

Press Release
American Sugar Alliance

If Sugar Access Conceded: American Sugar Alliance Vows Opposition to Thailand FTA

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WASHINGTON, May 4 /PRNewswire/ -- An American Sugar Alliance (ASA) representative told the U.S. International Trade Commission today during hearings on a free trade agreement with Thailand that the domestic sugar industry "will oppose the agreement adamantly" if sugar market access concessions are included.

Jack Roney, Director of Economics and Policy Analysis for ASA, noted to the commissioners that ASA had testified just last week on its opposition to CAFTA, the proposed Central America Free Trade Agreement. He said that CAFTA, and subsequent FTAs "would badly oversupply the domestic sugar market and cause the collapse of the U.S. sugar industry."

In today's testimony, Roney said that Thailand is one of the 22 other sugar-exporting countries with which the U.S. is negotiating FTAs. Together these countries export more than 21 million tons of sugar annually, more than twice the amount of sugar the U.S. consumes each year.

He said, "Thailand is the world's third largest sugar exporting country overall, behind only Brazil and the EU. Thailand produces more than twice as much sugar as the CAFTA countries combined, and exports two-and-a-half times more-in excess of 5 million tons a year."

Roney said Thailand has generated sugar surpluses with considerable government assistance. He cited several examples of Thai government policies, including: providing a \$250 million credit line for pre-financing the cane crop; a supplementary payments program for Thai farmers of more than \$400 million last year; and the Thai government's control of domestic sugar sales through a system of mill-by-mill quota allocations. Producers receive a fixed domestic price, and the remaining production must be exported.

Roney emphasized, "U.S. sugar producers are among the most efficient in the world. We have long endorsed the goal of multilateral trade liberalization through the World Trade Organization. We could compete with foreign sugar farmers on a level playing field. We cannot compete with foreign governments."

The American Sugar Alliance is the national coalition of growers, processors and refiners of sugarbeets and sugarcane.

For more information on U.S. sugar policy, visit www.sugaralliance.org