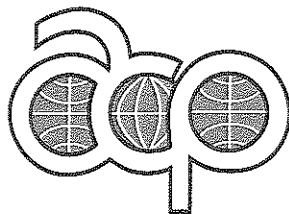


Groupe des Etats d'Afrique  
des Caraïbes et du Pacifique  
(Groupe ACP)



African, Caribbean and  
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Brussels, 24 May 2013

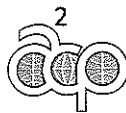
Hon. Mr. Simon Coveney TD  
Minister for Agriculture, Marine & Food  
Department of Agriculture, Marine & Food  
Agriculture House  
Kildare Street  
Dublin 2  
Ireland

Dear Minister,

I write on behalf of the ACP Sugar Group on the findings of a recent report by the Commission Services entitled "Prospects for Agricultural Markets and Income in the EU 2012-2022" dated December 2012, which confirms the main results of earlier studies and our deep fears of the likely dramatic effects on our economies of the abolition of sugar quotas. This study is particularly remarkable in that it emanates from the Commission itself. Equally remarkable is that, despite repeated promises of an update of the Commission's early 2012 Impact Assessment of the end of the sugar quotas, it was published without being officially communicated to the ACP. Most remarkable from the ACP perspective, however, is that the Commission's own forecast of the consequences of the end of quotas completely bears out our often repeated assertion that such a move totally erodes the preferences promoted in the Economic Partnership Agreements and the Everything But Arms initiative, granted to Least Developed Countries.

Indeed, the Commission report concludes that the expiry of the sugar quota in 2015 would lead to a reduction of the domestic sugar price in the EU and make imports, including preferential access, less attractive. It finds that imports would decline regularly to reach 1.5 million tonnes in 2022 compared to 3.5 million tonnes in 2012. In fact, it suggests that the EU will move to self-sufficiency and may even become a net exporter from time to time. Current ACP exports to the EU are in the region of 2.3 million tonnes: considering competition from CXL imports and increasing imports under Free Trade Agreements, the inescapable conclusion therefore is that ACP sugar exports will drop to a fraction of what they are today, both in volume and in value.

../..



The damage to our sugar industries and, more widely, to our economies will be immense. This would seriously undermine and call into question the coherence of EU policies and, inevitably, the very basis of our long longstanding partnership and the fundamental interests that bind us will be considerably weakened.

The European Parliament is asking for the continuation of the beet sugar quota provisions until 30 September 2020 and so are the ACP, the EU sugar processors and growers: it is the right decision for all involved. It gives the much needed time to discuss properly and jointly future changes, pursuant to consultations provided for in the Economic Partnership Agreements and Cotonou and to implement measures to improve the competitiveness of our industries.

It is noteworthy that the United States is currently examining its farm bill and that it is the intention of its decision makers to roll over the sugar programme with quota based imports covering 15% of the country's needs which essentially continues to guarantee market access for sugar to the United States from developing and least developed countries.

We decided to bring the above urgently to your attention in view of the short time that is left within which the Presidency wishes to conclude and reach a political agreement on the post 2013 CAP. We also duly recognise that given your very heavy work schedule, it would not be possible to have a direct personal exchange with the ACP at the political level, in the near future.

In view of the foregoing, we sincerely hope that the Presidency under your able leadership would fully take into account the aspirations of the ACP sugar exporting countries, in the final political agreement on the EU's future agricultural policy.

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

P.I. Gomes

Ambassador of Guyana  
Chairman ACP Subcommittee on Sugar

- c.c. Mr. Dacian Cioloş, Commissioner for Agriculture and Rural Development  
Mr. Paolo de Castro MEP, Chairman, EP Committee on Agriculture and Rural Development  
Mr. Michel Dantin MEP, Member of the Committee on Agriculture and Rural Development, Rapporteur for the Single CMO  
Mr. Kevin Galligan, Private Secretary, Office of the Minister for Agriculture, Food and Marine, Dublin