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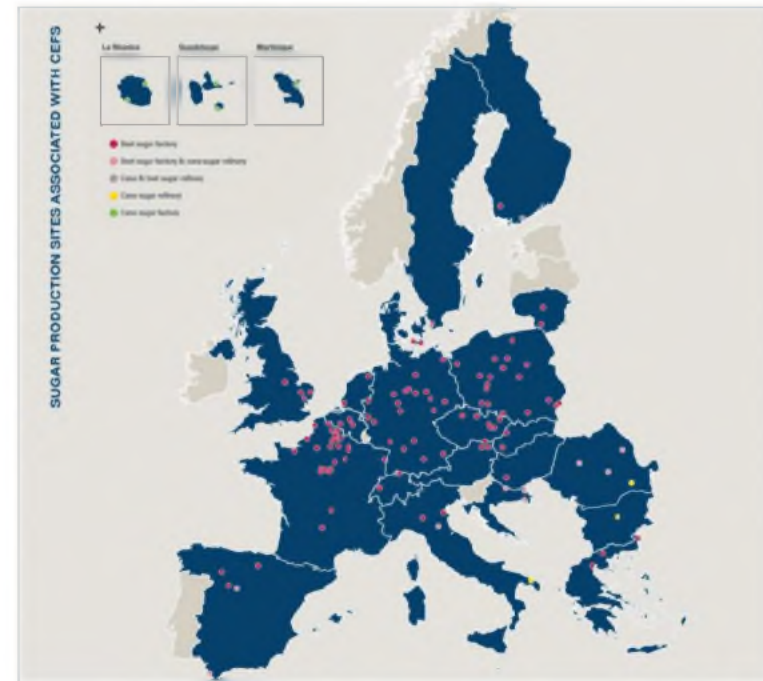
MEETING WITH 

23 October 2020 – 15:30



### The EU sugar industry matters

- 107 factories supporting around 360,000 direct and indirect jobs.
- High-quality, remunerative employment in some of the EU's most vulnerable rural areas.
- 1 job generates 14 jobs along the chain
- Labour productivity of 150,000 EUR per employee, versus 57,000 EUR in the wider food & beverages industry.
- 15.6 billion euros contributed to the EU's GDP.

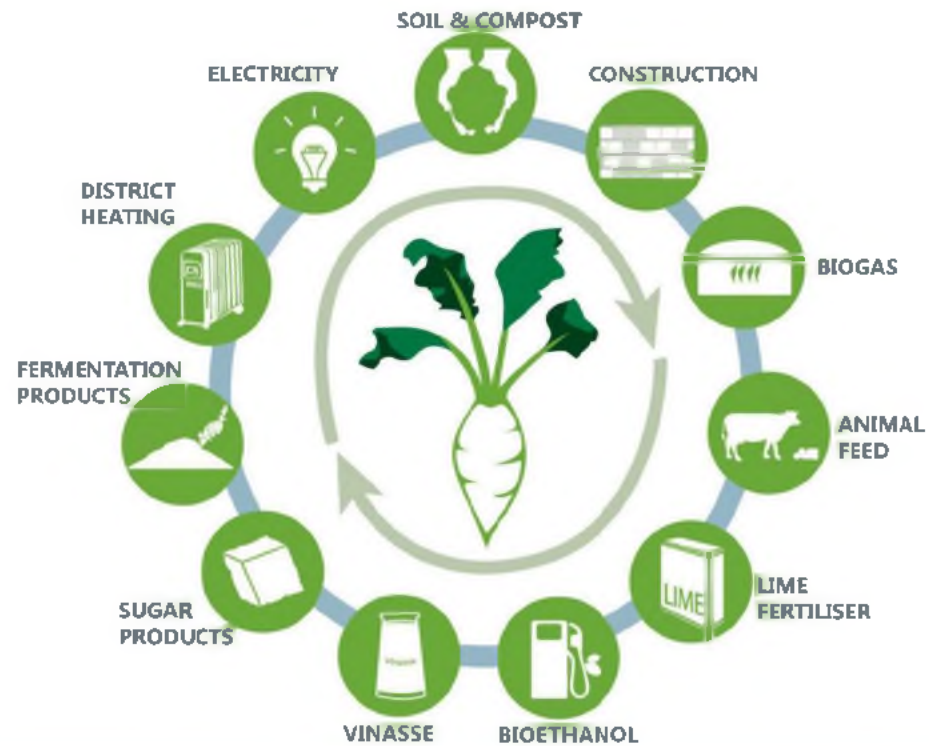


Source: WIFOR. Reference year 2017.



## Sustainability is not a new concept for EU sugar manufacturers – Our journey to sustainability

- +/- 80% of our GDP contribution is generated in rural areas supporting high-skilled jobs.
- Every part of the beet is used, translating into **zero food waste**.
- Industry is **on track to reduce** its own, as well as its supply chain's, **greenhouse gas (GHG) emissions by 2030** to be in line with the Green Deal objectives (minus 50-55% compared to 1990).
- A key contributor to the **EU bio-based circular economy**.
- **Sugar beet** is a key component of **crop rotation systems and a carbon sink**.
- **Sugar**, which has been used for many centuries to make our traditional homemade foods, plays a **role in a healthy and balanced** diet adapted to consumers' individual lifestyle.



What sugar manufacturers can produce with sugar beets: the circular bioeconomy in action!

CEFS supports the EU ambitions enshrined in the Farm to Fork (F2F) and Biodiversity Strategies

- EU Sugar Manufacturers have made impressive efforts to become a global standard for sustainability in world sugar production.
- Ensuring a global level playing field in international markets and the respect of EU sustainability standards will be key in achieving the objectives of the Strategies.
- The transition must be well calibrated in order not to leave sectors/people behind or create frustrations.
- Based on what is already achieved, CEFS and its members are ready to take further action to contribute to constructive and workable solutions.



1. SUGAR AND NUTRITION
2. SUGAR AND PLANT PROTECTION PRODUCTS: WORLD LEVEL PLAYING FIELD?
3. SUGAR AND CLIMATE

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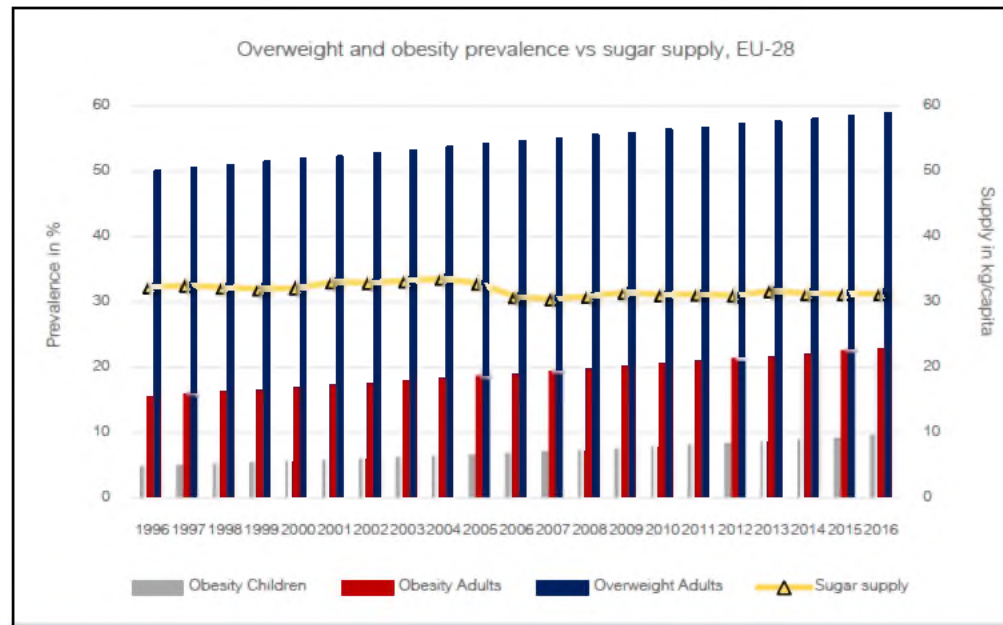
## What is sugar?

- Carbohydrate
- Just like any other carbohydrate, such as starch, sugar provides 4 kcal/gram. Same calories as proteins, but less than fat (9kcal/g).
- Comes from nature (plants make sugar through photosynthesis; sugar is water-extracted from sugar beet or sugar cane).
- Sugar is a unique multifunctional ingredient that cannot simply be “taken out” of food & drinks
- **“sugar” or “sugars”?**
  - When the term ‘sugar’ is used, people are referring to sucrose, produced from sugar beet or sugar cane.
  - But there are actually many different types of sugars: sucrose, glucose, fructose, maltose and lactose.
  - All of these sugars occur naturally and are all digested the same way by the body. The body does not distinguish between sugars naturally found in fruits, vegetable, honey, etc and added sugars.



## Sugar consumption has not skyrocketed in Europe

- Sugar consumption and supply remain stable while obesity and overweight are increasing.



EU-28 development of overweight and obesity prevalence against domestic sugar supply.

Trend based on OECD and FAO data



## Approach to nutrition policymaking must aim at reducing obesity

All nutrition policymaking (e.g. FOP nutrition labelling, nutrient profiles, reformulation...) must be seen in the context of obesity and the search for contributing to a solution.

Fighting overweight and obesity is crucial because it is **at the origin of diet-related noncommunicable diseases** such as type 2 diabetes, cardiovascular diseases and certain types of cancer.

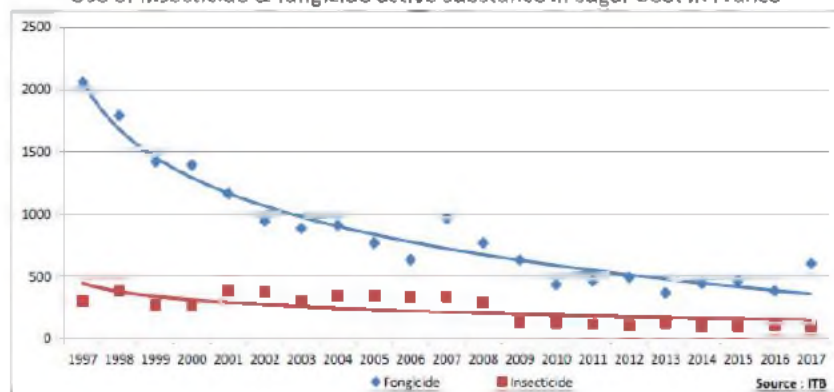
Obesity is a complex and multifactorial issue, but in the end **always caused by an imbalance between energy intake** (consumption of all types of food and beverages) **and energy expenditure** (the energy our body actually uses), resulting in a positive energy balance.

## CEFS positions on nutrition initiatives of EC Farm to Fork

<b>Strategy</b> EC proposal for a harmonized mandatory Front-labelling	Setting of nutrient profiles to restrict promotion (via sugars and/or fat)	EC's plan to stimulate reformulation, levels for certain nutrients
<ul style="list-style-type: none"> <li>• supports initiatives that promote and facilitate choices.</li> <li>• worries about FOP schemes that <b>focus only</b> they <b>distract consumers</b> from the back-of-pack. Some FOP schemes can even <u>letting foods with similar nutritional properties differently.</u></li> <li>• The <b>Nutri-Score</b> can be a tool to complement information on the back-of-pack.</li> <li>• Given the importance of <b>energy intake</b> in should be able to readily view the energy next to any FOP scheme.</li> </ul>	<ul style="list-style-type: none"> <li>• To address obesity and NCDs, the <b>overall quality of important parameter</b> to take into account.</li> <li>• As calories are the key parameter that triggers <b>criteria can prevent unhelpful reformulation</b> based products with a reduced sugars content starches instead, and no increased fibre content, reduction or improved nutritional composition (e.g.</li> <li>• In its 2008 Opinion on Nutrient Profiles, EFSA did not <b>generic profiling criterion</b> but stated that, if at all, the case of particular beverage/food groups (such as beverages and confectionery).</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Calorie reduction</b> should be the new has been undertaken for many years, have already been tackled at EU level and has already led consumers to be of products; the EU must now take stock been done and address calorie</li> <li>• <b>Less sugars does not mean fewer</b></li> <li>• <b>Setting maximum limits of sugars in disproportionate and won't tackle the excessive calorie intake.</b> The timing of premature given the ongoing EFSA science on sugars.</li> </ul>

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Use of Insecticide &amp; fungicide active substance in sugar beet in France



Active substance kg/ha



In FR in 20 years:



- 50 % fungicides

- 75 % insecticides

### Realistic reduction of use and risk of Plant Protection Products

- Over the past decades, the EU beet sugar sector has continuously improved the efficiency of application of plant protection products in the field. See September 2019 “Report on Good Practices in Plant Protection” by <http://www.sustainablesugar.eu/>
- But the decreasing availability of such products poses a growing challenge to the viability of sugar production in Europe.
- Reduction of the use & risk of chemical Plant Protection Products must take into account the efforts already made, considering the availability of alternatives and agriculture practices like IPM.
- Reductions should take place at a realistic pace.

## How to implement F2F Targets at international level?

Environmental Sustainability	EU Sugar beet	BRAZIL Sugar cane
<b>Type of cultivation</b>	Crop rotation	Monoculture
<b>Certification schemes</b>		
Area	> 90% sugar beet area covered	Max. 7.5% of sugar cane area covered
Type	High Standards: good practices beyond EU CAP legislation (cross compliance and greening measures) <a href="http://www.sustainablesugar.eu">www.sustainablesugar.eu</a>	Average to Low Standards: mainly based on the respect of international laws/conventions only <a href="http://www.bonsucro.com">www.bonsucro.com</a>
<b>Legislation on Pesticides</b>	Precautionary principle  More and more strict evaluation and regulatory framework  Around 15 active substances used in sugar beet banned in 2018-2019	262 PPPs authorised in Brazil in 2019 containing 27 active substances not authorised in the EU, among these at least: <ul style="list-style-type: none"> <li>• 5 active substances commonly used as herbicide in sugar cane are not authorised in the EU (hexazinone, atrazine, ametryn, tebuthiuron, paraquat)</li> <li>• 2 active substance used as insecticide in sugar cane are no more authorised in the EU (carbofuran, imidacloprid)</li> </ul>

### CEFS key requests

- Any reduction of **Plant Protection products** should be accompanied by a **clear framework** that allows the development and use of **New Breeding Techniques**
  - Access to **plant breeding innovation** (including **new mutagenesis**) is essential to the agri-food chain's drive towards greater sustainability.
  - EU GMO legislation is no longer fit for purpose.
  - An *unequivocal, clear and workable* **regulatory framework** that addresses the **particular nature of NBTs**. This framework must and can combine state-of-the-art scientific expertise and evidence whilst **guaranteeing safe and high-quality food** with improved properties to consumers.
- No intention to reopen the **neonicotinoids debate** but EU sugar beet sector is in a **transition** and needs **time properly adapt** to the progressive disappearance of PPP and find effective alternatives



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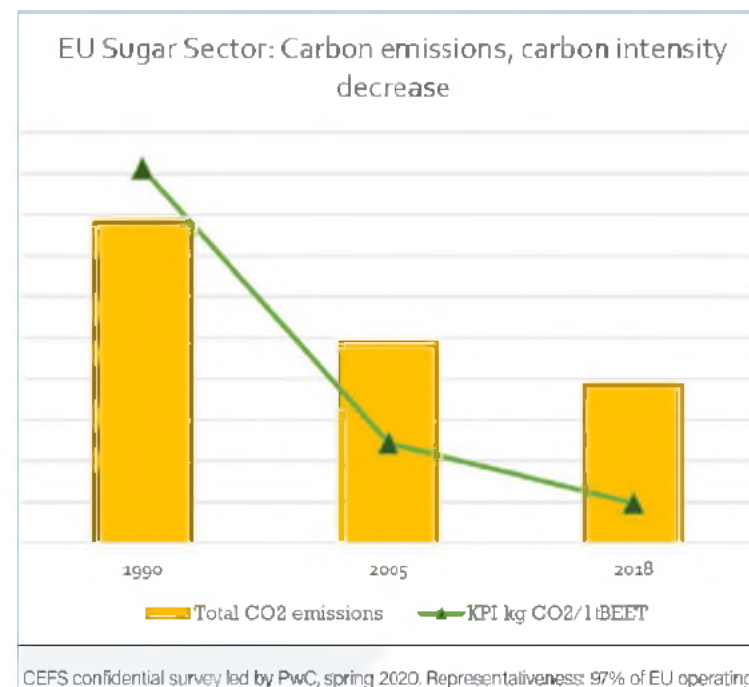
3. SUGAR AND CLIMATE



EU sugar industry has been a front runner in increasing energy efficiency and reducing GHG emissions

- Produce steam and electricity in an energy-efficient manner (through use of combined heat and power systems and heat recovery)
- Up to 90% of the water used in the factory comes from the beet itself
- EU sugar manufacturers have decreased their CO<sub>2</sub> emissions by 51% compared to 1990
- Sector committed to further reduce GHG emissions by 2030 and ultimately by 2050 but limited potential for further increase of energy efficiency

The path to carbon neutrality by 2050 must be supported by solid legal and financial tools



### Upcoming discussions on the carbon border adjustment mechanism (CBAM): CEFS position

- CEFS does not consider the CBAM to be a viable instrument to eliminate the risk of carbon leakage.
- The CBAM may lead to massive greenwashing of sugar imports from third countries.
- The CBAM focuses only on the climate impact of a product. Product comparison on that single basis will be insufficient, as the majority of aspects of environmental and social sustainability performance are not accounted for.
- CEFS' requests:
  - ✓ Keep free allocations of emission allowances under ETS rules and/or under other legislations that address the phasing out of fossil fuels. The best-performing sectors should not bear additional costs.
  - ✓ Add elements that enable the transition away from fossil fuels, such as funding for investments and compensation of higher production costs.
  - ✓ Create a market environment that accepts higher production costs associated with the implementation of Green Deal targets.



Thank you!



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