

# INTERNATIONAL SUGAR TRADE COALITION, INC.

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January 30, 2019

Hon. Ted McKinney  
Under Secretary for Trade and Foreign  
Agricultural Affairs  
U.S. Department of Agriculture  
1400 Independence Avenue, S.W.  
Washington, D.C. 20250

Hon. Bill Northey  
Under Secretary for Farm Production and  
Conservation  
U.S. Department of Agriculture  
1400 Independence Avenue, S.W.  
Washington, D.C. 20250

Hon. Sharon Lauritsen  
Assistant U.S Trade Representative for Agricultural  
Affairs and Commodity Policy  
Office of the U.S. Trade Representative  
600 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20508

Re: Raw Sugar TRQ Shortfall Reallocation

Dear Under Secretaries McKinney and Northey and Ms. Lauritsen:

We are writing to follow up on our letter dated August 16, 2018, in which we urged the Administration to adopt a consistent policy of reassigning shortfall under the U.S. raw sugar tariff rate quota (TRQ) among the other quota holders that are able to perform each year before the release of the March edition of the World Agricultural Supply and Demand Estimates (WASDE) report.

The International Sugar Trade Coalition (ISTC) is a trade association of sugar industries in countries that export sugar to the United States under the U.S. raw sugar TRQ. ISTC's members are the sugar industries of Barbados, Belize, the Dominican Republic, Fiji, Guyana, Jamaica, Malawi, Mauritius, Panama, the Philippines, Swaziland, and Zimbabwe.

The Suspension Agreements (SA) in the antidumping and countervailing duty cases against sugar from Mexico have made it imperative that TRQ shortfall reallocation should be announced before the March edition of the WASDE report is issued each quota year. Because Mexico's access under the SA formula is fixed with the release of the March WASDE report (barring unforeseen needs for "additional imports" later in the quota year), failure to reallocate TRQ shortfall before the March WASDE is released would *de facto* transfer the amount of any TRQ shortfall to Mexico. Any such reassignment of TRQ access to Mexico would be inconsistent with the WTO rights of the quota holders and would have the effect in essence of

punishing the innocent quota holders for Mexico's unfair trade practices in dumping and illegally subsidizing its sugar exports to the United States.

By reassigning TRQ shortfall among the other quota holders before the March WASDE is issued the Administration can respect the WTO rights of the quota holders without increasing the total volume of sugar likely to be imported. Accordingly, we urge the Administration to reallocate any TRQ shortfall among the quota holders that are able to perform before the March WASDE is issued. Please let us know if we may provide additional information on this important issue.

Sincerely,

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

Paul Ryberg  
President

cc: Ms. Barbara Fecso  
Mr. Ron Lord