



Association des Amidonniers et Féculiers
European Starch Industry Association

February 2013

**STATEMENT OF THE EU STARCH INDUSTRY
ON THE ABOLITION OF PRODUCTION QUOTAS ON SUGAR AND ISOGLUCOSE**

In support of the [Open letter to European leaders calling to “put an end to distorting sugar production quotas and support jobs and growth across the EU food chain”](#) that you have recently received and that was co-signed by 26 trade associations representing the customer base of the EU starch industry, the AAF, [the European starch industry association](#), wishes to provide you with the isoglucose producer perspective.

The AAF calls upon the EU institutions to comply with the principles set out in the EU treaty and to ensure that the archaic quota system comes to a definite end for the following reasons:

- The EU sugar regime hampers the functioning of the **EU single market** to the detriment of the European starch industry and their customers – isoglucose cannot be produced freely in countries where today there is demand or in quantities which are required. The necessary conditions continue to be denied to the European Starch industry to develop, compete and innovate in support of the competitiveness of its European customer base.
- Since the 1970s, **the regime prevents fair competition** between alternative sweeteners. Today, the sugar regime *de facto* limits the offer of isoglucose to less than 5% of the total EU sugar quota. **Consumers’ access** to alternative sweeteners is consequently denied to a significant extent.
- The EU starch industry is a continuously innovating industry, and makes considerable investments in Research and Development (over 100 million euros annually), notably in bio-based products that are used as raw materials, generally replacing fossil-fuel-based ingredients, in the fermentation, chemical, cosmetics, textile, paper, plastics and detergent industries. The EU starch industry clearly has **the potential to contribute to the Europe 2020 objectives in terms of innovation, investments and growth, and to the EU’s leadership in the global bioeconomy**. The EU sugar regime constraints hamper its development and innovation efforts and as such negatively impacts its international competitiveness.
- The EU sugar regime will be the only remaining EU market organization for an agricultural crop. This clearly discriminates between farmers and prevents a truly **Common Agricultural Policy**. The extension of the EU sugar regime ensures only one objective of the CAP, which is the “fair standard of living for the agricultural community”. The other CAP objectives of increasing productivity, market stability, availability of supply and reasonable prices for consumers are being ignored by those who support the extension of the sugar regime until 2020. The market is the best way to give signals to farmers of which crops to grow – through the EU sugar regime, the market signals sent to the EU farmers continue to be distorted.

The AAF calls on the Member States and the members of the European Parliament to put an end to the unworkable, unsustainable and uncompetitive sugar market that the EU sugar regime generates and to support the Commission’s proposal on the Single CMO to end the production quotas on sugar and isoglucose from 30 September 2015.
