

Smart Sugar Policy Can Reduce Reliance on Disruptive High-Tier Sugar Imports *Regulatory Fixes — not Higher Tariffs — Can Restore Balance in the U.S. Sugar Market*

Overview

In recent years, “high-tier” sugar imports — imports of sugar that exceed low or zero-duty tariff-rate quotas (TRQs) and come with significantly higher tariffs — have risen. The increase signals an imbalance in the market — raising costs for U.S. food manufacturers already facing historically high sugar prices, taking market share from domestic producers and leading to job loss and higher food costs for consumers.¹

The increase in high-tier imports does not reflect insufficient tariff levels. Rather, they are the predictable result of ongoing policy failures to increase TRQs in line with market realities and policy priorities, as outlined in the One Big Beautiful Bill Act (OBBBA).

Timely government decision-making can help reduce reliance on high-tier imports and ensure the U.S. sugar program works more effectively for all stakeholders.

Government Inaction — Not Insufficient Tariffs — Is Driving the Surge in High-Tier Imports

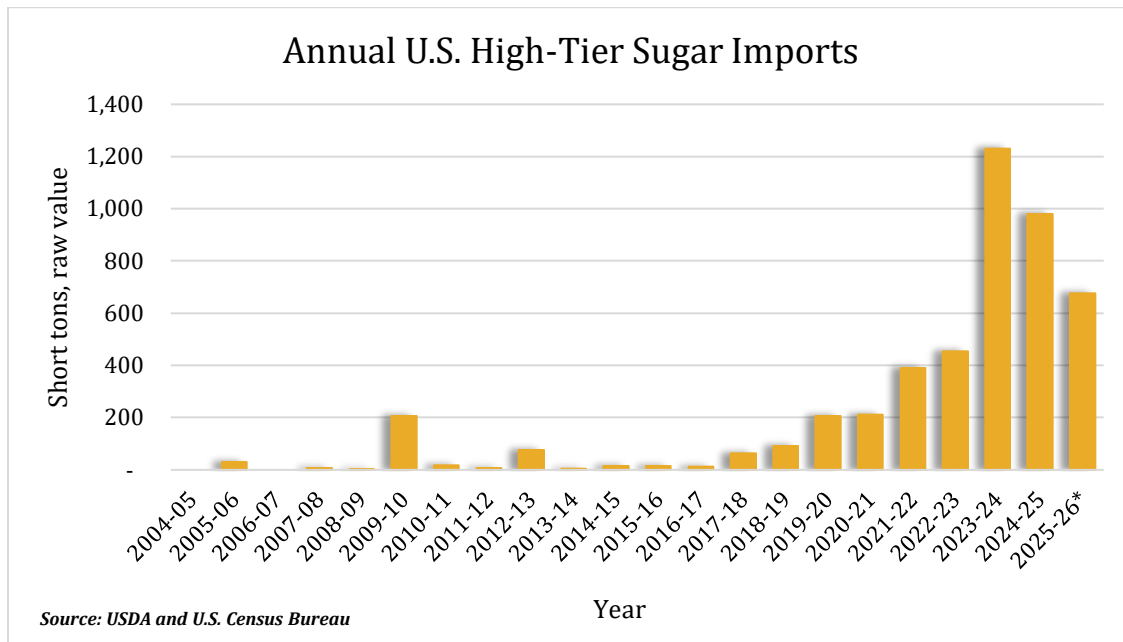
The United States has always been a net importer of sugar. This is because U.S. sugar production does not fully meet domestic demand, which is approximately 12 million short tons, raw value, annually, compared to the roughly 9 million short tons produced domestically.

Federal sugar policy provides U.S. sugar producers with a set of protections that, taken together, are more extensive than in most other agricultural programs. Among these is the program’s use of TRQs. TRQs impose lower tariffs on sugar imports up to a set volume and significantly higher duties on high-tier imports above that level.

Working alongside other price supports and supply controls, sugar TRQs are intended to help balance supply and stabilize the domestic sugar market. In practice, that balance depends on how effectively the federal government adjusts quotas to reflect changing market conditions.

Persistent delays and reluctance by the U.S. Department of Agriculture (USDA) to adjust and reallocate TRQs to reflect actual supply needs have driven high-tier imports up from nearly zero less than 10 years ago to more than 1.2 million short tons in 2023/24. High-tier imports averaged 117,200 short tons during the five-year period of 2016/17 through 2020/21. From 2021/22 through 2025/26*, they are expected to average 746,400 short tons — an increase of more than 500%.

¹ “Sugar Program: Alternative Methods for Implementing Import Restrictions Could Increase Effectiveness,” U.S. Government Accountability Office, 31 October 2023: <https://www.gao.gov/products/gao-24-10614>



*2025-26 data is forecasted by [USDA](#).

Missed TRQ Reallocation Undermines a Bipartisan Farm Bill Compromise

In recent years, USDA’s failure to increase the TRQ in a timely or sufficient manner has led directly to the growth of high-tier imports. The agency’s reluctance to provide adequate supplies was not the only reason for high-tier growth, but it was a major factor. In decades past, under administrations of both parties, high-tier imports were correctly viewed as a policy failure, since under the U.S. sugar policy structure, market needs should be met through a combination of domestic production, imports from Mexico and TRQ imports.

Congress has already recognized the need for more responsive administration of sugar TRQs. The OBBBA, enacted in July 2025, includes a provision designed to speed up the reallocation of unused sugar TRQs to ensure sufficient supply in the U.S. market. It directs USDA to complete an initial reallocation of unused quotas “as soon as practicable” and requires that any subsequent shortfall in TRQs be reallocated by March 1 of each year in order to prevent supply shortages and ensure that low-tariff import quotas are fully utilized.

Moreover, in 2023, the Government Accountability Office [recommended](#) that USDA reevaluate its method for restricting sugar imports, noting that current U.S. sugar policy costs consumers and food companies up to \$3.5 billion every year.

USDA concurred with this recommendation; however, as of late March 2026, the agency has not yet made the required reallocations for the 2026 fiscal year, passing the March 1 deadline set by the OBBBA.

Excessive reliance on high-tier sugar imports undermines the intent of the U.S. sugar program and the bipartisan agreement Congress sought to achieve — and is unsustainable for maintaining sugar-using food manufacturing jobs in the United States.

More and more sugar-containing products are being manufactured in other countries that can access sugar at much lower world prices. Furthermore, some of the high-tier sugar entering the United States has already been refined, which means American sugar refining jobs are being lost to other countries.

A Better Path Forward: Execute Existing Authorities

The solution to rising high-tier imports is not higher tariffs; it is better execution of existing sugar policy authorities.

Using the tools Congress has already provided, such as increasing or reallocating sugar TRQs in a timely manner, can restore balance to the sugar market and prevent unnecessary economic disruption across the U.S. food supply chain, helping to avoid further erosion of U.S. food manufacturing jobs.

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](https://twitter.com/SweetenerUsers).