

SWEETENER USERS ASSOCIATION

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March 8, 2011

Ambassador Ron Kirk
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Dear Mr. Ambassador:

As you know, U.S. sugar markets remain exceptionally tight. Prices have recently been at or near record levels, and last season buyers were forced to import some 200,000 tons of “high-tier” sugar, i.e., sugar outside the tariff rate quota (TRQ), which is subject to an extremely high tariff that is intended to be prohibitive. These imports amply demonstrate that buyers were unable to obtain sugar from domestic, Mexican or TRQ sources, since no rational purchaser would choose to pay the high-tier tariff if an affordable alternative was available.

Although high-tier imports seem clear evidence that TRQ amounts were inadequate, the U.S. Department of Agriculture forecasts more such imports this season. To prevent this, and to secure adequate supplies at reasonable prices for the domestic market, we have urged USDA to increase the TRQ immediately.

Under the Harmonized Tariff Schedules of the United States, you have the authority to reallocate sugar imports under previously-announced TRQs. You have the ability to make additional sugar available to the marketplace through such a reallocation, and we urge you to do so. Although the amount of a reallocation must be somewhat dependent on the responses of individual quota-holding countries, we urge that you reallocate a total amount at least equal to USDA’s current projection of the shortfall in TRQ imports – 110,000 tons, according to the February *World Agricultural Supply and Demand Estimates*.

We note that this action has also been requested by a group of quota-holding countries, illustrating that a reallocation will not only benefit U.S. consumers, businesses and workers by providing additional supplies to the market, but will also enhance economic opportunities and foreign exchange earnings in developing countries. We respectfully request that your office move expeditiously to take this much-needed action.

Thank you for your consideration of our request.

Sincerely,



Perry Cerminara, Chairman