SWEETENER USERS ASSOCIATION

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Sweetener Users: Proposed Suspension Agreements on Sugar Imports Are 'Significant Step Backwards' in U.S.-Mexico Trade

In Comments to Commerce, SUA Says Proposed Agreements Will Force American Consumers to Pay More for Sugar for at Least Five Years

Washington, DC (November 18, 2014) – The <u>Sweetener Users Association</u> (SUA) today submitted comments to the U.S. Department of Commerce in response to the draft suspension agreements and proposed scope clarifications in connection with the antidumping and countervailing duty investigations on imports of sugar from Mexico.

Regarding the proposed suspension agreements, SUA wrote:

"The draft suspension agreements published by the Department will fundamentally alter the trade of sugar between the United States and Mexico under the North American Free Trade Agreement ('NAFTA'). In particular, the draft agreements, if concluded and entered into force, will replace the current, unrestricted free trade in sugar between the two countries - an outcome that was explicitly bargained for between the United States and Mexican governments - with a managed trade structure. This managed trade structure will limit the quantity of Mexican sugar that may be imported into the United States and establish reference (or floor) prices below which such sugar may not be sold. For this reason, the draft suspension agreements represent a significant step backwards in the trade in sugar between the United States and Mexico.

"Indeed, an analysis recently prepared by the Sweetener Users Association determines that the higher prices resulting from the domestic industry's unfair trade cases have cost U.S. sugar consumers \$837 million between April and October 2014. ... The draft suspension agreements being contemplated by the Department will ensure that U.S. consumers pay higher prices for sugar - not just for the seven months addressed in the SUA's recent paper, but for a minimum of five years.

"In their current form, the draft agreements do not meet the statutory standard of being in the public interest. ... Absent the modifications ... the suspension agreements will result in unnecessary disruptions of the U.S. sugar market, an outcome that is in the interest of no party to these proceedings."

Please click <u>here</u> to read SUA's full comments on the proposed suspension agreements and <u>here</u> to read SUA's full comments on the proposed scope clarifications.