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SUA Commends USDA for Allowing Additional Raw Sugar Imports

Calls TRQ Increase a 'Positive Step Toward Supply Adequacy'

Washington, D.C. (July 14, 2023) — The <u>Sweetener Users Association</u> (SUA) today commended the U.S. Department of Agriculture (USDA) for <u>recently increasing</u> the raw sugar tariff-rate quota (TRQ) by 125,000 metric tons, raw value (MTRV). In its <u>letter</u>, SUA wrote:

We commend USDA for recognizing that by all reasonable metrics, the domestic market remains inadequately supplied. The TRQ increase is a positive step toward supply adequacy, and we thank the Department for its efforts in this regard. ...

SUA notes that estimates of high-tier imports were raised in the July World Agricultural Supply and Demand Estimates for both 2022/23 and 2023/24, compared to June projections. The secular trend of much higher-than-normal high-tier imports makes a strong case for more increases in the TRQ, especially when additional supplies from Mexico are not available. ...

It is not necessarily a matter of increasing the total quantity of imports. Rather, U.S. policies should favor imports from Mexico and TRQ quota-holding countries over hightier imports, pursuing policies that encourage the former to displace the latter. ...

Another year of needing to pay high duties (that are designed to be prohibitive tariffs) on 350,000 short tons or more of over-quota imported sugar is a clear signal that the U.S. sugar market continues to be dysfunctional. And unfortunately, a tight domestic sugar supply policy increases the cost of every pound of sugar in the domestic market for food companies and consumers.

SUA respectfully requested that USDA work with the Office of the U.S. Trade Representative to allocate the TRQ increase as expeditiously as possible, as sales cannot be consummated, and shipments undertaken until the allocations are formalized.

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The Sweetener Users Association (SUA) represents American food companies that use sugar to make the products U.S. consumers know and love — from sweet treats to everyday staples like bread, pasta sauce, yogurt and peanut butter. Sugar-using companies employ hundreds of thousands of Americans across the United States, including bakers, confectioners, factory workers and more.

Connect with us at <u>SweetenerUsers.org</u> or follow us on Twitter <u>@SweetenerUsers</u>.

