Vickie R. Myers
Executive Director
E-mail: vickie@sugaralliance.org
Jack Roney
Director of Economics
and Policy Analysis
E-mail: jack@sugaralliance.org
Phillip W. Hayes
Director of Media Relations
E-mail: phillip@sugaralliance.org

AMERICAN SUGAR ALLIANCE

BACKING AMERICA'S BEET AND CANE FARMERS

2111 Wilson Boulevard
Suite 700
Arlington, VA 22201
Tel: (703) 351-5055
Fax: (703) 351-6698
www.sugaralliance.org

November 19, 2019

Via E-Mail – 2 pages

The Honorable Ted McKinney
Under Secretary for Trade and Foreign Agricultural Affairs
U.S. Department of Agriculture
1400 Independence Ave., SW
Washington, D.C. 20250
[Via Email: ted.mckinney@osec.usda.gov]

The Honorable Bill Northey
Under Secretary for Farm Production and Conservation
U.S. Department of Agriculture
1400 Independence Ave., SW
Washington, D.C. 20250
[Via Email: bill.northey@osec.usda.gov]

Dear Under Secretary McKinney and Under Secretary Northey,

On behalf of America's sugarbeet and sugarcane growers, processors, and refiners, we thank you for your careful management of the zero-cost U.S. sugar policy.

As the November WASDE reported, U.S. sugar producers have undergone, or are still experiencing, a difficult harvest. Sugarbeet growers in several states have had to abandon large portions of their fields. Louisiana cane growers dealt with freezing temperatures for a few hours last week and are awaiting an accurate measure of damage, if any, to the portion of the crop that remains in the fields. In the interim the cool, dry weather prevailing in South Louisiana is exactly what the crop needed.

Though many of our farmers are hurting badly, American consumers have no reason to fear any sugar shortages in the U.S. market.

U.S. cane and beet sugar stocks are high. The November WASDE put 2019/20 beginning stock levels at a more-than-adequate 14.5% of use and there is no evidence of shortage in the final quarter of 2019.

The 2019/20 ending stocks/use ratio forecast of 10.5% is deceptively low. The Suspension Agreements with Mexico call for an adjustment to 13.5% in the December WASDE, and that should be easily achievable. Based on the November WASDE estimates, USDA would need to increase imports by 371,000 short tons to reach the 13.5% threshold. Any such increase should occur after the December WASDE, following the procedure prescribed in the Suspension Agreements, subject to the limitations on type of sugar and polarity.

According to the WASDE, Mexico has more than enough sugar on hand to satisfy additional U.S. needs. USDA has predicted Mexico would export about 750,000 short tons, raw value, of surplus sugar onto the world market in 2019/20. Mexico would, no doubt, be enthusiastic about the opportunity to sell this surplus sugar, instead, to the United States.

Even if the calculation of U.S. needs rises in December, Mexican sugar availability appears to be adequate. Any USDA declaration of emergency imports from other nations would be premature at this point.

A near-term measure USDA might take would be to reallocate to the TRQ quotaholders the expected 99,000-ton shortfall in 2019/20 raw TRQ entries.

As sugar producers, we are fervently committed to satisfying our customers' sugar needs and ensuring a stable, dependable market. If we foresee any potential for any short-term supply shortage, we will notify you and work with you to avert such a shortage.

In the meantime, we urge you to be prudent on making any irrevocable commitments on additional imports that could depress market prices and add to the wrenching economic hardship that many of our producers are experiencing.

We pledge to work closely with USDA staff to keep them apprised of our supply prospects in the coming months.

Sincerely,
Executive Committee
American Sugar Alliance

Brian Baenig
President
United States Beet Sugar Association

Luther Markwart
Executive Vice President
American Sugarbeet Growers Association

Jack Pettus
Vice President of Government Relations
American Sugar Cane League

Ryan Weston
Chief Executive Officer, **Florida Sugar Cane League;**
Washington Representative, **Rio Grande Valley Sugar Growers**

cc: Barbara Fecso, USDA/FSA, Barbara.Fecso@wdc.usda.gov
Stephen Haley, USDA/WAOB, SHaley@oce.usda.gov
Ron Lord, USDA/FAS, Ronald.Lord@fas.usda.gov
Michael McConnell, USDA/ERS, Michael.McConnell@usda.gov