

The view from the underside of a bus

By Meghan Sapp

Eh, what's a few hundred thousand tonnes of sugar and ethanol quota between friends?

“No, no, the European Commission has already said that sugar is off the table with Mercosur. Now it’s just a matter of ethanol and beef, and beef looks like they’re going to have to give up a lot more,” went the conversation at this week’s [26th annual International Sugar Organisation meeting in London](#).

“That’s what they say now, but sugar always gets thrown under the bus, you’ll see,” said a man in the know.

It wasn’t even eight hours between that conversation and when [Sugaronline reported from Brazil that the European Commission had offered Mercosur countries 100,000 metric tonnes of sugar quota](#) in order to get the deal done. The offer included the same EUR98 per tonne import duty applied to Brazil’s existing CXL quota, in effect making the quota offer useless—according to local industry.

But, it’s just the offer. Instead of new, useless quota, the Mercosur

industry wants its existing 400,000 tonne quota to be converted into duty-free. There’s still time for the proposed duty level to be decreased, or eliminated, or converted into a mix of lower quota with no or low duty, or any number of possible combinations that will ensure the EU-Mercosur trade deal is closed during the last round of negotiations next week.

And close, it will.

Currently, Europe’s offer also includes 600,000 metric tonnes of ethanol—perhaps coincidental that it’s the same level as Brazil’s ethanol import quota?—but [industry wants 1 million tonnes](#). That’s also a wide gap that needs to be closed. With Europe’s sugar industry already looking at the underside of the bus, will there be enough room under the bus for their ethanol colleagues as well? There just may be, them buses can be quite big.
