

ESRA warns EU against temporary measures for additional sugar supply in Europe

Brussels, 24 March - Concerned by the discussions on possible temporary market management measures which would introduce additional sugar supply in Europe, the European Sugar Refineries Association (ESRA) points out that the EU sugar market is well supplied for the current marketing year and any temporary measures would be harmful for the market.

What the EU sugar market urgently needs at the moment is clarity over supply availability in order to end uncertainty and speculation that brings prices down. ESRA calls the European Commission to avoid implementing market measures on the 2013/14 marketing year and give operators the much needed market predictability.

Arguments why the EU sugar market is now well supplied include:

- Total EPA/EBA imports are estimated at 2.1 million tonnes for this campaign, mirroring total volumes imported last year. However import licences are 150.000 tonnes over last year demands at this time of the year. Thus, this trend will result in higher total import levels than previously estimated.
- Regarding the imported quantities from Central America, Colombia and Peru, it seems that approximately 80.000 tonnes that were imported after October 2013 should actually be taken into account in to this marketing year. This adjustment shall only occur at the time of the opening of the TRQs and is due to their calendar basis nature.
- The EU sugar consumption is forecasted at 16.93 million tonnes for 2013/14 compared to 16.58 million tonnes in 2012/13. Despite the inclusion of the Croatian consumption, such a sharp increase from one year to the next seems very unlikely. The calculation methodology is most probably leading to an overestimation of the consumption figure for this marketing year.
- Beet production forecast figures for the 2013/14 marking year are still provisional for certain member states. As explained by the Commission representatives at the Sugar Advisory Group meeting on the 24th of February, once the “travail à façon” is fully taken into account the production figures will certainly be revised and increased.
- The beginning stocks for 2013/14 marketing year are 2.5 million tonnes, which is the highest level since 2009. Taking into account all the above, the end stocks currently forecasted at 2.3 million tonnes would be even higher.

Market clarity over supply availability will stabilise prices and in its turn give the best chance possible of the Brazilian CXL sugar being imported. Additionally, regarding the low uptake of the CXL sugar quota from Brazil up to this moment, rather than replacing these quantities, ESRA would favour the Commission addressing the regional limitations that actually are at the origin of the import difficulties.

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About ESRA: The European Sugar Refineries Association represents 26 full-time cane sugar refineries located in 8 EU Member States. ESRA supports a sugar market reform which recognises and respects the key role cane sugar refiners' play in the EU.