Common agricultural policy (CAP): support schemes for producers in the sugar sector

2005/0119(CNS) - 19/01/2006 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Jean-Claude **FRUTEAU** (PES, FR) and made some amendments to the Commission's proposal.

-Parliament stated that substantial compensation needs to be provided for the reduction in income affecting sugar beet and cane producers. Income support measures should seek to offset loss of income and to foster economic development in the regions concerned and, in so doing, create new sources of income for Community producers. Furthermore, changes to the EU sugar regime will also have a considerable impact on ACP producers, who currently enjoy preferential access to the EU market under the Sugar Protocol. It is essential that these countries, many of whose economies are almost fully dependent on sugar, be given financial support. The latest need assessment put forward by the Commission estimates that ACP countries will require EUR 200 million per annum. This need must be met with new and fresh funding which is additional to existing development funding commitments.

Parliament went on to state that the incorporation of the sugar payment into the single area payment scheme is liable to deprive beet growers of most of the beet compensatory aid. The Member States concerned should therefore be allowed to derogate from this simplified scheme and to grant beet growers compensatory aid taking account of beet-growing areas for the reference period.

Parliament suggests making funds available for switching from sugar to different crops. A new Article states that aid of EUR 80 per hectare per year shall be granted for areas sown under energy crops, including arable crops (cereals, oilseeds, beet, potatoes, etc.), under the conditions laid down in the text. There will be a maximum guaranteed area of 2 200 000 ha for which the aid may be granted. The various figures in the Annexes (national ceilings and payments per hectare) for compensation for farmers' loss of income should be reviewed in order to bring them into line with the less radical price cuts which Parliament had proposed in relation to the regulation on the common organisation of the markets in the sugar sector (see CNS/2005/0118).