



Price reporting system (pursuant to Article 4)

This paper outlines a method for establishing the price reporting system required by Article 4 of the Council regulation on the common organisation of markets in the sugar sector.

1. Purpose

To provide an independent and reliable report of the “average Community price” of EU quota sugar, required if action is to be taken to “preserve the structural balance of the market at a price level which is close to the reference price” under Articles 18 (Private storage and intervention), 19 (Withdrawal of sugar) and 37 (Disturbance clause).

2. Scope

To provide a regular market price report covering all EU quota sugar of a standard quality, as defined in Annex 1. The price reported is of “unpacked white sugar, ex-factory” (this is the definition in Article 3(3)).

[N.B. Article 17(2)(c) requires that producers of sugar which have quota allocated to them must provide information on “quantities of white sugar sold and corresponding prices and conditions.”]

3. Specific principles to be applied:

- 3.1 Confidentiality – no data should be published or otherwise available for inspection other than the average market price
- 3.2 Mandatory – to ensure that there is no competitive advantage to be obtained by failing to join the scheme, and to protect operators from allegations of anti-competitive behaviour
- 3.3 Reliable – the system must not be open to abuse or fraud
- 3.4 Ease of use – to minimise the administrative burden, both for operators and also for the European Commission

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4. Method

4.1 There should be a dedicated website/database operated by DG COMP or an external contractor, to ensure ease of use and confidentiality.

4.2 There should be regular inputs by both buyers and sellers of sugar. These reports might be of each individual contract or of average prices per month. This will depend on the kind of arrangement suppliers have with their customers. Consultation with stakeholders will be needed to strike the right balance between reliability (principle 3.3) and ease of use (principle 3.4).

4.3 The only published output should be a monthly “average Community price” (this is the phrase used in Article 18). The only other use of the data might be in the event of a competition enquiry by DG COMP, in which case the normal strict rules of confidentiality apply.

4.4 There should be procedures to prevent abuse or fraud. This might include statistical sampling and, if necessary, random checking of samples of reports. Such random checks would be implemented on the basis of a risk assessment, i.e. they would only be required if unusual or unlikely patterns of data were reported.

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