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THE POSITION, ROLE AND FUTURE OF COOPERATIVE SUGAR REFINERIES IN THE EU

**Situation, rôle et avenir des coopératives sucrières dans l'UE /
Situation, Rolle und Zukunft genossenschaftlicher Zuckerfabriken in der EU**

ABSTRACT

Cooperatives play an important role in the European agricultural sector, but in the sugar sector, they have a prominent position in only some countries (France, Italy, The Netherlands). The total market share in the EU sugar production (some 15 mln. Tons) of the cooperatives is rather low (approx. 40%, not including the share of Südzucker and NordZucker, which are not cooperatives pur sang).

The conditions under which European sugar refineries operate have tremendously changed since 2006, the beginning of the EU sugar policy reform. Many refineries have been closed since then and a number of MS gave up their sugar quotas. In 2017, the quota system will be abolished, opportunities for sugar production will increase and sugar prices will decrease. Moreover, the importance of by-products and new outlets has increased. Part of the by-products is by now applied for green energy production, besides the traditional products like pulp and molasses. But there is also an interest for sugar itself as a source of biobased products, like bioplastics. The sugar market is increasingly linked with those of crude oil, bio-ethanol, starch, sweeteners and, indirectly, of cereals.

Cooperatives are enterprises characterized by user-ownership, user-control and user-benefit. An important question is which strategies cooperatives in the sugar sector will set up towards increasingly dynamic and complex market conditions and if those strategies will be different compared to IOF's (Investor Owned Firms). Differences in structure and performance of the sector between the Western and Eastern European countries may also play a role in the strategic decisions by cooperative refineries.
