

SUGAR RE-STRUCTURING – BEET GROWERS INITIATIVE SCHEME (“BGIS”) - second notice

IMPORTANT FURTHER INFORMATION

Following the circulation of the first notice on 22 October 2007 we would like to provide you with some updated information and important dates.

1. Disclaimer

1.1 Information contained in this notice arises from European Union Regulations which are binding in the United Kingdom. While every effort is made to ensure that the information given is complete and accurate, this cannot be guaranteed. Where doubt arises over legal interpretation of the regulations, legal advice should be sought as, ultimately, only the European Court could resolve it. On any other matter you may consult the Rural Payments Agency (“RPA”) – details at paragraph 9

1.2 The regulations which govern this scheme are Nos 968/2006 (as amended) and 320/2006 (as amended). Copies may be obtained from HMSO, PO Box 276, London, SW8 5DT, (telephone 0870 6005522) and other accredited agencies or viewed on the European Commission’s website:

website: <http://europa.eu.int/eur-lex/lex/en/tools/lexalert.htm>

2. Background

3.1 Following publication of the amendments to Regulation Nos 320/2006 and 968/2006, a notice was sent out to all sugar beet growers (“growers”) that RPA deemed eligible to apply to the BGIS.

3.2 Since the application window opened on **30 October 2007** RPA has noted that there is still some confusion amongst growers. Consequently, RPA has agreed with the NFU to issue a second notice to address some of the issues raised frequently by growers and highlight some important dates.

4. Closing date

4.1 The closing date for applications is **24.00 hours on 30 November 2007.**

5. BGIS – Growers concerns

5.1 The NFU has highlighted two major concerns of growers:

5.1.1 Am I eligible to apply to the BGIS and why should I apply

The BGIS is completely voluntary. If you had rights for delivery to British Sugar (“BS”) for the production of quota sugar in the 2007/08 marketing year you may apply to surrender **all or part** of the contract for quota sugar which would have been due to be delivered to BS in the 2008/2009 marketing year. If you do not apply to this scheme and British Sugar’s application is unsuccessful then you **will not** be entitled to any aid under the restructuring scheme.

5.1.2 What entitlement can I surrender?

We understand that there has been a lot of confusion surrounding the temporary 10% contract reduction recently agreed between BS, NFU and growers. This matter has now been resolved following discussions with the NFU. The total delivery rights that you may surrender is up to 100% of your current entitlement (which is stated on your contract confirmation for 2007 that you must supply with your application). However, you may not surrender delivery rights that have been permanently transferred to a third party.

6. BGIS – Important dates

6.1 If RPA does not receive an eligible application from BS you will be notified, in writing, by **15 February 2008** if your application under the BGIS has been successful.

6.2 Successful applicants will be notified, in writing, by **15 March 2008**, of the amount of aid to be granted.

6.3 Under the terms of the EU regulation, payment of aid will be made in two instalments:

- the first instalment (and the earliest possible date for any payment) in **June 2009**
- the second instalment is **February 2010**

Please refer to the previous notice, paragraph 4.2, for rates of aid.

6.4 The amount of aid to be granted at each stage is subject to a number of other conditions and will not be determined until **15 March 2008**.

7. Pre-payment validation inspections

7.1 RPA is required to verify applications prior to payments being made. For this reason you are required to retain all records pertaining to your application for this purpose.

8. Application by British Sugar

8.1 If an application by BS is submitted and is deemed successful, this will supersede all growers' applications and you will be notified, in writing, by **15 February 2008** that your BGIS application will not proceed.

9 Contact details

9.1 Postal address for applications:

Beet Growers Initiative Scheme
Rural Payments Agency
PO Box 1058
Newcastle upon Tyne
NE99 4YQ

9.2 RPA website: www.rpa.gov.uk

9.3 General enquiries: Edward Fox / Stephen Dodd - 0191 226 5061
Laura Hugill / Michael Kemp – 0191 2265306

9.4 E-mail address beetgrowersinitiative@rpa.gsi.gov.uk