

EU sugar and isoglucose quotas must not be extended until 2020

Further delays will hold back necessary investments and prolong chronic shortfalls in European sugar supply

Brussels, 8 November 2012 – In line with long-standing and continuing discussions with the EU Commission, the Member States and the European Parliament, members of the European Starch Industry Association (AAF) reiterate their calls for a definitive end to EU sugar and isoglucose quotas and highlighted the need for the current regime to be abolished as soon as possible.

Ahead of the European Parliament's votes on the CAP reform and a future political agreement between EU Member States in the Council, the AAF calls on both Institutions to vote on a clear and definitive end date for the quotas. This date should be as early as possible, from 2015 onwards.

An end date of 2020, as being proposed by the European Parliament's rapporteur and some Member States, cannot be considered as clear and definitive.

Responding to the European Parliament's Agriculture Committee's new timetable announced on 6 November, AAF Managing Director Jamie Fortescue highlighted that "*a fixed end to sugar and isoglucose quotas will unleash production, investment, and growth in the sugar and isoglucose industries, to the benefit of the consumer and the entire economy. It will ensure fair competition in the sweeteners sector and enable the EU to contribute to global food security.*"

By contrast, **the AAF warned against the adverse consequences of a later end date.** In particular, 2020 would not serve as a clear and definitive end date, as the dossier could then be reopened again in the framework of future post-2020 CAP negotiations: "A 2020 date will not provide our industry with the required legal certainty. This will mean that significant, positive investment decisions in our sector will not take place", explained Fortescue. As a result, it would be impossible to tackle the supply shortages on the EU sugar market and meet the growing demand from EU food and drink customers in coming years.

The European starch industry produces isoglucose (a cereal-based sugar derived from European maize or wheat starch). Under the current regime, it is artificially limited to producing no more than 4% of the EU consumption market of sugar and isoglucose, leaving the sector unable to meet demand, and having an adverse effect on investments and job creation.

For more details on the AAF position on the EU sugar regime please see: '2015 is the right time to abolish EU production quotas on sugar and isoglucose' 'AAF position on the single CMO – Sugar reform'



About AAF

The European Starch Industry Association, the AAF, is the trade association which represents the interests of the EU starch industry both at European and international level. Its membership comprises 24 EU starch producing companies, together representing more than 95% of the EU starch industry, and, in associate membership, 7 national starch industry associations

The AAF's mission is to promote and protect the interests of EU starch producers to EU and international institutions and stakeholders, in order to assure a reliable and sustainable supply of safe starch based ingredients in a fair competitive environment.

For more information please visit <u>http://www.aaf-eu.org</u>

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