Sugar users ‘disappointed’ by agriculture committee vote to keep sugar quotas

By Caroline Scott-Thomas+, 24-Jan-2013

Related topics: Carbohydrates and fibres (sugar, starches), Sweeteners (intense, bulk, polyols), Legislation, Food prices

Sugar users were dealt a blow on sugar quota reform yesterday, after the European agriculture committee voted to extend the current system to 2020, rejecting a proposal to end quotas by 2015.

The 33-11 vote in favour of keeping sugar production quotas is just the first stage of the process, with the debate due to go to plenary in March, but the parliamentary committee vote could prove crucial if no decision is reached with the council and member states, as the parliament now has authority over agricultural policy following Lisbon treaty reform.

Sugar users say that the quotas, which are intended to protect European sugar farmers, have driven European sugar prices nearly 50% higher than world levels, and are particularly hard on small and medium-sized enterprises (SMEs).

Speaking to FoodNavigator, managing director of the European Starch Industry Association (AAF) Jamie Fortescue said: “We are obviously very disappointed that the vote didn’t go our way. We feel that it is bad for sugar users and bad for isoglucose producers as well.”

Isoglucose, known as high fructose corn syrup in the United States, has been capped at 5% of EU sugar production quota under the current system.

Meanwhile there have been big sugar shortages in recent years, with last year’s quota of 13.8m tonnes failing to meet demand of 16.5m tonnes. Sugar users are able to source sugar from outside the EU, but this is subject to high import tariffs.

Fortescue pointed out that even within the agriculture committee 11 votes were cast against continuing the current system to 2020, despite many of its members’ explicit interests in farmer welfare. He added there was still reason to hope that the sugar quotas would be scrapped by 2015.

“The agriculture committee is not representative of the parliament by any stretch of the imagination,” he said.

‘Just one part of CAP reform’

Secretary-general of the Committee of European Sugar Users (CIUS) Muriel Korter agreed that the final decision could still go either way, especially considering that member states have been split down the middle on the issue.
"It really depends on how the council will position itself and how the member states will position themselves," she said. "...Sugar is just one part of the CAP [Common Agricultural Policy] reform debate and that should not be forgotten either."

The European Commission has already submitted a proposal to end sugar production quotas by 2015 as part of its overall CAP review, but the committee’s vote casts doubt on whether this will be acted upon.

"There is clearly a problem on the market when SMEs want to buy 300 tonnes of sugar and are unable to find enough, or are unable to pay for it," said Korter.

She added that with the quota system for milk in the EU due to expire in 2015, retaining quotas for sugar would make it the only commodity still protected by production quotas.

A final decision is due by June.