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For Immediate Release

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Foreign Sugar Producers Criticize Mexico's Bad Acts, Demand Fair Treatment

WASHINGTON (May 15, 2017)—Mexico's top trade official will be in town this week to renegotiate agreements that suspended antidumping and countervailing duties on Mexican sugar. The meeting comes on the heels of a recent announcement by the U.S. Department of Commerce (DOC) that it will impose those duties on June 5 unless Mexico complies with the spirit and letter of the agreements that suspended them, and the injury caused by Mexico's unfair trade stops.

America's other trading partners are closely watching the talks. And a group of them wrote the DOC and Department of Agriculture today, urging the Trump Administration to take a hard line with Mexico and to "respect and protect the vital interests of the quota holders under the U.S. raw sugar tariff-rate quota (TRQ)."

The letter, from the International Sugar Trade Coalition (ISTC), reads: "ISTC members' fairly traded sugar should not be prejudiced by sugar from Mexico that has been found to be unfairly dumped, subsidized, and diverted away from the traditional U.S. refineries whose access to supplies the [suspension agreements] were intended to protect."

The ISTC represents sugar producers in Barbados; Belize; the Dominican Republic; Fiji; Guyana; Jamaica; Malawi; Mauritius; Panama; the Philippines; Swaziland; and Zimbabwe. ISTC's members include some of America's biggest sugar suppliers, besides Mexico.

Mexico began rapidly seizing market share from U.S. farmers and other foreign producers in 2013 and 2014, when it more than doubled its exports. But U.S. government officials ruled that those shipments were aided with dumping and subsidies, which gave Mexico an unfair edge. Agreements to end Mexico's unfair trading actions were reached in 2015, but those agreements are not working and Mexico continues to dump and injure its competitors.

Market disruptions caused by Mexico have shorted U.S. sugar refineries of needed raw sugar – something that didn't occur when the traditional TRQ holders were the main suppliers. "The long history of the U.S. sugar program offers ample evidence of the reliability and readiness of quota holders to supply U.S. raw sugar requirements," the ISTC concluded. "An arrangement with Mexico that respects the quota holders' position as the first source to which the United States turns for additional raw sugar imports beyond the base TRQ will protect the program and its stakeholders from the disruptions and injuries caused by Mexico that have led to the current impasse."

Several members of the ISTC are in the nation's capital this week to meet with Administration officials and Congress to relay their concerns.

