

European Commissioner for  
Agriculture and Rural Development  
Mariann Fischer Boel  
European Commission  
B-1049 Brussels  
Belgium

From:

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Date: \_\_\_\_\_

### **In favour of a more equitable sugar market organisation!**

Dear Commissioner Fischer Boel,

In November 2005 the EU Commission plans to decide on the reform of the Common Market Organisation for sugar. The suggested reorganisation is not far-reaching enough to mitigate the impacts of the current sugar market policy which are questionable from an environmental and developmental policy perspective. The drastic price reductions will lead primarily to high revenue losses for the least developed countries (LDCs) and for the ACP-countries (African, Caribbean and Pacific Group of States). However, the European peasants will be affected as well. From our point of view, the assistance programme intended for the ACP-countries is absolutely insufficient. Moreover, it is not acceptable that there will be no compensations for the LDCs although EU import revenues are absolutely vital for a lot of people in these countries!

Therefore, we expect the following rectifications concerning the reform:

- the intended assistance programme for the ACP-countries has to be broadly increased: 500 million dollars annually are necessary in order to compensate for losses due to the reform. Technical and financial assistance should be granted to the (LDCs) in order to adopt their sugar sectors to the sugar market reform.
- The market access of the ACP-countries to the EU has to be improved. The quotas have to be redistributed in accordance with development policy principles. At the same time, criteria like GDP, income and income distribution per capita, good governance, the potential for economic diversification should be more considered than historical privileges.
- All kind of preferential rights of supply or subsidies have to be linked to minimal social and ecological standards which have to be arranged together with the affected countries. These standards should be established in accordance with fair-trade rules, the International Labour Organization standards, the OECD-Guidelines, etc.
- The production of sugar in the EU must be reduced below 90% of the domestic market consumption by cutting existing quotas.
- The fixed minimal sugar price valid in the EU may only be moderately reduced. Peasants in the North and South would benefit from such a procedure.

- Reasonable measures in the context of development policies must be made to avoid swaps (through countries without any preferential access) between developing countries.
- The price-dumping in the world market caused by directly or indirectly subsidised exports of cheap EU sugar has to be stopped.

We would like you to integrate these demands in the following negotiations to enhance a socially and ecologically sustainable sugar sector in and outside of the EU and thus to assure the livelihood of peasants in developing countries.

Yours sincerely,

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