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### Effects of EU Sugar Reform

In 2007, the European Union instituted a reform of the Common Agricultural Policy that included an eventual phase-out of sugar production quotas and a reduction in the price support level to €404 per metric ton. The production quotas and market price support ended with the 2016 crop. In 2017, beet sugar companies were free to produce as much sugar as they desired. EU sugar production rose 24%, from 16.8 million metric tons to an estimated 20.6 million tons, according to the most recent European Commission report.

Wholesale refined sugar prices in the EU averaged €432/mt (\$525) in 2015/16 and €492/mt (\$542) in 2016/17. Those prices were less than 25 cents/pound in both years, well below US refined beet sugar prices of about 30 cents/pound during that period. Prices in Europe have since reacted to the large 2017 European beet crop, as well as to weak world market prices, falling below €400/mt, as shown in the Commission price chart below.

## EU Reference price and EU market price for white sugar compared with World price London N°5 (first future - \$/t - €/t)

