

Glossary

ACP countries	African, Caribbean and Pacific developing countries, signatories to the Convention of Lomé and its Sugar Protocol .
A quota	The annual basic white sugar quota laid down for each member state of the EC for the duration of each periodic sugar regime , which normally lasts five years. The producer of A quota sugar must pay a levy to the EC authorities.
B quota	An annual quantity of sugar determined by the EC for each member state which, together with its A quota , constitutes its maximum quota . The size of the B quota for different countries currently varies between 10 and 30 per cent of their A quota (with the exception of Spain, which has a B quota only 4 per cent of the A quota). The producer of B quota sugar must pay a levy, considerably higher than that on A quota sugar, to the EC .
Break crop	A crop, such as sugar beet, grown to break the rotational cycle of the main crops, usually cereals; to eliminate pests, diseases and weeds; and to recondition the soil.
BS 5750	A British Standard clarifying the principal quality concepts that can be used for internal quality management purposes and for external quality assurance purposes.
British Sugar compliance programme	A programme drawn up by British Sugar to ensure compliance by all its employees with the competition rules contained in Articles 85 and 86 of the Treaty of Rome.
Campaign	The lifting and processing period for sugar beet, running normally from the end of September to mid/end-January in the United Kingdom.
CAP	Common Agricultural Policy of the EC .
C sugar	All beet sugar produced in excess of the quotas of A and B sugar. There is no regulatory limit on C sugar production, but such sugar must be exported outside the EC by producers with no guarantee as to price and no export restitution payment or carried forward into the following year's A quota .
Direct consumption sugar imports	Raw cane sugar, part of preferential imports , for consumption without further refining.
DOMs	Départements d'Outre-mer, former French colonies which have the same administrative status as Departments of metropolitan France. Cane sugar grown in the DOMs has special treatment in the EC sugar regime .
EC	The European Community.
ECUs	European Currency Units. The currency units used as the basis of the European Monetary System and in which common agricultural prices are set within the Community.
Effective support price	See Support price .

Elimination levy	A levy introduced from 1 July 1986 to make up for a past shortfall between the A and B quota levies and the amount paid for export refunds .
Export refunds	See Restitution payments .
GATT	General Agreement on Tariffs and Trade.
Import levy	A variable levy on imports of non-preferential sugar, to bring the price up to the threshold price .
Institutional margin	The margin for beet producers and cane refiners calculated by subtracting institutional input prices from the support price for white sugar.
Institutional price	Any of the prices in the EC sugar regime which are fixed by regulations rather than free market forces.
Inter-professional agreements	Agreements required by EC regulations to be concluded between beet growers and beet processors for the implementation of the provisions of the sugar regime .
Intervention prices	The prices whether for white sugar or for raw sugar at which national intervention agencies are obliged to buy any sugar produced within Community maximum quotas which is offered to them.
Isoglucose	A cereal-based sweetener which, because of its substitutability with sugar, is subject to production quotas.
ISO 9000	An International Organisation for Standardisation (ISO) standard which is identical to BS 5750.
Liquid sugar	A sugar solution in water, used mainly in manufacturing.
Lomé Convention	Treaties, negotiated originally in 1974 following the United Kingdom's accession to the Treaty of Rome and subsequently updated, between the EC and certain developing countries in Africa, the Caribbean and the Pacific, providing preferential access for designated products, including sugar, to EC markets.
Maximum quotas	The sum of the A quotas and the B quotas as allocated to individual EC member states and to growers and processors therein.
Minimum beet price	The price guaranteed to farmers under the EC sugar regime derived by taking into account the production levies on A quota and B quota beet.
Molasses	A by-product of sugar production from either beet or cane, with various uses in industrial processes and as an animal feedstuff.
MCAs	Monetary Compensatory Amounts. Additional payments or receipts on trade in agricultural produce between EC member states, to compensate for the differences between market currency rates and the fixed representative rates (green rates) used in the conversion of common farm support prices (expressed in ECUs) into national currencies.

Nominal merchanting	Sales from United Kingdom refiners to end users where the sugar merchant is responsible for processing the orders, invoicing customers, and collecting payments.
Preferential sugar imports	Cane sugar imported under the Lomé Convention provisions in quantities and at prices agreed with the ACP countries .
Production levies	Levies paid by growers and processors of EC -produced A and B quota beet sugar used to cover the cost of export refunds on exports of sugar surplus to consumption.
Raw sugar	Cane or beet which has undergone initial processing but is unrefined. Also referred to as cane or beet raws.
Restitution payment	An export subsidy paid to EC producers on exports of A or B quota sugar outside the EC . Such exports are sometimes described as 'sales into restitution'.
Storage levies	Payments made to the EC by beet sugar processors at the time of sale to finance the payment of storage refunds .
Storage refunds	Payments made by the EC to beet sugar processors and specialised traders to compensate them for the costs of holding sugar in store, with the objective of smoothing sales throughout the year and avoiding recourse to the selling of temporarily surplus sugar into intervention.
Sugar Protocol	Protocol <i>No 3</i> to the Lomé Convention 1974 making provision for preferential access of ACP cane sugar to the EC .
Sugar regime	The CAP arrangements for the regulation of the sugar growing, processing and trading arrangements in the EC .
Support price	The sum of the intervention price and the storage levy . Sometimes known as the 'effective support price'.
Target price	The price set for white sugar each year by the EC to act as a bench-mark from which the various prices used in the regime are calculated.
Threshold price	The price applying at the EC frontier for non-preferential sugar, equal to the target price plus storage levy plus transport costs from Northern France to Palermo (areas of greatest surplus and deficit respectively). When the world price is below the threshold price an import levy is imposed to offset the differences.
True merchanting	An operation whereby a sugar merchant buys sugar on his own account, and subsequently resells it to end users.
WSE	White sugar equivalent. To secure uniformity, volumes of sugar and syrup products are commonly expressed in terms of WSE.