

Dear [REDACTED]

I have just returned after a two week absence and found considerable and understandable consternation within ACP/LDC ranks about the content of an internal Commission report entitled "Prospects for Agricultural Markets and Income in the EU 2012/22" It contains some alarming predictions which support our very serious concern about the impact of the premature ending of beet quotas and perhaps more importantly about the thrust of EU policy. With the Trilogue approaching the time when sugar is reviewed I believe it is important that the consequences for the ACP/LDC countries of the EU's agricultural policy proposals are fully appreciated by HMG whose support in the EU on developmental objectives is still regarded as crucial by the bulk of ACP/LDC countries.

I attach a copy of a letter from Ambassador Gomes to the Irish Presidency. It draws attention to this report by the Commission on the effects of the proposed removal of beet quotas which confirms the severe damage anticipated to the trade and development aspirations of the ACP/LDC sugar supplying countries. It is a blatant betrayal of the commitments made in the Cotonou and EPA agreements as regards the promised benefits on offer to us following the end of the Sugar Protocol .It also explains the reason for the EU's failure to consult us on these issues as promised in the two treaties and exposes the obvious hypocrisy of the EU's commitment to policy coherence as contained in the Lisbon Treaty .

The volume of total imports forecast at 1.5m by 2022 is 3m tonnes less than forecast at the time of the 2005 Reform and since ACP/DC suppliers will still be competing with 1m tonnes of CXL and Balkan supplies plus the new TRQ's contained within the new Andean and Central American FTA agreements this clearly anticipates a savage reduction of ACP/LDC volumes . Indeed the Study (which is really the promised revised Impact Assessment in another guise) implies an abandonment of the EU commitments to

developing country trade expressed in the Doha Development Round negotiations and signals a return of the EU to a "Fortress Europe mentality" behind a high tariff wall . The suggestion of a potential return to EU exports will add to the insult by dumping surplus EU sugar production encouraged by the de linked subsidy of the Single Farm Payment and thereby negatively affecting prices in the marginal World Market where ACP/LDC supplies frozen out of the EU market will inevitably have to be re directed .

I have encouraged Ambassador Gomes to copy his letter to Ministers Patterson and Greening. However as time is very short before the informal Council meeting in Dublin tomorrow and Tuesday I would be grateful if you could draw attention to it within DEFRA and also if possible alert DFID to the issues which the Commission report highlights. I would be happy to meet to discuss this further if you wish.

Kind Regards

Barry