



April 15, 2026

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Office of the U.S. Trade Representative
600 17th Street NW
Washington, DC 20508

Attn: Philip Butler, Chair of the Section 301 Committee, USTR
Jennifer Thornton, General Counsel, USTR
Nanda Srikantaiah, Assistant General Counsel, USTR

Re: Docket No. USTR-2026-0067: Request for Comments on the Section 301 Investigations of Acts, Policies, and Practices of Certain Economies Relating to Structural Excess Capacity and Production in Manufacturing Sectors

Dear Chairman Butler:

The American Sugar Alliance (“ASA”), a national coalition of sugarbeet and sugarcane farmers, sugar processors, sugar refiners, sugar suppliers, and sugar workers, hereby submit comments in response to the request by the Office of the United States Trade Representative (“USTR”) in connection with ongoing investigations of Acts, Policies, and Practices of Certain Economies Relating to Structural Excess Capacity and Production in Manufacturing Sectors, undertaken pursuant to Section 301 of the Trade Act of 1974 (“Section 301”).¹

Sugar is a strategically valuable and economically important agricultural product for the food security of our nation. However, the economic viability of America’s sugar industry is threatened by a glut of low-priced imports from foreign countries whose policies have flooded the world market—including the United States—in cheap sugar. To correct for persistent government support through subsidization, export distortion, and other non-market practices leading to chronic global overcapacity, any investigation by USTR into structural excess capacity and production that burdens or restrict U.S. commerce should include the global sugar sector. USTR should also exercise its authority pursuant to Section 301 to address the unreasonable and discriminatory acts, policies, and practices of sugar-producing countries that have harmed U.S. sugar producers, refiners, and workers. These policies and practices are well documented by USTR in the recently released National Trade Estimate Report.²

¹ *Initiation of Section 301 Investigations: Acts, Policies, and Practices of Certain Economies Relating to Structural Excess Capacity and Production in Manufacturing Sectors*, 91 Fed. Reg. 12,886 (USTR Mar. 17, 2026) (“Request for Comments”).

² *2026 National Trade Estimate Report on Foreign Trade Barriers of the President of the United States on the Trade Agreements Program* (USTR Mar. 31, 2026), available at <https://ustr.gov/sites/default/files/files/Press/Releases/2026/National%20Trade%20Estimate%20Report%202026.pdf>.

I. Sugar Is an Important Agricultural Industry Whose Domestic and International Viability Is Threatened by Increasing Volumes of Low-Priced Imports

Like many in rural America, sugar producers face challenges, including high production costs, limited margins, and a struggling farm economy.

Unlike most other producing countries, the United States has more than 11,000 sugarbeet and sugarcane family farmers that supply a large and well-developed sugar industry. The U.S. sugar industry supports over 151,000 jobs across more than two dozen states and generates more than \$23 billion each year in economic activity. But the economic viability of U.S. sugar production is in jeopardy. The U.S. Department of Agriculture's ("USDA") Census of Agriculture shows the U.S. sugar industry contracting significantly between 2012 and 2022.³

Census Year	Sugarbeet Farms	Sugarcane Farms
2012	3,913	666
2022	3,257 (-16.8%)	592 (-11.1%)

Source: USDA, *Census of Agriculture (2012, 2022)*

Taking a look at sugar processing facilities, the past ten years has seen 14 percent of beet sugar processing facilities and 12 percent of cane sugar mills and refineries close.

Census Year	Beet Sugar Processing Facilities	Cane Mills and Refineries
2016	22	25
2026	19 (-13.6%)	22 (-12.0%)

Source: *American Sugar Alliance*

Indeed, beet sugar processing closed in California in 2025 including all sugarbeet farms in California, and cane sugar milling and refining closed in Hawaii (in 2016) and Texas (in 2024) along with all the sugarcane farms in those states.

Thanks to U.S. investment in efficient, effective farming techniques, our farmers are more efficient than ever, and sugar yields have increased. Yet, unfortunately, market-distorting practices and excessive imports are forcing U.S. beet and cane producers out of the market.

The United States is among the world's largest importers of sugar. Over 1 million tons of these imports are permitted under U.S. sugar policy⁴ tariff-rate quotas, free trade agreements, and

³ USDA, *Census of Agriculture (2022)*, available at https://www.nass.usda.gov/Publications/AgCensus/2022/index.php#full_report; USDA, *Census of Agriculture (2012)*, available at https://www.nass.usda.gov/AgCensus/archive/census_year/2012-census/index.html.

⁴ Agriculture and Food Act of 1981, Pub. L. No. 97-98, Tit. IX, 95 Stat. 1213, 1257 (1981), (codified at 7 U.S.C. § 1446 established the current structure of the U.S. sugar program).

a countervailing duty suspension agreement with Mexico.⁵ However, for many years U.S. policymakers have recognized that regulating imports is vital to maintaining a viable American sugar industry. U.S. sugar policy involves a carefully designed and balanced system for managing both imports and domestic supply to provide an adequate supply of sugar that meets U.S. needs, while maintaining a healthy domestic sugar industry. Imports are regulated by tariff-rate quotas, with duties imposed on import volumes that exceed U.S. needs. Over-quota imports that exceed agreed amounts and U.S. needs contravene the purpose of this policy. An increasing flood of over-quota or “Tier 2” imports that are now so incredibly and destructively cheap that traders can pay the above-quota tariff rate and still sell on the U.S. market for a profit has fundamentally disrupted this framework and made it increasingly difficult to achieve the purposes that Congress intended.

Selected Top Sources of U.S. Sugar Imports, by Volume, 2025

Country	2021 Tier 2 Quantity (MTRV⁶)	2025 Tier 2 Quantity (MTRV)	Change in Quantity (%)
El Salvador	3,831	117,468	2,966%
Honduras	461	12,345	2,578%
Costa Rica	6,252	52,019	732%
Argentina	7,771	59,345	664%
Thailand	212	1,029	385%
Brazil	105,547	387,448	267%
Guatemala	28,612	92,714	224%
Colombia	19,281	54,524	183%
India	2,037	3,788	86%
Belize	0	37,666	New
Nicaragua	0	7,160	New
Philippines	130	21	-84%
Peru	21	1	-95%
SUBTOTAL (Top Sources)	174,157	825,527	374%
TOTAL (World)	194,013	840,667	333%

Source: U.S. Census Import Data.

⁵ According to U.S. Customs and Border Protection, Sugar is the largest imported agricultural commodity by volume subject to tariff-rate quotas.

⁶ Metric Ton Raw Value is a standard unit for sugar equal to 1,000kg of raw sugar before refining.

The countries covered in the foregoing table collectively accounted for more than half of total U.S. sugar imports in both years, and imports from nearly all of these sources grew dramatically, with increases ranging from 86% to *nearly 3,000%* between 2021 and 2025. As evidenced by these data, foreign sources are increasingly and rapidly penetrating the U.S. market.

The harm is compounded by the increase in “Tier 2” quantities—simultaneously increasing total supply and crashing prices during a time of rising domestic production costs. “Tier 2” imports surpassed 350,000 MTRV in 2022 and have since continued to grow. Though intended to work as a backstop, Tier 2 imports have now become a parallel supply channel that is destroying U.S. sugar policy.

II. The Increasing Import Volumes Are Grounded in Unreasonable Practices that Create Structural Excess Capacity and Production Abroad - USTR Must Act Under Section 301 to Safeguard American Self-Sufficiency in Sugar Production

Foreign producers’ ability to ship sugar because of their excess capacity, notwithstanding the above-quota tariff, has created a crisis for U.S. sugar policy and the sugar industry. Increasing import volumes and decreasing prices are the consequences of unreasonable policies adopted by foreign governments that generate structural excess capacity and production.

Conditions in the U.S. sugar market present an acute economic crisis for the U.S. sugar industry. Although U.S. sugar policy is *intended* to help manage sugar supply through domestic allocations and a tariff rate quota to act as a commercial “cap” on import volumes, the reality is that the out-of-quota tariff rate—which was fixed 26 years ago—no longer presents a meaningful means of regulating the sale of foreign sugar in the United States. In fact, foreign producers have historically saturated the world market resulting in extremely low prices because of market-distorting policies promoting excessive capacity and production. Meanwhile, on the domestic side, U.S. production costs are rising. As waves of foreign overproduction crash into the American market, U.S. producers are left to face a domestic market where prices are depressed below costs of production and very close to forfeiture levels under the U.S. sugar policy. Consequently, without containing this flood, the U.S. industry is facing catastrophe, with closings likely starting within a matter of months.

To effectively safeguard U.S. interests in maintaining a domestic sugar industry, USTR should act under Section 301 to counteract the foreign structural excess capacity and production described above. Specifically, duties should be imposed on all imports that are subject to over-quota rates of duty.

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If we can provide additional information, please do not hesitate to contact the undersigned.

Respectfully submitted,

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