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August 30, 2021

The Honorable Jason Hafemeister
Acting Under Secretary
Trade and Foreign Agricultural Affairs
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

The Honorable Gloria Montaña Greene
Deputy Under Secretary
Farm Production and Conservation
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Dear Acting Under Secretary Hafemeister and Deputy Under Secretary Montaña Greene:

At this writing, two major sugar refineries in Louisiana are shut down as a result of Hurricane Ida. According to Sosland Publishing, these two refineries account for approximately 15 percent of the U.S. sugar supply.

With domestic raw sugar prices at multi-year highs, it has been clear for some time that the market is much tighter than indicated by USDA's estimates of the stocks-to-use ratio. We thank the Department for increasing the raw sugar tariff-rate quota recently and permitting late entry of the TRQ, as well as for USDA's efforts to ensure prompt allocation of the quota increase. However, prices remain at levels that cannot be considered reasonable, nor can supplies be adequate.

On top of the existing market distortions, USDA has known that hurricane impacts were a good possibility, and now that has occurred. In addition to its previous actions, the Sweetener Users Association requests that USDA immediately permit early entry of the 2021/22 TRQ. While this action will not address the situation at the Louisiana refineries, it will provide additional supply that can be refined elsewhere in the United States and will somewhat mitigate the impact of the two refinery closures, which at this moment are of unknown duration.

We also believe USDA should closely monitor developments in the Gulf and should stand ready to increase access for refined sugar if needed to assure the continuity of the sugar supply chain.

Thank you for your consideration of SUA's views.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Pasco". The signature is fluid and cursive, with the first name "Rick" and last name "Pasco" clearly distinguishable.

Rick Pasco
President