COUNCIL OF THE EUROPEAN UNION

Brussels, 10 November 2011

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AGRIORG 203

NOTE

from:	General Secretariat
to:	Delegations
Subject:	Prolongation of the sugar regime to 2020 - *Request from the Hungarian delegation, supported by the French, Lithuanian, Austrian and Romanian delegations*

Delegations will find in Annex a document submitted by the Hungarian delegation to be presented under A.O.B at Council ("Agriculture and Fisheries") at its session on 14 November 2011.

Request from the Hungarian delegation,

supported by the French, Lithuanian, Austrian and Romanian delegations

Since the last analysis of the sugar market, the situation has significantly changed. Therefore the re-assessment of the impacts is justified, as well as a new regulation.

The world sugar market experiences considerable price volatility. The world indicator price for raw sugar witnessed a succession of peaks and downward corrections.

Market fundamentals driving volatile prices were large. Global sugar deficits in the previous two seasons and adverse weather in a number of countries reduced the size of the expected rebound and produced higher prices. World sugar stocks, which had already been drawn down, fell to their lowest level in 20 years in 2010-11. This has lead to higher as well as more volatile market prices.

Because of changed circumstances, it is appropriate to maintain the sugar regime until 2020

We advocate that the 2006 sugar market regime be extended, in its existing form, at least to 2020 and that the current support system be maintained.