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October 22, 2026

Honorable Stephen A. Vaden
Deputy Secretary
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Dear Mr. Deputy Secretary:

The Sweetener Users Association (SUA) reiterates our request that the Department of Agriculture carry out a reallocation of the raw sugar tariff-rate quota (TRQ) at the earliest opportunity. Since we wrote to you previously, market prices for raw and refined sugar have risen dramatically, concerns over this year's sugarbeet crop have increased, and multiple sugar sellers have withdrawn from the market, declining to enter new sales contracts. The U.S. market needs additional sugar, and a TRQ reallocation is one way that additional supplies can be made available immediately.

Beet Sugar Sellers are Out of the Market

Sugar buyers who have not already secured 2027 supply contracts are finding that sellers will not commit to making new sales, ostensibly because of uncertainty about the 2026 sugar beet crop. Sosland Publishing's weekly Sweetener Report for October 14, 2026, states: "Most sellers continued to withhold offers for 2027 contracts, while the limited spot supplies available were offered at elevated values." In addition, some buyers report that their suppliers have stated that they cannot commit to delivering 100% of previously-contracted sales. Accordingly, Sosland's daily sugar report for October 19 provides quotes for spot markets and for cane sugar, but states simply: "Bulk beet sugar for 2026-27 was not offered."

Prices are at High Levels

In contrast to earlier in the marketing year, U.S. domestic sugar prices are elevated. On October 20, the #16 domestic raw sugar futures market was priced at 42 cents per pound for all contract months. That represents an increase of more than 7 cents per pound, or 20%, from a year ago. Given the administration's concern about food price inflation, this should be a warning sign.

In cash markets, Sosland quotes spot (immediate-delivery) refined beet sugar from 55 to 59 cents per pound, an increase from a year ago of 11 cents per pound. Spot refined cane sugar is priced still higher, at 58 to 60 cents per pound.

Given USDA's projections that 2026/27 total sugar supplies will be below 2025/26 by 366,000 short tons, raw value (STRV), high prices coupled with sellers' refusal to enter additional supply contracts is a clear indication that more supplies are needed.

Forfeitures are Not a Realistic Possibility

The domestic sugar lobby frequently tries to discourage any additions to supplies by threatening that sugar processors will forfeit their price support loans. In the current climate, such threats lack credibility and should not influence USDA's decisions.

The average loan rate for raw cane sugar is 24 cents per pound. The raw cane sugar futures market is at 42 cents.

The average loan rate for refined beet sugar is 33.03 cents per pound. The spot price of refined beet sugar is 55-59 cents per pound.

With these prices available in the marketplace, no rational company would forfeit sugar to the government at the loan rate. Therefore, actions by USDA to make additional supplies available pose essentially zero threat of leading to forfeitures.

USDA's Own Reports Show Concern About Supplies

In its analysis if not yet in its policy actions, USDA has clearly recognized challenges to this year's supply of beet sugar. The October World Agricultural Supply and Demand Estimates cites "lower early season production in August and September projected by processors in the Sweetener Market Data." The WASDE also states: "Beet sugar production is decreased ... reflecting lower national sugarbeet yield reported by [the National Agricultural Statistics Service]."

The Department's Economic Research Service further discussed the problem in its monthly Sugar and Sweeteners Outlook: "Amid the ongoing drought conditions, growers in some areas delayed harvest as they held out for rain and gave additional time for sugarbeets to grow and store sugar. According to USDA's October 6 U.S. Agriculture in Drought report, about 48 percent of sugarbeet production is within an area experiencing drought, down from the previous week's 60 percent but higher than last year's 34 percent. As of the USDA, National Agricultural Statistics Service (NASS) October 13 Crop Progress report, overall sugar beet harvest for the 4 major producing U.S. States is 32 percent complete, behind the 5-year average (36 percent). Except for North Dakota, the current pace of harvest is lagging the 5-year average for Idaho, Michigan, and Minnesota."

Reallocation Can Be Done Quickly

As we have explained in previous correspondence, several quota-holding countries never or almost never fill their quotas, because they no longer export or (in some cases) even produce sugar. We reiterate our request that USDA comply with the provisions of the One Big Beautiful Bill Act and reallocate immediately these countries' quotas to other countries with supplies of sugar. In addition, we note reports that the Philippines is unlikely to fill its quota. We urge USDA to determine whether this is the case and, if so, reallocate that nation's quota to others.

We appreciate your attention to our request and respectfully urge USDA to move quickly to restore adequate supplies to the U.S. sugar market.

Sincerely,

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

Richard Pasco
President