

SWEETENER USERS ASSOCIATION

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September 9, 2011

The Honorable Michael Scuse
Acting Under Secretary
Farm and Foreign Agricultural Services
U.S. Department of Agriculture
Room 205-E Whitten Building
1400 Independence Avenue, S.W.
Washington, DC 20250

Dear Mr. Secretary:

In recent weeks, the market situation for refined sugar has dramatically worsened. Food and beverage manufacturers are now being asked to pay 62 cents per pound for bulk refined sugar, a record. Prospects for beet sugar supply have deteriorated, in terms of both the total available supply and its timing for delivery. Moreover, ongoing labor issues at a major beet processor introduce further uncertainty into supply availability and timing for sugar users. Recent weather-related events have further tightened prospective supplies – for example, forecasters see potential for damage to the Mexican cane crop in the state of Veracruz from Tropical Storm Nate.

The Department's previous actions -- to modestly increase raw and specialty sugar tariff rate quotas, announce the 2011/12 quota in a timely fashion, and permit early entry of that quota and late entry of the 2010/11 quota – have been helpful in providing some relief. However, as the marketplace demonstrates clearly, these actions have been insufficient to provide adequate supplies at reasonable prices, a basic goal of U.S. sugar policy.

Therefore, we again respectfully, but urgently, request that USDA move immediately to increase further the 2010/11 TRQ. The extremely wide gap between U.S. refined and raw sugar prices demonstrates the particular tightness of refined supplies, and so we believe that a major portion of additional imports should comprise an increase in the refined sugar TRQ. At this late date in the marketing year, one must assume a high shortfall compared to announced additional quantities for import. Given the need to allow for this shortfall, we believe the total sugar TRQs should be increased at least 400,000 short tons, raw value, and we again stress the importance of allocating a large part of this increase to refined sugar. Because of the late date, we urge that the TRQ increase be eligible for entry until November 30, 2011.

In order to assure efficient utilization of the refined TRQ, we recommend that the increase in refined access be limited to sugar of sufficiently high polarity to be immediately

usable by manufacturers. This limitation can be accomplished by confining the TRQ increase to sugar classified in tariff line 1701.99.10.25 as sugar not for further processing, as that term is defined in Statistical Note 1 of Chapter 17 of the Harmonized Tariff Schedules of the United States.

Our members have appreciated your leadership and openness to our viewpoints. We hope you will agree that the current situation demands immediate action in order to avoid further dire consequences for consumers and food manufacturers.

Sincerely,

A handwritten signature in black ink that reads "Randy Green". The signature is written in a cursive style with a large, stylized initial "R".

Randy Green
President