FACT SHEET

ANTIDUMPING AND COUNTERVAILING DUTY SUSPENSION AGREEMENTS ON SUGAR FROM MEXICO

- On October 27, 2014, the Department of Commerce (Commerce) announced that it initialed draft agreements that, if finalized, would suspend the antidumping (AD) and countervailing duty (CVD) investigations of imports of sugar from Mexico.

- If final AD and CVD suspension agreements are signed, Commerce would suspend the ongoing AD and CVD investigations of sugar from Mexico without issuing final determinations and instruct U.S. Customs and Border Protection (CBP) to refund any cash deposits previously made.

- Final AD and CVD agreements may be signed no earlier than November 26, 2014. In the meantime, Commerce and the U.S. International Trade Commission are continuing their investigations.

KEY TERMS OF THE AGREEMENTS

CVD Agreement

- The CVD agreement contains provisions to ensure there is not an oversupply of sugar in the U.S. market. Specifically, Commerce will calculate an export limit for Mexico based on information it obtains from the U.S. Department of Agriculture (USDA) about the U.S. needs for sugar in a given year. The CVD agreement will also prevent imports from being concentrated during certain times of the year, and limit the amount of refined sugar that may enter the U.S. market from Mexico.

- The Government of Mexico will allocate the amount of sugar that each Mexican sugar producer/exporter can export to the United States. As part of this process, the Government of Mexico has agreed to establish an export licensing mechanism. Sugar from Mexico will not be able to enter the United States if it is not accompanied by an export license.

- The signatories of the draft CVD agreement are the U.S. and Mexican governments.

AD Agreement

- The AD agreement establishes minimum, or floor, prices to guard against undercutting or suppression of U.S. prices. These minimum prices are $0.2357/pound for refined sugar and $0.2075/pound for all other sugar.

- Refined sugar is defined as sugar with at least 99.9 percent polarity. All other sugar, including raw sugar and estandar (also called standard sugar), is sugar with polarity less than 99.9 percent.

- The signatories of the draft AD agreement are the U.S. government and the Mexican sugar producers/exporters.

Monitoring and Enforcement

- Commerce and the relevant Mexican government agencies have agreed to establish information exchange and consultative processes in relation to the operation and enforcement of the agreements, if signed.

NEXT STEPS

- The draft agreements have been released to parties, including the U.S. domestic industry, the Mexican government, Mexican sugar producers/exporters, and consuming industries. Parties have until November 10 to submit comments for Commerce's consideration. Commerce will analyze those comments and discuss any possible changes to the drafts that may be warranted with the Government of Mexico and the Mexican sugar producers/exporters (the signatories to the agreements).

- The investigations will continue on their normal course until draft agreements are finalized. If final AD and CVD suspension agreements are signed, Commerce would suspend the AD and CVD investigations without issuing final determinations and instruct CBP to refund any estimated duties previously made. Further, the U.S. International Trade Commission (ITC) will not make a final determination with regard to injury unless Commerce issues final determinations.

- If the agreements are not finalized before the deadline for Commerce's final AD and CVD determinations, Commerce will issue its final determinations and the ITC will issue its final injury determination.

ADDITIONAL NOTES

USDA Sugar Program

- The agreements do not change the USDA sugar program or U.S. obligations under the WTO regarding sugar quotas. If agreements are signed, USDA will publish the export limit for sugar from Mexico calculated by Commerce in the monthly World Agricultural Supply and Demand Estimates (WASDE) report.

NAFTA/WTO

- NAFTA obligations do not limit parties' rights to allege a violation of their country's trade remedy laws. The use of trade remedies is sanctioned by the WTO, and NAFTA does not limit parties' ability to invoke these rights.