

3rd October 2016

Dear Sir/Madam

Further to our communication on 6th September, we are pleased to confirm the following details for the 2016/17 season sugar beet contract prices, together with the surplus beet price:

- **The Contract Tonnage Entitlement (CTE) and Industrial Contract (ICE) prices are to be enhanced for this year (2016).**

The IPA terms provide for an increase in price in the event that the EU Minimum rate set in Euro's exceeds the fixed price agreed of £20.30 per adjusted tonne. Following the recent weakening of Sterling, this is the case for 2016. The exact rate was dependent on the average of the September exchanged rate published by the European Central Bank, which has now been released.

2016 Beet Price
Increased from
£20.30 to **£21.62**

The price for this campaign is therefore £21.62 per adjusted tonne.

This will be paid in full from the start of campaign as you deliver.

- **The surplus price for 2016/17 season will be increased above the present £15.00 per adjusted tonne**

Indications are that the majority of surplus beet delivered this year will be needed to make the national quota. If this is the case, then the price paid for part or potentially all of the surplus beet delivered will be topped up to the £21.62 CTE price. In this event, **all surplus beet will receive the enhanced price as a top up after the end of the campaign**. As more information about the situation becomes available we will keep you informed.

2016 Surplus Beet
Price Increased from
£15.00

- **Late Delivery Bonus** rates are linked to the CTE price, so these have now been finalised and are as set out on the 'Key Facts' for the campaign overleaf.
- **Interim payments for haulage remain unaffected (see over).**

If you have any questions regarding this, please call your Area Manager or the Agriculture Helpdesk on 0870 2402314 (agriculture@britishsugar.com) for assistance.

Yours faithfully,



Colm McKay
Agricultural Director

BEET PRICES

CTE and ICE Sugar Beet Prices – all contract beet delivered will receive a fixed price of £21.62 per adjusted tonne of beet.

Surplus Beet Price – any out of contract Surplus beet delivered will receive a minimum £15.00 per adjusted tonne during campaign, and all of the surplus will then be topped up at the end of campaign. Depending on the proportion required to make quota at the full CTE price, the average will be between £15.00 and £21.62 per tonne.

Levies – no change has been made to the rate of levies, so the following will apply:

BBRO 14p per adjusted tonne (+VAT)

NFU 8p per adjusted tonne (+VAT)

PAYMENT DATES

Payments will be made weekly by BACS transfer on the fourth Tuesday following the week of delivery. e.g.

Delivery

Week ending Sunday 9th October 2016

Automatic Bank transfer (BACS)

1st November 2016

LATE DELIVERY BONUS (LDB)

Delivery Date	LDB per adjusted tonne
26 th December	£0.04 plus £0.035 per day after 26 th
e.g. 30 th Dec 2016	£0.18
10 th Jan 2017	£0.56
20 th Jan 2017	£0.91
30 th Jan 2017	£1.26
10 th Feb 2017	£1.65
20 th Feb 2017	£2.00

TRANSPORT ALLOWANCE – Interim Rates per Clean Tonne

The transport allowance is based on the actual costs of the industry haulage scheme, including cleaning and loading.

Miles	£/tonne Clean	Miles	£/tonne Clean	Miles	£/tonne Clean	Miles	£/tonne Clean	Miles	£/tonne Clean
1	£2.19	11	£3.33	21	£4.47	31	£5.62	41	£6.76
2	£2.30	12	£3.44	22	£4.59	32	£5.73	42	£6.88
3	£2.41	13	£3.56	23	£4.70	33	£5.85	43	£6.99
4	£2.53	14	£3.67	24	£4.82	34	£5.96	44	£7.11
5	£2.64	15	£3.79	25	£4.93	35	£6.08	45	£7.22
6	£2.76	16	£3.90	26	£5.05	36	£6.19	46	£7.33
7	£2.87	17	£4.02	27	£5.16	37	£6.30	47	£7.45
8	£2.99	18	£4.13	28	£5.27	38	£6.42	48	£7.56
9	£3.10	19	£4.25	29	£5.39	39	£6.53	49	£7.68
10	£3.22	20	£4.36	30	£5.50	40	£6.65	50	£7.79

These are interim rates estimated based on the last campaign, so will be adjusted to reflect the final 2016/17 costs at the end of this campaign.