

SWEETENER USERS ASSOCIATION

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April 25, 2017

The Honorable Sonny Perdue
Secretary
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Dear Mr. Secretary:

On behalf of the Sweetener Users Association, congratulations on your confirmation and best wishes for a successful tenure as Secretary of Agriculture. Like many other food and agriculture organizations, our members were pleased to endorse your nomination and look forward to working with you and your team.

SUA's members are the companies that use sugar and other caloric sweeteners to make foods and beverages in the United States. Collectively, the industries that our members represent employ 600,000 American workers, and indirectly account for several times that many jobs. Unfortunately, U.S. sugar policy is often a detriment to manufacturing and hiring in the United States because it distorts markets and frequently leads to inadequate supply availability.

That issue must be addressed in the 2018 farm bill. In the short term, however, you have the opportunity to offset some of the sugar program's harmful effects on consumers, food manufacturers, cane refiners and their employees by increasing the tariff-rate quota (TRQ) for raw sugar.

Currently, trade in sugar is distorted by suspension agreements negotiated by the previous Administration with the government of Mexico. Although these agreements work well for Mexico, they have harmed the interests of U.S. cane refiners, sugar growers and sugar-using companies. At present, the Commerce Department is attempting to negotiate changes to the suspension agreements.

However, while that process continues, the U.S. market is not adequately supplied with raw cane sugar. This shortage directly harms cane refiners located in Georgia, Louisiana, Maryland, New York, California and elsewhere by depressing their throughput. It also directly harms sugar users by unduly inflating the price of raw sugar.

In this situation, the Department of Agriculture can and should increase the TRQ by an amount sufficient to assure adequate supplies of raw cane sugar at reasonable prices. Such an increase in no way violates either the letter or the spirit of the U.S.-Mexico suspension agreements, despite what the Mexican government has sometimes suggested. Indeed, a TRQ increase now would demonstrate to Mexico that the Administration is serious about defending U.S. interests and jobs, and has other supply options besides Mexico if necessary.

We respectfully request the opportunity to meet with you in the near future to explain this situation more fully. We were honored by a recent opportunity to discuss sugar policy with Secretary Ross, whose Department has oversight of the suspension agreements. However, we believe it still more important to provide information to you and your team, since USDA bears ultimate responsibility (as it should) for implementing U.S. sugar policies.

Thank you for your consideration of our views and requests.

Sincerely,



Emily Russell
Chairwoman