

Brussels, Nov. 2004

Dear Commissioner,

Last July the Commission presented a Communication on the future reform of the sugar CMO. This Communication puts forward a radical reform, which would have a devastating effect on farms and industrial enterprises working in the sector and would result, in particular, in concentrating sugar beet and sugar production in few Member States.

We are well aware of the necessity to introduce significant modifications to this CMO, but this has to be done by providing clarity over the long-term to all those working in the sector.

We believe that the reform should aim at maintaining the existing distribution of sugar beet and sugar production on the entire EU territory; the Commission's proposals which run contrary to this concept depart from the fundamental principles that have up to now underpinned the Common Agricultural Policy.

For a long time now, sugar production has been a direct concern to a vast majority of EU member states. For environmental, economical and social reasons, sugar beet should continue to be produced as heretofore in

Mrs Mariann Fischer Boel
Commissioner for Agriculture
and Rural Development

the different regions. If this were not to be the case, there would be serious consequences not only from an agronomic point of view, considering that sugar beet represents an important rotation crop, but there would also be a loss of thousands of jobs which would be most unlikely to be replaced.

Indeed, we do not see how causing production to cease where it is well established is coherent with the multifunctional vision of the European agricultural model.

In order to retain a fair distribution of production on the whole EU territory, the reform should be based on the following principles:

- a) an import system from third countries should be put in place, which will ensure predictable and regular import quantities.
- b) the institutional price reduction should be significantly less and more gradual than what the Commission has proposed;
- c) as regards national quota, net exporter Member States should be mostly affected by the reduction. Those Member States which cause the EU quota to be exceeded should alone bear the "carry over". Furthermore, the transfer of quota among Member States should not be allowed.

While all the undersigned subscribe to these principles, individual Member States will also wish to pursue additional issues in the course of the negotiations.

We believe that our common concerns regarding the sugar issue will be thoroughly considered by you and would like to thank you in advance for the effort and the commitment you will devote to it.

Sincerely,

Evangelos BASIAKOS (Ellas)

Elena ESPINOSA (España)

Mary COUGHLAN (Ireland)

Giovanni ALEMANNI (Italia)

Martins ROZE (Latvija)

Jeronimas KRAUJELIS (Lietuva)

Imre NÉMETH (Magyarország)

Carlos Henrique da COSTA NEVES
(Portugal)

Milan POGAČNIK (Slovenija)

Juha KORKEAOJA (Suomi)