NOTE

from: Belgian delegation

to: Council

Subject: Export situation in the sugar sector

Delegations will find in Annex a document submitted by the Belgian delegation to be presented under A.O.B. at Council at its session on 18 January 2010.
Note from the Belgian delegation on the export situation in the sugar sector

The 2009/2010 sugar campaign is coming to an end and, as was previously announced, very high yields were established with more out of quota sugar produced than expected. The advantageous sugar prices on the world market today are also very attractive for sugar producing companies and can also be of positive influence for sugar beet prices.

Nevertheless the quantities for export of the out of quota sugar (WTO-limit of 1.3 million T) have already been reached during the last weeks. Not all undertakings have been able to export their excess of sugar and will have to carry over the remaining sugar to the next campaign, resulting in higher storage costs and the decision for reduced sowing for the next campaign (2010/2011) as farmers are at this moment planning their sowings for 2010.

This difficult situation has already been signalled to and acknowledged by the Commission in the management committee for sugar during the last months. The Commission has asked her legal services to prepare a legal advice about the interpretation of the WTO-Panel concerning subsidized exports of sugar. This advice is expected to be ready in February 2010.

As farmers need clarity before making their decision for sowing for the next campaign, we would like to ask the Commission to accelerate the preparation of her legal advice so that Member States can inform their farmers and sugar producing companies on time about the further possibilities of sugar exports in the near future.