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**Prepared Testimony of Dr. Robert Johansson
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Re: Docket No. USTR-2026-0067-68

My name is Dr. Rob Johansson, and I am the Director of Economics and Policy Analysis at the American Sugar Alliance.

We represent more than 11,000 sugarbeet and sugarcane family farmers and the workers who process those crops into real American-made sugar.

I appreciate the opportunity to testify today. Structural excess capacity and overproduction present a serious challenge to U.S. efforts to re-shore supply chains and provide good-paying jobs for American workers. The U.S. Trade Representative has a critical opportunity to correct for the unfair foreign trade practices that have led to chronic global overcapacity in sugar production, and to prevent American sugar producers from experiencing further losses.

Foreign governments are cheating the system by subsidizing their own sugar producers by billions of dollars and then exploiting outdated and weakened U.S. sugar tariffs at the expense of American farmers, American workers, and American households.

Over the past two years, excess imported sugar, due to unreasonable foreign trade practices and outdated over-quota sugar tariffs, has resulted in \$3 billion in lost income for domestic sugar producers.

We cannot withstand another year of losses. Without a swift and sustainable solution, American family farms and American factories will go out of business.

In just the past 10 years, 14% of beet sugar processing facilities and 12% of cane sugar mills and refineries have closed, including the complete elimination of sugar crop production in California, Texas, and Hawaii.

We deeply appreciate that President Trump and this Administration have committed to advancing policies that support domestic businesses – including farmers – strengthen critical domestic supply chains, and uphold fair trade rules. The U.S. sugar industry is a prime example of a vital U.S. sector being unduly harmed by foreign subsidies and foreign excess capacity.

Virtually all sugar-producing countries offer government subsidies, market protections, or trade restrictions to their own domestic sugar sectors. This has made sugar one of the most distorted global commodity markets. Those unfair foreign sugar subsidies, by their very nature, lead to overproduction and have created chronic global overcapacity.

For many years, U.S. policymakers have recognized that regulating foreign sugar imports is vital to maintaining a viable American sugar industry. U.S. sugar policy balances imports and domestic supply to provide an adequate supply of sugar that meets U.S. needs, while maintaining a healthy domestic sugar industry. As our customers have pointed out in their submissions to this action, food manufacturers and consumers rely on a strong domestic sugar industry.

However, the tariff rates meant to control the amount of over-quota sugar imports have not changed in 26 years. The effectiveness of those rates has been undermined by inflation, and those tariffs are no longer an effective means to regulate the imports of over-quota foreign sugar in the United States.

Over-quota foreign sugar imports are now so incredibly and destructively cheap that traders can pay the over-quota tariffs and still sell on the U.S. market for a profit, undercutting American farmers and stealing U.S. market share. That over-quota foreign sugar is also not produced to the same high-quality standards as American-made sugar.

Some countries have increased their over-quota sugar exports to the U.S. by nearly 3,000% when comparing Fiscal Year 2021 and 2025 volumes.

For example, in just four years, the amount of over-quota sugar arriving from El Salvador increased by 2,966%. The amount of over-quota sugar arriving from Honduras increased 2,578%. And from Brazil, which is the world's largest sugar producer and a notorious subsidizer, the amount of over-quota sugar increased 267%.

Without updated tariff rates for over-quota sugar, artificially cheap foreign sugar will continue to flood into the U.S. market causing harm to family farmers and putting at risk the domestic supply chain for sugar. The U.S. Department of Agriculture simply has no tools to effectively deal with the oversupply of over-quota foreign sugar in our markets. And it is becoming increasingly difficult for USDA to achieve the objectives of U.S. sugar policy, as Congress intended. Without a solution to this issue soon, it is likely we will see loan forfeitures this year and into the future.

There is no doubt that unreasonable and unfair foreign trade practices are causing an acute economic crisis in sugar-producing communities across America.

To effectively safeguard U.S. interests in maintaining a domestic sugar industry and prevent the looming financial crisis on American farms, we encourage the U.S. Trade Representative to use Section 301 authorities to impose additional duties on all imports that are subject to over-quota rates of duty. Additional duties will counteract the foreign structural excess capacity and production on the world sugar market.

Thank you for allowing me to testify today, and we look forward to working with the U.S. Trade Representative to prevent further offshoring of American family farms, American factories, and American food production.