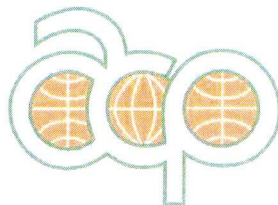


Groupe des Etats d'Afrique  
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(Groupe ACP)



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Hon. Mr. Simon Coveney TD  
Minister for Agriculture, Marine & Food  
Department of Agriculture, Marine & Food  
Agriculture House  
Kildare Street  
Dublin 2  
Ireland

19 June 2013

Honorable Minister,

Thank you for sparing some time from your very busy schedule to meet with the delegation from the ACP sugar suppliers which I had the honour to lead.

Let me seize this opportunity to reiterate some of the points which we made during our extremely cordial meeting, to support our request for the sugar quotas to be maintained until 2020:

1. As acknowledged by the European Union in 2006 and again in 2007 the quota system constitutes an effective mechanism for regulating the market in the sugar sector which aims to ensure the attainment of public interest objectives. I refer here to EU Regulations 318-2006<sup>1</sup> and 1234-2007 which clearly give this reasoning behind the maintenance of the system of quotas. Nothing has changed since then to warrant the abolition of this mechanism.
2. Both independent and the Commission's own studies (**Prospects for Agricultural Markets and Income in the EU 2012-2022** of December 2012) conclude that the expiry of the sugar quota will lead to a reduction of the domestic price of sugar in the EU and make imports including preferential access less attractive. This eventually will make duty free quota free access of sugar from ACP meaningless and will potentially eradicate ACP sugar from the EU market thereby causing severe damage to the ACP sugar producers.
3. As regards prices, the Commission's monthly report on "EU agricultural commodity and food prices – Update on recent developments" and its "Commodity price data

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<sup>1</sup> 1. The reasons which in the past led the Community to adopt a production quota system for sugar, isoglucose and inulin syrup still remain valid. However, due to developments within the Community and internationally, it is necessary to adjust the production system in order to provide for new arrangements and reductions of quotas. In line with the previous quota system, a member State should allocate quotas to the undertakings established within its territory. The new common organization of markets in the sugar sector should maintain the legal status of the quotas in so far as, according to the case-law of the Court of Justice, the system of quotas constitutes a mechanism for regulating the market in the sugar sector which aims to ensure the attainment of public interest objectives.

dashboard" indicate that consumer prices have not increased in countries which relinquished their quotas in 2006. Ireland is a case in point. The reports also note that there is no correlation between the evolution of consumer prices and levels of production and that the rate of increase has been lower than inflation and other commodities. Furthermore as the European Court of Auditors has often noted, there is no proven transmission of lower sugar prices to the final consumer through processed products.

4. Concerning the UK request for a specific refining import quota, the ACP cannot support any measure that contributes to market destabilization and preference erosion such as a guaranteed amount of raw sugar for refining of 3.5 Mt at world market prices. Contrary to what the UK affirms, such a mechanism was never officially considered before.
5. Finally, as the Trans-Atlantic Free Trade Agreement is launched, you may find of interest to note that the United States will likely renew their sugar policy which includes domestic production limits and a market share of 15% reserved for developing countries based on country TRQs.

For the above reasons the ACP sugar suppliers renew their appeal to Your Excellency as President in Office to the EU Council and the EU Council as a whole to maintain the quota system at least until 2020 so as to provide them with adequate time to restructure their industries with a view to making them competitive. Such a decision would demonstrate greater coherence between Trade Development and Agriculture – a concept to which the EU is very committed.

Please accept, Dear Minister, the assurances of my highest consideration



**Satya.V. FAUGOO**  
**Minister of Agro Industry and Food Security of Mauritius**  
**Chair, ACP Sugar Ministerial Committee**

**Copy:**      **EU Ministers of Agriculture**  
              **Commissioner Ciolos**  
              **Mr Paolo de Castro- Chair ComAgri European Parliament**  
              **Mr Michel Dantin- Rapporteur Common Market Organisation**  
              **Members of the Special Committee on Agriculture, European Parliament**