



The President

Brussels, 15 February 2008

Mr Philippe BEDORET
Chairman of the
Advisory Group on Sugar

Dear Mr President,

I am very sorry because I will not be able to attend the Advisory group on Sugar on next Monday.

Therefore I ask our CEFS General Director Mr Barjol to address in my name the concerns of the sugar manufacturers. But I take the opportunity of this letter to already insist on three points I would like to see in your report to Mrs Fischer Boel.

- The first wave of the restructuring programme ended on 31st January 2008 with a renunciation of roughly 2.662 million tonnes (including 0.132 to be done in 2009/2010). Therefore we expect from the Commission to publish in the coming days a press release reassessing the need to renounce 1.138 million tonnes during the second step of the restructuring program in the aim to reach the 6 million tonnes target.
- On 28th of February the Commission will invite the Sugar management committee to vote on its proposal regarding a preventive withdrawal for the campaign 2008/2009. CEFS is of the opinion that the Commission should propose no less than 0.7 million tonnes of preventive withdrawal. Such decision would be a way for the Commission to prove its commitment in the restructuring program because of the triggering impact of such measure on the second step. The figure of 0.7 million tonnes is a secure way to avoid any risk of shortage because its represents around 50% of the volume of sugar likely to be in excess at the present moment on the market in 08/09.

Comité Européen des Fabricants de Sucre

182, avenue de Tervuren - B-1150 Bruxelles

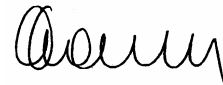
■ Tél. : +32 2 762 07 60 - Fax : +32 2 771 00 26 - E-mail : cefs@cefs.org - <http://www.cefs.org> ■

T.V.A. : BE 436.324.311 - Banque : BBL 310-1000803-43

- To keep a balanced market in 08/09 with exports of quota sugar in the form of processed products (Non Annex I products) and with reasonable final stocks, there is a need to allocate some budget to export refunds of quota sugar during the campaign 08/09. There is no need to fund up to the 513.9 Meuros of the WTO limit and the objective can be in the range of 50% of the volume of the WTO ceiling in the case the second step is reaching 1.3 million tonnes.

I wish you a fruitful meeting on Monday.

Sincerely Yours.



Johann MARIHART

Comité Européen des Fabricants de Sucre

182, avenue de Tervuren - B-1150 Bruxelles

■ Tél. : +32 2 762 07 60 - Fax : +32 2 771 00 26 - E-mail : cefs@cefs.org - <http://www.cefs.org> ■

T.V.A. : BE 436.324.311 - Banque : BBL 310-1000803-43