FACT SHEET
Commerce Finds Dumping and Countervailable Subsidization of Imports of Sugar from Mexico

- On September 17, 2015, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of sugar from Mexico.

- The AD and CVD laws provide U.S. businesses and workers with a transparent and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.

- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefits the production of goods from foreign companies and that is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.

- Commerce determined that imports of sugar from Mexico have been sold in the United States at dumping margins ranging from 40.48 percent to 42.14 percent.

- Commerce also determined that imports of sugar from Mexico have received countervailable subsidies ranging from 5.78 percent to 43.93 percent.

- In the AD investigation, Commerce calculated a final dumping rate of 40.48 percent for mandatory respondent Fondo de Empresas Expropiadas del Sector Azucarero (FEESA) and 42.14 percent for mandatory respondent Ingenio Tala S.A. de C.V. and certain affiliated companies of Grupo Azucarero Mexico S.A. de C.V. (collectively, the GAM Group). All other producers/exporters in Mexico received a final dumping margin of 40.74 percent.

- In the CVD investigation, Commerce calculated a final subsidy rate of 43.93 percent for mandatory respondent Fondo de Empresas Expropiadas del Sector Azucarero (FEESA) and 5.78 percent for mandatory respondent Ingenio Tala S.A. de C.V. and certain other cross-owned companies of Grupo Azucarero Mexico S.A. de C.V. (collectively, the GAM Group). All other producers/exporters in Mexico have been assigned a final subsidy rate of 38.11 percent.

- Commerce signed agreements suspending the AD and CVD investigations with the Mexican sugar producers/exporters and the Government of Mexico, respectively, on December 19, 2014. The agreements remain in place with the issuance of Commerce's affirmative final determinations in both of the underlying investigations, and pending issuance of the ITC's final injury determinations.

- These agreements authorize Mexican producers/exporters to export sugar to the United States without regard to antidumping or countervailing duties but subject to export limits and minimum prices.

- Among other elements, the CVD agreement contains a variety of time and volume limits that are designed to preclude imports of sugar from Mexico from oversupplying the U.S. market, while also allowing Mexico to supply 100 percent of unmet U.S. sugar needs.

- The AD agreement requires all imports of refined sugar from Mexico to be sold in the U.S. market at or above 26.00 cents per pound, and imports of all other sugar from Mexico to be sold at or above 22.25 cents per pound.

- Notwithstanding these agreements, at the request of two U.S. sugar refiners, on May 4, 2015, Commerce resumed both the AD and CVD investigations.

- The petitioners for these investigations are the American Sugar Coalition and its individual members (American Sugar Cane League (LA), American Sugarbeet Growers Association (DC), American Sugar Refining, Inc., (FL), Florida Sugar Cane League (DC), Hawaiian Commercial & Sugar Company (HI), Rio Grande Valley Sugar Growers, Inc. (TX), Sugar Cane Growers Cooperative of Florida (FL), and United States Beet Sugar Association (DC)).

- The product covered by these investigations is raw and refined sugar of all polarimeter readings derived from sugar cane or sugar beets. The chemical sucrose gives sugar its essential character. Sucrose is a nonreducing disaccharide composed of glucose and fructose linked by a glycosidic bond via their anomeric carbons. The molecular formula for sucrose is $C_{12}H_{22}O_{11}$; the International Union of Pure and Applied Chemistry (IUPAC) International Chemical Identifier (InChI) for sucrose is 1S/C12H22O11/c13-1-4-6(16)8(18)9(19)11(21-4)23-12(3-15)10(20)7(17)5(2-14)22-12/h4-11,13-20H,1-3H2/t4-,5-,6-,7-,8+,9-,10+,11-,12+/m1/s1; the InChI Key for sucrose is CZMRCDWAGMRECN-UGDNZRGBSA-N; the U.S. National Institutes of Health PubChem Compound Identifier (CID) for sucrose is 5988; and the Chemical Abstracts Service (CAS) Number of sucrose is 57-50-1.

  Sugar described in the previous paragraph includes products of all polarimeter readings described in various forms, such as raw sugar, estandar or standard sugar, high polarity or semi-refined sugar, special white sugar, refined sugar, brown sugar, edible molasses, desugaring molasses, organic raw sugar, and organic refined sugar. Other sugar products, such as powdered sugar, colored sugar, flavored sugar, and liquids and syrups that contain 95 percent or more sugar by dry weight are also within the scope of this investigation.

  The scope of these investigations does not include (1) sugar imported under the Refined Sugar Re-Export Programs of the U.S. Department of Agriculture;[1] (2) sugar products produced in Mexico that contain 95 percent or more sugar by dry weight that originated outside of Mexico; (3) inedible molasses (other than inedible desugaring molasses noted above); (4) beverages; (5) candy; (6) certain specialty sugars; and (7) processed food products that contain sugar (*e.g.*, cereals). Specialty sugars excluded from the scope of this investigation are limited to the following: caramelized slab sugar candy, pearl sugar, rock candy, dragees for cooking and baking, fondant, golden syrup, and sugar decorations.

[1] This exclusion applies to sugar imported under the Refined Sugar Re-Export Program, the Sugar-Containing Products Re-Export Program, and the Polyhydric Alcohol Program administered by the U.S. Department of Agriculture.

Merchandise covered by these investigations is typically imported under the following headings of the HTSUS: 1701.12.1000, 1701.12.5000, 1701.13.1000, 1701.13.5000, 1701.14.1000, 1701.14.5000, 1701.91.1000, 1701.91.3000, 1701.99.1010, 1701.99.1025, 1701.99.1050, 1701.99.5010, 1701.99.5025, 1701.99.5050, 1702.90.4000 and 1703.10.3000. The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of these investigations is dispositive.

- In 2014, imports of sugar from Mexico were valued at an estimated $725.2 million.

NEXT STEPS

- The ITC is scheduled to make its final injury determinations no later than November 2, 2015.

- If the ITC makes negative final determinations, the suspension agreements and the underlying AD and CVD investigations will terminate.

- If the ITC makes affirmative final determinations, the agreements will remain in effect. Both the agreements and final determinations are subject to judicial challenge by interested parties. As long as the agreements remain in effect, no AD or CVD orders will be issued and no cash deposits of AD or CVD duties will be required.

FINAL DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Mexico	Fondo de Empresas Expropiadas del Sector Azucarero (FEESA)	40.48%
	Ingenio Tala S.A. de C.V. and certain affiliated companies of Grupo Azucarero Mexico S.A. de C.V. (collectively, the GAM Group)	42.14%
	All Others	40.74%

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUSIDY RATES
Mexico	Fondo de Empresas Expropiadas del Sector Azucarero (FEESA)	43.93%
	Ingenio Tala S.A. de C.V. and certain other cross-owned companies of Grupo Azucarero Mexico S.A. de C.V. (collectively, the GAM Group)	5.78%
	All Others	38.11%

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATION
Petition Filed	**March 28, 2014**	**March 28, 2014**
DOC Initiation Date	**April 17, 2014**	**April 17, 2014**
ITC Preliminary Determination	**May 12, 2014**	**May 12, 2014**
DOC Preliminary Determination	**August 25, 2014**	**October 24, 2014**
Suspension Agreements signed	**December 19, 2014**	**December 19, 2014**
Investigations Resumed	**May 4, 2015**	**May 4, 2015**
DOC Final Determination	**September 16, 2015**	**September 16, 2015**
ITC Final Determination	**November 2, 2015**	**November 2, 2015**

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadline is set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

IMPORT STATISTICS:

MEXICO	2012	2013	2014
Value (USD)	**821,374,000**	**1,086,324,000**	**725,228,000**

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 1701.12.1000, 1701.12.5000, 1701.13.1000, 1701.13.5000, 1701.14.1000, 1701.14.5000, 1701.91.1000, 1701.91.3000, 1701.99.1010, 1701.99.1025, 1701.99.1050, 1701.99.5010, 1701.99.5025, 1701.99.5050, 1702.90.4000, and 1703.10.3000.)
Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise.
*Volume could not be calculated, as imports of subject merchandise are reported in multiple units of measure.