FACT SHEET

ANTIDUMPING AND COUNTERVAILING DUTY SUSPENSION AGREEMENTS ON SUGAR FROM MEXICO

- On December 19, 2014, the Department of Commerce (Commerce) announced that it signed agreements to suspend the antidumping (AD) and countervailing duty (CVD) investigations of imports of sugar from Mexico.

- Commerce will suspend the ongoing AD and CVD investigations of sugar from Mexico without issuing final determinations.

- These agreements do not change the U.S. Department of Agriculture's sugar program or U.S. obligations under the WTO regarding sugar quotas.

KEY TERMS OF THE AGREEMENTS

CVD Agreement

- The CVD agreement contains provisions to prevent 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 will limit the amount of refined sugar that may enter the U.S. market from Mexico.

- Mexico's export limit is set at 100 percent of U.S. needs after accounting for U.S. production and imports from tariff rate quota countries. (U.S. needs are calculated based on USDA data.)

- For purposes of the agreement, "refined sugar" is defined as sugar with a polarity of 99.5 percent or greater. "Other sugar" is sugar that does not meet the definition of refined sugar. The agreement caps exports of refined sugar at 53 percent of total exports 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 CVD agreement are Commerce and the Government of Mexico.

AD Agreement

- The AD agreement establishes reference prices, or minimum prices, to guard against undercutting or suppression of U.S. prices. These minimum prices are $0.26/pound by dry weight commercial value for refined sugar and $0.2225/pound by dry weight commercial value for all other sugar. "Refined sugar" is defined as sugar with at least 99.5 percent polarity or above. "Other sugar" is sugar that does not meet the definition of refined sugar.

- The signatories of the AD agreement are Commerce and the Mexican sugar producers and exporters which account for substantially all of the subject merchandise imported into the United States.

Monitoring and Enforcement

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

NEXT STEPS

- Commerce will instruct U.S. Customs and Border Proctection to terminate the suspension of liquidation and refund any cash deposits collected as a result of the preliminary AD and CVD investigation determinations consistent with the relevant provisions of U.S. antidumping and countervailing duty law.