Temporary scheme for the restructuring of the sugar industry

2005/0120(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:

- a new article states that as a consequence of reduced market support in the sugar sector, the restructuring aid also needs to be used to finance support measures for employees in sugar farming as well in the sugar industry. Those measures must be such as to help them to find new opportunities;

- another new article states that the quotas allocated for isoglucose shall not be eligible for restructuring aid;

- there are further requirement for the abandonment of production, on which access to the restructuring scheme is dependent. These include: the opening up of economic prospects for the region and the creation of jobs, in particular through the possible conversion of the premises for social or cultural purposes; the implementation of measures to facilitate the redeployment of the workforce or to provide compensation for job losses suffered by employees of the undertakings concerned; the signing of an agreement within the trade concluded with sugar beet and chicory growers or their official representatives concerning the share of restructuring aid to be allocated to growers, and the submission of a restructuring plan and its approval by the relevant authorities of the Member State concerned. This agreement will be signed by sugar beet and chicory growers, as regards their aid entitlements, and by employees of sugar factories, as regards labour-related matters;

- a new article gives a list of requirements for the abandonment of production where industrial facilities are to be converted to produce bioethanol for energy purposes. These include the renunciation of the relevant quota after consultations to be conducted in the framework of the relevant agreements within the trade; the conversion of industrial facilities into distilleries enabling the effective production of bioethanol for energy purposes; the implementation of measures to facilitate the redeployment of the workforce or to provide compensation for job losses suffered by employees of the factories concerned; the signing of an agreement within the trade concluded with sugar beet and chicory growers or their official representatives concerning the share of restructuring aid to be allocated to growers, and the submission of a restructuring plan and its approval by the relevant authorities of the Member State concerned;

- Applications for restructuring aid shall include: a joint commitment within the trade to renounce the relevant quota; the drawing-up of a business development plan covering planned economic activity and the impact of restructuring on the environment and employment and taking due account of the situation in the region. However, where industrial facilities are to be reconverted to produce bioethanol for energy purposes, applications for restructuring aid shall include the commitment to meet only the requirements mentioned above;

- the amount of restructuring aid per tonne of renounced quota has been increased by Parliament for each marketing year. They are: EUR 800 for the marketing year 2006/2007; EUR 741 for the marketing year 2007/2008; EUR 622 for the marketing year 2008/2009; EUR 516 for the marketing year 2009/2010;

- at least 50% of the total amount per tonne of quota renounced and made available to the sugar industry for restructuring shall be for sugar beet and chicory growers. The Commission is called upon to draw up proposals on the use that might be made of the amount received by growers having ceased production

under the restructuring fund arrangements with a view to the creation of economically appropriate alternative forms of production.

- a new article on compensation states that Sugar beet and chicory growers, sugar factory employees and suppliers of machinery used in sugar beet and chicory production will suffer losses as a result of the restructuring and abolition of sugar beet and chicory production;

In view of this, 50% of restructuring aid shall be reserved for sugar beet and chicory growers and machinery suppliers as compensation, in particular for investments made in specialist machinery that will decline in value. Furthermore, an additional sum of at least 10% of restructuring aid shall be reserved as compensation for sugar factory workers who have lost their jobs;

- a new article on Regional diversification states that during the transitional period, the additional amount allocated for each tonne of sugar not produced, equivalent to 15% of restructuring aid, shall be earmarked for the Member States or their regions as support for diversification in regions affected by restructuring;

- Finally, sugar beet growers who continue sugar beet production in Member States which significantly reduce their sugar quota shall have access to transitional national aid for five consecutive years starting with the marketing year 2006/07 at the earliest and ending by the marketing year 2013/14 at the latest.