SWEETENER USERS ASSOCIATION

‘Refined’ Sugar Should Actually Be Refined

U.S. Program Administrators Can Update the Standard for Imported Refined Sugar and Ease Shortages for American Consumers and Sugar-Using Companies

The use of an outdated standard for refined sugar means that when domestic supplies are short and import quotas need to be increased, the sugar being imported is not what consumers and sugar-using companies need. Simple solutions can fix this problem.

Background

Sugar comes in two forms, raw and refined. Raw sugar needs further processing — or “refining” — to become refined sugar. Refined sugar is what consumers buy at the grocery store and the form sugar-using companies need to make their products.

Sugar beets and sugarcane become refined sugar in different ways:

- Sugarcane goes through a mill to become raw sugar and then through a refinery to become refined sugar.

- Sugar beets go to a beet factory where they become refined sugar; there is no intermediate raw stage.

Raw Sugar

While both forms of sugar are bought and sold in the United States and on the world market, **neither raw nor refined sugar can be freely imported into the United States**. Instead, both forms are subject to restrictive import quotas and to steep, normally prohibitive, tariffs on imports above the quotas.

Refined Sugar

U.S. sugar policy favors imports of raw sugar since this provides throughput to U.S. sugarcane refineries. These refineries employ American workers, and having raw sugar on hand is a safety valve when domestic crops fall short and refined sugar is needed quickly.

Sometimes, domestic supplies are so tight that importing raw sugar alone is not enough; refined sugar imports are necessary. This is where problems present themselves.

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Quality As the Measure Is the Issue

Current U.S. policy uses the quality of a sugar import to determine if it is raw or refined. Sugar quality is measured by **polarization or polarity**. The higher the polarity, the higher the quality, or purity, of the sugar.

Under the Harmonized Tariff Schedules of the United States — which track international standards — sugar at 99.5 polarity and above is considered refined sugar and can be imported to fill refined sugar quotas. Sugar below 99.5 is considered raw.[1]

Unfortunately, this standard is outdated, reflecting manufacturing practices of an earlier era.

Today, the refined sugar needed for retail consumers and U.S. companies must generally be a higher polarity of 99.8 or 99.9.

This means that a product imported as refined sugar (say, with a polarity of 99.6) is not refined enough for most end users (who need a polarity of 99.8 or 99.9); it must be further refined.

When you consider that sugar quotas are normally increased only when there is an actual shortage of refined sugar, the "99.5 polarity demarcation" is a problem for two reasons.

- First, it means increasing quotas for refined sugar often does not result in more imports of refined sugar.
- Second, the further processing needed to get a usable refined product is time-consuming, which delays delivery to consumers and sugar-using companies in an already-tight market.[2]

[1] Much of the raw sugar imported from Mexico, for instance, has a polarity of 99.2.

[2] "Refined" sugar that requires further refining is still imported because it costs less. Lower quality sugar sells for a lower price, allowing the importer to make more money when the sugar is resold.

Fortunately, Sugar Program Administrators Have Solutions

Federal agencies that oversee sugar import quotas can implement straightforward solutions.

1) One option is to look beyond polarity to other characteristics of truly refined sugar. A simple fix would be to say that **sugar imported to fill refined quotas cannot be shipped in bulk or break-bulk.**

2) A second option could be to require that imported sugar ***not* need further processing** in the United States.

3) As a third option, U.S. administrators could still use polarity but specify that when the normal, small refined sugar import quota is increased, the additional amounts must have a **polarity of at least 99.8.**

While U.S. sugar import policy has been restrictive, it makes sense, within the complexities of the quotas, to insist that refined sugar actually be refined — in order to deliver a better, faster product to American consumers and sugar-using companies in times of domestic shortages. U.S. administrators can help avoid creating unnecessary disruptions in the U.S. food supply chain with this kind of policy.

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 SweetenerUsers.org or follow us on Twitter @SweetenerUsers.

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