

SWEETENER USERS ASSOCIATION

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New Report Details Economic Impact of AD / CVD Case Against Mexican Sugar Imports

Washington, DC (October 23, 2014) – Today, the [Sweetener Users Association](#) (SUA) released a new white paper, titled “[Consumers Are Paying the Price for the Sugar Producers’ Trade Case vs. Mexico,](#)” which analyzes the economic impact of the antidumping (AD) and countervailing duty (CVD) cases filed in March by U.S. sugar producers against Mexican sugar imports.

The paper, authored by Tom Earley, Vice President of Agralytica Consulting and a consultant for SUA, states:

“The U.S. sugar program is a bad deal for consumers at the best of times. It is even worse when U.S. sugar companies try to compel the government to further reduce sugar imports. In late March they filed trade cases with the U.S. International Trade Commission accusing Mexican sugar producers of dumping and the Mexican government of illegally subsidizing its domestic sugar industry. ...

*“Filing of the trade cases has driven refined sugar prices up by more than 40 percent -- from 26.5 cents per pound in March to 37.5 cents in September. If prices remain at 37.5 cents, **that extra 11 cents per pound will cost consumers an additional \$2.4 billion** over the course of the fiscal year that just started on October 1.*

*“And that is on top of the additional costs already incurred. For the six months following the filing of the trade cases, U.S. refined sugar prices have averaged 7.6 cents per pound higher than in the prior six months. ... With annual consumption of refined sugar estimated by USDA at 11 million tons, **that extra 7.6 cents works out to \$837 million dollars in additional consumer costs over the last six months**, above and beyond the costs already imposed by the sugar program. ...*

“Even if the United States and Mexico work out some agreement to restrict Mexico’s sugar exports to the United States in the coming months, the implicit shorting of the market and uncertainty about how our supply deficit will be met is expected to keep U.S. sugar prices much higher than they would have been otherwise.”

SUA continues to present evidence of the lack of merit in these cases and urges that the cases be allowed to proceed to a final injury determination at the International Trade Commission rather than locking in a managed trade arrangement that could last for decades and cost consumers unnecessarily.

The white paper can be found [here](#).

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