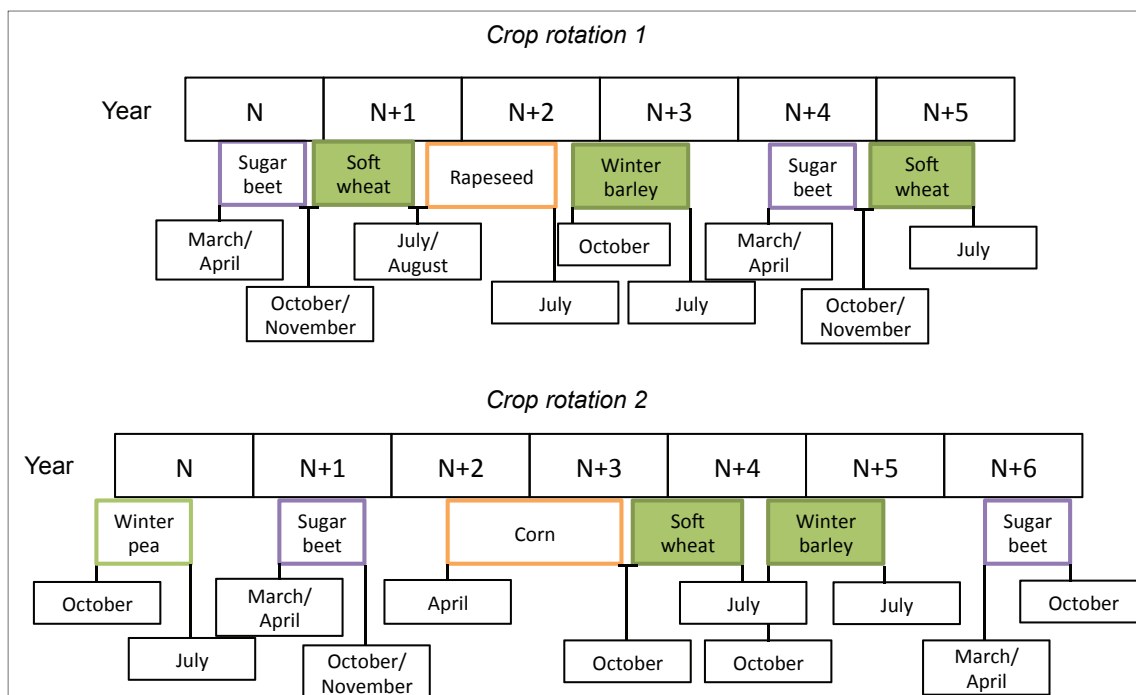


GRAPHIC 2.5: EXAMPLES OF SUGAR BEET CULTIVATION IN CROP ROTATIONS



ing (such as Andalusia).

In terms of crop rotation, straw cereals such as wheat and barley are ideal to precede beet in the rotation (source: *Fiche Agridea, 2007*). Legumes (such as peas, beans, soybean), potato and sunflower can also be planted as preceding crops for sugar beet, but make weed control (and crop volunteer control) more diffi-

cult. Although they could be, maize and oilseed rape are rarely used as preceding crops for sugar beet because of the risk from pests (especially nematodes in the case of rapeseed) and soil structure disruption (in the case of maize).

As a spring-sown crop, sugar beet planting time is not constrained by the harvest date of the preceding crop in the ro-

tation. In rotations practiced in France, sugar beet is usually sown on the same field once every 4 to 5 years (graphic 2.5). Shorter rotations increase the risk of pests, especially nematodes. During rotations, growers are increasingly using cover and catch crops during autumn and winter inter-crop periods prior to beet sowing.

2.2. OUTLOOK FOR SUGAR BEET PRODUCTION GROWTH IN THE MOST COMPETITIVE COUNTRIES

2.2.1. LEADING GROUP OF BEET GROWING COUNTRIES

The level of competitiveness achieved by sugar producers and other participants in the beet/sugar sector varies hugely across the different EU countries. In this first section, we focus on the four countries where sugar beet production is currently the most competitive and where there is an opportunity for production

to increase most sharply in the post-quotas environment. The countries are France, Germany, Belgium and the UK. The infrastructure around beet production and processing is already competitive and cost effective in these countries. Beet growing is profitable, largely because yields are already high and the

yield growth trend is upward (growing by around 1 to 2% per year on average). In these countries, lengthening the beet processing campaign and increasing rates of beet cultivation in crop rotations would generate increased sugar production without placing additional burdens on existing industrial infrastructure.

2.2.2. OUTLOOK FOR SUGAR PRICES FROM END-2016

With European and global sugar markets tight at the end of 2016 (see section on world market), the price of sugar for the 2017/18 season is expected at between 480 and 500 €/t. At our time of writing (October 2016), the price of white sugar in London for the October 2017 contract was 540-550 \$/t (or 492-501 €/t; 1USD = 0.91€). The disappointing beet yields in Europe in the last two sea-

sons – because of dry, warm conditions at the end of the growth cycle – have heightened tensions on the market in Europe. Meanwhile, supplies are shorter on the world market as a result of fierce competition for sugar cane from ethanol producers in Brazil, the impact of the latest El Niño on sugar cane production in Southeast Asia and global demand growth.

Our estimates for the area of sugar beet cultivation are based on this projected level of sugar price. When compared to historical prices during the quota era of protected prices, this price projection is certainly a cause for optimism in terms of the future of sugar beet production in the EU. According to the French beet growers association (CGB), a sugar price equal to 450 €/t is the minimum needed