

SWEETENER USERS ASSOCIATION

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Sugar Market Economist Testifies Before ITC on the Potential Economic Impact of TPP

Agreement Addresses Sugar Trade, but ‘Does Little to Liberalize Regional Trade in Sugar’

Washington, DC (January 14, 2016) – Today, on behalf of the [Sweetener Users Association](#), Vice President of Agralytica, Tom Earley, [testified](#) before the U.S. International Trade Commission (ITC) on the “Trans-Pacific Partnership (TPP): Likely Economic Impact on the U.S. Economy.” Earley highlighted SUA’s support for the TPP and detailed the organization’s belief that the agreement could have been more significant in terms of expanding sugar market access.

Earley stated:

“SUA members believe the TPP Agreement will indeed have positive impacts on the U.S. economy as a whole, and they support its passage. But those impacts would have been even more impressive if the sugar provisions in the agreement had been commercially significant with respect to market access.

“... [T]he intensely protectionist U.S. sugar program has clearly reduced the potential positive economic impacts of trade agreements implemented over the last 25 years and is doing so again in the TPP context. Unfortunately, once the United States tells other countries that the sugar program is sacrosanct, those countries have a ready-made excuse to hold out against market access concessions on their own specially protected agricultural sectors. The result is that the 98 percent of U.S. agriculture that does not produce sugar crops gets less access to foreign markets than it otherwise might have gained.

“... We appreciate the fact that sugar trade was actually addressed by our negotiators. However, the additional access to the U.S. sugar market offered to TPP partner countries is negligible – a mere 72,000 metric tons in aggregate, well below 1% of domestic consumption – and it does little to liberalize regional trade in sugar. We believe that the United States should be taking a leading role in eliminating protectionist practices that distort world sugar trade.

“... [O]ne can only conclude that the U.S. sugar program reduced the potential economic gains from the agreement. With the end of free trade with Mexico under the suspension agreements, there is now little, if any net positive economic effect provided by FTAs for sugar consumers or food and beverage manufacturers dependent on sugar as an ingredient.”

The full testimony can be found [here](#).

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