

2014/15 Sugar Beet Contract Update

Dear Grower

The National Farmers Union and British Sugar are pleased to inform you that we have successfully reached an agreement on price for the 2014/15 sugar beet crop. Thank you for your patience while these detailed discussions have been taking place.

In recognition of the need to provide a competitive beet price, the difficult growing seasons experienced in recent years and grower concerns relating to longer campaigns, we have agreed to both an increase in the contracted beet price and an improvement to the Late Delivery Allowance.

We have agreed to a £4/t increase on the existing IPA price of £27.67/t, resulting in a **contract price of £31.67 per tonne** of adjusted beet. This price will be paid on both contract tonnes for quota (CTE) and industrial contract tonnes (ICE).

In addition to the increase in the contract price, the late delivery allowance will be further enhanced for the 2014/15 campaign. The LDA will commence from 26th December, increasing at a flat rate of 0.16% per day so that by 28th February it gives a delivered price of £35.00 per adjusted tonne. For the beet prices paid by date please see the table below:

Date	25-Dec	01-Jan	10-Jan	20-Jan	30-Jan	10-Feb	20-Feb	28-Feb	07-Mar
Beet Price Inc. LDA	£31.67	£32.03	£32.49	£33.00	£33.52	£34.08	£34.59	£35.00	£35.58

British Sugar and the NFU have also committed to work together to agree a new IPA for the final two years of the sugar regime ending in September 2017. To that end, we have agreed to set up joint working groups to explore how the sugar beet contract can be made more responsive to the needs of the industry in the future.

Full details of the new agreement will be sent to you next week. If you wish to grow in 2014 please complete your existing offer document (either hard copy or online) and return to British Sugar by the **new deadline date of 11th October**.

Yours faithfully



Colm McKay
Agriculture Director
British Sugar plc



William Martin
Chairman
NFU Sugar