SWEETENER USERS ASSOCIATION

1100 New Jersey Ave., SE
Suite 910
Washington, DC 20003
Phone: (202) 842-2345

July 1, 2026

The Honorable Jamieson Greer
United States Trade Representative
600 17th Street NW
Washington, DC 20508

Submission via portal at https://comments.ustr.gov/s/

RE: Docket No. USTR-2026-0331, Request for Comments Concerning Proposed Action Pursuant to the Section 301 Investigation of Brazil's Acts, Policies and Practices, Vol. 91, No. 107, Federal Register, June 4, 2026, pp. 33854-33892

Dear Mr. Ambassador:

The Sweetener Users Association (SUA) submits these comments on the Office of the U.S. Trade Representative's (USTR) proposed actions pursuant to Brazil under Section 301 of the Trade Act of 1974. For reasons laid out below, SUA believes the subjection of raw and refined sugar to the tariffs is unnecessary and inappropriate, in that it will in no way resolve the primary complaint of U.S. sugar growers, processors and refiners: imports that enter outside of the U.S. system of tariff-rate quotas (TRQs) for sugar, often called "high-tier" imports.

SUA members use sugar and other sweeteners in making foods and beverages. Sugar-using companies account directly for some 700,000 jobs in the United States. **Our members want and need a strong and resilient domestic sugar industry and recently supported legislation to increase price supports for the sugar sector.** We prefer to source sugar domestically, but also realize **imports are a necessity** because the United States, largely for climatic reasons, is not capable of producing all the sugar it consumes and never has been.

On several occasions recently, sugar advocates have called for Section 301 tariffs to reverse the increases in high-tier imports that have occurred in recent years. In testimony before USTR on May 5, the American Sugar Alliance (ASA) stated: "We encourage the U.S. Trade Representative to use Section 301 authorities to impose additional duties on all imports that are subject to over-quota rates of duty."

To be clear, **SUA members view high-tier imports as a negative market feature**, and indeed as a sign of policy failure. Until the previous administration, the U.S.

Department of Agriculture (USDA) under both political parties likewise saw high-tier imports as evidence that the sugar program was not being optimally administered, and took steps to prevent these imports. They did so by **relying on the import sources that are an integral part of sugar policy design**: TRQ imports, imports under a variety of free trade agreements (FTAs) and imports from Mexico pursuant to the sugar suspension agreements with that nation. Indeed, the suspension agreements clearly contemplate that sugar from Mexico, not high-tier sugar, will constitute the residual supply once domestic and TRQ supplies are taken into account.

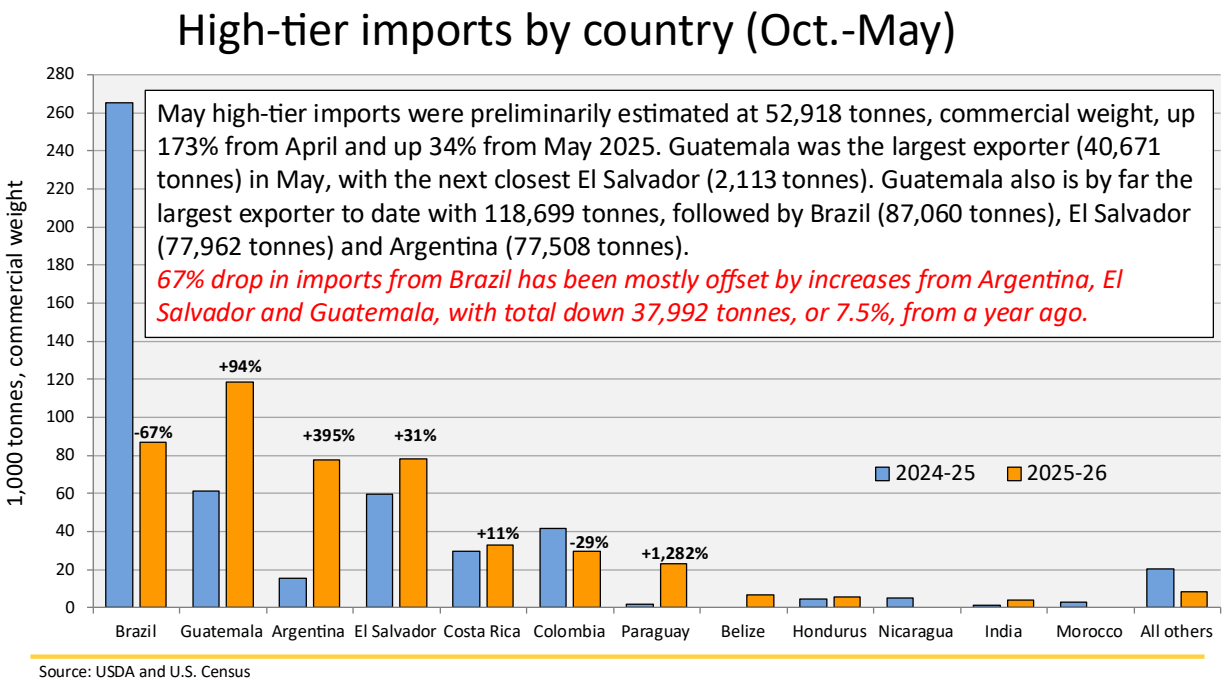
High-tier imports did not suddenly increase because of unfair foreign trade practices. No doubt some sugar-producing countries value their export trade, but there is no evidence that any measures were undertaken just at the time high-tier imports began to surge. Instead, the growth in high-tier imports **was directly related to the failure of the previous Administration to increase the raw sugar TRQ (or provide additional market access for Mexico)** when market conditions called for increased supplies. SUA has repeatedly called upon USDA over the last number of years to increase the raw sugar TRQ and has questioned the unnecessary inclusion of forecasted high tier imports in the estimate of available domestic stocks as part of the monthly World Supply and Demand Estimate (WASDE).

In the absence of adequate TRQ access, U.S. sugar prices inevitably rose to levels that encouraged high-tier imports, even after the supposedly prohibitive high-tier duty was paid, because there was no other way for the market to be adequately supplied. The phenomenon became **a vicious cycle that ended up with U.S. growers, processors and refiners** claiming lost market share to high-tier imports.

A gradual move by the USDA back to policies that supply the market through normal import channels could eliminate the need for high-tier imports. Under the terms of the U.S.-Mexico sugar suspension agreements, this policy shift **would not result in surplus supplies** because the agreements require imports from Mexico to be regulated to achieve a level of stocks desired by the U.S. sugar industry.

In the case of the proposed tariffs on Brazil, USTR provides exemptions under Annex I for a large number of agricultural and other products, but raw and refined sugar are not included. We encourage USTR to add the tariff lines associated with raw and refined sugar.

The experience of the past year shows clearly that raising tariffs on Brazil does not eliminate high-tier sugar imports, but merely changes the countries of origin. The chart below shows that after the imposition of earlier tariffs on Brazil, that country's dominance of the high-tier trade dropped dramatically, with other countries in Central and South America increasing high-tier shipments because Brazil was no longer as competitive.



Source: USDA and U.S. Census

There are several ways to address the issue of high-tier imports, and of course U.S. sugar companies are free to file specific complaints under Section 301 or other statutes if they have evidence of unfair trade practices or of relevant tests under the other statutes. However, we suggest that the current proceeding is not the place to resolve the high-tier issue, and that therefore it is appropriate to add raw and refined sugar to the list of exempted agricultural products in the Annex.

For the reasons stated in these comments, we urge USTR to exempt all raw and refined HTSUS sugar tariff lines in Chapter 17, including those applicable to sugar for re-export, specialty sugars and sugar imported outside tariff-rate quotas; as well as to exempt all refined sugar tariff lines in Chapter 18, 19 and 21 that correspond to in-quota refined sugar, as well as those in the same chapters that correspond to sugar imported outside tariff-rate quotas.

Thank you for your consideration of our views.

Sincerely,

Richard Pasco
President