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U.S.D.A. URGED TO LESSEN RESTRICTIONS ON SUGAR IMPORTS
Sweetener Users Say Restriction On Sugar Imports Will Lead to Supply Shortage and Higher Prices

Washington, D.C. – March 24, 2009 – More than a dozen United States Senators called on U.S. Secretary of Agriculture Tom Vilsack to address the low supply of sugar available in the U.S. market by immediately increasing sugar tariff rate quotas (TRQs), in a letter dated March 23, 2009. Left unchanged, the current TRQs, which restrict imports of sugar into the United States, will lead to a supply shortage if additional sugar is not allowed to enter the U.S. market.

“The letter demonstrates strong bipartisan support for taking steps to ensure that the U.S. sugar market remains adequately supplied,” said Fred Hensler, Chairman of the Sweetener Users Association (SUA). “The sweetener user, consumer and trade communities are appreciative of the support from Members on this important issue.”

According to projections by the U.S. Department of Agriculture (USDA), available sugar will not meet total demand by the end of September of this year, falling far below the normal 15% stocks-to-use ratio. Approximately 750,000 tons of sugar needs to be added to available supplies.

The tighter U.S. sugar market has been attributed to a combination of factors including production shortfalls, strong demand and the continued closure of a major domestic refinery following a tragic accident last year. Because of the lead time to purchase, ship, and refine raw sugar, a TRQ increase must occur in the very near future in order to avoid supply disruptions later this year.

Signers of the letter include Senators Dick Durbin (D-IL), Sam Brownback (R-KS), Herb Kohl (D-WI), Dick Lugar (R-IN), George Voinovich (R-OH), Arlen Specter (R-PA), Roland Burris (D-IL), John Ensign (R-NV), Bob Casey (D-PA), Judd Gregg (R-NH), Christopher “Kit” Bond (R-MO) and Russ Feingold (D-WI).

Sweetener users encourage the Administration to take a fresh look at the need for immediate action to ensure that existing policies do not further distort markets.

The Sweetener Users Association (SUA) represents confectioners, bakers, cereal manufacturers, beverage makers and dairy food companies that use sugar, as well as trade associations for these industries. SUA members support a healthy domestic sugar-producing and sugar-processing industry that can deliver an ample supply to refiners, industrial users, and consumers, but SUA believes sugar policy should support producer incomes without distorting the market.

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