



PRESS RELEASE

German sugar industry files complaint against government subsidy with the EU Commission

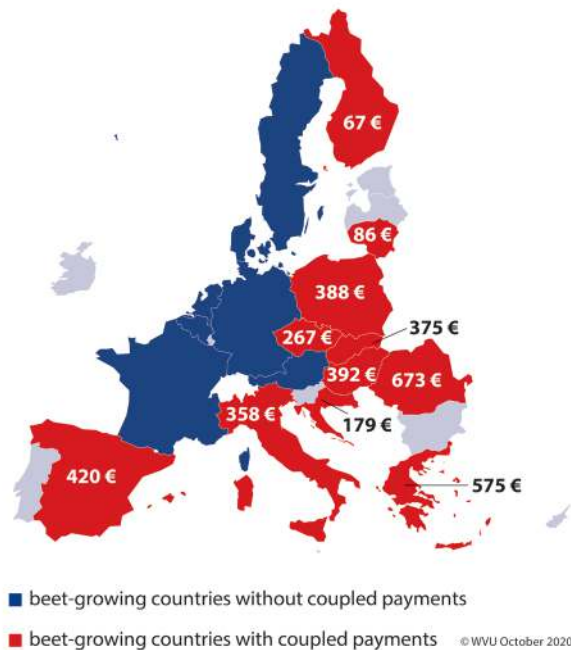
Berlin, 22/03/2022 – Wirtschaftliche Vereinigung Zucker (WVZ, German Economic Association for Sugar) has filed a complaint with the European Commission against coupled payments for the cultivation of sugar beets.

‘The current practice of coupled payments for sugar beet cultivation skews competition. According to the provision, premiums should only be granted in exceptional cases. In many member states, however, they have become standard. This violates European subsidy law. Science and politics have long recognised the rise in unfair competition. Nevertheless, nothing has changed. That’s why we now filed a complaint against government subsidy with the EU Commission’, comments WVZ Chairman Dr Hans-Jörg Gebhard. ‘We demand that EU Competition Commissioner Margrethe Vestager and her counterpart Janusz Wojciechowski finally create fair competition at EU level. The previous funding practice must be corrected. Moreover, this competition-distorting practice must not be allowed to continue to be reflected in the national strategy plans for the Common Agricultural Policy from 2023 onwards.’

Coupled payments may be granted where agricultural sectors are facing difficulty or where they are of particular importance for economic, social or environmental reasons. Since 2015, member states have also been able to approve coupled payments for sugar beet cultivation.

11 out of 19 beet-growing member states have since paid their farmers coupled premiums of over €1.3 billion for growing sugar beets. An analysis by the University of Wageningen* showed that the premiums caused major competition bias. Member States with coupled subsidy payments still grant them today. This also contradicts the stated goal of the sugar market reform: a market shakeout and strengthening of the most efficient locations for beet cultivation and for sugar production in Europe. Instead, non-competitive locations are kept alive through illegitimate subsidies – to the detriment of the sugar industry in the Member States that do not pay coupled premiums and to the detriment of a competitive and sustainable sugar sector in Europe.

* A.B. Smit et al, Impact of coupled EU support for sugar beet growing: More production, lower prices, 2017 ([LINK](#))



Here you can download an infographic on coupled payments: [zuckerverbaende.de](https://www.zuckerverbaende.de)

Wirtschaftliche Vereinigung Zucker e.V.

The WVZ is the central organisation of the German sugar industry. Its members are comprised of associations of almost 24,000 beet growers, the four sugar-producing companies and companies in the sugar trade. It specifically represents the common interests in the areas of cultivation and processing of sugar beets, sugar and by-products, sugar market and agricultural policy as well as foreign trade law and trade policy.

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