

INTERNATIONAL SUGAR TRADE COALITION, INC.

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August 16, 2018

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 to urge the Department of Agriculture to adopt a consistent policy of reassigning shortfall under the U.S. raw sugar tariff rate quota (TRQ) among the other quota holders 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. In the past, ISTC has consistently urged USDA to reallocate TRQ shortfall sooner rather than later during the quota year to avoid the logistical complications that necessarily accompany trying to arrange shipment of relatively small TRQ reallocation volumes late in the quota year and on short notice.

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 risk the ironic, illegal and hopefully unintended result of *de facto* transferring 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, however, USDA can respect the WTO rights of the quota holders. Moreover, in all but highly unusual circumstances, the quota holders will know before the March WASDE is published whether they will be able to fill their quota.

Accordingly, we urge USDA to adopt a consistent policy of announcing TRQ shortfall reallocation each year 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 last name "Ryberg" clearly distinguishable.

Paul Ryberg
President

cc: Ms. Barbara Fecso
Mr. Ron Lord