

United States Senate

WASHINGTON, DC 20510

October 2, 2008

The Honorable Ed Schafer
Secretary of Agriculture
U.S. Department of Agriculture
Washington, D.C. 20250

Dear Mr. Secretary:

We urge you to consider taking discretionary action to address the extremely low supply of sugar that will be available in the U.S. market in the coming year.

The most recent supply and demand estimates published by your Department project that sugar stocks on September 30, 2009, will be only 4.6% of total use, compared to 14.3% this year. This projection for 2009 is an extraordinarily low level of stocks to have on hand at the end of a marketing year.

We appreciate that you announced on August 6th an increase in the refined sugar import quota for the current 2007-08 marketing year. This year's ending stocks would have been significantly lower without that action. However, subsequently, you announced that only the minimum quota would be allowed for 2008-09 for both raw and refined sugar. This has cast a cloud of uncertainty over the market, as sugar users cannot be certain that adequate stocks will be available to meet their needs at a reasonable price.

The price of sugar in today's market is extraordinarily high, rivaling highs not seen since the hurricanes of 2005 damaged our nation's refining infrastructure. Confectioners, bakers, ice cream makers and other companies that use sugar are experiencing difficulty as they seek supplies at a reasonable cost.

A major cane sugar refinery continues to be idled as the result of a tragic industrial accident. Natural disasters and weather conditions could also affect the availability of sugar. Having a target ending stock of only 4.6% of total use for the coming year is not prudent and is contributing to the high level of sugar prices.

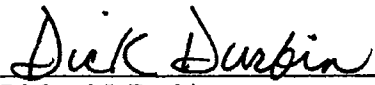
Sugar policies that artificially hold down supply to the point that prices reach levels usually associated only with unexpected supply interruptions are not in the best interest of our nation's consumers and can cause severe economic dislocation for candy makers and their employees. It has been estimated that the market needs an additional one million tons of sugar, half raw and half refined, beyond the normal minimum sugar import quota you have approved, to avoid disruptive shortages.

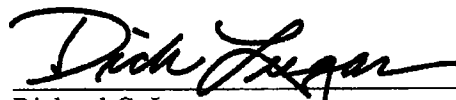
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We urge you to act expeditiously to assure the sugar market of adequate supplies by modifying your initial announcement of tariff rate quotas for raw and refined sugar to supplement the short supplies that are projected. This step is essential so that sugar users will be assured of access to sufficient amounts of sugar to serve the U.S. market without paying excessive prices.


Thank you for your attention to this important issue. We appreciate your consideration and look forward to your response.

Sincerely,

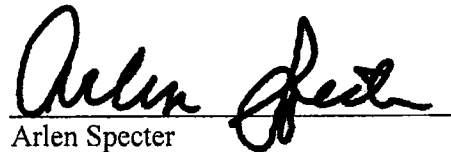

Richard J. Durbin


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George V. Voinovich


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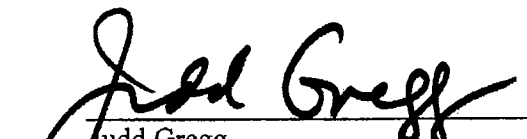

John E. Sununu



Arlen Specter

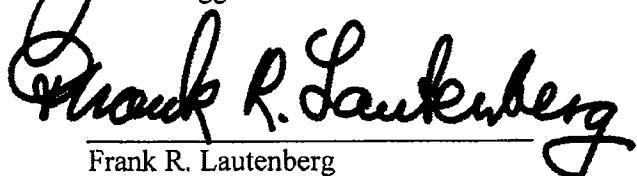

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