

SWEETENER USERS ASSOCIATION

ONE MASSACHUSETTS AVE. NW • SUITE 800 • WASHINGTON, DC 20001 • (202) 842-2345 • (202) 408-7763 FAX

August 1, 2006

Honorable J.B. Penn
Under Secretary for Farm and Foreign Agricultural Services
U.S. Department of Agriculture
Washington, D.C. 20250

Dear Mr. Secretary:

Members of the Sweetener Users Association appreciate USDA's announcement of sugar import provisions for fiscal years 2006 and 2007. These provisions will encourage more adequate supplies and allow market participants to plan their business operations with more confidence.

The 2007 raw sugar tariff rate quota (TRQ) has now been set at a level which recognizes the need for higher imports. Permitting early entry of the quota and waiving shipping patterns should be helpful in avoiding supply disruptions during the final months of this fiscal year and the early days of the next.

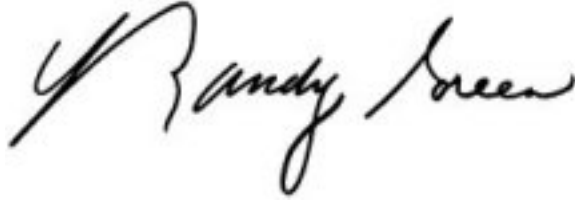
Increasing the 2006 refined and specialty sugar TRQs is also a positive step. SUA appreciates USDA's effort, through a container-size limit, to assure that entries under the refined TRQ are usable by U.S. manufacturers without further refining.

The recent announcements highlight the importance of Mexico as a factor in the present and future North American sugar market. In the short term, USDA's estimates of adequate 2006-07 supplies assume that Mexico fills the 250,000-ton quota announced today, and also reportedly assume over-quota shipments during the coming fiscal year. It will be important for USDA and market participants to follow developments closely as the year unfolds.

In the longer term, the sweetener agreement concluded between the United States and Mexico puts both nations on a path toward an open North American sweetener market in 2008. SUA commends you and your colleagues at the Office of the U.S. Trade Representative for a successful resolution of these issues. As you pointed out in Senate testimony earlier this year, the approach of 2008 makes it essential for Congress to consider changes in the U.S. sugar program that will permit it to operate in an environment of more open trade.

SUA will continue to monitor market developments and communicate with you and your colleagues about appropriate policy adjustments in coming months. Thank you for taking positive steps in support of a balanced market.

Sincerely,

A handwritten signature in black ink that reads "Randy Green". The signature is written in a cursive, flowing style.

Randy Green, President