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## Yeast industry asks for a transparent EU sugar market after 2017

The EU Yeast industry development is strongly linked to EU sugar beet history. Yeast is a microorganism, which is cultivated (fermented) on a substrate rich in sugar (molasses, sugar syrups). EU Yeast producers buy around 0.8 million ton of sugar equivalent per year, more than 80% being of EU origin.

Marc CASIER, President of COFALEC, says *"In 2017, the sugar reform will profoundly change the EU sugar market with the end of sugar quotas. Some key rules for the sugar market post 2017 (price reporting, export monitoring) will be discussed on the 25<sup>th</sup> June at the newly created Sugar Expert Group by Member states and EU Commission."*

The EU sugar market is structured in two different markets:

- ✓ sugar directly used as food in the EU
- ✓ sugar indirectly used (fermentation, ethanol or exports).

These two markets are currently monitored on a monthly basis by the EU Commission.

Marc CASIER explains *"COFALEC would like the two different sugar markets (sugar directly used as food vs. sugar indirectly used) to continue to be monitored with two price reporting systems and with regularly updated balance sheets. This data is essential for a transparent market and a clear evaluation of the impact of the 2017 reform. Only with this data will a true comparison with the current data on prices and production be possible."*

Yeast is a natural living micro-organism used in traditional fermented products (bread, wine, beer and cheese). Because the competitiveness of the yeast industry greatly depends on its access to raw material (molasses, sugar), it is crucial to monitor the EU sugar market. The end of sugar quotas in October 2017 will completely reshape the EU sugar production (sugar beet production may decrease in some areas whilst increasing in others). A transparent market with the reporting of prices will help to detect possible market turbulence in the sugar sector, which would impact sugar users and ultimately the whole food chain.

For further information, please contact:  
Emmanuel Guichard, Secretary General  
Tel: +33 6 70 58 08 81  
[www.cofalec.com](http://www.cofalec.com)