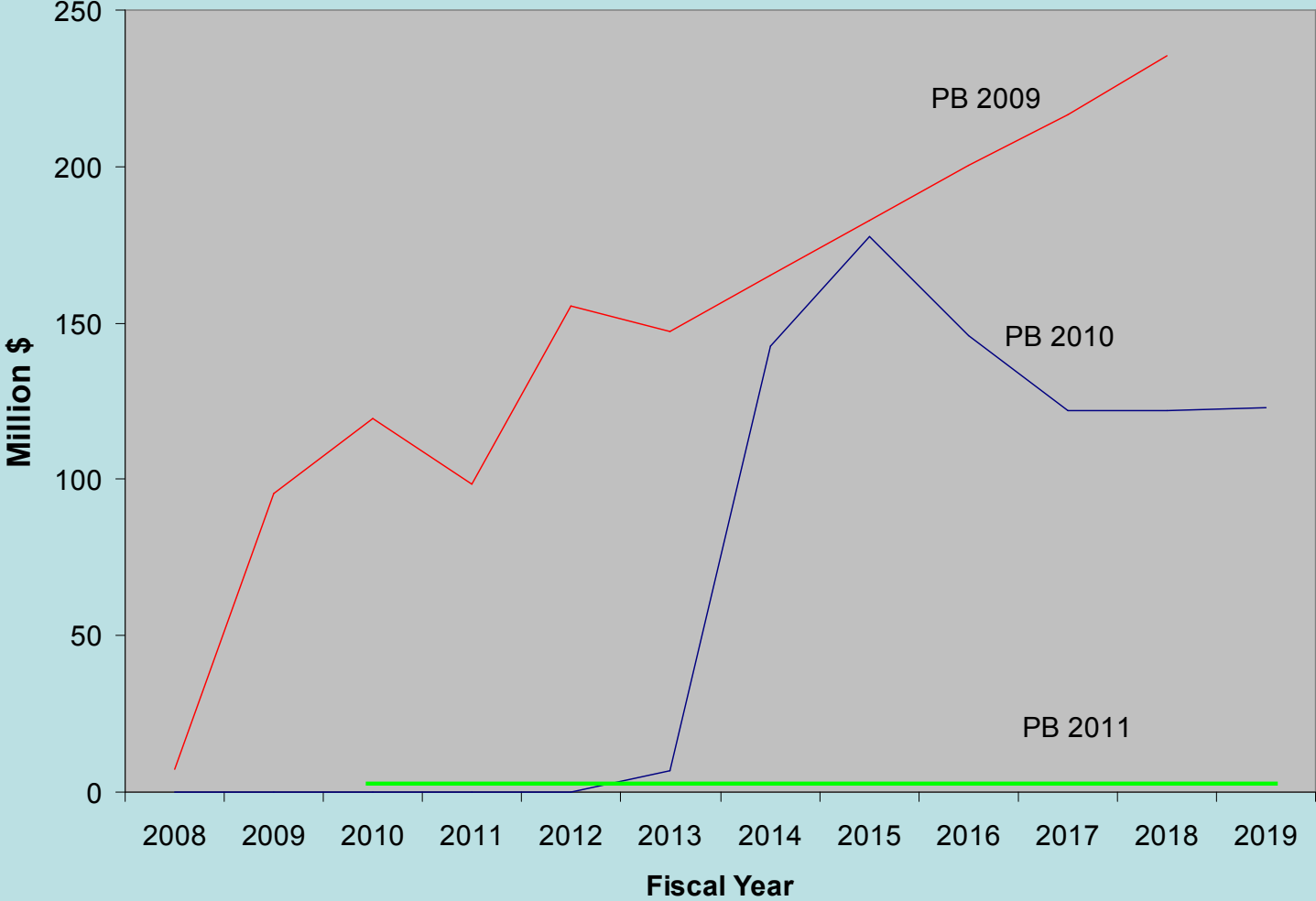


# **U.S. Domestic Sugar Policy Issues**

**Dan Colacicco, PhD.**

**United States Department of  
Agriculture**

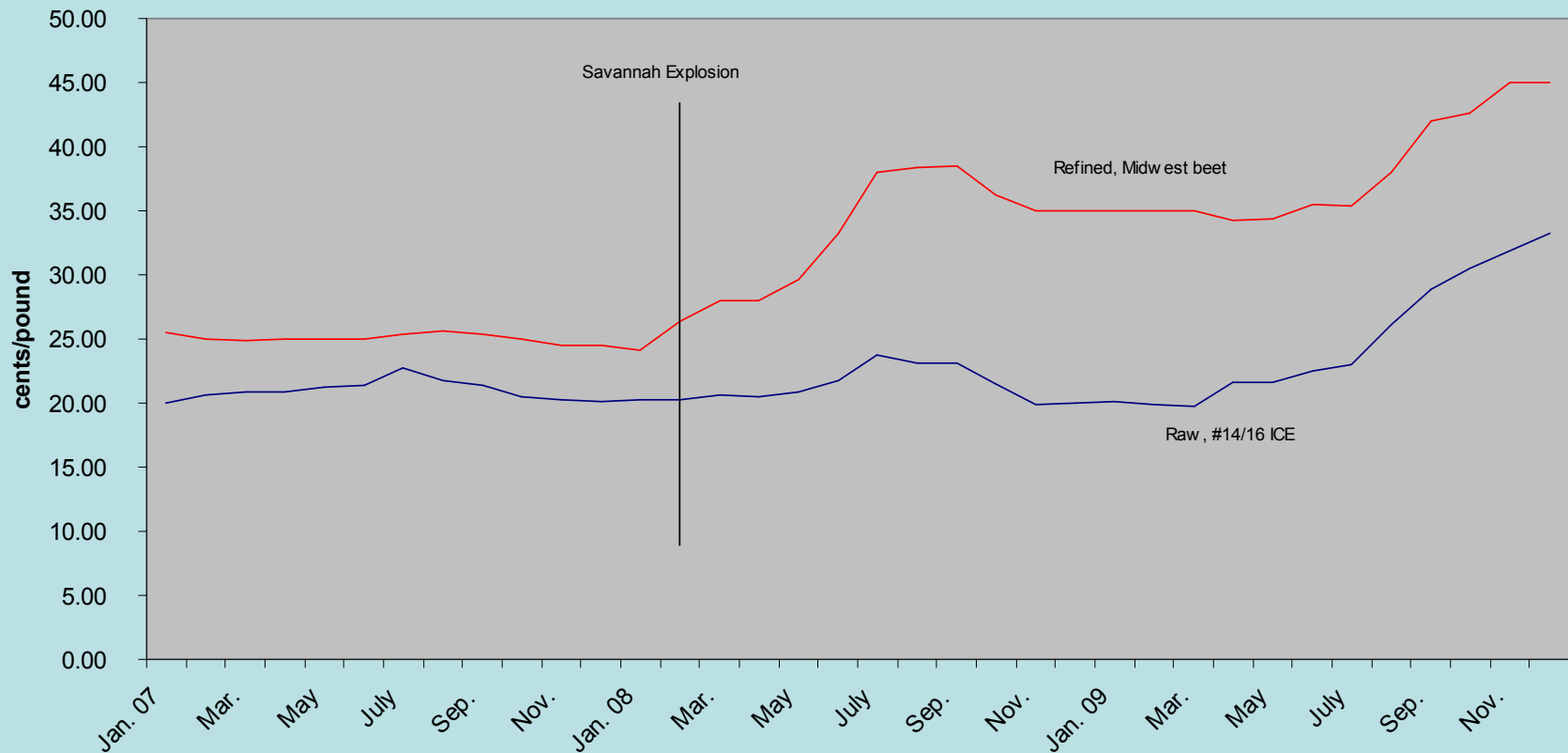
# Sugar Program Budget Projections



# Market Tightening Trend?



# Divergence of Raw and Refined Prices

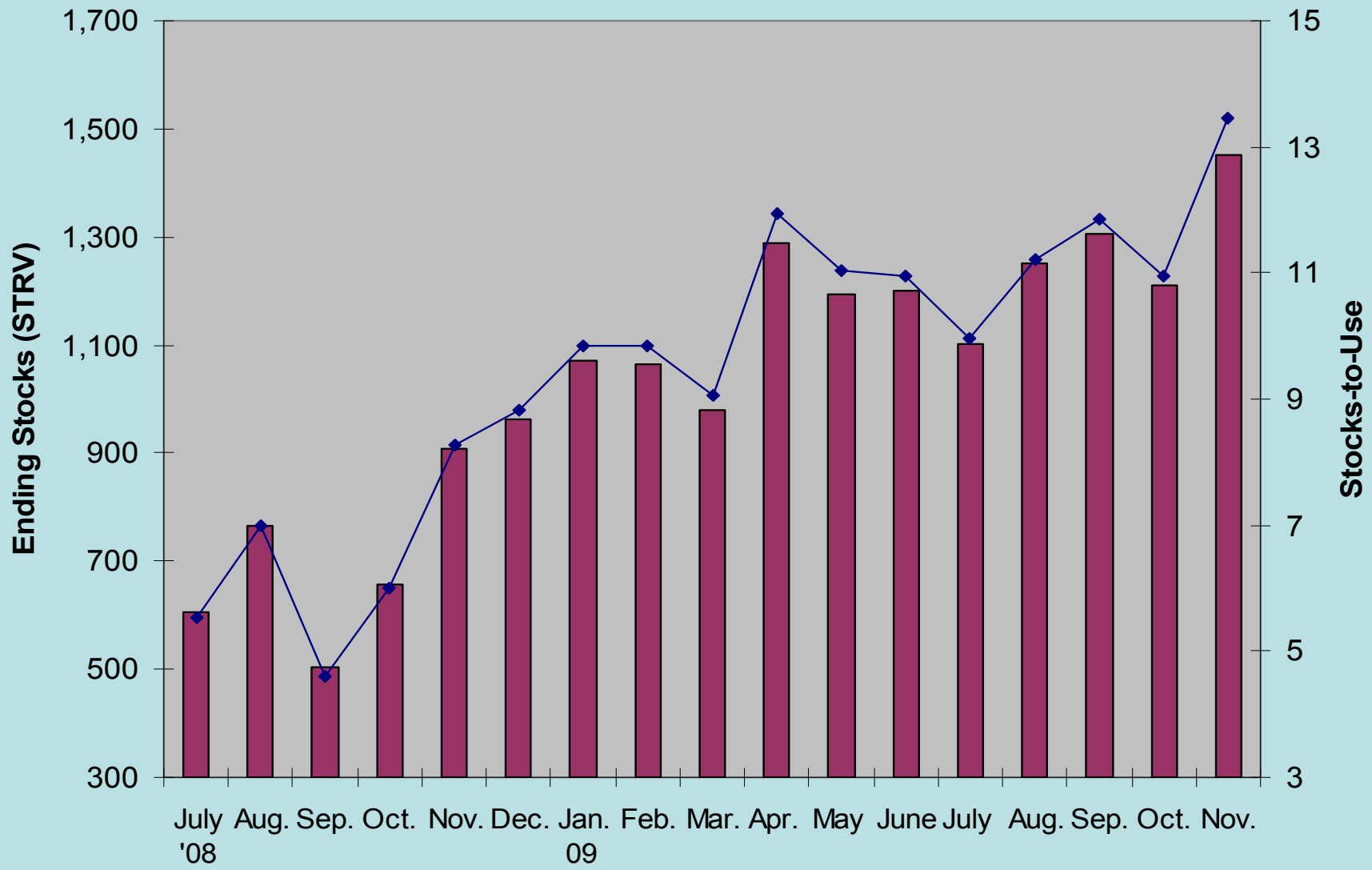


# Program Administration under Uncertainty

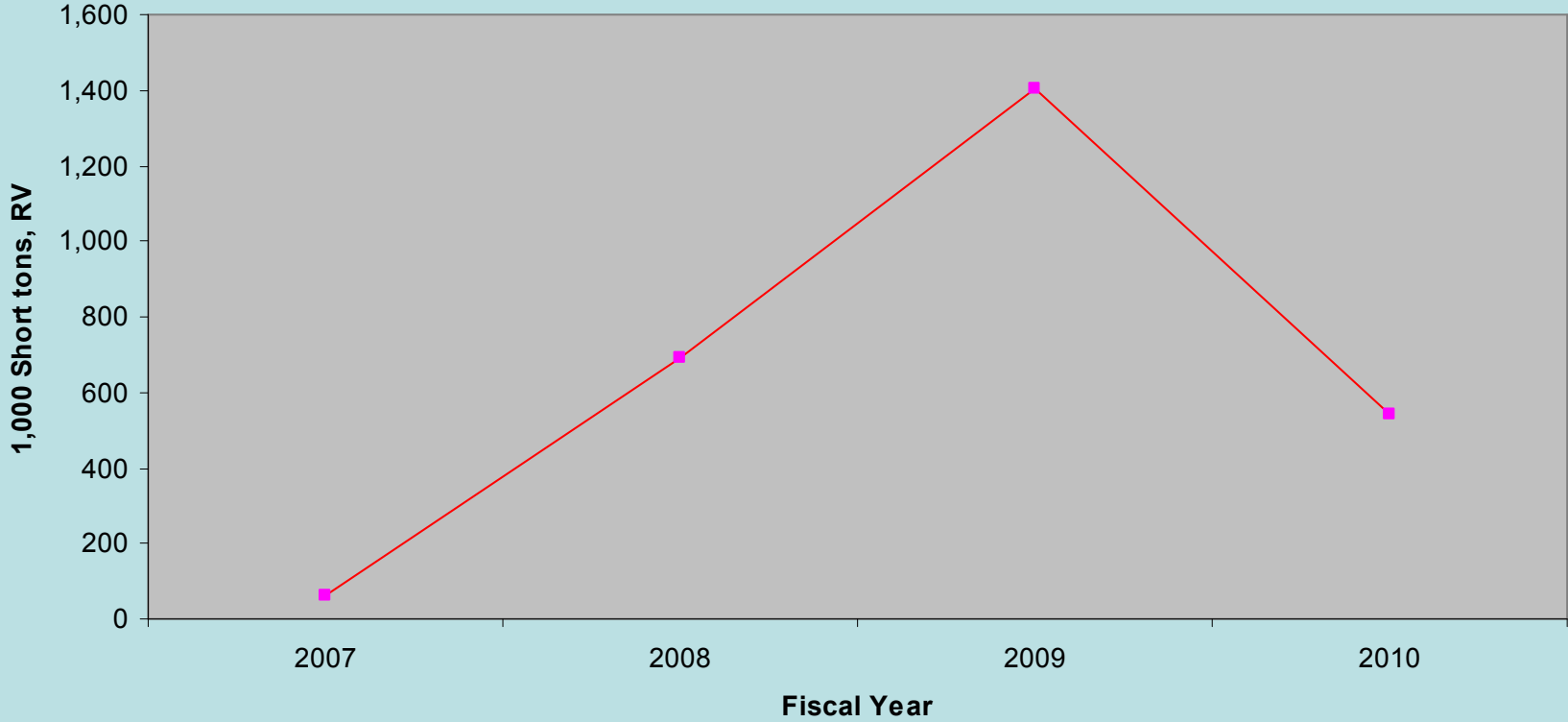
- Uncertainty has increased with NAFTA.
- But, USDA has always had to administer the program under uncertainty.
- Uncertainty = Caution.

# Loss of Forecast Capability

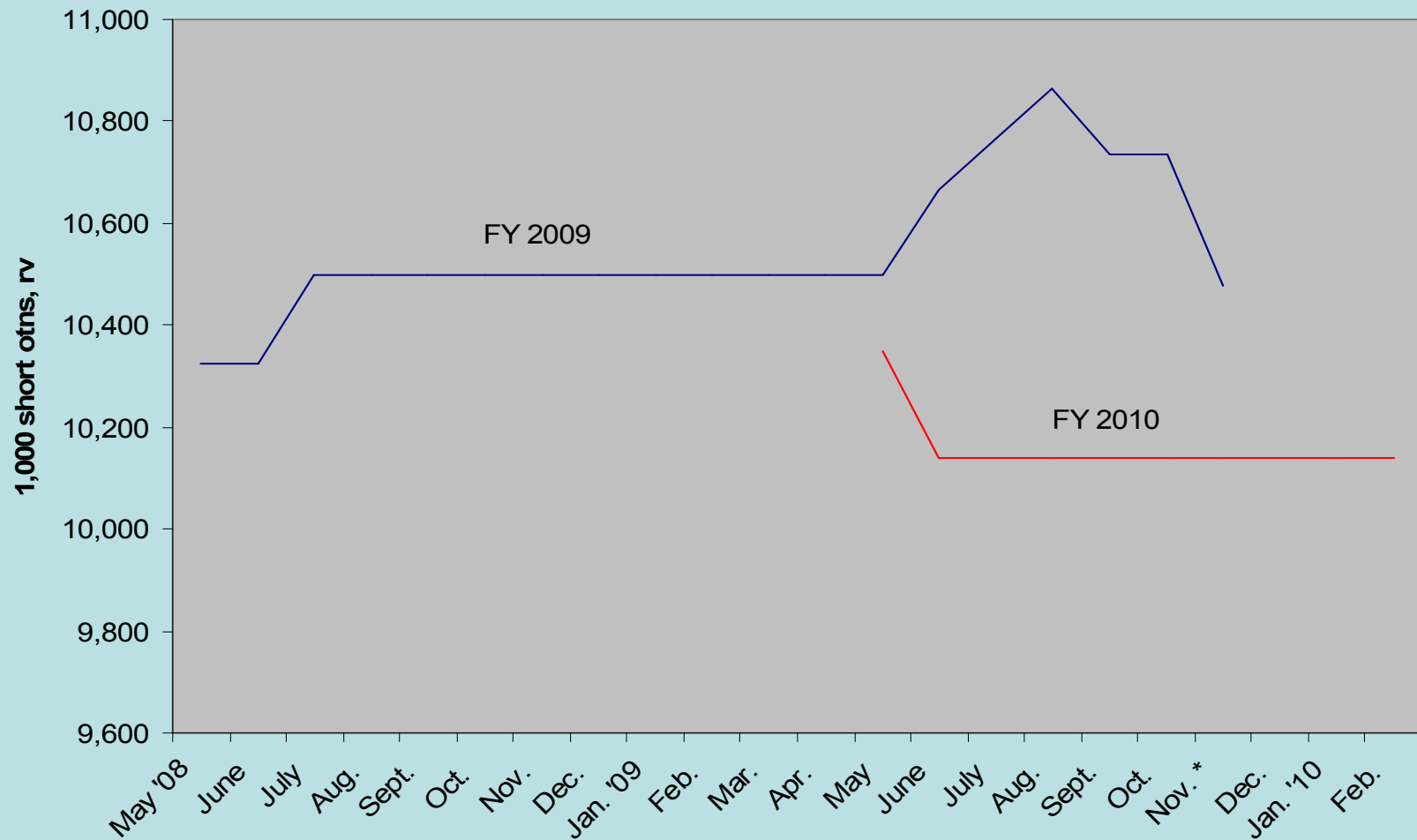
## FY 2009 USDA Forecasts



# Mexican Imports



# WASDE Food Use Forecast



# Timing is Now Important

- USDA has generally been cautious at the start of the fiscal year with irreversible actions.
  - Increasing import quotas.
  - Reassigning domestic marketing allocations.
  - Purchasing surplus sugar for ethanol??
- With the 2008 Farm Bill, USDA has different program capabilities in the fiscal year semesters.