SWEETENER USERS ASSOCIATION

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November 25, 2019

Executive Secretary
Foreign-Trade Zones Board
U.S. Department of Commerce
Washington, DC 20230

RE: Foreign Trade Zone 8 – Toledo, Ohio; Application for Production Authority; Arbor Foods Inc. (Blended Syrup)

These comments are submitted in response to the application by Arbor Foods Inc. to sell blended syrup in the U.S. market in connection with Foreign-Trade Zone 8 in Toledo, Ohio, as published in the Federal Register of October 17, 2019 (Vol. 84, No. 201, pp. 55549-55550).

The Sweetener Users Association (SUA) comprises companies that use sugar and other nutritive sweeteners in manufacturing food and beverages, as well as trade associations representing these companies. SUA favors government policies that ensure adequate supplies of sugar at reasonable prices in the U.S. market.

SUA supports the Arbor Foods application. According to the Department of Commerce, the company already has Foreign –Trade Zones (FTZ) authority to import up to 37.9 million pounds of sugar annually outside the tariff-rate quota. Further, the company may "produce dry-blended sugar for the U.S. market." In addition, the company may presently import unlimited quantities of ex-quota sugar and produce blended syrup for export, but may not sell this syrup in the United States. Under the pending application, **Arbor would be permitted to sell blended syrup domestically**, but only using up its 37.9 million pound "grandfathered" import limit.

We **support this application** because –

- Companies should generally be able **to offer sugar to their customers in a variety of forms**. Such flexibility benefits both buyers and sellers. The application, if approved, would put Arbor in the position of being able to offer additional products to its customers.

- **Additional sources of sugar and related products are welcome** in a highly-regulated, supply-constrained sugar market such as that maintained by U.S. government policies. The application would result in such an additional source.

- Depending on Arbor's current use of its quantitative limit, it is possible that the application would result in **a marginal increase in supplies** in the U.S. market. Given that U.S. sugar policies restrain supplies, often to the detriment of sugar users like our members, any incremental supply is welcome, although the impact in this case would be modest at best.

- The product in question is directly **relevant to the needs of our members**. Blended syrups are used in the production of some confectionery as well as other products.

For all these reasons, we encourage the Commerce Department to grant the application. We would also note that there can be no legitimate objection to the application from those who support current sugar policies:

- The application **does not seek to increase the quantitative limit** above its present level, and therefore total permissible imports under preferential tariffs would not be changed by approval of the application.

- The quantity involved **is not large enough to have a material impact on market prices**, and therefore there can be no question of harm to U.S. domestic interests.

- The FTZ provisions to import a limited quantity of sugar have been in place for a number of years, so the application raises **no novel issues of policy**.

SUA appreciates the Commerce Department's consideration of these comments.

Sincerely,

Richard E. Pasco
President & General Counsel