



CONGRESS RESOLUTIONS AND WHITE PAPER XLVI CIBE Congress – 1-3 June 2022, Gdansk, Poland



The International Confederation of European Beet Growers (CIBE), representing over 110 000 sugar beet growers from 18 Western & Central European Countries, the main sugar beet growing region in the world and 13% of world sugar production, held its 46th Congress in Gdansk (Poland) from 1st to 3rd June 2022. It examined the situation of the sugar and sugar beet economy and the main economic, environmental and political challenges currently facing beet growing in Europe. CIBE released the following resolutions adopted by its Board of Directors.

C.I.B.E. | Boulevard Anspach 111/9 B-1000 Brussels • cibeoffice@cibe-europe.eu • @Sugar-BeetEurope

CONGRESS RESOLUTIONS



CIBE recalls that the European sugar beet sector is a strategic and fundamental agri-food sector to achieve food security and energy security in Europe.



CIBE wishes to propose the following to better **manage risks** to support the transformation and creation of value in our sector and to respond to exceptional high-intensity risks such as market, sanitary or climate change risks:

- Encourage the development of sugar beet contracts with processors on the basis of shared indicators.
- Associate growers to the use of futures markets for better management and better risk sharing.
- Promote the creation of sectoral support such as the Income Stabilization Tool to provide better visibility to farmers.
- Implement safety nets such as public intervention tools and exceptional supply measures to respond to the risk of production surplus and low world prices.
- Encourage all stakeholders, including insurance operators, to manage sanitary risks and deploy harvest insurance.



CIBE recalls that **responding to market signals** and adjusting their sowing accordingly require:

- Balanced power in the negotiations of the terms of beet purchase and delivery conditions.
- Removal of rigidities in beet delivery contracts with sugar manufacturers and in sugar contracts between sugar manufacturers and sugar users.
- Sufficient and appropriate market information and transparency (improvement in the reporting of prices, improvement in the information regarding consumption dynamics).



CIBE encourages the diversification of outlets from sugar beet:

- CIBE asks to identify the **barriers to the development of sugar beet products for industrial use and to encourage the non-food use of sugar beet products**. CIBE recalls that food and non-food outlets of agricultural production should not be opposed.
- CIBE supports to **mutualize at European level the incorporation ceiling of 7% of crop-based bio-fuels** to fully exploit the production potential.
- CIBE supports the development of **biogas** as a solution for decarbonation of the EU agriculture and of the EU sugar beet sector.



CIBE welcomes **carbon farming** projects and agricultural carbon credits to promote low-carbon agricultural projects and their environmental co-benefits. CIBE calls on the co-legislators to encourage public and private funding to support these projects. CIBE welcomes the preparation by the Commission of a harmonized certification framework at EU level. Carbon farming should not become a new regulatory mandatory base, but an environmental service remunerated on a market that will complement farmers' income.



CIBE expresses its solidarity with the Ukrainian people, farmers and sugar beet industry suffering from the war. CIBE alerts the EU Institutions on the necessity for passing on, along the food chain, the **dramatic increase in production costs**. CIBE joins COPA-COGECA in stressing the urgent need for decisions at EU level regarding fertilizers availability and prices support.



CIBE highlights that the gain in productivity has stalled since 2018 and the EU-27+UK 5-year average sugar yield per hectare has started to decline. CIBE and its members are committed to constantly improve the environmental sustainability of sugar beet cultivation. To that end, CIBE calls on the EU Institutions to urgently put in place **a range of actions and supports to innovation** to respond to the current and upcoming challenges, and namely accelerate the development of:

- beet varieties better suited to the changing climate and to pest and disease pressures, including varieties obtained through **New Genomic Techniques** (NGTs),
- of **robotics**, management of 'big data' and precision agriculture to further optimize inputs,
- of pest control system and **biocontrol** tools.

This can only be done via a financial support **for public and private research, but also via financial incentives for investments at agricultural level.**



CIBE notes that the European Commission is preparing the future revision of the Directive on the Sustainable use of Pesticides (SUD) in the context of the objectives of the Farm to Fork and EU Biodiversity Strategies. CIBE recalls that **any restriction/ban in the use of pesticides without any solution would jeopardize the sugar production in Europe.** CIBE recalls that the renewal or non-renewal of active substances should be scientific-based and asks that technical deadlocks for a sufficient crop protection must absolutely be avoided in the light of availability (or not) of effective and feasible alternatives for chemical PPPs.



CIBE **supports a consistent EU Trade policy for the ecological transition to be a success and to avoid carbon and environmental leakage.** CIBE welcomes the political consensus that emerged in the EU to tackle this issue and consider the implementation of **reciprocity and mirror measures** for the protection of the environment and human health by trade partners. These measures should tackle the standards of production by third partners and should be applied to all trade agreements, including the ones already concluded.



CIBE welcomes the Commission proposal for an EU **legislation to fight against imports of commodities and products associated with deforestation and forest degradation and asks to include cane sugar in this legislation.**



CIBE welcomes the proposal for an EU **legislation on Corporate Due Diligence and Corporate Accountability** for companies to respect human rights and environment in global value chains.

RESILIENCE AND RISKS

- 1) Since the end of quotas in 2017, the European sugar beet sector is facing increasing risks of various nature: climatic, sanitary, regulatory, market and prices. These risks and the difficulty to manage them are jeopardizing the resilience and sustainability of the sector.
- 2) **CIBE notes that since MY 2017/18 the sugar beet area in the EU has decreased continuously. The 2022/23 beet area is 2% lower than in 2021/22 and 12% lower than in 2017/18. The number of beet growers has also decreased significantly: minus 18% in 2021/22 compared to 2017/18.** This evolution results from a combination of:
 - low sugar and beet prices,
 - issues related to yield sustainability and
 - a decrease in attractiveness of sugar beet and trust in the future
- 3) **The deep and prolonged crisis that the European sugar beet sector has experienced following the end of the quota regime strongly affected the sector between 2017/18 and 2021/22 with the closure of 13 beet factories bringing the EU to be a net importer of sugar.**
- 4) The **study commissioned by EU Commission DG-AGRI** on the adaptation strategies of the sugar supply chain after the end of sugar quotas highlighted that “*there is an insufficient protection provided by the EU risk management tools available in the sugar sector*”. There is no doubt that when a next crisis will occur, the impacts will be as strong as during this crisis.
- 5) Economic or market risk is linked to the volatility of sugar prices on global markets, a determining factor of the European market price since its liberalization. Prices on world markets can vary by a factor of two. Between 2017 and 2022, the price on the London white sugar market fluctuated from a €280 to €580 per ton. Several factors explain this volatility: the relation of sugar markets with energy markets, currencies (mainly Brazilian real), trade distorting public policies in producing and importing countries, investment cycles, geopolitical instability and climatic conditions in producing countries.
- 6) In such a context, a **properly functioning supply chain is indispensable for EU beet growers**: compulsory interprofessional agreements and pre-sowing contracts negotiated on a regular basis between growers’ associations and processors are necessary but not sufficient. CIBE considers that sugar beet contracts need to evolve further to better adapt to market developments and an increasingly challenging context.
- 7) The price of sugar beet generally results from **sharing the value of sugar** between companies/sugar factories and growers. The volatility of the sugar market is thus reflected in beet prices. The contractual relations between growers and sugar producers are often multiannual, which pose difficulties in managing this risk and adjusting to the demand. **This contractual framework is therefore a major challenge for the sector**, which has been studying the conditions and elements for several years to improve this framework and allow better adjustment. The use of sugar futures markets in beet contracts has been identified as an improvement. CIBE notes some positive development on that matter, especially in the UK.
- 8) The **study commissioned by CIBE to the consultant LMC** stresses the inherent weaknesses in the contracting of domestic sugar and determination of its selling price with sugar users. The study suggests potential improvements and solutions to allow decoupling the time when sugar is contracted from the time when producers and users fix the price, to allow clear signals to growers and processors to better manage volatility, thereby bringing greater price stability to the sector. CIBE encourages the European sugar beet sector to consider implementing such solutions.
- 9) **CIBE considers that the resilience of the EU beet sugar sector will be improved with the introduction of risk management tools** to be in capacity to better face long

periods of depressed market, as provided in the Common Agricultural Policy (CAP). Growers cannot bear price risks alone but need to share them with other partners in the sector. Furthermore, as the costs of risk management are increasing, CIBE considers that public funding is indispensable. CIBE welcomes that the “Income Stabilisation Tool” included in the CAP will be tested in one Member State (FR) and calls on sugar companies and relevant administrations in other countries to work with sugar beet growers to implement such tools.

- 10) The absence of an effective safety net is also of great concerns. **CIBE requested that public intervention be available to the sugar sector in the new CAP, to be implemented as from 2023.** CIBE calls on the EU legislators to analyse further the introduction of this tool in the Common Market Organization (CMO) regulation. CIBE requests the Commission to examine whether public intervention could provide a useful safety net in the event of collapse of world market prices. Moreover, some uncertainties and questions remain as regards the terms and conditions of the implementation of Article 222 of CMO Regulation in our sector. CIBE calls on the Commission to clarify it.
- 11) CIBE remains extremely concerned by the decision of the EU Commission on 27 April 2018 to ban neonicotinoids (NNI), including in pelleted beet seed. This decision has been a severe blow for the sustainability of the EU beet sector. At this stage, **no chemical or non-chemical solution reaches the sustainability and effectiveness of NNI-treated beet seed and does not allow to deal with exceptional situations of infestation.** This disease can lead to very high yield losses (from 30% to 50% in affected areas).
- 12) Beet production is also threatened by the multiplication and spreading of other pests and diseases in relation with climate change, including the beet weevil, *Lixus juncii*, cercospora leaf spot and the “Syndrome de Basse Richesse”.
- 13) CIBE notes that in 2022/23, 13 Member States and the UK have granted a derogation for the use of NNI treated beet seed. However, strict conditions are attached to these derogations and CIBE estimates that less than half of EU beet area was sown with NNI-treated seed in 2022.
- 14) The crop years 2018/19, 2019/20 and 2020/21 were characterized by difficult climatic conditions and drought. In 2021, a late frost episode in April destroyed nearly 15% of the beet just sown in France and led to 55,000 hectares having to be resown. Such **extreme climatic events increase in frequency and intensity with climate change.** To protect against these risks, beet growers have the option to subscribe to climate risk insurance in several countries, but these still represent a minority. The current tools, and notably their accessibility, need to be improved and developed further.
- 15) **To respond to exceptional high-intensity risks such as market, health or climate change, CIBE wishes to propose the following for better management of risks to support the transformation and creation of value in our sector:**
 - Encourage the development of sugar beet contracts with processors on the basis of shared indicators,
 - Encourage the use of futures markets in the sector for better management and better risk sharing.
 - Promote the creation of sectoral support such as the Income Stabilization Tool to provide better visibility to farmers.
 - Implement safety nets such as public intervention tools and exceptional supply measures to respond to the risk of production surplus.
 - Encourage all stakeholders, including insurance operators, to manage sanitary risks and deploy harvest insurance.

MARKET SITUATION AND CONSEQUENCES OF THE WAR IN UKRAINE

- 16) CIBE notes that **EU sugar demand has decreased significantly following the Covid-19 crisis**. Despite a slight recovery expected in 2021/22 compared to 2020/21, around 1.3 Mt sugar in food consumption has been lost since 2019/2020, making supply adjustment to demand more difficult. CIBE underlines and reiterates its call that this declining **trend needs to be better documented and calls on sugar users to provide regular up-to-date information**, in particular at the expert group meetings of the Sugar Market Observatory.
- 17) EU sugar exports as such are below those prevailing during the quota regime and have fallen from an average of 1.5 Mt to an average of 1 Mt. Furthermore, EU exports to the UK have decreased significantly as from the UK withdrawal from the EU, decreasing by 60% from an average of 0.5 Mt to around 0.2 Mt. This development shows the **negative effects of Brexit and of the new UK sugar trade policy**. Especially the recent opening up of an Autonomous Tariff Rate (ATR) quota of 260,000 tonnes at zero duty is impacting negatively both the UK and the EU sugar beet sectors.
- 18) CIBE welcomes the recent publication by the European Commission of EU average short-term prices. This follows the implementation of new notifications adopted in 2019. However, these **short-term prices are published by the Commission at the earliest 2 months after the end of the notification period. This remains a problem in terms of timely market signals**. Furthermore, CIBE regrets that the notification as regards the sugar buying price, adopted in 2019, is still not implemented.
- 19) **European beet growers recall that responding to market signals and adjusting their sowing accordingly require:**
- Balanced power in the negotiations of the terms of beet purchase and delivery conditions;
 - Removal of rigidities in beet delivery contracts with sugar manufacturers and in sugar contracts between sugar manufacturers and sugar users;
 - Sufficient and appropriate market information and transparency (improvement in the reporting of prices, information regarding consumption dynamics in the EU).
- 20) **European sugar beet growers express their solidarity with the Ukrainian people, farmers and sugar beet industry suffering from the war**. In this situation, Europe has to reaffirm its ambition on food and energy sovereignty and its role in the global food balances. European sugar beet growers remain committed towards this aim and to the production of essential goods: sugar for human consumption, pulp for animal feed or bioenergy and bioproducts to decarbonise our economy. **They also alert the EU Institutions on the necessity for passing on, along the food chain, the dramatic increase in production costs.**
- 21) **The rise in fertilizer and fuel costs, added to the increase of crop protection costs, represent extra costs of at least around 20-25% for sugar beet in 2022 compared to 2021**. In addition, the surge in energy prices, in particular natural gas, will dramatically increase the sugar beet processing costs. After 5 years of crises and low sugar and sugar beet prices, which have fragilized the sector, these fundamentals must be taken into account first and foremost by the market and be reflected in the ongoing contractual negotiations between sugar manufacturers and sugar users, i.e. in European sugar prices. There is a risk of being squeezed between high input costs and too low sugar prices, which would jeopardize the European sugar beet sector.
- 22) CIBE recalls that sugar beet processing is energy-intensive and that the sugar industry is recognized as carbon-leakage sector. Sugar manufacturers are exposed to high gas prices and availability. However, the Temporary Crisis Framework for State Aid measures put in place in March 2022 is not an adequate short and medium-term response for sugar manufacturers, mainly because operating losses should be proven.

- 23) The war in Ukraine is not expected to disrupt the European sugar market on the short-term, but possibly the sugar beet pulp supply and market due to the importance of Russian beet pulp imports by the EU. Moreover, the costs of dehydration of beet pulp will be impacted by the rise in energy prices and therefore could impact this outlet.
- 24) **CIBE joins COPA-COGECA in stressing the urgent need for decisions at EU level regarding fertilizers** and calls for:
- lifting the duty and anti-dumping measures on imports,
 - securing supply from other origins and opening new import origins,
 - adapting the Nitrates Directive and other regulations to facilitate organic alternatives,
 - anticipating the possible tensions on organic fertilizers supply and speeding up the development of mineral nitrogen fertilizers,
 - providing incentives to support investments in precision agriculture and in the recycling of nutrients in organic matter and manure.

INNOVATION - SUSTAINABILITY- LOW CARBON FARMING AND BIOECONOMY

- 25) The sugar beet sector faces profound challenges of transformation which need innovation. In particular, the objectives, sometime contradictory, of the EU Green Deal with its Farm to Fork and EU Biodiversity strategies impose **boosting the implementation of innovative practices at farm level**.
- 26) CIBE highlights that the **gain in productivity has stalled since 2018 and the EU-27+UK 5-year average sugar yield per hectare has started to decline due to a combination of:**
- climate change,
 - a decrease of available crop protection tools (> 20 active substances lost to the sector since 2018),
 - practically no coming on-stream of new plant protection products (PPPs) or of sustainable alternatives to PPPs to at least partially compensate for the dangerous shrinking of the growers' crop protection toolbox.
- 27) CIBE reiterates its call, together with COPA-COGECA, for a **comprehensive impact assessment of the objectives of Farm to fork and EU Biodiversity strategies**. CIBE takes note of the JRC technical report published in 2021, and of various studies which have modelling these impacts. In particular, the Impact Assessment of EC 2030 Green Deal Targets for Sustainable Crop Production made by the Wageningen University & Research in January 2022 applied these objectives to arable crops (including sugar beet) in some case studies. Under the conditions of the model, which does not consider potential crop failure, the result would be an average 16% decrease in sugar beet yield. **CIBE points out that such a loss in competitiveness at a time when third competitors are improving theirs would not be sustainable.**
- 28) The EU sugar beet sector has always been innovative, at the forefront of environmental sustainability, including towards reduction of input uses, as shown by the EU Beet Sustainability Partnership with CEFS and EFFAT in 2015. However, **as the profitability of the sector and in particular of sugar beet growing is being eroded and as the timing is particularly short, the challenge is huge. The need for innovation and investment at agricultural and processing level is unprecedented.**
- 29) CIBE underlines that sugar beet growers are constantly moving towards improved sustainability and are increasingly invited to adopt more and more **stringent certification schemes**, such as organic or high environmental value certification. However, CIBE recalls that **such move to be successful should remain market**

driven and should be rewarded by the market.

30) CIBE highlights that the investment and innovation priorities are:

- preserving the environment and biodiversity and meeting climate challenges,
- guaranteeing the productivity to ensure European food sovereignty and a **satisfactory income for farmers**,
- developing diversification of outlets.

31) However, Europe is currently facing strong regulatory instability which is detrimental for investors. **CIBE recalls that risk assessments need to be science and risk-based and should not be a barrier to innovation.**

32) CIBE has co-founded the Agriculture and Progress Platform which aims to provide society and decision makers in a pedagogic way with answers and suggestions on the needs and challenges of guaranteeing sustainable agricultural production and the important role of innovation in this context. **CIBE's goal is to plead for the development of a solid regulatory framework that guarantees an appropriate adaptation, a balance between health, environmental protection, and qualitative agricultural production whilst guaranteeing an adequate level of income for the farming community.**

33) The range of actions which necessitates public support and funding to respond to the current and upcoming challenges are:

- Accelerating the development of beet varieties better suited to the changing climate and to pest and disease pressures, including which varieties obtained through **New Genomic Techniques (NGTs)**
- Development of robotics and precision agriculture,
- Further optimization of inputs,
- Management of “big data” and
- Biocontrol.

34) The Agriculture and Progress Platform has duly taken note of the European Court of justice (ECJ) ruling on Case C-528/16 clarifying the legal status of mutagenesis. Furthermore, CIBE notes that the European Food Security Agency (EFSA) has not

identified any new hazards of targeted mutagenesis and cisgenesis compared to conventional breeding techniques.

35) CIBE firmly believes that decision-makers, and notably EU decision-makers, have a responsibility in reaching out to the public to contain unsubstantiated scaremongering and to give a factual explanation of what NGTs are and are not and what added value they can bring to consumers.

36) CIBE calls on the EU Commission to urgently put in place, in close cooperation with Member States and stakeholders, the framework to allow the development of NGTs and not to wait until 2023 to come up with a proposal with the risk that it would not be adopted before the European General Elections of 2024.

37) CIBE noted that the European Commission is carrying out an impact assessment (IA) of the future revision of the Directive on the Sustainable use of Pesticides (SUD) in the context of the objectives of the Farm to Fork and Biodiversity Strategies. CIBE recalls that any restriction/ban in the use of pesticides without any solution would jeopardize the sugar production in Europe.

38) CIBE and the Agriculture and Progress platform are concerned by some leaked documents on the future SUR and underline the following:

- The EU authorisation process of active substances must be science and risk-based and should not hinder innovation;
- Integrated Pest Management (IPM) must be supported further, especially via support for innovation, notably new genomic techniques (NGTs) which are an efficient and necessary tool to accompany a new agricultural evolution;
- IPM is an excellent tool for sustainably managing agricultural production. It should be broadened and extended, and the boundaries should be clearly set while taking due account of reality and feasible practicality in the field. Decision-makers should nevertheless have confidence in farmers that they would apply IPM adequately, **without**

imposing endless and non-feasible rules and conditions to deliver as well as undue administrative burdens;

- The appropriate use of PPPs, including in seed treatments, is part of IPM;
- The feasibility of PPP reduction targets must be thoroughly assessed;
- Technical deadlocks in sufficient crop protection must absolutely be avoided in the light of availability (or not) of effective and feasible alternatives for chemical PPPs;
- Support for innovation in precision agriculture (on-board sensors, robotics, etc.) but also financial support for the acquisition and use of such equipment should be provided.

39) The movement in favour of sustainable and socially responsible investment should benefit our sector. That is why **CIBE calls on the Institutions to make green finance an opportunity for agriculture and the bioeconomy** with a taxonomy and responsible investment criteria accompanying agriculture, the farmer and the sugar beet sector.

40) CIBE has listed no less than 30 research and development projects carried out by technical beet institutes. **Given the current extremely challenging context, CIBE asks the relevant authorities to support the beet research institutes to continue to promote innovation, knowledge transfer and adoption of new technologies.** CIBE regrets that so far none of them is supported by Horizon Europe research programme funding.

41) **Farmers and foresters are the only ones who can sequester carbon.** With new climatic targets for 2030 and an objective to reduce greenhouse emissions by at least 55% compared to 1990, the EU has been zooming in agriculture. **Thanks to carbon sequestration, reduction of GHG emissions substitution of fossil fuels by renewable biomass farmers are part of the solution vis-à-vis climate change.**

42) By the diversity of its valorizations, sugar beet symbolizes the multifunctionality of agriculture through the production of sugar, alcohols for different uses (spirits,

cosmetics, chemicals, pharmaceuticals, hydroalcoholic gel, fuel bioethanol), biogas, biomaterials (car dashboards, packaging) and animal feed. **CIBE asks to identify the barriers to the development of sugar beet products for industrial use and to encourage the non-food use of sugar beet products.**

43) CIBE notes that arable land – where current carbon stocks are the lowest – has the greatest potential for additional carbon storage, notably by implementing specific practices.

44) Carbon farming has several advantages: increasing the preservation of carbon in soil, benefiting soil fertility, protecting our carbon rich soils, reducing carbon emissions etc. **CIBE welcomes carbon farming projects and agricultural carbon credits to promote low-carbon agricultural projects and their environmental co-benefits. CIBE calls on the co-legislators to encourage public and private funding to support these projects and supports:**

- Low Carbon certification: **CIBE welcomes the European Commission's proposal to build a robust and credible framework, allowing only authentic, transparent and verifiable carbon removals to be certified;**
- **Carbon farming should not become a new regulatory mandatory base, but an environmental service remunerated on a market that will complement farmers' income.**
- The promotion of low-carbon sugar by maximizing the synergies between the upstream and downstream parts of the sector, notably through the **development of biogas made from sugar beet residues, be it on-farm or on the sugar beet factory site.**

45) In July 2021, the European Commission presented its package of proposals to achieve climate neutrality by 2050 and 55% GHG emissions by 2030. **As a member of the EU Biofuels Chain, CIBE supports the position expressed by this group as well as the positions expressed by COPA-COGECA and stresses the role of biofuels, including**

crop-based biofuels, in achieving the decarbonation of EU economy.

- 46) **European renewable ethanol significantly reduces GHG emissions** from diesel/petrol and hybrid cars that continue to predominate on Europe's roads. It already delivers results and is readily available and affordable without requiring new infrastructure investments. Ethanol production in European biorefineries also contributes to EU food security by creating important high-protein animal feed that offsets the need to import soy meal, as well as other coproducts for food and beverage applications and — as was demonstrated so vividly during the Covid-19 pandemic — for hand sanitizers.
- 47) **CIBE supports the position of COPA-COGECA and the EU Biofuels Chain as regards the RED revision, to mutualize at European level the incorporation ceiling of 7% of crop-based biofuels in order to fully exploit the production potential.**

48) CIBE welcomes the European Commission's RePowerEU proposal, presented in March 2022, to boost EU energy security; it is an important step towards reducing dependence on imported crude oil and ensuring stable domestic production of fuel and food, while continuing the drive toward carbon-neutrality and a circular economy. CIBE regrets however, the lack of reference to other forms of bioenergy, such as biofuels.

49) **CIBE underlines that biogas is a solution for decarbonation.** Therefore, CIBE welcomes the proposals to boost the EU production of biomethane, with the aim for 35 billion cubic metres of biomethane production by 2030, and to double the current EU ambition to use sustainable biomass sources such as agricultural wastes and residues. CIBE recalls that residues and waste from sugar beet processing are highly suitable for producing biogas, be it on-farm or on beet factory site.

TRADE RELATIONS – RECIPROCITY AND MIRROR MEASURES

- 50) The continued opening up of the EU market through bilateral concessions and duty-free import quotas granted to Central America, Peru, Colombia, Panama, Ecuador, the Ukraine, South Africa and Vietnam total more than 530 000 t of sugar in 2021/22. This amount will increase further every year depending on the trade deals concluded. In addition, the EU has granted access of 30 000 t to Mexico at reduced duty (€49/t) which will enter into force once this agreement is ratified.
- 51) In view of the more than sufficient supply of the EU sugar market, **CIBE emphasizes that no additional imports outside current preferential schemes should be opened by the Commission and no further EU sugar market access concessions should be made to third countries.**
- 52) CIBE regrets that the agreed Comprehensive Trade and Economic Agreement

(CETA) concluded with Canada includes EU sugar market access concessions with relaxed Rules of Origin but did not solve the issue of EU sugar access to Canada despite the liberalization of sugar trade between the parties. **CIBE recalls that the respect of effective and strict Rules of Origin for sugar and sugar processed products is crucial**, in particular to avoid triangular trade.

- 53) CIBE remains particularly concerned that in 2021 the Canadian International Trade Tribunal decided to maintain the antidumping and countervailing duties against EU sugar imposed by Canada since 1995. CIBE takes note that following further extended investigations in March 2022 the Canada Border Agency Services has revised downward the amount of countervailing/anti-subsidies duty applicable and maintained unchanged the anti-dumping duties for exports from DK and DE, but fully withdrew both for Cosun

Beet Company in the NL as a result of full cooperation. **CIBE regrets that only one operator in the EU, and not all of them, has access to the Canadian sugar market on the same terms as on the EU market.**

- 54) European beet growers call on the European Commission to ensure actively at WTO that competitors in third countries respect their WTO commitments. This concerns particularly **India**, the world's second largest sugar producer. CIBE underlines that the 14 December 2021 **WTO ruling requested India to withdraw its alleged prohibited subsidies of cane sugar. The effects of Indian subsidies on the international market are very disruptive in terms of world market prices.** The effects on the EU sugar market in case of a trade agreement with India would be dramatic. The lack of a level playing field between the EU's and India's sugar sectors would have dramatic consequences on the economic viability of the EU sugar sector.
- 55) Regarding the ongoing EU-Australia trade negotiations, **CIBE stresses that further concessions to sugar imports from Australia would heap yet more pressure on European sugar manufacturers, sugar beet growers and workers in the sector.**
- 56) **CIBE remains particularly concerned by the concluded negotiations with Mercosur and urges the EU Institutions to reject this deal.**
- 57) CIBE highlights that Brazil is the main beneficiary of duty-free quota-free access through the **Inward Processing Regime (IPR)**. Around 400 000 t of sugar (i.e. 25% of EU total sugar imports) enter the EU market through IPR every year. CIBE requests that this regime be abolished. Indeed, it is no longer justified given the liberalisation of the EU market and the alignment of EU market prices with world market prices.
- 58) In the framework of the European Green Deal, the European Commission proposed a series of ambitious common objectives, including the 'Fit for 55' roadmap for achieving carbon neutrality in 2050 and the 'Farm to Fork' and 'Biodiversity' thematic strategies. **In order for this transition to be a success and to avoid carbon-leakage, a consistent EU Trade policy must be supported**, since the transition will incur adaptation costs that are not always covered by the market.
- 59) CIBE stresses that if agriculture is not considered to be included in the future EU Carbon Border Adjustment Mechanism, **carbon and environment leakage in agriculture and primary processing industry should be addressed.** CIBE points out that the EU Institutions owe EU farmers and citizens the consistency between EU policies, the respect of EU agri and food sovereignty. CIBE asks them to show strong political leadership and willingness in tackling these issues of carbon and environmental leakage in agriculture.
- 60) CIBE notes the objective by the Commission to **better enforce the Trade and Sustainability Development (TSD) chapter in bilateral agreements and requests that EU trade policy be reviewed in depth towards reciprocity and mirror measures to take account of the potential undesirable negative effects during this transition, in particular those linked to environmental damage in and carbon leakage to third countries which could undermine the effectiveness of the transition.**
- 61) **CIBE welcomes the debate engaged by the French Presidency of the EU Council (PFUE) on that matter and the political consensus that emerged in the EU to tackle this issue and consider the implementation of reciprocity in terms of protection of the environment and human health by trade partners.** CIBE welcomes that the Commission is currently working on a report assessing the rationale and feasibility of applying EU health and environmental standards to imported agricultural and agri-food products in conformity with WTO rules.
- 62) CIBE stresses the importance of the PFUE set of **"mirror measures"**, aimed at improving the reciprocity of standards, around 5 levers of actions: Reviewing maximum residue levels (MRLs) and import tolerances (ITs) for plant protection products; Applying certain European standards to imported products ('mirror' measures); Increased labelling; Taking these challenges into

account in bilateral trade agreements; Strengthening action and cooperation in international standardisation bodies. **CIBE considers that implementing reciprocity of standards should also apply to already concluded bilateral agreements.**

- 63) CIBE underlines however that measures on MRLs would not be sufficient for the sugar beet sector.** Therefore, processes and production methods should be included in applying EU health and environmental standards to imported products. Based on health and environmental issues as well as respect of EU domestic standards, all active substances in PPPs the use of which is restricted or which are banned in the EU or/and no longer used in the EU, should also be similarly restricted or banned for the production of products exported to the EU, not only in the form of their residues (MRLs) in these products, but also in the form of inputs used in the production of these products and/or in the growing of crops giving rise to these products. In this context, CIBE welcomes the ongoing work on the revision of the Directive on the Sustainable Use of pesticides (SUD), which should include this point.
- 64) CIBE, together with CEFS (European Sugar Manufacturers), has documented in two comprehensive reports the repeated violations of current social and labour rights provisions by some trade partners as well as of some**

environmental provisions included in applied preferential trade agreements. For example, several trade partners have access to the EU market even though they have not ratified the conventions of the International Labor Organization (ILO) as stipulated in bilateral agreements. **CIBE welcomes the proposal for an EU legislation on Corporate Due Diligence and Corporate Accountability** for companies to respect human rights and environment in global value chains.

- 65) CIBE asks that new TSD provisions be included with efficient enforcement mechanism, in bilateral trade agreement as well as in the Generalized System of Preferences, including the EBA scheme, and should integrate a comprehensive approach to business-related violations of sustainability.**
- 66) CIBE regrets that the Commission proposal for an EU legislation on Making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation does not include cane sugar.** CIBE considers it **should include cane sugar given the role of sugar cane in deforestation in tropical and sub-tropical areas** as confirmed by various studies. Cane sugar is among the 10 products most linked to deforestation worldwide and its import by the EU represents 10% of imported deforestation.