

NEW WORLD, NEW OPPORTUNITIES...

Head of NFU Sugar **James Northen** is feeling optimistic

So that's it. After nearly 50 years, the EU sugar beet quota regime has come to an end. It had been 1.056 million tonnes for products intended for human consumption, with any additional sugar going to (lower value) industrial use or stored at great expense. British Sugar was also subject to limits on exports out of the European Union.

Without quotas in place, the UK home-grown sugar industry is free to sell and export without restriction. This presents a huge opportunity for British Sugar to increase the amount of sugar it produces and sell on the international market. By extension, it also presents a real opportunity for growers to increase the area of sugar beet grown in the UK, dependent on market conditions.

This would clearly make the UK less dependent on imported sugar and benefit the rural economy. The sugar industry alone supports more than 9,500 jobs in the East Midlands and East Anglia regions. It is an important break crop in a grower's rotation, as well as providing significant benefits to the wider environment. As one of the most productive and efficient sugar producers in the world, the UK home-grown sugar sector can and will take advantage of

the end of quotas to grow its share of the domestic market and enhance its export markets across the world.

With the liberalisation of the European sugar market, it's no coincidence that a global sugar producing business (Al Khaleej) has set up a new company (Northern Sugar Ltd) to ascertain the feasibility of building a new, large sugar beet processing facility in North Yorkshire.

The NFU and NFU Sugar welcome this interest. Many farmers in the region were disappointed when the British Sugar factory closed in 2007 and it is a vote of confidence in UK agriculture that one of the biggest sugar producers in the world is considering investing in Britain. Should this project come to fruition it would represent a significant agri-business opportunity. As such, the NFU North East region is informing NFU members of grower meetings being organised by Northern Sugar Ltd, when they will explain their investment plans.

Any decision on whether to (re)start growing sugar beet in order to supply the proposed new facility is one that only individual farmers can make and will, of course, be dependent on a number of business factors. As with any investment

decision, it will be for Northern Sugar Ltd to gauge the level of grower interest and translate this into an assessment of likely sugar beet tonnage – one factor that will determine whether the proposed size of the facility is feasible.

NFU Sugar, as the single entity that represents all sugar beet growers in the UK in negotiating and working on their collective behalf with the single processor (British Sugar), would anticipate undertaking a similar role on behalf of sugar beet growers supplying any new processor.

NFU Sugar has also worked closely with British Sugar and its parent company AB Sugar on common issues over the past few weeks: it spoke to Sky News about the end of quotas, held discussions with Defra on an appropriate post-Brexit sugar policy, continued the fight to save neonicotinoid seed treatments, and, most recently, set up a joint meeting with Michael Gove, Defra Secretary of State, to discuss all of the above.

And, of course, the 2017/18 campaign has also started, with all sides anticipating a large (record breaking?) crop. NFU Sugar is preparing for a busy winter. ■

