

INTERNATIONAL SUGAR TRADE COALITION, INC.

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November 19, 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

Re: Raw Sugar TRQ Shortfall Reallocation

Dear Under Secretaries McKinney and Northey:

We are writing on behalf of our members who are sugar industries in quota holding countries under the U.S. tariff rate quota (TRQ) on raw sugar¹ in response to USDA's November 15, 2019 notice concerning the need for additional sugar supplies for the U.S. market.

We urge USDA to implement immediately TRQ shortfall reallocation under the 2019-20 TRQ. The earlier TRQ shortfall reallocation is announced, the larger the volume of imports in response. An immediate announcement of TRQ shortfall reallocation, therefore, would probably attract as much as approximately 100,000 MT of additional supply.²

In the event greater imports are required than would result from TRQ shortfall reallocation, we urge USDA to increase the raw TRQ. The Farm Bill requires USDA to increase the raw TRQ before increasing the refined TRQ, which can only be increased if domestic refining capacity has been "maximized." See 7 U.S.C. 1359kk(b). Many of ISTC's members have additional supplies of sugar available if the TRQ is increased. Again, the earlier in the year that the TRQ is increased, the more likely the quota holders are to be able to deliver.

We appreciate your consideration of our views on means to supply additional sugar for the U.S. market, including TRQ shortfall reallocation and a TRQ increase, both of which are of great importance to the members of ISTC and the other quota holders under the U.S. TRQ on raw sugar.

¹ The members of ISTC come from Barbados, Belize, the Dominican Republic, Eswatini, Fiji, Guyana, Jamaica, Malawi, Mauritius, Mozambique, Panama, the Philippines, and Zimbabwe. Together, the members of ISTC represent approximately one-half of the TRQ.

² Moreover, TRQ shortfall reallocation prior to the issuance of the March WASDE report does not affect Mexico's access under the AD/CVD Suspension Agreements, nor is any emergency determination required under the Farm Bill.

Please let us know if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Ryberg". The signature is written in a cursive style with a large, looped initial "P" and a long, sweeping underline.

Paul Ryberg
President

cc: Ms. Barb Fecso
Mr. Ron Lord