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Dear Grower

Happy New Year!

Following recent questions raised by growers we would like to update you on a number of specific topics regarding the current 2011/12 crop and campaign, in addition to some [new beet pricing information](#) for next season's 2012 crop.

[Current 2011/12 Crop and Campaign](#)

It is very pleasing to see the excellent harvesting progress and yields being achieved by growers. The high factory throughputs and sugar contents have meant very rapid progress towards grower contract fulfilment.

The table below shows the average percentage of grower contract delivered by 1st January this season compared with last two years and highlights this season's excellent progress.

Factory	2011/12 *Average % Grower Contract Delivered	2010/11 *Average % Grower Contract Delivered	2009/10 *Average % Grower Contract Delivered
Bury	92.4%	60.9%	76.9%
Cantley	89.8%	55.3%	69.8%
Newark	87.0%	66.1%	78.9%
Wissington	84.3%	66.7%	74.0%
Total	88.1%	62.9%	75.0%

*As at 1st January each year (i.e. before last season's weather issues)

[Grower Delivery Permit Comparison - Online](#)

Following discussions with the NFU, British Sugar has developed a new facility which enables you to track the progress of your allocated loads (permits) for the campaign compared to your haulier and contracted factory. The facility can be accessed from the 'Beet Account' available from the 'British Sugar Beet Portal' (www.bsonline.co.uk). This development is a further example of improvement in the level and quality of our communications with growers.

[Whole Beet delivery](#)

The new 'whole beet delivery' arrangements have been very well received by growers. To help growers with practical harvesting advice British Sugar and the NFU have worked together to produce a harvesting video which will soon be available for viewing by growers on the British Sugar Beet Portal (www.bsonline.co.uk)

Seed

In recognition of the impact on growers from last season's severe weather conditions, British Sugar agreed with the NFU to pay to all growers, that achieve their contracted tonnage in 2011/12, a rebate equivalent to 50% of their early season seed invoice. This will be paid in the April 2012 beet payment.

British Sugar 'self grow'

To allay any concerns that some growers may have regarding British Sugar's 'self grow' project, we would like to highlight the following details:

- All of the self grow tonnage is ICE tonnes and therefore does not have an impact on the contracted tonnage required for quota grown by UK growers.
- The volume concerned is less than 3% of the total sugar beet crop.
- All deliveries of 'self grow' beet are monitored by the NFU.

2011/12 Campaign Slice Rates

As previously communicated to you, every campaign British Sugar balances and adjusts factory slice rates in line with sugar crystal and juice storage capacity and this campaign is no different. With this campaign's excellent beet quality and exceptional factory throughputs to date, we are now adjusting slice rates at our factories to match the crystal and juice storage capacities. That said, we have processed as fast as possible for as long as possible.

Cantley factory slice rates - Sugar off take from the factory over the Christmas and New Year period is always difficult to predict and at Cantley it has unfortunately been below our expectations. This combined with higher than expected sugar contents resulted in having to reduce the slice rate at Cantley below our original prediction, for a couple of weeks. We aim to return to the original planned slice rate of approximately 8,000 tonnes/day before the end of week commencing 9th January and stay at that rate for the remainder of the campaign.

Estimated Campaign end dates

Taking the slice rates adjustments into consideration and based on current crop forecasts, the estimated campaign end dates are mid February for Bury factory and towards the end of February for Cantley, Newark and Wissington.

2012/13 CROP and CAMPAIGN – IMPORTANT PRICE INFORMATION

As we enter the New Year and thoughts start to turn to the 2012/13 sugar beet crop and spring cropping, many growers are asking for details on next season's sugar beet crop. Please note the following new important information:

2012/13 Contracted Tonnage Entitlement

The 2012/13 contract price of sugar beet for quota is £27.53/t plus late delivery allowance and transport allowance, as previously communicated.

2012/13 Industrial Contract Entitlement (ICE) - Tonnage available

Many growers are asking whether there is industrial (ICE) tonnage still available for 2012 drillings. We are pleased to announce that there is some, limited volumes of ICE tonnage available for growers that have access to sufficient, additional land area. Please let me remind you that ICE tonnage is a 3 year entitlement (2012, 2013 & 2014 crops) to grow that tonnage. That means British Sugar commits to allow the grower to grow that ICE tonnage (subject to the usual performance rules) but the grower annually has the option to grow the tonnage, or not, once the price is announced each year.

The price for ICE tonnage in 2012/13 is £26.50/t plus late delivery allowance and transport allowance.

New Enhanced 2012/13 Surplus Beet Price

Growers are also asking what the surplus beet price in 2012/13 will be. Having analysed the current crop forecast and our likely sugar stock levels, we are able to announce an enhancement of the **2012/13 surplus beet price.**

The price for 2012/13 surplus beet is £25.00/t plus late delivery allowance and transport allowance.

2012/13 Campaign Start Dates

Some growers have highlighted that the campaign start date is also important when they make their decisions on how much sugar beet to grow. Whilst we cannot be exact on a start date for 2012/13 campaign, assuming at least an average crop forecast, it is our intention to start all sites mid September. The only change to this would be if the usual August root samples suggested it was in growers and our interests to delay the start at some sites. However, any decision regarding start dates will be taken following consultation with the NFU and growers.

Every season, some growers are disappointed when their contracted tonnage are reduced following contract under-performance. **Please ensure you sow sufficient area in 2012 to fully achieve your contracted tonnage.**

If you would like to sow additional sugar beet area in spring 2012 please contact your British Sugar Area Manager as soon as possible.

Best wishes for the remainder of this campaign and the forthcoming 2012/13 season.

Yours faithfully,



Colm McKay
Agriculture Director
British Sugar plc