

Congress of the United States
Washington, DC 20515

March 31, 2020

The Honorable Sonny Perdue
Secretary
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Dear Mr. Secretary:

We commend you for the Department of Agriculture's recent actions to increase supplies to the U.S. sugar market to avoid a damaging shortage. Most recently, USDA asked the Department of Commerce to provide an additional 200,000 tons of refined sugar imports from Mexico.

Unfortunately, despite this and other positive steps, we continue to hear from constituents in the food and beverage industry about the severe shortages of refined sugar that are expected later this year. As you know, natural disasters have hit sugar-producing states hard. Compared to last year, USDA projects beet sugar production down 12.6 percent and cane sugar production down 8.5 percent. In fact, sugar production will be down substantially all across North America, including in Mexico and Canada. Recently, USDA reduced its estimate of Mexico's 2019/20 sugar production by almost half a million tons in just the past month, and now forecasts that Mexico will be unable to meet our import needs this year.

Companies that use sugar as an ingredient employ some 600,000 people nationwide. While they would prefer to buy from domestic producers, due to the aforementioned conditions, these sources are currently unable to fill their needs. In fact, two major sellers of sugar have already declared *force majeure*, which means that our constituents will not get all the sugar they need *even though they had already contracted with these sellers to receive it*.

As you are no doubt aware, the United States has been a net importer of sugar since the time of the Colonies. There is nothing new about needing to import sugar. However, the current entanglement of price controls that make up the U.S. sugar program, including a strict curtailment of imports, unnecessarily exposes sugar-using industries to supply shocks, including the ones outlined previously.

Fortunately, you have the authority to allow enough additional imports to assure that domestic supplies will be adequate to meet demand. Under our agreements with Mexico, some of this additional sugar could come from that country if it is available, and your recent decision to allow another 200,000 tons of raw sugar honors that commitment. However, that amount still falls short of the amount necessary to adequately offset the decline in supply from Mexico and

domestic sources, created by adverse weather conditions. Therefore, we urge USDA to allow additional imports of sugar from other countries that already sell sugar to us regularly.

We request that you take immediate action to make additional sugar available in the form needed by end-users, through increases in the tariff-rate quotas for refined and raw sugar. This action is necessary to prevent supply-chain disruption, logistical nightmares and the potential closure of production lines. We emphasize that this need is urgent and appreciate your attention to our views.

Sincerely,

Virginia Foxx
Member of Congress

Danny K. Davis
Member of Congress

David P. Roe
Member of Congress

Earl Blumenauer
Member of Congress

Ted Budd
Member of Congress

Brian K. Fitzpatrick
Member of Congress

Scott Perry
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Ann M. Kuster
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Steve Chabot
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Jackie Walorski
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John Joyce
Member of Congress