SWEETENER USERS ASSOCIATION

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New Report: "Mexico Trade Cases Costing U.S. Consumers Billions"

American Consumers and Food Manufacturers Forced to Spend an Additional $2.2 Billion on Sugar Since AD/CVD Cases Were Filed

Washington, DC (March 26, 2015) – Today, the Sweetener Users Association (SUA) released a new white paper, which details the economic impact of the antidumping (AD) and countervailing duty (CVD) cases against Mexican sugar imports filed one year ago by U.S. sugar producers.

The new report, titled "Mexico Trade Cases Costing U.S. Consumers Billions," authored by Tom Earley, Vice President of Agralytica Consulting and a consultant for SUA, states:

> *"In March 2014, U.S. sugar producers filed antidumping and countervailing duty cases against Mexican sugar exporters and the Mexican government. While the final resolution of the trade cases is still in process, the market reaction was swift. Within weeks, U.S. wholesale sugar prices rose by approximately 10 cents per pound. Consequently, over the last 12 months, U.S. consumers and food manufacturers were forced to spend an additional $2.2 billion on sugar. The likely final disposition of these trade cases is expected to cost consumers an extra $1 to $2 billion annually for years into the future, above and beyond the normal burden imposed by the U.S. sugar program.*
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> *"…Prices in the United States for the raw sugar on which cane sugar refineries rely were also pushed up several cents by the filing of the trade cases. Over the last 12 months, the 25-cent average price of raw sugar in the United States exceeded the cost of world market raw sugar delivered to a U.S. port by approximately 40 percent (or 7 cents/pound).*
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> *"This points to another key development resulting from the filing of the trade cases. In order to avoid the imposition of antidumping and countervailing import duties in excess of 50 percent, the Mexican and U.S. governments negotiated so-called 'suspension agreement' that limit the quantity of sugar that Mexican firms can export to the United States and require that the sales be at certain minimum prices. The effect has been to raise the floor price in the United States by 3 to 5 cents per pound.*
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> *"…This virtually guarantees an additional consumer cost of $1 billion due to the trade cases. And to the extent that they limit competition among sugar sellers, the consumer cost impact will be closer to the $2 billion range seen over the past year."*

For the full report, click here.

In October 2014, SUA released a related report, "Consumers Are Paying the Price for the Sugar Producers' Trade Case vs. Mexico," which highlighted the costs of the AD and CVD cases to U.S. consumers between April 2014 and September 2014.

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