



CENTRAL AMERICAN SUGAR ASSOCIACION
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Guatemala,
May 30, 2012

Dear Chairwoman Stabenow and Ranking Member Roberts,

On behalf of the CENTRAL AMERICAN SUGAR ASSOCIATION (AICA), which represents all sugar growers, workers and millers in Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama), I would like to take this opportunity to clarify our position regarding the Farm Bill in light of recent communications claiming they speak for us and conveying positions that have no bearing to our true stance. We firmly believe that this Farm Bill provides a unique opportunity to improve the sugar program and truly benefit producers in developing nations such as ours, insuring that its administration is done professionally with the interests of all parties in mind.

In this sense, we believe that as a minimum the following improvements are called for:

- 1) The cap limiting the initial TRQ announcement at the beginning of the fiscal year to the WTO minimum level of access has produced significant shortages in supplies and caused massive problems for everyone. USDA should be empowered to administer the program with flexibility and be able to establish the amount it deems fit for the US market, as creating artificial limitations wrecks havoc on all parties involved.
- 2) Complementary to the above, the restriction of only being able to decree TRQ increases by April 1st absent a fatality should be lifted to, once again, permit USDA to do things right according to market signals. The stocks-to-use ratio has proven a reliable instrument and should be the benchmark to decide whether additional sugar imports are required. The April 1st date has caused considerable problems, generated an accumulated scarcity and really makes no sense as when there has been an increase announced around said date, most of the sugar available worldwide has been spoken for, thereby hampering the capacity to supply the US needs with the agility required. USDA should be able to manage the program without these restrictions.

- 3) The requirement that 85% of the sugar in the US be produced domestically is both groundless and not achievable, as capacity will never be able to reach this level posing severe risks of generating unbalances harmful to the US economy.

There are many other provisions that could genuinely make the sugar program operate better and we have shared our viewpoints with your staff on several occasions. We feel change is overdue and believe there are options that are acceptable to all parties involved which warrant the consideration of the Senate and deserve to be addressed on the floor as the Farm Bill is discussed this week.

We remain in the best disposition to work with you and your team in making these improvements happen and trust that the information in this letter will set clear what the position of sugar producers, small and large, in Central America is.

Sincerely,

A handwritten signature in black ink that reads "Jose Orive". The signature is fluid and cursive, with a large initial "J" and a stylized "O".

José A. Orive
Executive Director

Copy: Members of the US Senate