

Voluntary Report – Voluntary - Public Distribution

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Report Name: France's Sugar Beet Crop Devastated by Disease - Sugar Industry's Viability Threatened

Country: France

Post: Paris

Report Category: Agriculture in the News, Sugar, Sanitary/Phyosanitary/Food Safety, Pest/Disease Occurrences

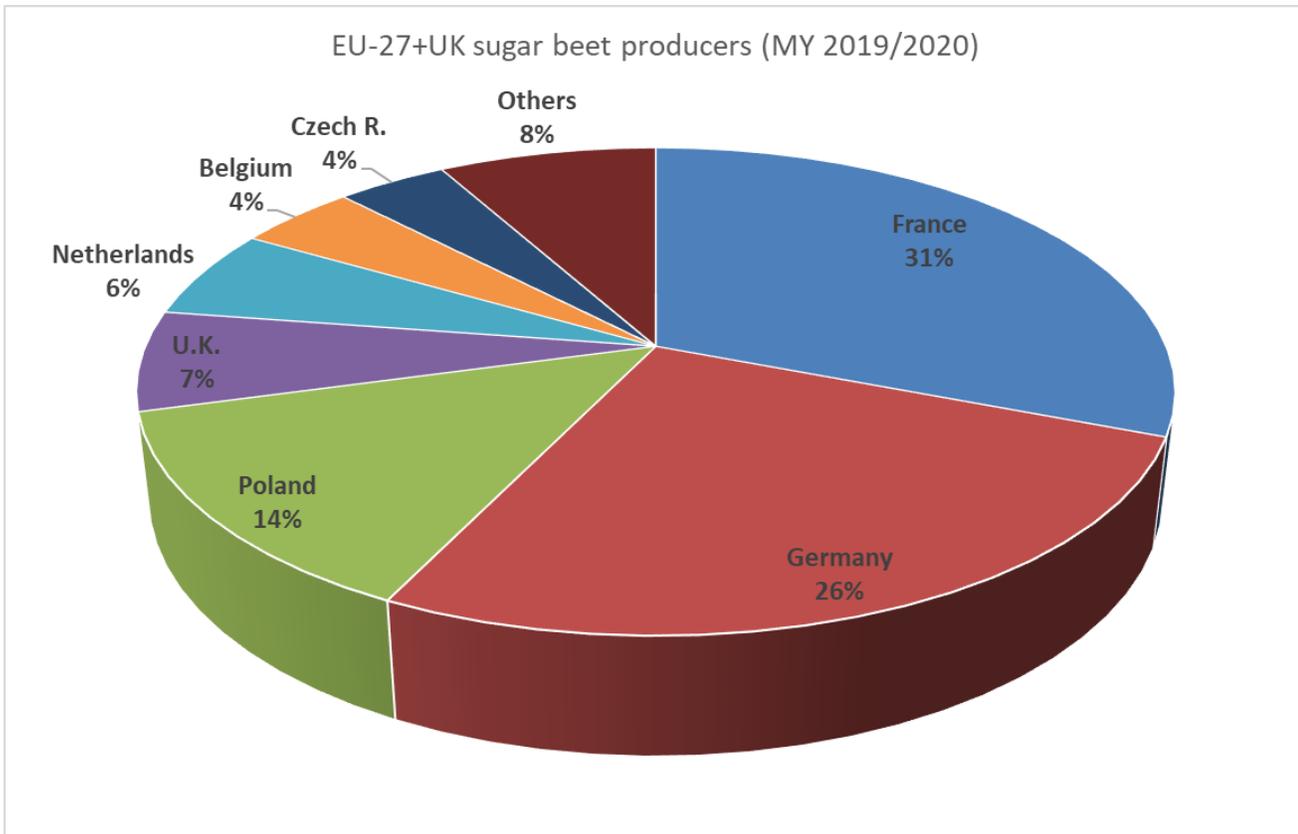
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Report Highlights:

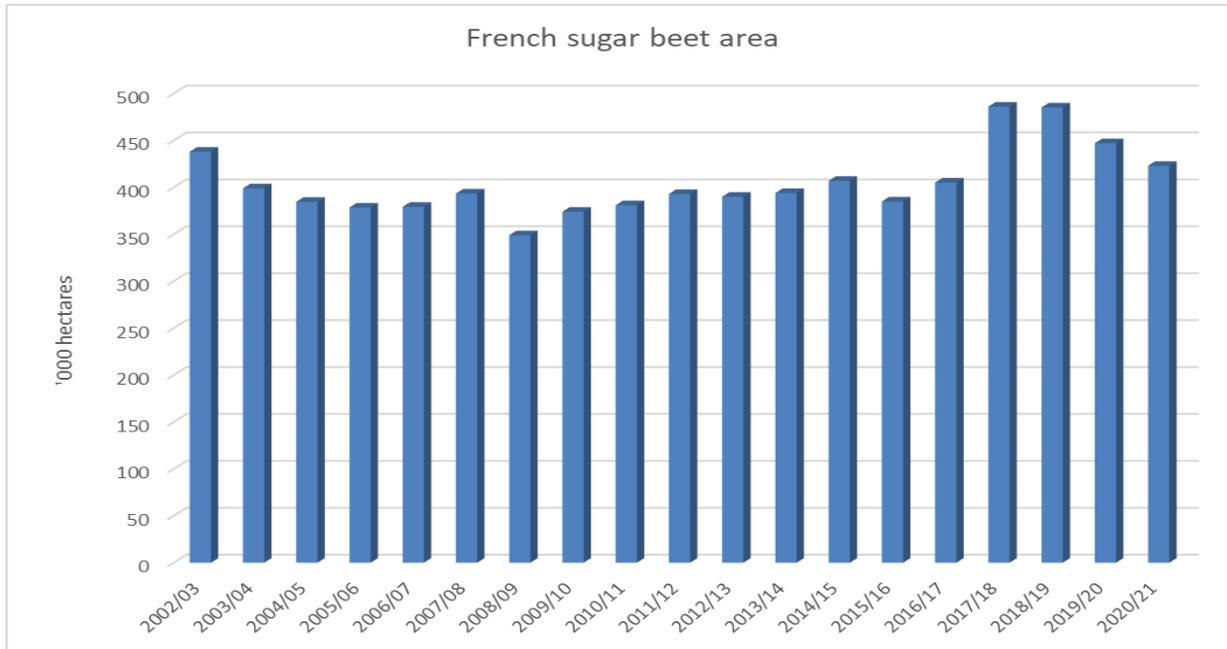
France is the largest producer of sugar beets in Europe growing just over 30 percent of EU27+UK 's production in MY 2019/2020. Ban on the use of neonics since 2018 has resulted in large scale crop losses this growing season because of widespread yellows virus, a disease spread by aphids that infested much of the crop this year. Because of the infestation in addition to the drought, French experts estimate that the yield will be down by 30 to 50 percent.

France is the largest producer of sugar beets in Europe growing just over 30 percent of EU27+UK 's production in MY 2019/2020. The history of sugar production in France goes back over 200 years. The industrial extraction of sugar from sugar beet was developed by French inventor Jean-Baptiste QuérueI in 1812 because of the necessity to replace cane sugar. France's supplier of sugar cane, the West Indies, could not ship to France as a result of Napoleon's war against Great Britain and the British blockades on cane sugar.



(Source FAS Paris and FASUSEU)

About 26,000 farmers cultivate sugar beets in France. The area planted to sugar beet that had been limited by production quotas until 2017, has increased sharply in the past few years. France benefits from a climate and soil suited to sugar beet production.



Five French enterprises (three companies and two cooperatives) produce sugar from sugar beet in 25 processing plants. The French sugar industry employs 6,700 workers directly and almost 12,000 people are employed in other sectors related to the sugar production, from seed distribution, agricultural equipment to transport and distribution. The largest French sugar enterprise, the cooperative Tereos, is the second largest sugar company in the world with global sales of €25 billion (\$29.5 billion) in 2019.

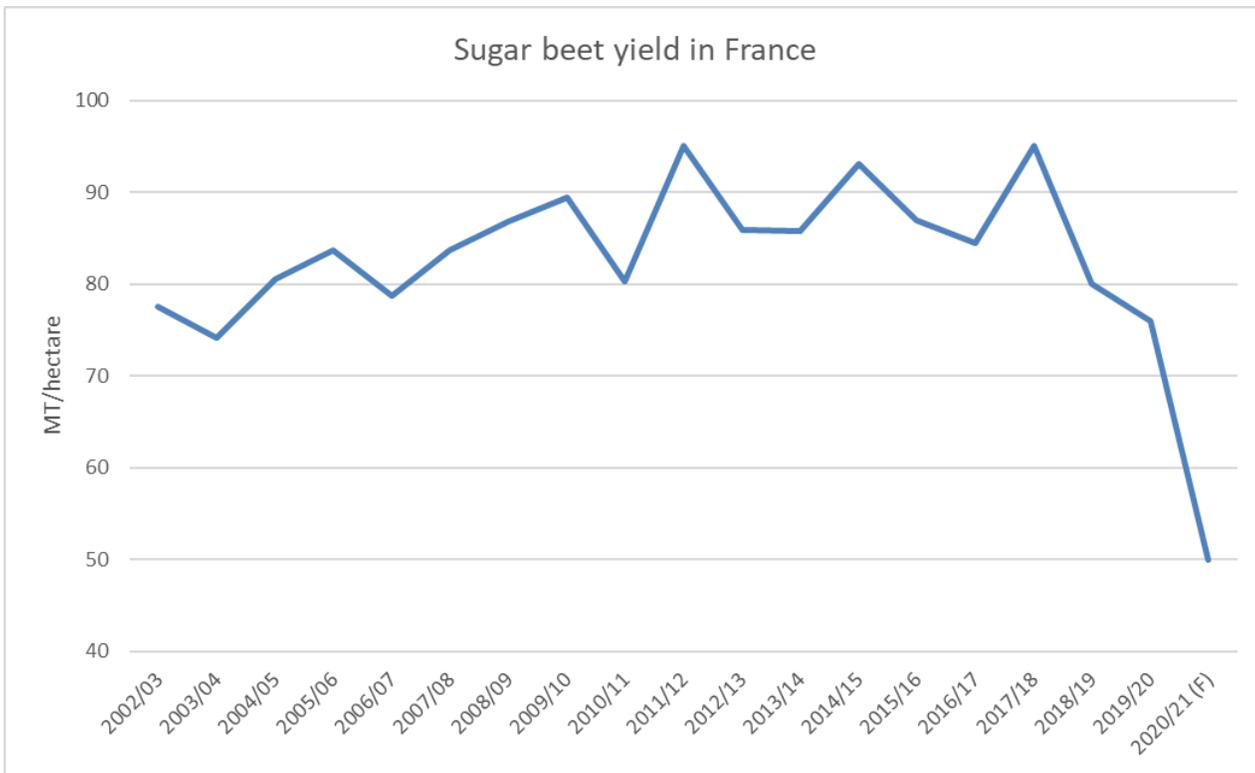
France exports 2.5 million MT worth \$1.1 billion of sugar per year on average. However, the drop in sugar price reduced French exports value to \$961 million in CY 2019. As France only imports 300,000 MT of cane sugar valued on average at \$250 million, France has a large sugar trade surplus. Eighty-seven percent of France's sugar exports are destined to other EU+UK countries including Spain, Italy, Belgium, as well as the UK. The largest non-EU customers are Israel, Egypt, Switzerland and African countries such as Ghana. It imports transshipped cane sugar from other countries in the EU, primarily from the ports of Antwerp and Rotterdam, as well as from Mauritius and Brazil.

A pesticide ban threatens the sector

In 2016, France adopted a law aiming at increasing biodiversity. Among the various articles, one set [a complete prohibition \(see Gain report FR1612\)](#) of [neonicotinoids](#) (neonics) insecticide use by 2018. Neonics are efficient insecticides developed in the 1980s from nicotine, the chemical naturally present in tobacco. The EU and France banned their use in part because they believe neonics are harmful to pollinators such as bees when improperly used. The bill was presented by Junior Secretary for Biodiversity at the time, Barbara Pompili, who is currently France's Minister of Ecology. During the parliamentary discussion, many experts spoke on the risk of a total ban of neonics to the agricultural sector due to the absence of viable alternatives. Outspoken critics of the bill included Minister of Agriculture at the time Stéphane Le Foll, but in spite of concerns the law passed, and in

September 2018, sales of neonics were prohibited in France. While neonics are also banned in the EU for outdoor use (they are permitted in greenhouses) fifteen EU member states have been granted exceptions, allowing the insecticide to be used. One of the arguments used to justify their use on beets is that that the treatment is only on the seeds and sugar beets are harvested before flowering, thus do not present a risk to bees. In addition, alternatives to neocotinoids are scarce, not as efficient and require aerial spraying which is considered by most scientists to be more harmful to pollinators.

Before the ban in 2018, neonics were widely used for sugar beet seeds as coating on the seeds. Already in 2019, a significant decline was reported to the sugar beet yield. In 2020 France’s mild spring led to an aphid infestation on young sugar beet plants. Aphids spread many diseases including viruses such as the beet yellows virus (BYV) which leads to beet dwarf jaundice, a disease that can cut yields by half. Because of the infestation in addition to the drought, French experts estimate that the yield will be down by 30 to 50 percent.

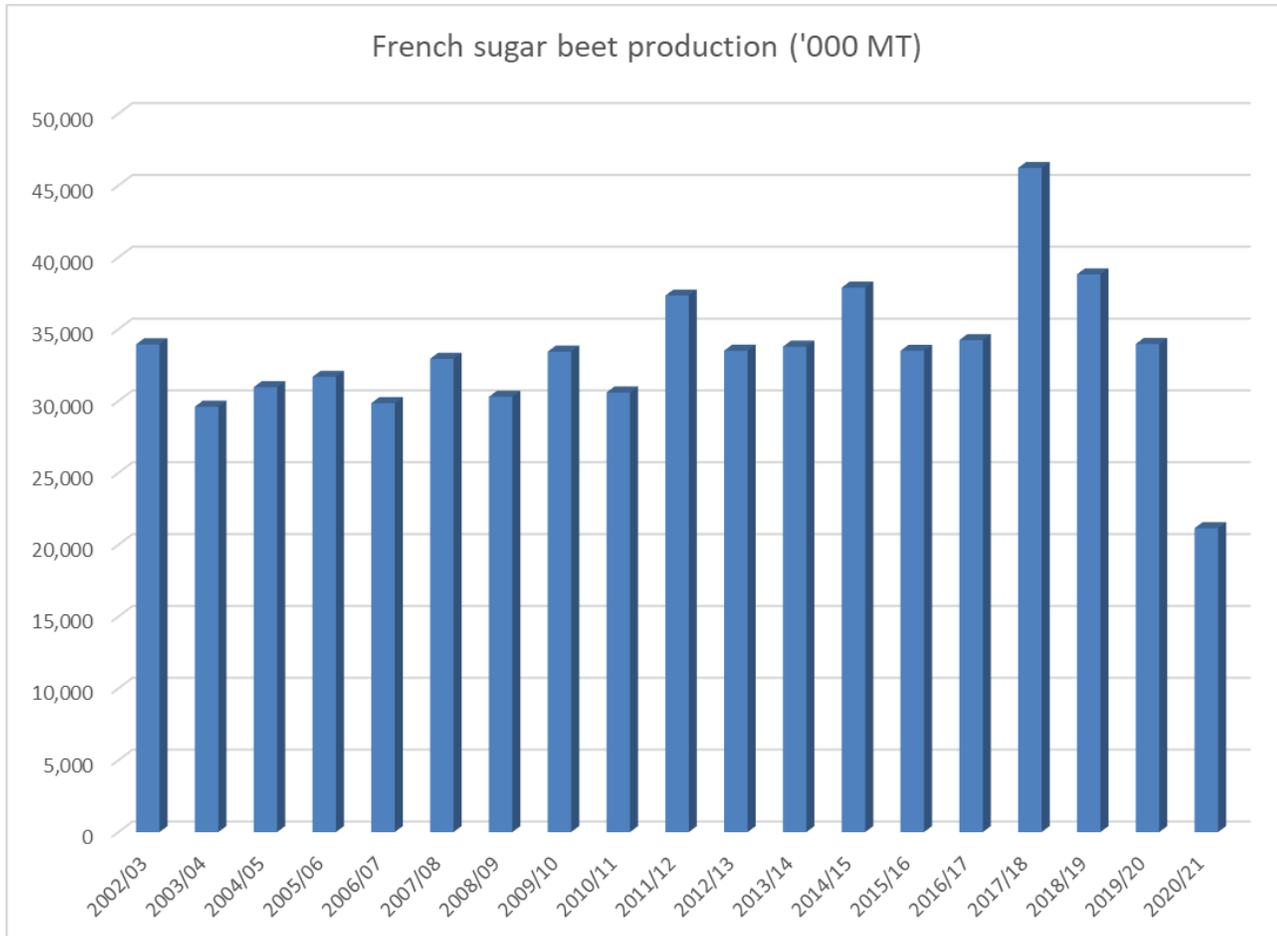


The impact is widely varied, for many farms it is close to a 70 to 80 percent loss, while others were less impacted. Impacted farms are obvious to the casual observer as fields are yellow rather than a deep green and most sugar beets are a third or less the average size and weight. See pictures (August 6, 2020, Paris region France) for yellowed crop and size comparison:



Left a normal sugar beet, right a dwarf sugar beet infected with BYV

Photos © FAS Paris



Growers claim that they could lose as much as €1000 per hectare (or a total of €200 million - \$230 million) in MY 2020/2021. French sugar exports are also threatened and the situation could lead to increased imports from both other MS and third country exporters such as Brazil. French beet growers and the French farmers representatives have been very vocal since late June 2020 about needed an exception to use neonics on the sugar beet seeds. There are physical signs placed in sugar beet fields calling for help and railing against the policy that caused the loss. More than 100 parliamentarians and local political leaders wrote an op-ed calling for the Government to act to save the sector. Sugar beet growers warn that they will not plant sugar beets again next year without the change in policy and this would mean a rapid decline of the industry in future years and a potential end of the sector in France.

The new Minister of Agriculture Julien Denormandie blamed the previous administration for passing the neonics ban in 2016 (implemented in 2018). This bill had been initiated and supported by his current colleague in the cabinet, Minister of Ecology Barbara Pompili. Barbara Pompili has refused to support any derogation although is under pressure to be more open to solutions. Instead, she publicly promised in an interview (<https://twitter.com/i/status/1288194044250804226>) to tax imports if they don't comply with French environmental constraints. Analysts were quick in pointing that a large share of sugar imports would likely come from other MS such as Czech Republic, Germany and Poland, and thus will be protected from any increased duties.

On August 6, France's Ministry of Agriculture said it would present a bill to the parliament in the fall to amend the 2016 law and to treat sugar beet seeds temporarily until 2023. France would also need to submit for EU-level approval for an emergency authorization for its use. The Ministry also promised payments to farmers who suffer losses. Any payments to farmers must go through the State Aid system, which would have to be approved by the EU that would also set limits on the level of support. Additionally, the French government committed to providing five million Euros in credits for those who research alternatives.

Denormandie's announcement angered Green party members and environmental NGOs. The French daily newspaper Le Monde published an article titled: [the French government is reintroducing bee-killing insecticides](#). Because alcohol produced from sugar beets is widely used to make hydro-alcoholic gel used in the fight against COVID-19 in France, the issue is being discussed widely on social media. Analysts expect the political fight to amend the bill at the National Assembly during the fall of 2020 will be a tough battle, pitting the environmental NGOs against not only farmers, but also the entire French sugar industry. The exemption would need to be finalized by the end of the year in order for farmers to receive seeds that were treated for next year's growing season.

Attachments:

No Attachments.