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Many thanks for sight of this paper – and I'm sorry I have not replied sooner.

You wrote separately seeking a September meeting on sugar with a Defra Minister for ACP Ambassadors and High Commissioners. I have passed this request to our Ministers' Secretariat and I hope we will have a response soon.

Easier to arrange will be a meeting between yourself and I. But I would like to involve colleagues who are closer to WTO and Accompanying Measures issues than myself. The week commencing 1 August would be good for me at almost any time. Are there days during that week when you might be able to travel to London? If you could suggest some possible days, I'll see what I can do to line up relevant colleagues.

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[REDACTED]

Crops Hub – Defra

[REDACTED]

22 .7.11

**From:** B NEWTON [REDACTED]

**Sent:** 07 July 2011 17:05

**To:** [REDACTED]

**Subject:** CAP Reform

Dear [REDACTED]

I am sorry that our respective holidays (richly deserved as they were !) have prevented a meeting to discuss some of the issues which are of concern to EPA EBA suppliers in the current CAP reform debates. I believe that this time our interests are closely aligned with the beet growers and processors .We all certainly share a wish to have a stable and predictable market on which we can plan a continuation of the improved efficiencies on which we embarked following the 2005 Reform.

From the perspective of the EPA EBA suppliers we are aware that the leve of supply is not as high as may have been expected by some . However whilst progress on new projects has been slower than expected our main concern is that the model on which Reform was predicated is proving to be stastically flawed . This has been acknowledged by the Commission and we believe there is a very real prospect of a structural over supply in the period after 2015.

We are also very concerned that the Accompanying Measures financial support is seriously lagging behind expectations and this is endangering the linked investments made by the private sector to improve productivity and to diversify into bio fuels and electricity co generation.

I think it would be worthwhile for us to meet to discuss some of these matters and for your interest I attach a copy of my paper to the Commission challenging the statistical base of the market. DG Ag responded with data which accepted an effective error of 1.3m in the "space" estimated for imports This was before any of the new TRQ's being awarded in bilateral FTA negotiations. As the 3.5m is Guaranteed until 2015 the problem would have to be resolved by a withdrawal of beet quotas unless the EU re examines the matter of exports. The effect of inaction could be a serious downward pressure on prices if the World market settles at its usual discount to the EU It is getting v complex and any prospect of declaring sugar "sensitive " in WTO negotiations seems very remote with such a large TRQ offset required .

I also attach the latest schedule of AMS disbursements issued by DG Dev .

I look forward to hearing from you

Kind Regards

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