


C-201-846
Suspension Agreement
Public Document
ITA/E&C/P&N/OP/BAU: JAB

November 25, 2019

MEMORANDUM FOR: Interested Parties

FROM: Sally C. Gannon 
Director for Bilateral Agreements
Office of Policy
Enforcement and ComplianceSUBJECT: Agreement Suspending the Countervailing Duty Investigation on
Sugar from Mexico: Increase of the Export Limit for the
October 1, 2019 - September 30, 2020 Export Limit Period,
Effective November 25, 2019

On November 22, 2019, the Department of Commerce (Commerce) received a letter from the U.S. Department of Agriculture (USDA)¹ requesting that Commerce increase the Export Limit² under the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico, as amended on June 30, 2017 (amended CVD Agreement).³ In its letter, USDA states that it “has identified a need for additional sugar supplies in the U.S. market” and that it “requests that the Department of Commerce increase Mexico’s refined sugar Export Limit by 100,000 short tons raw value, consistent with Section V.B.4.a” of the amended CVD Agreement.⁴ USDA further states that “consistent with the definition of Refined Sugar in the CVD Agreement, the additional sugar must have a polarity of 99.2 degrees or above, as produced and measured on a dry basis.”⁵

USDA has requested that Commerce increase the Export Limit for the October 1, 2019, through September 30, 2020 Export Limit Period, by a total of 100,000 short tons raw value (STRV) of Refined Sugar from Mexico.⁶

¹ See Letter from Ronald Lord, Senior Policy Advisor, Multilateral Affairs, to Jeffrey Kessler, Assistant Secretary for Enforcement & Compliance, “Mexican Sugar CVD Agreement—Request” (November 22, 2019) (USDA Request Letter), provided herein at Attachment.

² The term “Export Limit” is defined in Section II.F of the CVD Agreement.

³ See *Sugar From Mexico: Suspension of Countervailing Duty Investigation*, 79 FR 78044 (December 29, 2014) (CVD Agreement) and *Sugar From Mexico: Amendment to the Agreement Suspending the Countervailing Duty Investigation*, 82 FR 31942 (July 11, 2017) (amended CVD Agreement).

⁴ See USDA Request Letter.

⁵ *Id.*

⁶ The terms “Export Limit Period” and “Refined Sugar” are defined in Sections II.G and II.L.a, respectively, of the CVD Agreement and the amended CVD Agreement.



On September 20, 2019, Commerce calculated an Export Limit of 782,530 STRV, effective as of October 1, 2019 for the October 1, 2019 through September 30, 2020 Export Limit Period.⁷ Section V.B.4.a of the amended CVD Agreement provides that Commerce shall increase the Export Limit, prior to April 1, to address potential shortages in the U.S. market if notified in writing by USDA of a request for additional sugar. In addition, Section V.B.4.f of the amended CVD Agreement provides that any additional sugar may be limited, as specified by USDA, to Other Sugar⁸ or Refined Sugar or any combination thereof.

Commerce has evaluated USDA's request for additional sugar to address a need in the U.S. market and finds it to be consistent with Sections V.B.4.a and V.B.4.f of the amended CVD Agreement. Based on USDA's written request, as described above, Commerce is increasing the Export Limit for Sugar from Mexico, for the October 1, 2019 through September 30, 2020 Export Limit Period, by a total of the additional sugar identified by USDA, *i.e.*, 100,000 STRV of Refined Sugar. Consistent with Section II.L.a of the amended CVD Agreement, Refined Sugar is defined as "Sugar at a polarity of 99.2 and above, as produced and measured on a dry basis." Pursuant to Section V.B.4.f of the amended CVD Agreement, the restrictions provided in Section V.C of the amended CVD Agreement do not apply to the additional sugar, *i.e.*, 100,000 STRV of Refined Sugar, exported by Mexico.

The revised Export Limit, applicable for the October 1, 2019 through September 30, 2020 Export Limit Period, for Sugar from Mexico is 882,530 STRV. Pursuant to Section V.C.3 of the amended CVD Agreement, Refined Sugar may account for no more than 30 percent of the 782,530 STRV Export Limit that applied prior to the instant increase, or 234,759 STRV.⁹ Because Section V.C.3 does not apply to the 100,000 STRV of additional Refined Sugar in the instant increase, Refined Sugar, thus, may account for no more than 334,759 STRV in total (234,759 STRV + 100,000 STRV) exported from Mexico during this Export Limit Period.

⁷ See Memorandum for Interested Parties from Sally C. Gannon, Director for Bilateral Agreements, "Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico, as Amended: Calculation of the Export Limit for the October 1, 2019 through September 30, 2020 Export Limit Period, Effective October 1, 2019" (September 20, 2019).

⁸ "Other Sugar" is defined in Section II.K of the amended CVD Agreement.

⁹ The language of Section V.C.3 in the amended CVD Agreement states that "Refined Sugar may account for no more than 30 percent of the exports during any given Export Limit Period."

ATTACHMENT



United States
Department of
Agriculture

Trade and Foreign
Agricultural
Affairs

Foreign
Agricultural
Service

1400 Independence
Ave, SW
Stop 1021
Washington, DC
20250-1021

November 22, 2019

Jeffrey Kessler,
Assistant Secretary for Enforcement & Compliance,
International Trade Administration,
U.S. Department of Commerce
14th and Constitution Avenue, N.W.
Washington, D.C. 20230

Re: Mexican Sugar CVD Agreement—Request

Dear Mr. Kessler,

The U.S. Department of Agriculture has identified a need for additional sugar supplies in the U.S. market and hereby requests that the Department of Commerce increase Mexico's refined sugar Export Limit by 100,000 short tons raw value, consistent with Section V.B.4.a of the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico, as amended July 11, 2107 ("CVD Agreement"). Also, consistent with the definition of Refined Sugar in the CVD Agreement, the additional sugar must have a polarity of 99.2 degrees or above, as produced and measured on a dry basis. We note that the restrictions on shipping patterns for Mexican sugar exports to the United States set forth under Section V.C of the CVD Agreement, including the 30 percent limit on Refined Sugar, do not apply to this additional sugar, pursuant to Section V.B.4.f of the CVD Agreement.

Sincerely,

Ronald Lord
Senior Policy Advisor,
Multilateral Affairs
Trade Policy and Geographic Affairs