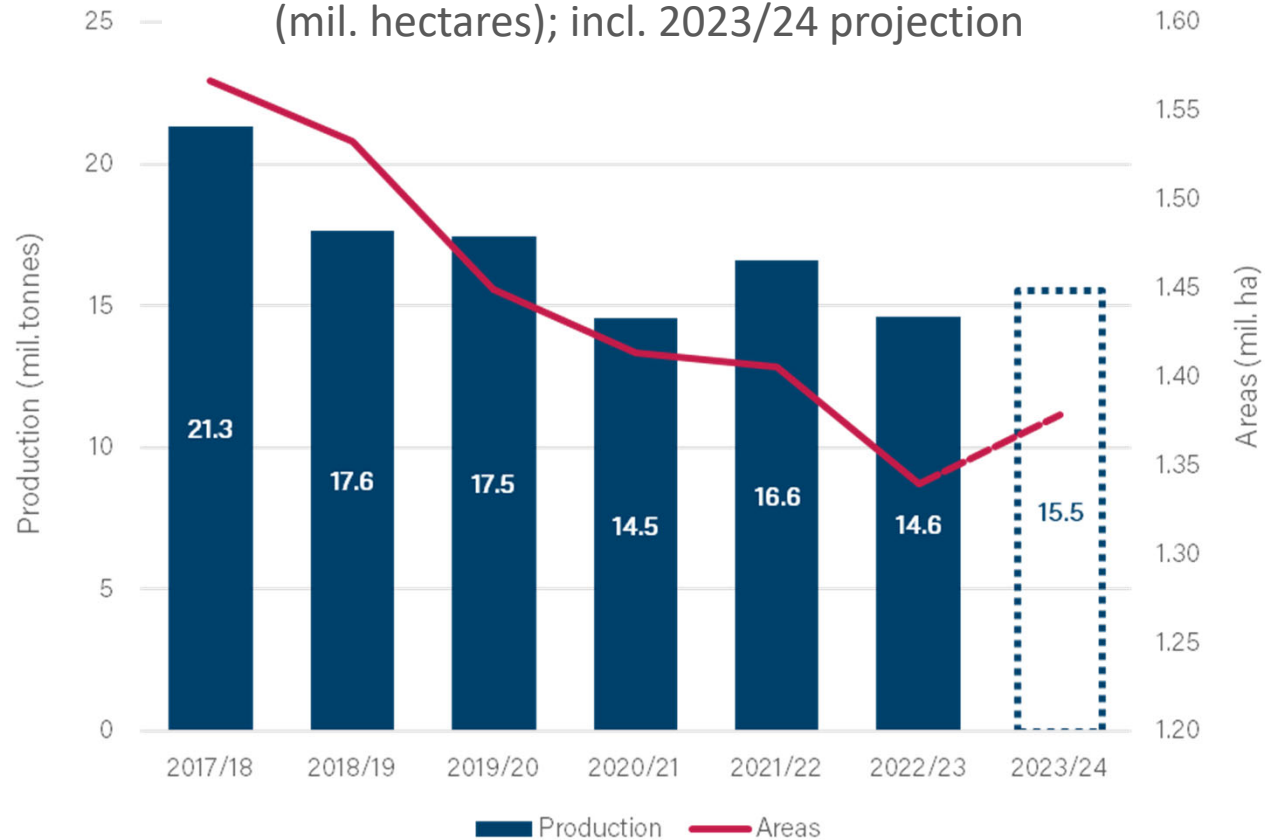
Source: European Commission, S&P Global, USDA



Strong sugar prices uptick in areas and projected production

But everything depends on the rains...

EU production (mil. tonnes, metric) and areas (mil. hectares); incl. 2023/24 projection

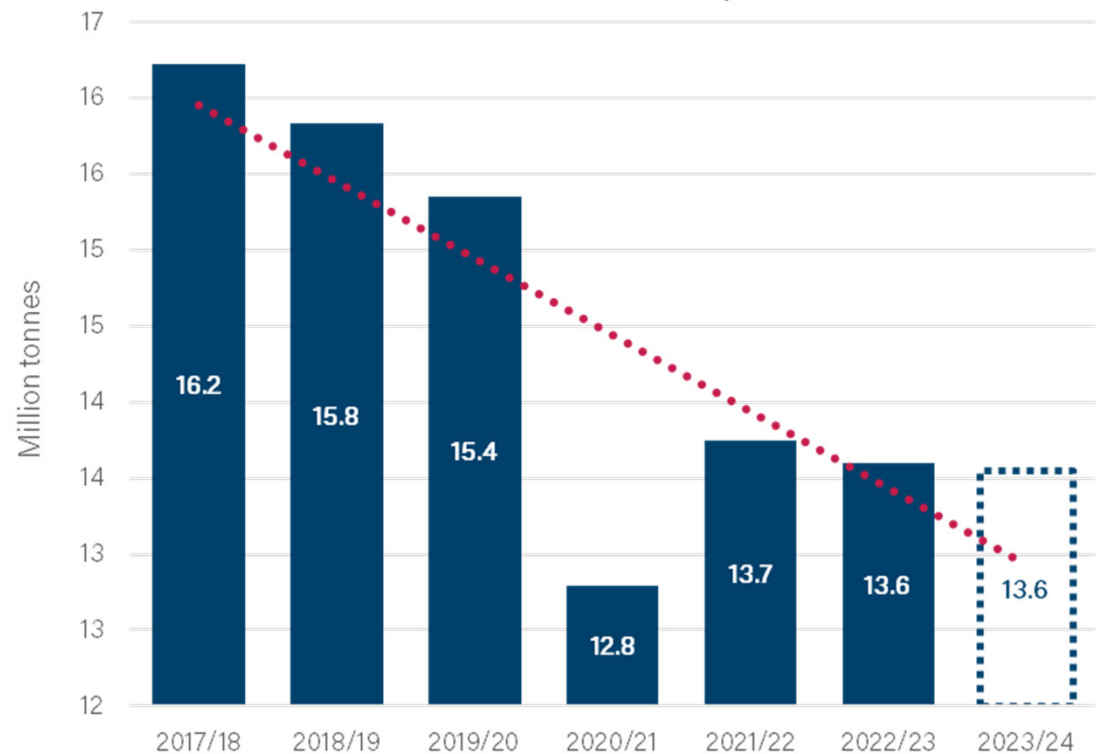


Source: European Commission sugar balance sheet.



Sugar
consumption
(food) has not
rebounded to
pre-COVID
levels

EU consumption of sugar for food use (mil.
tonnes, metric)



Source: European Commission sugar balance sheet.



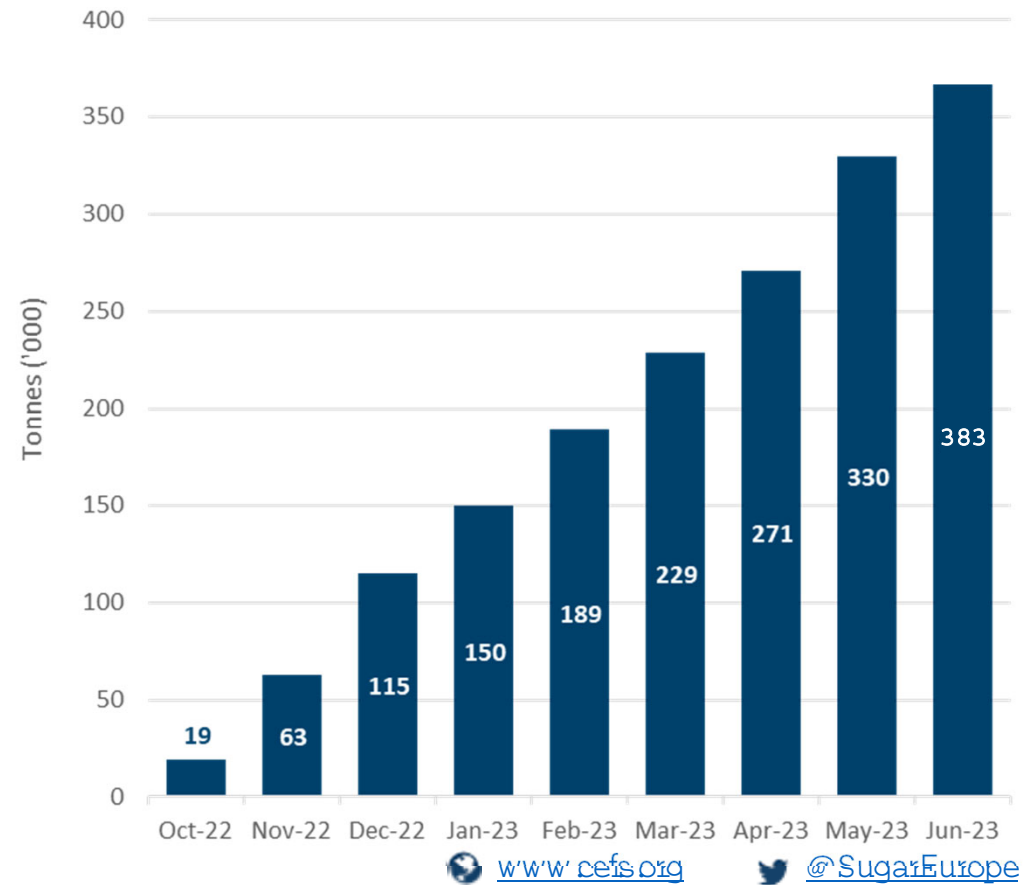
Wildcard: in ports
from Ukraine

2022/23 to date:
383kt

2023/24: 500kt?

Source: European Commission monthly update.

EU imports of sugar from Ukraine ('000 tonnes)

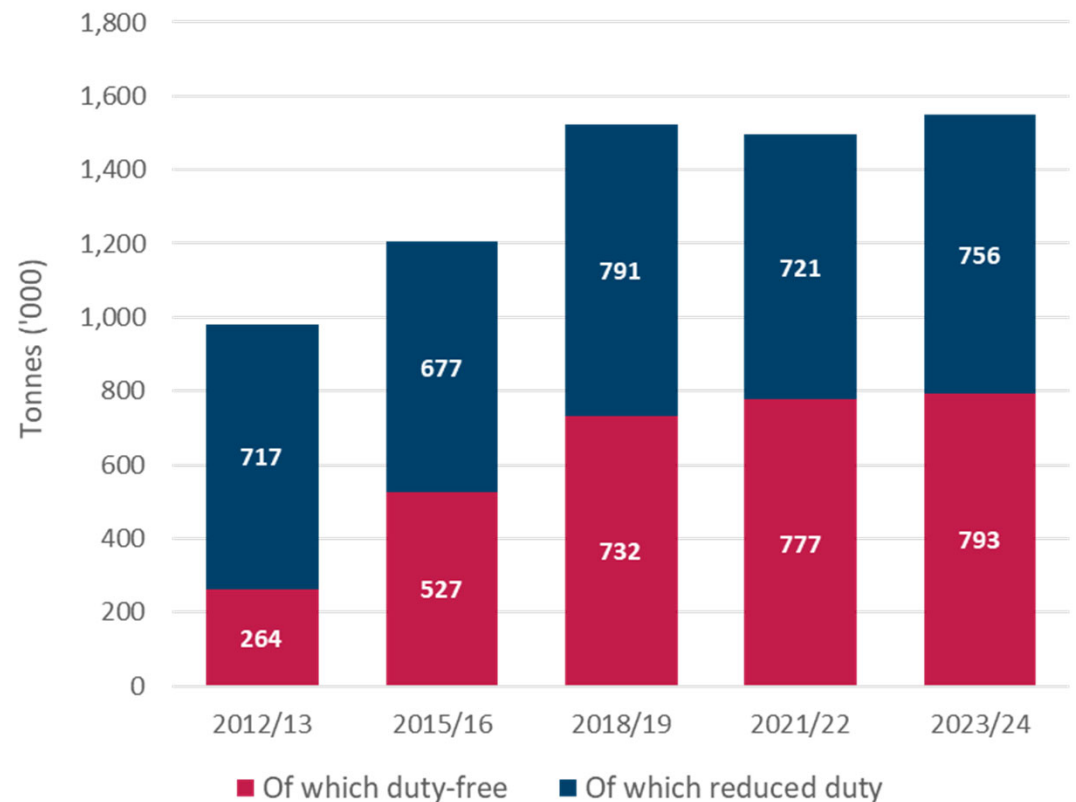




In ports from
Ukraine come on
top of ever-
increasing market
availability

And duty-free
quota-free access to
ACP/LDC countries

EU market availability of third country sugar

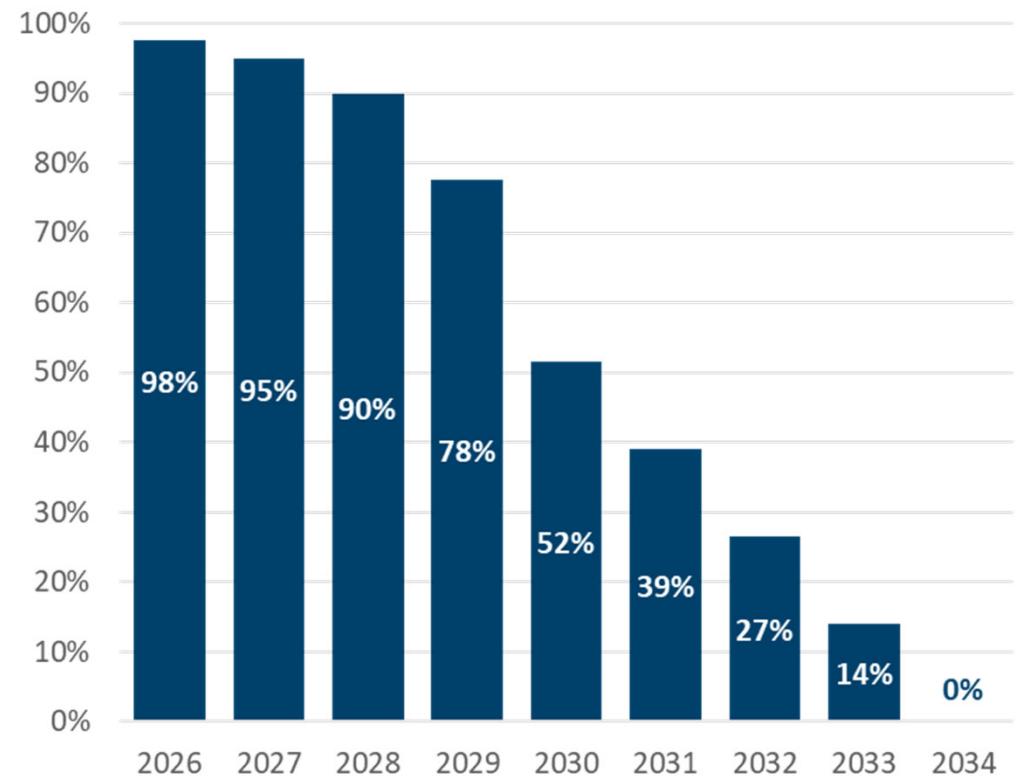




The Carbon Border Adjustment Mechanism (CBAM) is not for sugar.. yet

And parallel phase-out of free emissions allowances would mean dubious benefit for EU sugar sector

Phase-out of free emissions allowances for CBAM sectors, 2026-2034

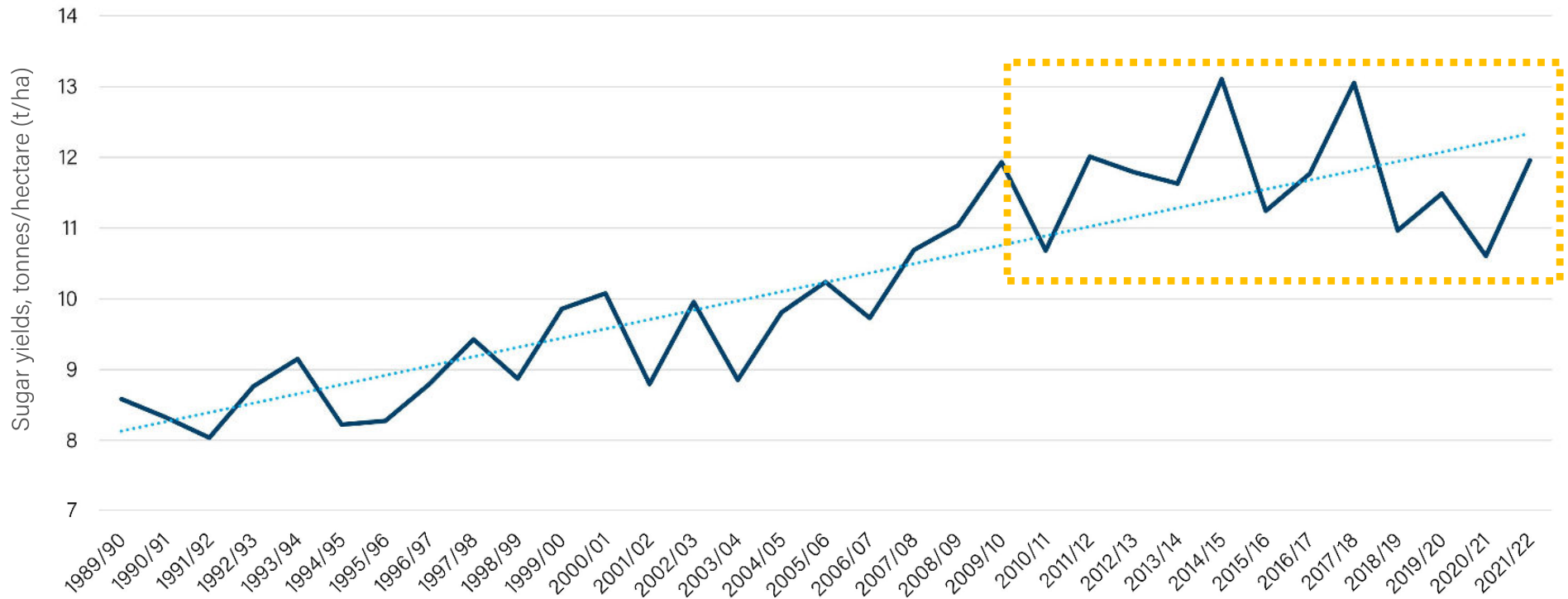




What about agricultural competitiveness?



Increasing EU sugaryields is becom ing more difficult

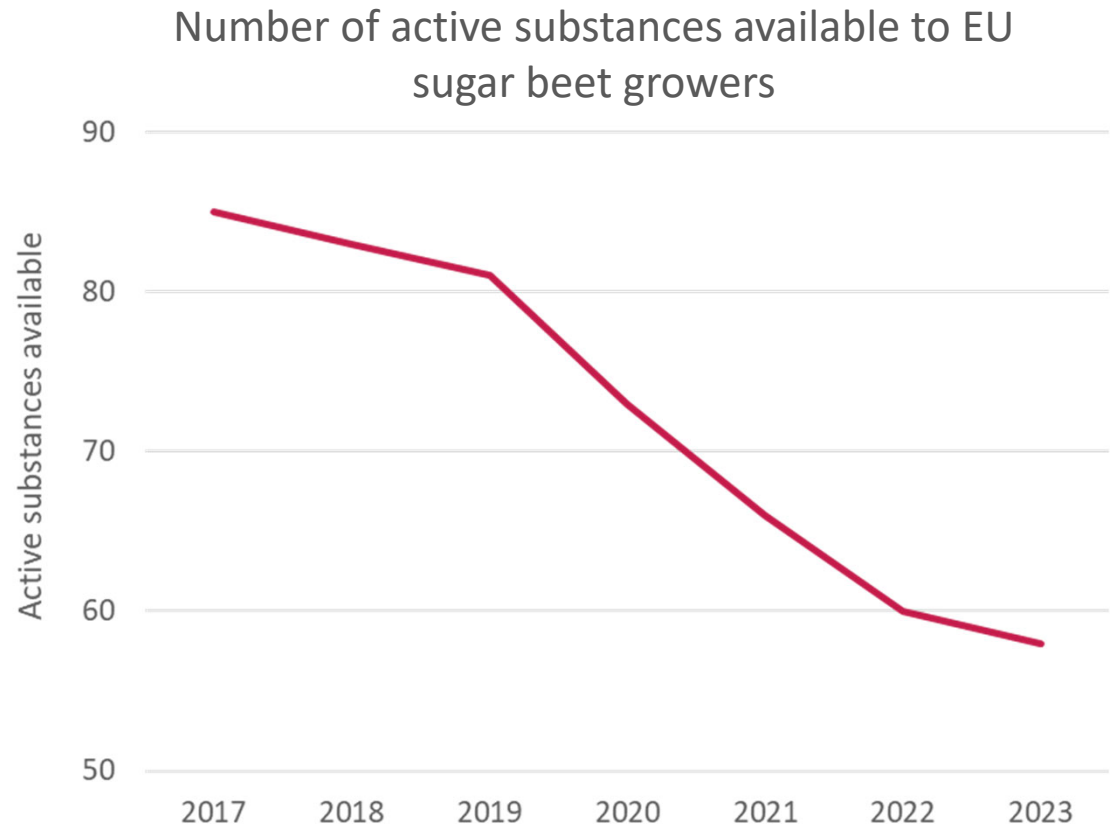


Source: CEFS sugar statistics, 2021/22



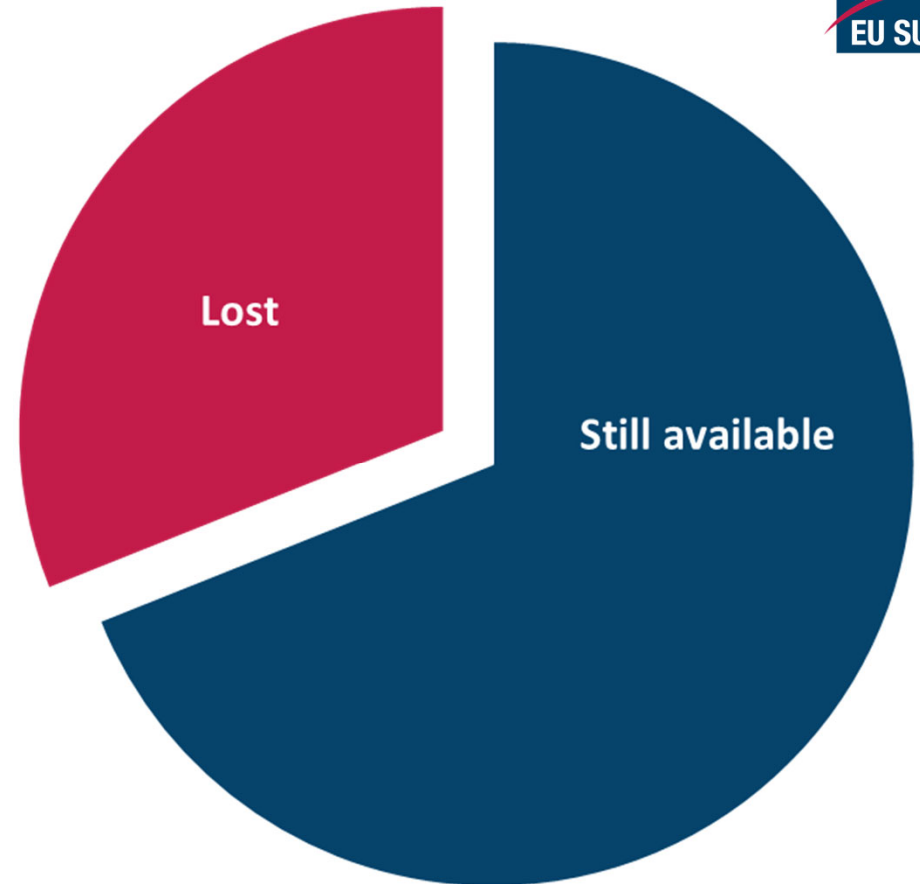
Since 2017 27 active substances have been lost by EU sugar beet growers

New solutions are needed to replace them



27 active substances
used in sugar beet
cultivation **lost** in the
EU

58 substances still
available



Source: EU Pesticide Database

Hope on the horizon? New Genomic Techniques (NGTs)

- **Quicker**, more **accurate** breeding selection
- COM proposal: **5 July**
 - Exemption from GMO legislation for "conventional-like" NGTs



Brussels, 5.7.2023
COM(2023) 411 final
2023/0226 (COD)

Proposal for a
REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
on plants obtained by certain new genomic techniques and their food and feed, and
amending Regulation (EU) 2017/625

(Text with EEA relevance)

{SEC(2023) 411 final} - {SWD(2023) 411 final} - {SWD(2023) 412 final} -
{SWD(2023) 413 final}

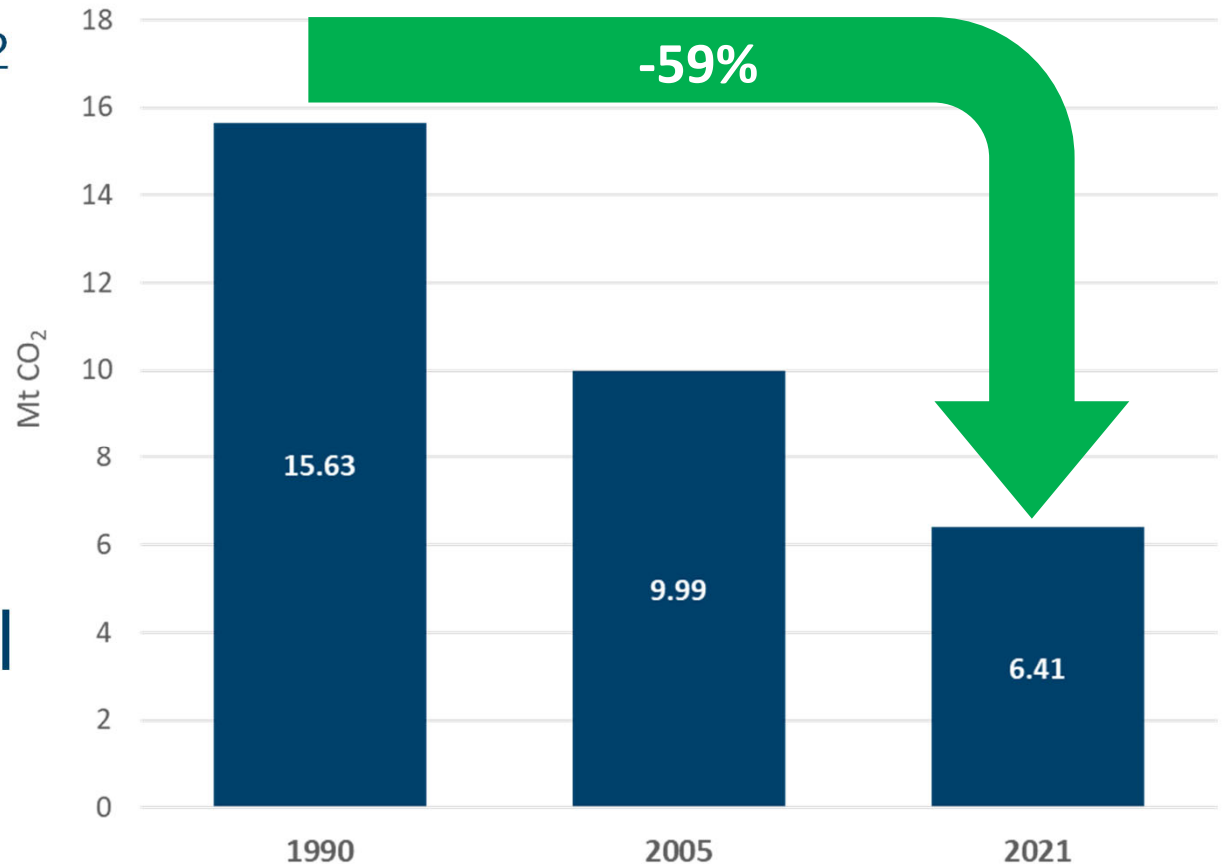
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Industry-wide CO₂ emissions (absolute) down 59% between 1990 and 2021

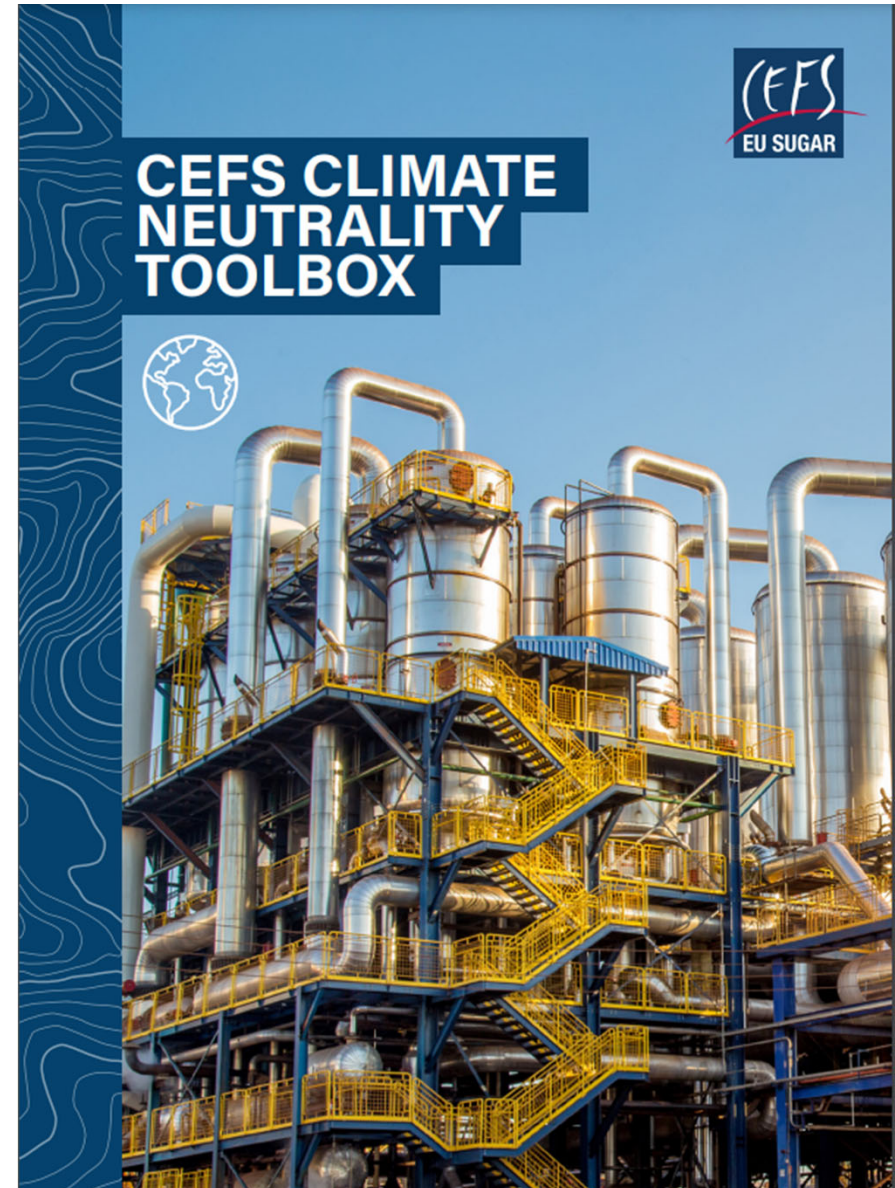
Tackling the remaining 41% will be a huge challenge



Source: CEFS for 1990, 2005; ETS for 2021.

What tools are available to decarbonise the sugar sector?

And what policies are needed to get there?



Full electrification is
not for tomorrow

... and
renewable/bw -
carbon hydrogen
likely to be expensive
and scarce



Own biomass residues
will be essential,
especially in the short
to medium-term



2023 : the final stretch for new EU

proposals	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24
Emissions Trading System (done)	Finalisation				Implementation	
Energy Efficiency Directive (done)	Finalisation				Implementation	
Renewable Energy Directive	Trilogues	Finalisation		Implementation		
Energy Taxation Directive	Council				???	
Trade negotiations	Australia, Mercosur, India			India, Thailand?		
Sustainable Use of PPP Regulation	EP/Council			Trilogues		
Carbon removals	EP/Council				Trilogues	
Packaging & Packaging Waste Regulation	EP/Council			Trilogues		
Green Claims	Proposal	EP/Council			Trilogues	
Sustainable Food Systems			Proposal	EP/Council		
New Genomic Techniques			Proposal	EP/Council		
Seeds legislation			Proposal	EP/Council		
Sustainable Finance Taxonomy*	NEXT MANDATE?					
FIC regulation & nutrient profiles						

EP ELECTIONS 6-9 JUNE 2024

!!!

*Refers to activities of most concern to CEFS : manufacture of food, manufacture of chemicals, crop production

What do we need from policy?

Decarbonisation policies must be pragmatic

Imports from Ukraine must not unbalance EU market

Sugar producers should be supported in case of energy shocks

Competitiveness of sugar beet cultivation should be safeguarded

Sugar must not be singled out in labelling policies





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