

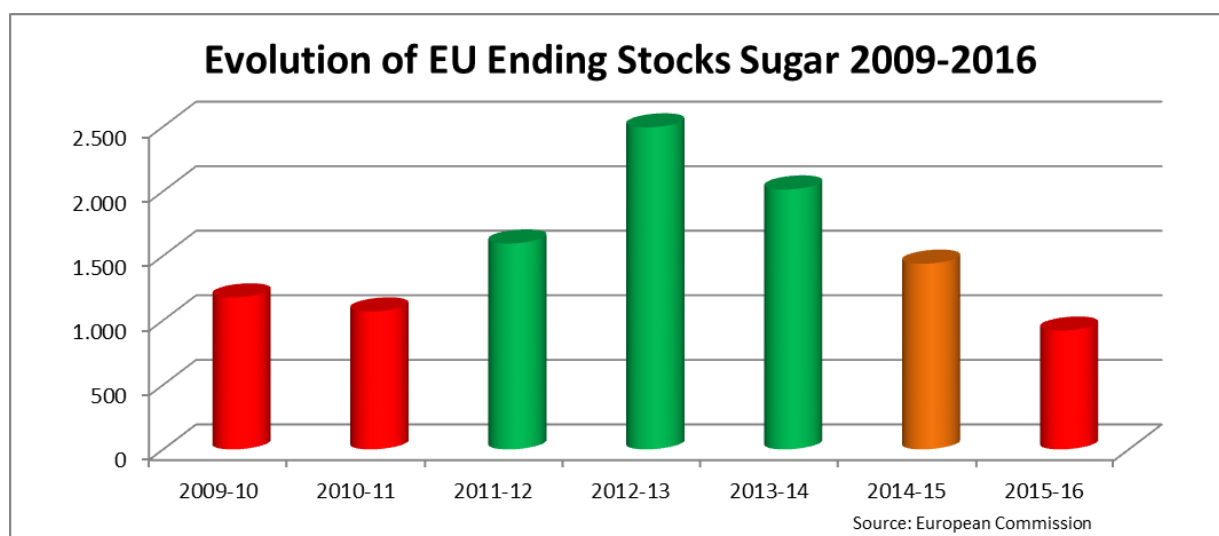
## EUROPEAN SUGAR USERS CALL FOR MARKET MEASURES TO AVOID FORECASTED SUPPLY CRISIS DURING SUMMER 2016

22 February 2016

**CIUS calls on the European Commission and EU Member States to start market measures guaranteeing supply security as of MARCH 2016 latest. Neither levies nor duties should be applied to the volumes of beet and cane sugar made available through access to out of quota and TRQ market measures. The CXL duty should be suspended with immediate effect.**

### EU SUGAR MARKETING YEAR 2015/16 – State of Play February 2016

- ❖ A supply deficit for sugar users of the food and drink sectors is almost certain in 2016 unless the EU **acts now to prevent another supply crisis in the sector.**
- ❖ Although CIUS welcomed the decision to limit out of quota exports at the beginning of the marketing year, the decision to revert back on it end of January 2016 (increase the level of out-of-quota exports again to 1.3 million T and opening the second tranche of exports) came too early, given the uncertainty on the levels of imports.
- ❖ **Although the Commission has guaranteed Member States that they would be enough out of quota left for reclassification (600 000T), it withheld the fact that forecasted import levels would most certainly not be reached.**
- ❖ Taking the current standard market balance figures, the end stock forecast for MY 2015/16 would reach 0.76 million tonnes, far below the levels in MY 2009/10 and MY 2010/11 when sugar users experienced a severe supply crisis. If yet again the volumes of imports (included in the end stock forecast 2015/16) were not to reach the EU, end stock levels would fall to a record low. The chart below illustrates yearly end stock levels and when critical levels were reached in previous years and the end stock forecast today.
- ❖ In 2010 and 2011, the EU experienced a major supply crisis. History is bound to repeat itself with even lower end stocks. The first countries to be hit by shortages are likely to be Europe's outer regions where little beet sugar is produced. In 2010/2011, these countries faced shortages with retailers running out of stocks of sugar for direct consumption. Sugar users also were directly impacted, with some companies having to temporarily suspend production lines or close down their export business. **Given that the EU has all the necessary data to foresee such problems, THE EU SHOULD ACT BEFORE SUCH PROBLEMS OCCUR, AND AVOID A REPEAT OF HISTORY.**



*CIUS represents more than 15 000 sugar using companies, ranging from artisan, small and medium sized enterprises to multi-nationals. Together our members purchase about 70% of the EU's annual production of sugar and provide direct employment to over 700.000 people in Europe.*