European Communities — Joint Information Service

Newsletter on the Common Agricultural Policy

No. 4 March 1968

CONTENTS

	Page
Common market for sugar from 1 July 1968	
Difference between the new market organization for sugar and other market organizations	2
Limitation of production	3
Price system - sugar	4
Price system - sugarbeet	5
External trade arrangements - sugar	6
Internal market arrangements for sugar and sugarbeet	9
Disposal of surplus sugar	15
Assessment of new market organization	16
Goods covered by the market organization	18
Statistics	20
Chart	21

3579/PI/68-E

Published by the Division for Agricultural Information in collaboration with the Directorate-General for Agriculture of the European Communities Commission — 129, rue Stévin, Brussels 4

The European Communities Sugar Manual

In contrast to market organizations already set up by the EEC for other agricultural products, the common organization of the sugar market will not entail implementation of a common policy at the moment. Common rules for sugarbeet and sugar will mean that Community instruments and measures will be introduced while guaranteed quotas for national sugar producers will be retained. This decision, which took final form at a Council meeting held on 26 October 1967,[1] differs from the EEC Commission's original proposal. Following the pattern for the other market organizations, the Commission's proposal of 4 March 1964 was aimed at creating a Community sugar policy at the earliest possible date, with completely free competition between beet-growers and sugar manufacturers. The Council, however, preferred to allow a relatively long transitional period and to plan for the introduction of a common policy only after 1975.

The relevant part of Article 22 of the new basic regulation reads as follows:

"Articles 23 and 33 (i.e. the transitional provisions), and in particular the provisions dealing with national basic quotas, their allocation to factories or enterprises and price differentiation, will cease to have effect from 1 July 1975".

Community arrangements for various agricultural products are based, generally speaking, on a market policy which includes import and export rules as well as intervention measures to ensure that farmers get a certain price and a certain income. The basic regulation for sugar and sugarbeet does make provision for a "market organization", but it is a different kind of organization from those previously approved by the Council.

A production policy of a sort will be introduced in this sector. Officially, it will set limits to price and sales guarantees, although this is unlikely to curb expansion of production very much. The fact that the organization is only partly a Community one is evidenced by the imposition of a ceiling on expenditure for which the European Agricultural Guidance and Guarantee Fund (EAGGF) will assume responsibility.

.../...

[1] Council Regulation No. 1009/67/CEE on the common organization of the market in sugar; official gazette No. 308, 18 December 1967.

The Council felt that such a transitional policy was necessary for two main reasons:

1. The special economic conditions in this branch of production;

2. The need to help the Member States to move gradually away from the national policies they have been following until now.

The formulation of a production policy based on constant supervision was made possible by the existence of strict national rules and by the concentration of sugar production in a relatively small number of factories.

Production and manufacturing quotas for sugar

Each Member State will allocate a basic quota[1] to every sugar-producing factory or enterprise in its territory. These quotas will be based on average production over a reference period, namely from 1961 to 1965. This would have given a total quota of roughly 5 750 000 tons for the Community, but to fit in with the production expectations of Member States this quota was adjusted by the Council according to the probable growth of consumption. The increases in consumption allowed for by the Council in calculating the production quotas for the individual Member States varied with its assessment of the present situation of the sugar industry in each Member State.

Beet-growers and sugar manufacturers in the Member States share a basic quota which represents the proportion between an individual Member State's national quota (its "basic quantity"[2]) and its average annual production over the marketing years 1961/62 to 1965/66 inclusive, multiplied by a coefficient. The basic quantities of white sugar in the Member States have been fixed as follows:[3]

Germany (FR)	1 750 000 tons
France	2 400 000 tons
Italy	1 230 000 tons
Netherlands	550 000 tons
BLEU	550 000 tons
Total	6 480 000 tons

.../...

[1] Basic quota: a basic quota is allocated to individual sugar-producing factories or enterprises by the Member States.

[2] The sum of the basic quotas in a single Member State is officially known as the basic quantity; it comprises the quantity of sugarbeet grown for processing into sugar under the basic quota system.

[3] Article 23 of Regulation No. 1009/67/CEE.

The Council established this quota of 6 480 000 tons for Community production in 1968/69 from estimated consumption for that year, which is in the region of 6 280 000 tons.[1]

The full sugar price will be guaranteed by the EAGGF for a quantity up to 5% in excess of the sugar consumption expected in the relevant marketing year. If we take the coming 1968/69 marketing year as an example, consumption is estimated at approximately 6 280 000 tons; this means that the full sugar price will be guaranteed for some 6 600 000 tons (in other words, 105% of consumption).

Price system

A. Sugar

Under the regulation for the Community's cereal market the target price for wheat other than durum and for feed grains is fixed for the area with the largest deficit, which is Duisburg in the Federal Republic of Germany. In contrast to this, under the common arrangements for sugar, a single target price will be fixed for the area with the largest surplus. Eight Departments in the north of France are regarded as being the area with the largest surplus, and prices fixed for this area will also apply to the Benelux countries and throughout the Federal Republic of Germany. The Council, on a proposal of the Commission, will fix the target price before 1 August each year for white sugar of a standard quality, the price being valid for the marketing year commencing on 1 July of the following year. For the 1968/69 marketing year the price will be 22.35 u.a. (DM 89.40) per 100 kg.

An intervention price will also be fixed for the main surplus area. It will be lower than the target price and is 21.23 u.a. (DM 84.92) for the 1968/69 marketing year.

At first sight, a differential of only 5% between the two prices (the intervention price represents 95% of the target price) may seem rather small. However, the sugar market is not a very risky business, so this 5% is, in fact, quite adequate. The structure of the common market organization approved by the Council is such that derived or regional intervention prices resembling those fixed for cereals and rice, or some variant of these prices, cannot be fixed to allow for regional price differences.

.../...

[1] Consumption of white sugar in 1968/69 is now estimated at 6 million tons.

Derived prices will therefore be fixed for Italy and the French overseas departments of Réunion, Guadeloupe and Martinique only. These prices should correspond more or less with the price for sugar under normal price formation conditions, given an average harvest and freedom of movement for the product.

Throughout the marketing year, the intervention agencies to be designated by the sugar-producing Member States will be required to purchase, at the intervention price, supplies offered to them of white sugar and raw sugar manufactured from sugarbeet or sugar cane grown in the Community. The intervention agencies may only resell sugar on the internal market at prices higher than the intervention price. However, they may also be allowed to

(i) sell it at a lower price provided it has been rendered unfit for human consumption;

(ii) sell it at the world market price for export to non-member countries, either as sugar or following processing into one of the products listed in Annex II to the Treaty of Rome or in the Annex to Regulation No. 1009/67/EEC.

B. Sugarbeet

In the market organizations for cereals and rice, the target prices are those for unprocessed grain; in the oils and fats market they are those for rape and colza. For the sugar market, however, the procedure is reversed in that the target price is fixed for the end product, white sugar. This is because there is no trade in sugarbeet as such and it cannot be exported. Beet is usually grown and delivered to sugar factories under contract. Sugar, on the other hand, has a real market price.

The guaranteed minimum price for sugarbeet was therefore fixed by calculating back from white sugar. For the 1968/69 marketing year, this minimum price to growers has been fixed at 17 u.a. (DM 68) per ton of sugarbeet delivered with a 16% sugar content, up to a specified quantity. Each year the Council, on a proposal by the Commission, will fix

(i) a minimum price for sugarbeet inside the basic quota (17 u.a.), and

(ii) a minimum price for sugarbeet outside this basic quota but inside the upper ceiling (at least 10 u.a.),

valid for each beet-growing area for which an intervention price for sugar has been fixed.

The minimum price for sugarbeet will be fixed on the basis of the intervention price for white sugar valid for the area in question and of standard amounts for the Community representing

(a) the processing margin
(b) yield
(c) receipts from sales of molasses by factories or enterprises
(d) where applicable, the cost of delivering sugarbeet to the factory.

When fixing the target price, the Council will, at the same time, follow the procedure laid down in Article 43(2) of the Treaty of Rome (that is to say, act on a proposal of the Commission following consultation with the European Parliament) in order to

(a) fix the minimum price for sugarbeet in the main surplus area of the Community, and

(b) specify the delivery stage and the standard quality for sugarbeet.

When fixing the derived intervention prices, the Council will follow the same procedure in order to fix the minimum prices for sugarbeet in each of the remaining beet-growing areas.

External protection for the Community's sugar industry

Under Article 12 of the new sugar regulation, a threshold price will be fixed for white sugar, raw sugar and molasses each year. The threshold price for white sugar must be such as to enable Community sugar to be marketed at the target price in the Community's most distant deficit area (Palermo). The threshold price will therefore be 25 u.a. (DM 100) per 100 kg. The relevant article runs as follows:

"The threshold price for white sugar shall be equal to the target price valid for the area of the Community with the greatest surplus, plus transport costs calculated on a flat rate basis from that area to the most distant deficit area of the Community. This threshold price shall apply to the same standard quality as the target price."

A special threshold price for raw sugar will be derived from the threshold price for white sugar. Since the Community has a molasses deficit, the threshold price for molasses can be fixed lower than the ex-factory price. Care must be taken to ensure that the earnings of sugar-producing factories or enterprises from sales of molasses will reach the level taken into account in fixing the minimum beet price.

CIF prices for white sugar, raw sugar and molasses will be fixed in respect of a given Community frontier-crossing point. These prices will be based on the most favourable offers on the world market, determined from quotations or prices for each of these products on the world market. A levy will be charged on imports of the products covered by the regulation. The levy on white sugar, raw sugar and molasses is equal to the difference between the CIF price on the world market and the Community's threshold price.

The levy on raw sugar can be adjusted to yield, if necessary. Imports of raw sugar not intended for refining will be subject to the levy for white sugar if this is higher than the levy for raw sugar. If the levy for white sugar is higher than the levy for raw sugar, raw sugar for refining will undergo a customs inspection or an administrative examination offering the same guarantees.

The other products coming under the regulation will be subject to a flat-rate levy calculated on the basis of the sucrose content of each of these products and the levy for white sugar.

Licences will be required for all imports and exports of these products into or out of the Community. These licences will be issued by the Member States to anyone submitting an application, irrespective of his place of residence within the Community. A licence will only be issued against payment of a deposit. In principle the amount of levy chargeable will be that valid on the day of importation, but it can be fixed in advance for sugar and molasses.

.../...

Should the CIF price for white sugar or raw sugar be higher than the threshold price, a levy corresponding to the difference between these two prices can be imposed when the products concerned are exported. Under the same conditions, a subsidy can be granted when they are imported.

To permit export at world market prices of the products covered by the regulation, the difference between these prices and the Community price can be offset by an export refund, if need be.

The refund will be the same for the whole Community though it can vary with the destination of the exports. It will be paid at the exporter's request. The refund for raw sugar must not be higher than the refund for white sugar.

An important section of the regulation deals with the development of inwards processing traffic. This means the re-exporting of products processed from raw materials previously imported duty-free into one of the member countries. To ensure that the market organization operates smoothly, the regulation specifies that inwards processing traffic can be limited or, should the market situation require this, prohibited. The export refund should also be fixed so that basic products of Community origin contained in products exported by the Community's processing industry would not be placed at such a disadvantage that the processing industry might then give preference to basic products imported from non-member countries. The introduction of a single sugar market means that the Community must have rules to govern inwards processing traffic.

These Community rules are to be adopted before 1 July 1968.

To sum up, then, it can be said that the advent of a single Community market for sugar, coupled with uniform rules on prices, necessitate the introduction of uniform trade arrangements at the Community's external frontiers.

.../...

Administration of the market organization

This outer framework of the sugar market organization - comprising the price system and trade arrangements for non-member countries - will be filled in with the system of levies on Community production and sales. In recent years sugar production has grown to be many times in excess of the Community's needs; the world market, too, is characterized by considerable surpluses. For this reason the Council has tried to include in the regulation measures which will limit production during a transitional period and lead to regional specialization of production within the Member States.

Decisions adopted by the Council as early as June 1966 fixed the production quota for the Community in the marketing years from 1968/69 to 1975/76 at 6 480 000 tons, divided between the six Member States. Until 1970/71, however, sugar producers will receive price and sales guarantees for 135% of this basic quota. For the segment of production falling between the basic quota (100%) and the ceiling (135%), the price guarantee will be limited. After 1970/71, the segment of production receiving these guarantees will have to be fixed afresh. As we have seen, the intervention price for the main surplus area of the Community has been fixed at 212.30 u.a./ton; the world market price for raw sugar is at present somewhere between 50 and 60 u.a./ton.

Since the intervention price is also higher than the prices which have been current in France[1] and Belgium until now, surpluses are bound to continue. The Council had therefore to consider what specific measures could be taken to present sugar production increasing too sharply and to ensure outlets for the sugar.

As a first step, the Member States allocate the basic quantity accorded them to sugar-producing factories[2] or enterprises.[3] For this basic quota, beet-growers receive the guaranteed minimum price of 17 u.a./ton.

.../...

[1] The Community target price (17 u.a./ton) for sugarbeet inside the basic quota means an increase of 25% on the 1967/68 price and as much as 40% on the 1966/67 price for French beet-growers; it is therefore estimated that production will increase by 40% or 350 000 ha in 1968/69.

[2] Factory = a single technical production unit.

[3] Enterprises = groups to which several factories belong, i.e. an economic production unit.

As a second step, a ceiling or maximum quota is fixed by the Member States for the factories or enterprises to which a basic quota has been given. Until the 1970/71 marketing year this maximum quota will be 135% of each manufacturer's basic quota.

Subsequently, that is to say in the 1971/72 to 1974/75 marketing years, this coefficient will be adjusted to allow for the trend of production and the market situation and to encourage greater specialization.

Beet-growers can then expect to get 17 u.a./ton for beet inside the basic quota with a 16% sugar content - in other words, the price fixed by the Council; this is called "top-price beet". Beet outside the basic quota but within the 135% maximum quota qualifies for a minimum price of 10 u.a./ton; this is called "medium-price beet". No price guarantee of any kind is given for beet outside the maximum quota; the expression "low-priced beet" is used for this segment of production.

Sugar produced in excess of the 135% ceiling cannot be sold on the Community market unless there is a shortage within the Community.

The third important step decided on by the Council is that the EAGGF will assume financial responsibility for a "guaranteed quantity", representing 105% of forecast consumption of white sugar in the Community in a single marketing year. Sugar produced in excess of this guaranteed quantity can probably only be marketed at a loss. The Council therefore decided to cover this fore-seeable loss by a production levy.

Any manufacturer who produces more than his basic quota must pay this production levy for each excess unit produced, although he will be given full sales guarantee for this surplus production. Since the manufacturer can require the beet supplier to pay 60% of this levy and therefore pays only 40% of it himself, its effect is not only to reduce the manufacturer's profit margin but also to lower the price the farmer receives for his beet.

The amount of the production levy is directly related to total EEC production and to price levels within the EEC and on the world market. This is quite clear from the way in which it is calculated. Losses incurred on exports of all EEC production in excess of the basic quantity will be transferred to sugar produced in excess of each manufacturer's basic quota. Since the production levy[1] could rapidly reach a level making it impossible for either the manufacturer or the beet-grower to get a worthwhile return, the levy will not be allowed to exceed a certain maximum amount. For the 1968/69 marketing year it will be fixed at a level that would prevent the price for beet inside the 135% ceiling from falling below 10 u.a./ton. Any additional burden which this may entail will be borne by the EAGGF. The basic rules for charging the production levy are in Article 27 of the regulation. It will be calculated per unit of weight by dividing overall losses incurred in marketing sugar produced in the Community in excess of the guaranteed quantity by the total quantity produced in excess of their basic quotas by the factories or enterprises in the Community.

We have seen that the production levy may not exceed a certain level. The EAGGF is therefore bound to cover eligible expenditure incurred by manufacturers in excess of this maximum amount.

<u>EAGGF refunds come under two headings:</u>[2]
Market support and export refunds, viz. expenditure to cover

(i) the difference between actual consumption and the guaranteed quantity;

(ii) the amount by which manufacturer's eligible expenditure exceeds the maximum amount.

.../...

[1] If total Community production in 1968/69 reached some 6 730 000 tons, the maximum production levy would be charged. This tonnage would be exceeded if France were to produce approximately 111% of its basic quantity and if the remaining Member States produced their basic quantities only.

[2] No precise estimates are yet available on EAGGF expenditure in connection with the common market organization for sugar. It can be expected, however, that roughly 120 million u.a. will be required in each marketing year.

The position of beet-growers can then be summed up as follows. The Member States will allocate their basic quantities to sugar-producing factories or enterprises in the form of basic quotas. The production policy for sugar and sugarbeet is based on this quota system, under which each sugar manufacturer is allocated a basic quota and a maximum quota derived from that. If the maximum production quota is exceeded, the manufacturer must sell his sugar on the world market at his own expense.

The internal link between marketing policy and production policy becomes clear here. If the maximum quota represents maximum production, the basic quota - for which full price and sales guarantees are given - undoubtedly represents minimum production. Somewhere in between these two levels the beet-grower and the sugar manufacturer come together and are jointly responsible for production. The proposed specialization of production within the Community will also take place at some level between the basic and the maximum quotas. Measures affecting production are therefore of vital importance for the proposed regulation and consequently for the level of total Community production.

The "contingency reserve"

The Member States, however, will be entitled to allocate only 90% of the entire basic quantity in advance to sugar-producing factories and enterprises for 1968/69, retaining the remaining 10% as a "contingency reserve" for allocation at a later stage, some time before the beginning of the next marketing year. Their reason for doing this is to have a quantity in hand for allocation as a basic quota to a newly-built factory, for instance, or to allow them to adjust quotas, in the interval between harvests, should they consider that any factory or enterprise had been badly treated. After 1968/69 the Member States may hold back 5% of any year's quota for allocation at their discretion to factories until 30 June 1975; they could, for instance, allocate 1% in the first year, 3% in the following year, a further 1% at a later stage. They could also, of course, allocate the entire 5% in a single year. This arrangement highlights the efforts expended to make good use of present sugarbeet and sugar manufacturing capacity - an aim which is also borne in mind in allocating quotas to factories and enterprises.

.../...

Sugar-producing factories or enterprises conclude growing and delivery contracts with beet-growers. In contracts for the delivery of sugarbeet for the manufacture of sugar, prices are differentiated according to whether the quantities of sugar to be produced are

(a) within the basic quota,

(b) outside the basic quota but within the maximum quota (135%),

(c) in excess of the maximum quota.

Before sowing, at the time of signing the contract, the beet-grower must choose between receiving 10 u.a. per ton for any beet produced in excess of the basic quota and growing beet up to the amount of the quota only. This is the key to the whole quota system.

Sugar manufacturers will supply the following information to the Member State in which their factory or enterprise produces sugar:

(i) the quantities of sugarbeet within the basic quota for which the factory or enterprise concerned has concluded pre-sowing, contracts, and the sugar content on which these contracts are based.

(ii) the corresponding yield expected.

The Member States are also free to ask for additional information.

Any sugar manufacturer who has not signed pre-sowing contracts for beet inside the basic quota at the minimum beet price will be required to pay this minimum price for all beet processed into sugar in the factory or enterprise concerned.

In the Council discussions, one Member State indicated that it could not see its way to adopting the proposed procedure and introducing the price differentiation system for beet inside the basic quota and outside the basic quota. This Member State was in favour of a mixed price system, which would combine the prices for beet inside and outside the quota. The Member State concerned was given permission to operate this mixed price system, but on a non-discriminatory basis, which means that other Member States can also use the system if they wish. To prevent excess production under such a system, however, the Council decided not to allow the full 135% but instead a basic quantity of 350% over three years, so that a correspondingly smaller amount of sugar would be produced as a result of combined "top" and "medium" prices for beet.

Carry-over from one marketing year to the next

To curb the tendency towards excess production which might result from the combined effects of these individual measures, the regulation allows excess production representing not more than 10% of the basic quota to be carried forward to the following marketing year. This should mean that the beet-grower can plan production from his basic quota with a view to making a real profit. Any excess production carried forward will be treated as part of the following year's production and will, therefore, not be subject to the production levy during the year in which it is grown.

Under the normal provisions of the regulation, any factory or enterprise will be free to carry forward its production in excess of the basic quota, but to an amount of not more than 10% of the quota, to the following marketing year; Member States applying the mixed price system, however, may not make use of this carry-forward arrangement.

Since the amount carried forward will be treated as part of the following year's production, it should be possible to achieve a better balance of production between individual marketing years.

Some special provisions

Italy is in a particularly difficult position with regard to the Community's sugar market. Sugarbeet growing is being organized in some parts of Italy, but sugar production is not yet well-established. These areas will have great trouble in competing with other beet-growing areas of the Community. The Council therefore decided to accede to Italian requests for adaptation grants for beet-growers and the sugar industry in the 1968/69 to 1974/75 marketing years. This aid will cease on 30 June 1975.

.../...

Aid to beet-growers cannot be more than 1.10 u.a./ton of beet with 16% sugar content; it can only be granted in respect of quantities of sugarbeet inside the basic quota. Aid to the sugar industry must not exceed 1.46 u.a. per 100 kg of white sugar produced from beet grown in Italy; it too can only be granted in respect of quantities of white sugar inside the basic quota.

Cane sugar from the French Overseas Departments plays a special role in the sugar market organization, but is treated as Community sugar. The basic quantity fixed for these Departments is 465 000 tons. The sugar arrives on the Community market in the form of raw cane sugar, and has been fitted into the regional price system by being accorded a price derived from the price for Italy plus transport costs to Italy.

Sugar surpluses can be dealt with in the following ways:

(a) Market support and subsequent release of supplies

The obligation to intervene to support the market mainly concerns white sugar offered to the intervention agencies. Under the regulation, the obligation to buy raw beet sugar from factories producing raw sugar is confined to certain areas and is for a limited period only. For the entire Community, with the exception of Lower Saxony, this obligation ends on 1 January 1970.

(b) Use in denatured form for animal feed

This is an extremely practical solution, though feedingstuffs manufactured from sugar cost more per starch unit than feedingstuffs made from cereals.

(c) Use by the chemical industry

In order to maintain the competitive position of the Community's chemical industry which uses sugar as a raw material, it appeared necessary to guarantee the industry supplies of Community sugar at low or world market prices. The chemical industry's capacity should not be overestimated, however; at most it will account for some 50 000 tons each year.

.../...

(d) Exports to non-member countries

Sugar can be exported to non-member countries as unrefined or white sugar or in the form of processed products containing sugar. At the moment, there are few openings on the world market, which is saturated and in part over-supplied.

Exporting and importing countries are at present negotiating a new world sugar agreement which will determine the possibilities open to exporting countries.

(e) Food aid

The developing countries also have large sugar surpluses. The second UN Conference on Trade and Development is now taking place in New Delhi, and the question of world-wide commodity agreements will presumably come up for discussion. Sugar may be dealt with here but, if anything, the result would probably be import obligations for the Community rather than markets for Community sugar in the developing countries. If the Community were to consider including sugar in food aid it would have to be either given away or paid for at world market price in local or freely convertible currencies.

Assessment of the sugar market organization

One further point must be mentioned in this connection. The price for beet inside the basic quota (17 u.a./ton is regarded as very attractive in almost all areas of the Community, even in those areas where a higher price previously prevailed. Under these circumstances, beet-growers will certainly see to it that they produce at least their quota.

Now follows an extract from an address by Dr. S.L. Mansholt, Vice-President of the Commission of the European Communities, to a plenary session of the Economic and Social Committee on 28 September, 1967.

"The Council decisions on sugar date from 1966. Sugar prices were fixed somewhat too high, but fortunately they were coupled with arrangements to assure responsibility for marketing; this responsibility is shared by the sugar manufacturers and the beet-growers.

"It is to be feared that the Council may one day agree on a system which, after a certain length of time, will make the implementation of a common sugar market impossible.

.../...

When the Commission fixed the price for beet with a sugar content of 16% at 17 u.a./ton, it assumed that this would lead to increased production not only in France but also in Belgium, and even in the Netherlands. Provision is made for gradual abolition of the quota system over a six-year period and its replacement by a system of Community quotas based on a progressive specialization of production in those areas where conditions for beet-growing and sugar manufacture are most favourable. If, however - as would appear from the Council discussions - all six Governments wish to be free to allocate the quotas for their sugar industries themselves, thus showing that they have nothing more in view than specialization within their own countries, it follows that there will still be six distinct national sugar industries at the end of the six-year transitional period. We can only hope that specialization within the individual countries will achieve satisfactory results.

There is no denying, however, that no progress at all has yet been made with regard to specialization of sugarbeet growing in the Community.

All measures now felt to be necessary must make possible the opening of frontiers at the end of the transitional period and lead to specialization in sugar production. The whole question is worthy of special attention since this is the first time such difficulties had to be overcome and the first time that the interests of the individual Member States have been so vehemently asserted."

.../...

The common market organization for sugar applies to the following products:

	CCT No.	Description of goods
(a)	17.01	Beet sugar and cane sugar, solid
(b)	12.04	Sugarbeet, whole or sliced, fresh, dried or powdered; sugar cane
(c)	17.03	Molasses, whether or not decolourized
(d)	ex 17.02	Other sugars (excluding lactose and glucose); sugar syrups (excluding lactose syrup and glucose syrup); artificial honey (whether or not mixed with natural honey); caramel
	ex 17.05	Flavoured or coloured sugars (excluding lactose and glucose); syrup (excluding lactose syrup and glucose syrup) and molasses, but not including fruit juices containing added sugar in any proportion

For the purposes of this regulation;

White sugar shall be understood to mean sugar included under CCT No. 17.01 containing, in the dry state, by weight determined according to the polarimetric method, 99.5% or more of sucrose;

Raw sugar shall mean: sugar included under CCT No. 17.02 containing, in the dry state, by weight determined according to the polarimetric method, less than 99.5% of sucrose.

ANNEX to Regulation No. 1009/67/CEE

ex 17.04	Sugar confectionery, not containing cocoa B. "Chewing gum" C. Other
ex 18.06	Chocolate and other food preparations containing cocoa and sugar
ex 19.02	Preparations of flour, starch or malt extract, of a kind used as infant food or for dietetic or culinary purposes, containing less than 50% by weight of cocoa, containing sugar.

.../...

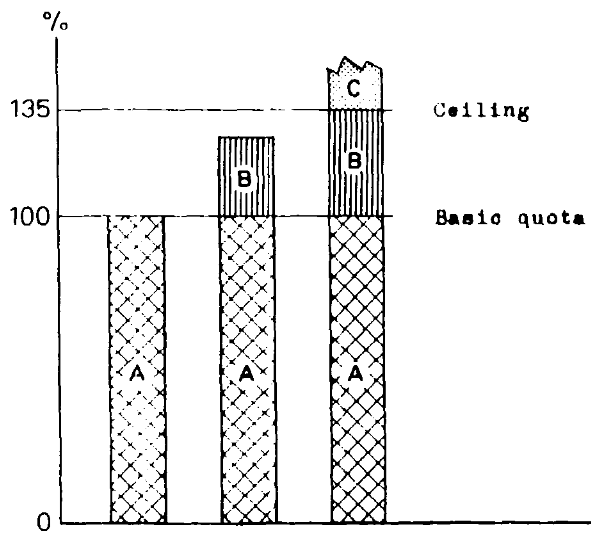
CCT No	Description of goods
ex 19.08	Pastry, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportion, containing sugar
ex 21.06	Yeasts, active or inactive
ex 21.07	Food preparations not elsewhere specified or included, containing sugar
ex 22.02	Lemonade, flavoured spa waters and other non-alcoholic beverages, containing sugar, not including fruit and vegetable juices falling within heading No. 20.07
ex 22.09 C III	Spirituous beverages, other, containing sugar
29.04 C II	Mannitol, sorbitol.

	1961/62	1962/63	1963/64	1964/65	1965/66	1966/67	1967/68
			Area under sugarbeet ('000 ha)				
Germany (FR)	260	290	301	327	299	294	294
France	359	352	371	425	395	295	315
Italy	227	225	230	231	282	298	332
Netherlands	85	77	69	79	91	92	100
BLEU	62	57	57	64	65	67	78
European Community	993	1001	1028	1126	1132	1045	1119
			White sugar production ('000 tons)				
Germany (FR)	1329	1378	1899	1970	1442	1766	1865
France	2070	1924	2285	2659	2581	2068	2020
Italy	897	918	854	929	1139	1256	1510
Netherlands	540	420	385	598	548	528	685
BLEU	409	313	332	523	395	375	520
European Community	5245	4953	5755	6679	6105	5993	6600
			Human consumption of white sugar ('000 tons)				
Germany (FR)	1699	1760	1852	1762	1909	1811	1853
France	1364	1480	1513	1585	1553	1616	1670
Italy	1136	1180	1282	1285	1258	1354	1400
Netherlands	500	524	546	536	574	561	557
BLEU	316	283	361	340	302	380	340
European Community	5015	5227	5554	5508	5596	5722	5820
			Prices for white sugar* (u.a./100 kg)				
Germany (FR)	21.17	21.18	21.17	22.17	22.17	22.17	22.17
France	17.88	18.76	18.76	18.76	18.76	19.83	19.83
Italy	18.24	18.24	20.74	24.35	26.51	26.51	26.51
Netherlands	16.63	16.91	18.01	20.52	20.59	21.53	21.44
BLEU	17.68	17.68	18.50	20.46	20.46	21.70	21.79
			Minimum prices for beet** (u.a./ton)				
Germany (FR)	16.88	16.88	16.88	18.13	18.13	18.13	18.13
France	12.53	13.04	12.91	13.09	13.09	13.79	13.79
Italy	14.76	14.91	16.68	19.05	19.91	19.65	19.68
Netherlands	12.87	13.01	13.22	16.26	16.26	16.26	16.26
BLEU	11.84	14.60	15.76	16.86	16.86	16.86	16.86

* Ex-factory, unwrapped, duty-free.

** 16% sugar content.

SUGAR MARKET MEASURES FROM 1968/1969 ON

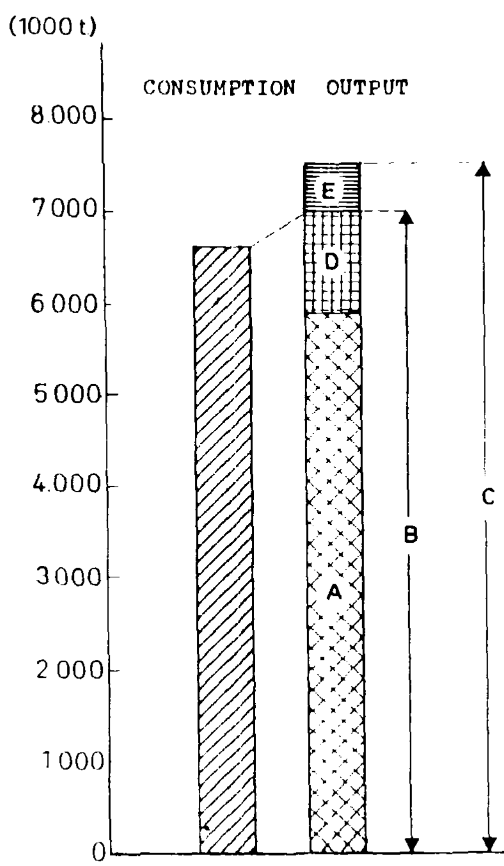


A. Basic quota; official price fully guaranteed.

B. Output in excess of basic quota but below maximum; official price less production levy.

C. Output above maximum; restriction of sales, no price guarantee.

CALCULATION OF PRODUCTION LEVY



$$\frac{(C - B) \text{ x(losses on exports per ton)}}{C - A}$$

A. Basic quota.

B. Guaranteed quantity (105% of consumption per annum).

C. Total output.

D. Difference between guaranteed quantity and basic quota.

E. Surpluses under joint responsability of those involved in production of D + E.