

Dear [REDACTED]

I attach a copy of a letter addressed to Commissioner Ciolos from the Chairman of the Brussels Ambassadors Sugar Sub Committee. Similar letters have been sent to the Commissioners for Trade and for Development as well as to the Irish presidency and to members of Comagri,. Copies of the letter have also been sent to a number of MEP's and to the permanent representatives of Member States. I am advised that Ambassador Gomes will be writing with the same message to Minister Paterson

The letter is a follow up to the letter sent to [REDACTED] containing suggested changes to his proposed text on the sugar market section of his overall Resolution on CAP Reform. The purpose of this latest message is to emphasise the key elements of ACP/LDC's wishes for the management of the EU sugar market in the period following the end of the current regime in September 2015. In addition to the key objective of seeking a further period to at least 2020 in which beet quotas will continue to exist, we have also identified the crucial importance of sustaining the value of ACP/LDC preferences. This will require maintaining a market price at a level which is remunerative, stable and predictable. We believe there is already a danger that the market may become over supplied and price stability cannot be achieved if any new permanent access is given to either beet sugar releases or to cane sugar imports. Furthermore if special circumstances should require additional temporary supplies it is essential to protect the ACP/LDC preference and any extra sugar must not be allowed to enter the market free of levy or duty.

May I take this opportunity of adding to my letter to you earlier this week on the issue of DEFRA's apparent belief that sugar quotas have an inflationary impact on consumer prices. I attach a graph from a study by the Federal Republic of Germany which compares the market price of sugar with a range of sugar containing products. As you will see it clearly demonstrates no correlation between the prices: indeed it reinforces the point that whilst the 36% price cut was occurring between 2006 and 2009 prices of sugar containing goods were actually rising. Furthermore as stated in the recent case in Germany price fixing collusion amongst chocolate manufacturers has been identified. A headline of the case is attached. The full story is readable from the link shown at the bottom of the press release. It seems unlikely that the German experience would be different to other major countries in the EU and accordingly the source of the inflationary price impact on CPI must lie elsewhere

I am sorry to keep bombarding you but it is a very important issue for developing economies of the ACP and LDC sugar suppliers and we feel that our views on the importance of continuing current trade boosting EU sugar legislation after 2015 may not be properly understood

Kind Regards

Barry