

Temporary scheme for the restructuring of the sugar industry in the Community

2007/0085(CNS) - 25/09/2007 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Katerina **BATZELI** (PES, EL) on the proposal for a Council regulation amending Regulation (EC) No 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community. Parliament adopted a number of amendments designed chiefly to increase the compensation to producers and to the regions. The main ones were as follows:

- **optimising the restructuring regime:** to encourage greater abandonment of quotas, MEPs call for firms to have the option of restructuring in two stages: those which have already renounced quotas should be able - once the forecasts for 2008/2009 have been published - to increase their applications for renunciation by 30 April 2008. As another way of encouraging producers to withdraw from production more quickly, MEPs suggest increasing the restructuring aid introduced in 2006 to €625 instead of €218.75 for 2008/09. A new clause states that, in the 2008/2009 marketing year, undertakings that renounce a percentage of their quota superior to the withdrawal percentage set on 16 March 2007 by Article 1(1) or Article 1(2) of Regulation (EC) No 290/2007, shall be exempted from the restructuring tax to be paid for the 2007/2008 marketing year in proportion to the supplementary quantities renounced.

Parliament also stressed the need for undertakings to devise business development plans to diversify revenue and employment. It adds that restructuring plans must be prepared in consultation with growers and that the growers must be informed about their future before the sowing period. In addition, MEPs want there to be an option for the restructuring fund to continue operating for one extra year if necessary;

- dismantling of production facilities during the marketing year 2005/2006 shall be deemed to take place in the marketing year 2006/2007, the 2007/2008 marketing year or the 2008/2009 marketing year;

- **special cases: small growers and bioethanol.** Under the Commission proposal, beet growers will be able to take the initiative to renounce quotas up to 10% of the undertaking's quota. MEPs believe that in this context priority must be given to small-scale growers so that they can renounce on favourable terms the right to transport beet.

Parliament also calls for 100% compensation in the case of firms which partially dismantle their production facilities provided they shift towards bioethanol production. Until now, the aid granted for partial dismantling was 35%.

-**boosting aid for producers and regions:** MEPs called for growers to receive 25% of the aid paid under the restructuring fund. The Commission, in its latest proposal, seeks to set the figure at 10%. In the first two years of the reform this same could vary from Member State to Member State provided it is not less than 10%.

Parliament wanted to increase from €237.5 to €260 euros per tonne of quota renounced the additional aid to beet growers - which the Commission proposes to grant for 2008/09 and retroactively for growers who have already abandoned production over the two years of the reform. This additional payment will also be made for the 2009/2010 marketing year in the event that the undertaking concerned renounces a part or the totality of the sugar quota allocated to it as from that marketing year, provided that the application is submitted before 31 January 2008.

Parliament called for aid for diversification paid to the regions affected by restructuring to be kept at the current level of €109.5 per tonne of quota for sugar renounced up to 2009/10 (the regulation adopted in 2006 provides for this aid to fall to €93.80 in 2008/09 and €78 in 2009/10).

Lastly, it should be noted that this report is closely linked to the report on the proposal for a Council regulation amending Regulation (EC) No 318/2006 on the common organisation of the markets in the sugar sector ([CNS/2007/0086](#)).