

(EU) EU/AGRICULTURE: 5.6 MILLION TONNES OF SUGAR QUOTAS ARE ABOLISHED IN THREE MARKETING YEARS FOR RESTRUCTURING REASONS

Brussels, 08/04/2008 (Agence Europe) – According to the latest figures available, the restructuring regime in the sugar sector has made it possible to abolish 5.64 million tonnes of sugar quotas over three marketing years, which represents 94% of the target set by the European Commission in 2005, namely 6 million tonnes. It is therefore necessary to withdraw another 360,000 tonnes from the market in order to meet the objective set. The sector has one more year (until 31 January 2009) in which to make this additional effort, but compensation conditions will be less advantageous than before. There will no longer be additional aid of €230 per tonne in favour of farmers who agree to give up production, but only aid of around €425/tonne in favour of industries, of which 10% is to return to the farmer. The European Commission reserves the right to impose a compulsory quota reduction at the end of February 2010 at the latest to reach the total of 6 million tonnes of sugar quotas abolished. In this case, the abandonment of sugar quotas is not at all subsidised.

According to data forwarded until 31 March this year, the countries that have done away with the largest volume of sugar (over three harvest years) are Italy (over one million tonnes), Germany (757,000 tonnes) and France (681,000 tonnes). Germany and France have bought back sugar quotas.

In a press release, the European sugar producers' committee, CEFS, stresses the efforts made recently by its members who, between January and the end of March 2008, lodged applications for renouncing an additional 800,000 tonnes of sugar quota (EUROPE 9597 on the situation at the end of year 2007). The countries most concerned by this volume of 800,000 tonnes are Germany (264,000 tonnes), France (192,000 tonnes) and Poland (128,000 tonnes).

The CEFS states that the restructuring process within the EU has, in three marketing years, been achieved by closing down 75 factories and with the loss of 10,000 jobs. *"After having been the leader on the world market as white sugar exporter, the EU will be from 2008/2009 onwards the second biggest sugar importer after Russia"*.

"The EU sugar sector has done its part of the job. It is now up to the Commission to do its own part of the job by consolidating the restructured EU sugar market in the multilateral or bilateral trade negotiations", CEFS asserts. CEFS Director General Jean-Louis Barjol explains that the European Commission must do everything to prevent the eventual WTO agreement on the Doha Round from resulting in a further fall in quotas. Mr Barjol is one of those who prefer there to be *"no agreement"* on trade liberalisation at the WTO rather than a *"bad agreement"*. (L.C.)

(EU) EU/AGRICULTURE: SPAIN MUST PAY BACK €55 MILLION FOR UNAUTHORISED PLANTING OF VINEYARDS

Brussels, 08/04/2008 (Agence Europe) – On Tuesday 18 April, the European Commission adopted a decision whereby several EU member states will have to reimburse a total of €83 million in agricultural spending considered not due. The decision covers recovery of unduly spent funding from eleven EU member states (Czech Republic, Denmark, Germany, Ireland, Spain, France, Italy, Luxembourg, Netherlands, Austria and Portugal).

The most significant individual corrections include: €54.9 million that **Spain** must reimburse for unauthorised planting of vineyards in years 2003 and 2004 (a correction forfeit of 10% of production aid is applied); €11 million charged to **France** for irregularities in compensatory aid to bananas (non-respect of recognition criteria by certain producers' organisations) and certain shortcomings in the marketing of Martiniquais production in 2004 and Guadeloupe production in 2004 and 2005; - **Germany** should reimburse €4.25 million because of the overshooting of development programme ceilings for disadvantaged areas of Mecklembourg-Western Pomerania; - **Italy** must reimburse €4.3 million due to the lack of exhaustive controls carried out in the regions of Calabria and Puglia in the field of agri-environmental measures (rural development). (L.C.)

(EU) EU/AGRICULTURE: 08/04/2008 (Agence Europe) – On Monday 7 April, the European Commission revealed the study that it had commissioned on the impact of dairy quota expiry. Carried out by the industrial economy institute, the study confirms that the scenario of a gradual 1-2% rise per year (from 2009-2010 to 2014-2015) of dairy quotas before expiry of quotas in 2015 allows for "gradual price adjustment". The other scenario, the brutal end of quotas, would be far more painful (prices falling by way of 10%). (L.C.)

(EU) ERRATUM: 08/04/2008 (Agence Europe) – Some important information was omitted from the Timetable in issue 9636. The Architects' Council of Europe (ACE) is holding an international conference at Espace Flagey in Brussels on 10 April 2008 on 'Designing for the Future – The Market and Quality of Life'. Speakers include EU Commissioner Siiim Kallas; Slovenia's environment and planning minister, Janez Podobnik; Minister-President of Brussels Capital Charles Picque and the renowned Riccardo Petrella. For further information: +32 (0)2 543.11.40, alain.sagne@ace-cae.org