

International Sweetener Colloquium

Orlando, Florida
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How has the suspension agreement impacted the market?

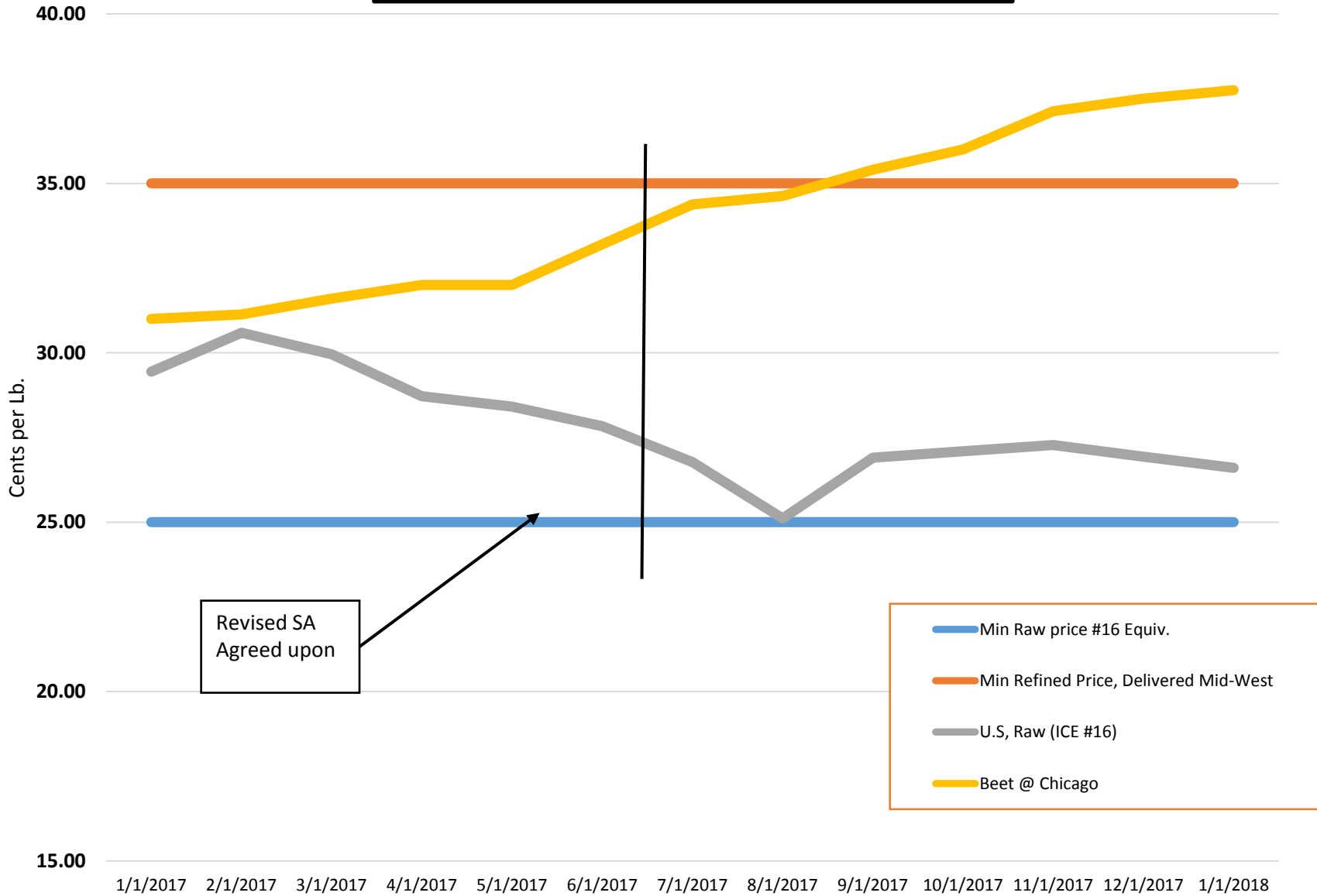
- Fewer entities selling Mexican direct consumption sugar in the U.S., thus resulting in higher prices for refined and wider refining margins.
- Mexican mills still working on internal swaps for bulk export sugar, export commitments slowed.
- Quality of bulk raw shipments are lower and handling issues have appeared, thus resulting in higher refining and transport costs.
- Questions about Mexico's ability to fill additional quota needs may keep the summer market tight.
- And the 868 million dollar (minimum) price increase (without anyone voting on it) is good for some, and bad for most.

Suspension Agreement Minimum Price

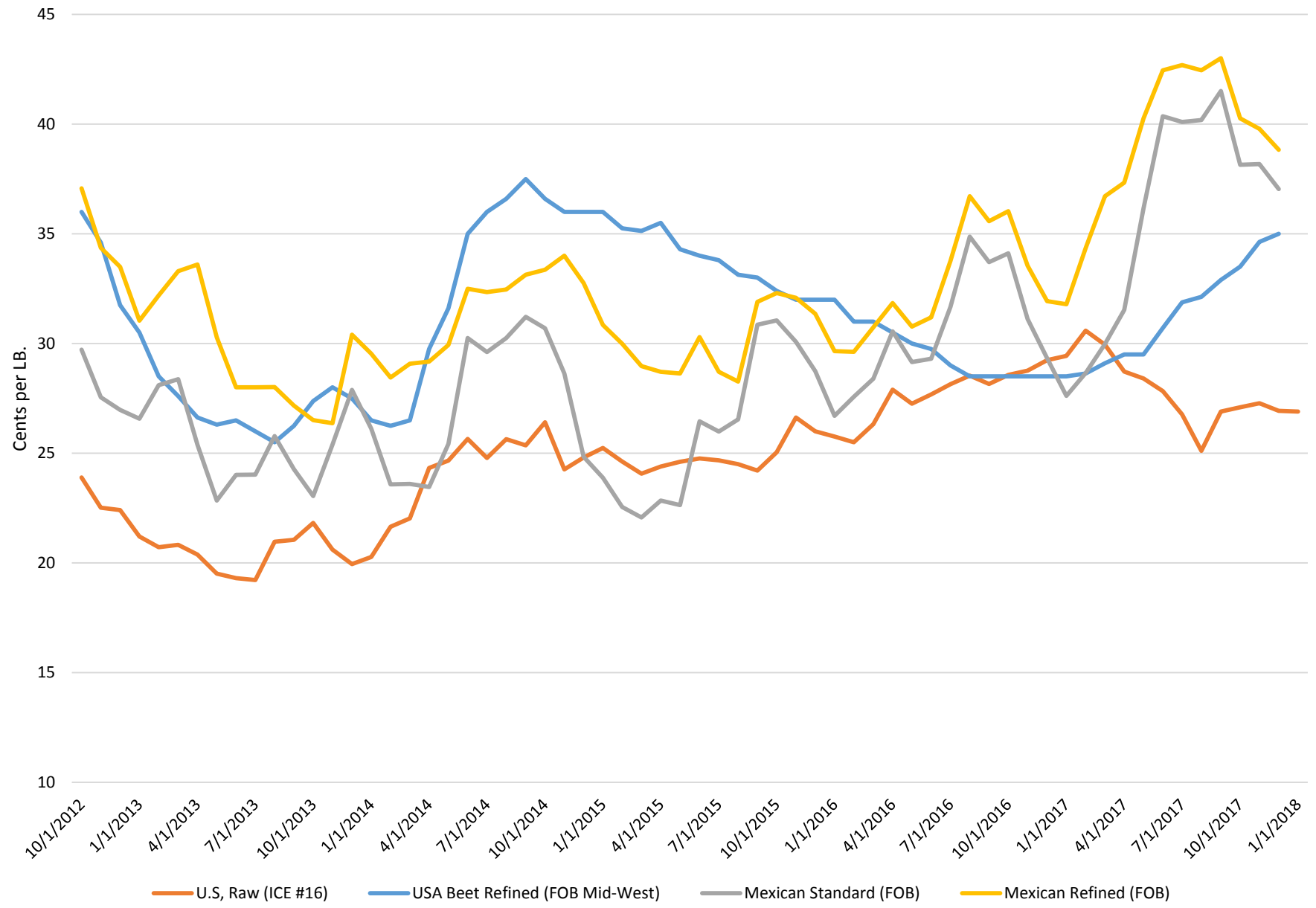
Raw Sugar (Other)	Cents per Lb.
Min price FOB Mill	23.00
Packaging	0.00
Transport to Port & Loading	1.00
Freight & Discharge (EC Port)	2.00
Polarization	-1.00
Net # 16 Equivelant	25.00

Refined (anything other than bulk vessels)	Cents per Lb.
Min price FOB Mill	28.00
Packaging (Tote)	1.00
Transport to Border	3.00
Freight to Destination (Est)	3.00
Delivered	35.00

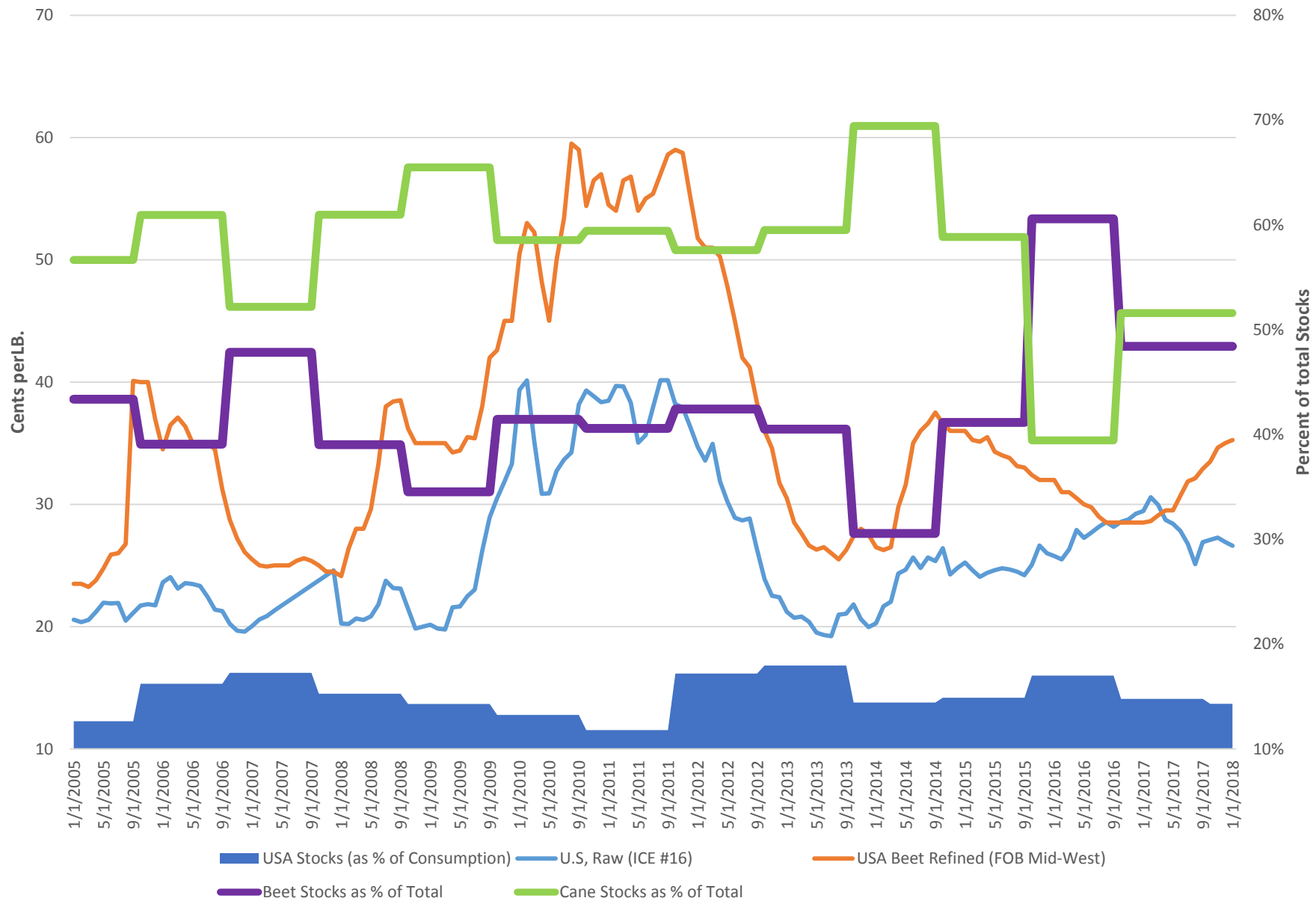
Effects of Suspension Agreement on Price



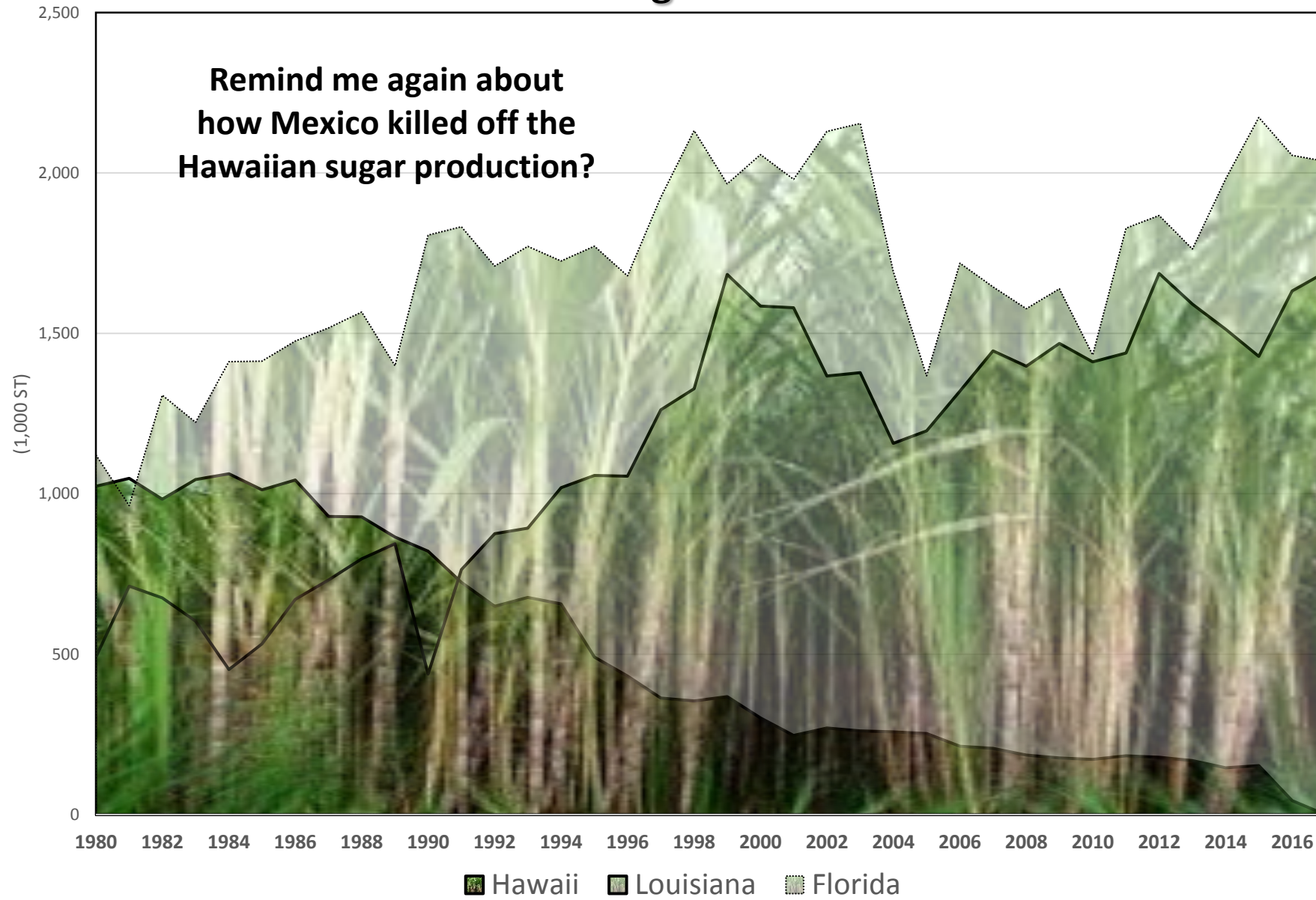
NAFTA Price Trends



U.S. Sugar Stocks by Sector vs Price



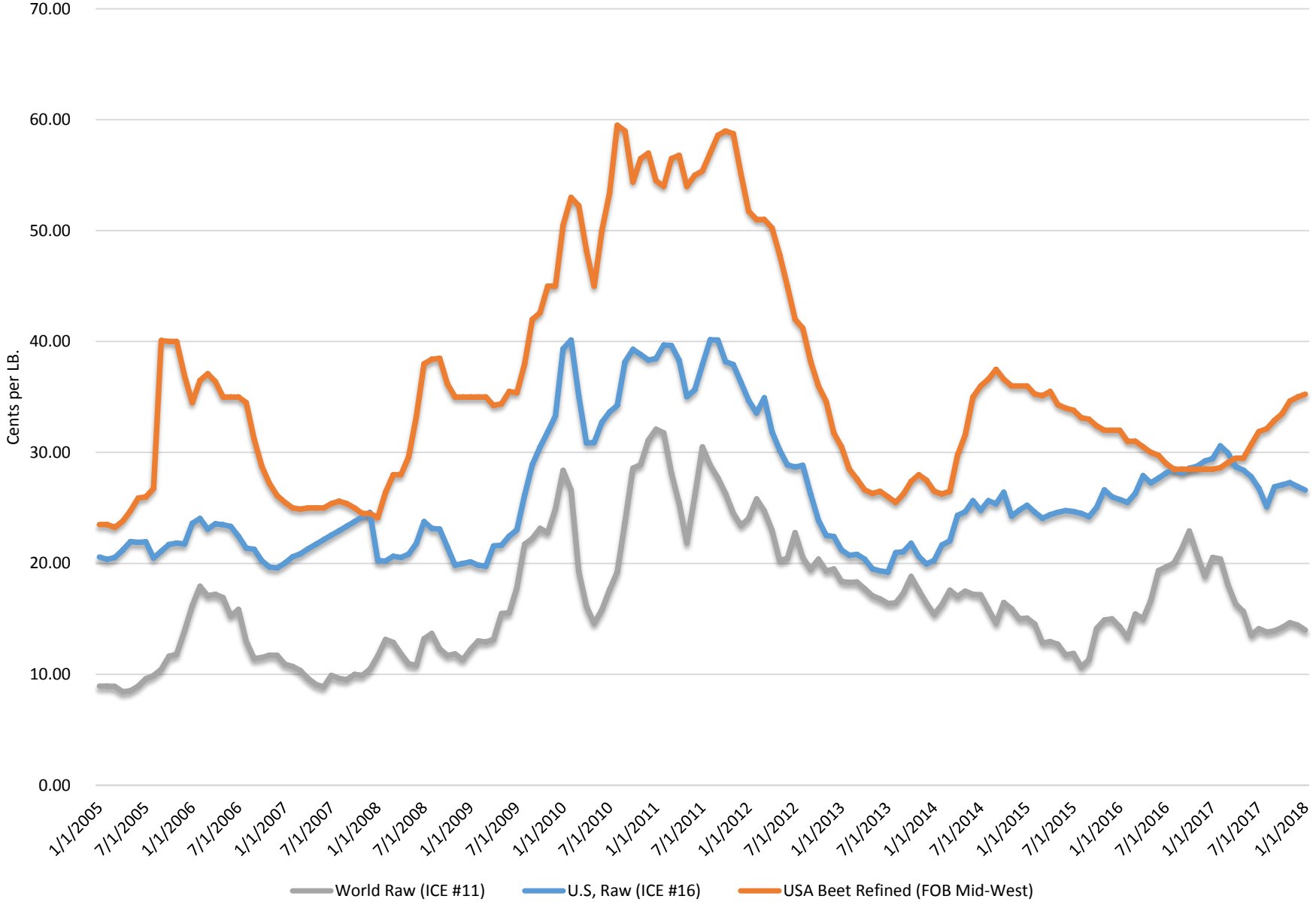
U.S. Cane Sugar Production



Farm Policy vs Trade Policy

- We guarantee minimum prices to producers, while we allow imports of finished food products with little or no tariffs. This policy clearly has had a detrimental impact on manufacturing jobs.
- We force shipments between U.S. ports to be carried on U.S. flag vessels, but imports (and exports) are not. Sometimes it makes sense to export and import, rather than to ship U.S. goods to another U.S. port.
- Our sugar support price system adds volatility to the market in many situations as producers have a guaranteed floor price which leads to more risk taking on marketing.

World and U.S. Price Trends



Are Some Jobs Less Noble?



We are exporting our manufacturing jobs.

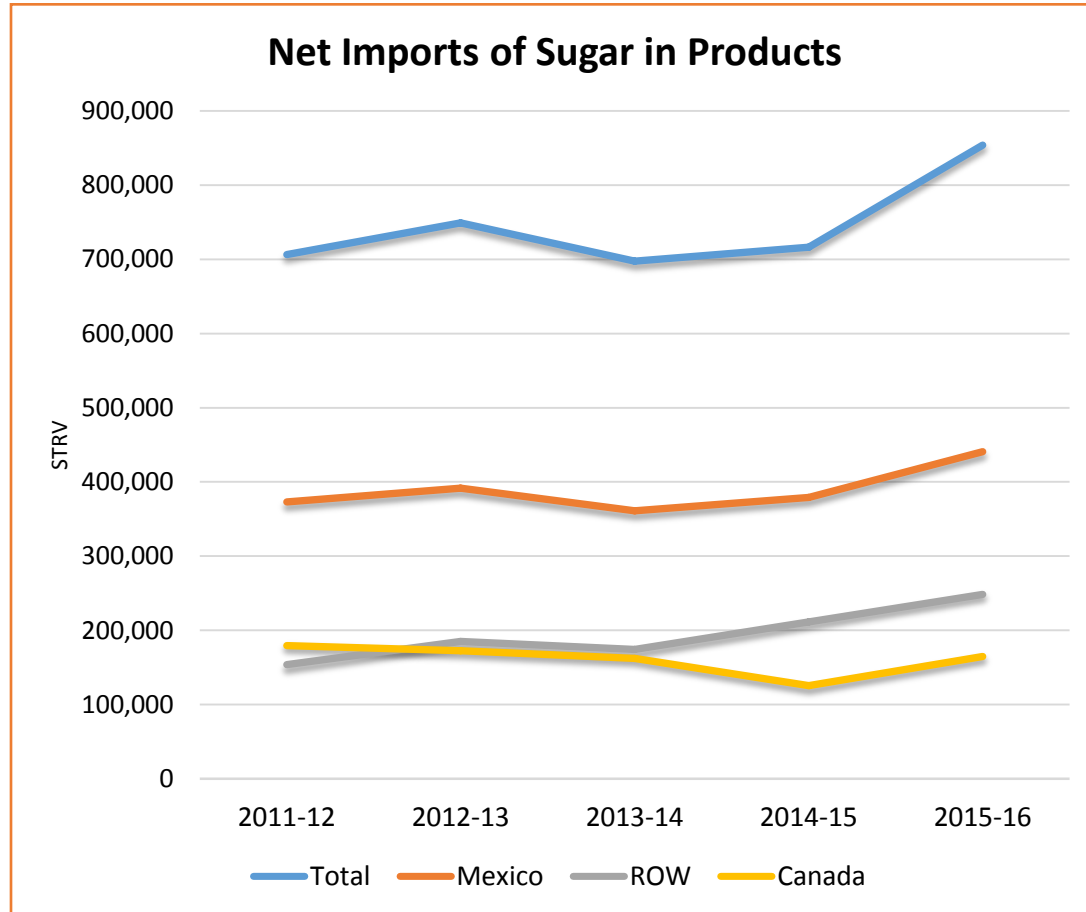


Chart provided by



- Dear Mr. xxx:

In your letter dated August 23, 2006, you requested a tariff classification ruling.

The samples submitted with your letter were examined and disposed of. Ingredients breakdowns were submitted with your subsequent correspondence. Items CDY-220561a, CDY-220561b and CDY-220561c are comprised of a clear cylindrical glass storage article measuring 9 inches tall and 2 inches in diameter, filled with jelly beans, and gummy candies. The jelly beans consist of 54.64 percent sugar, 33.50 percent corn syrup, 11.24 percent corn starch, 1.14 percent gelatin and less than one percent of citric acid, carnauba wax, favor and color.

The gummy candies consist of 41.0 percent corn syrup, 32.0 percent sugar, 14.9 percent water, 8.3 percent gelatin, 2.0 percent sorbitol, 1.08 percent citric acid and less than one percent malic acid, bee wax, titanium dioxide and favor.

The gummy candies in item CDY-220561 form a white and pink heart shape balloon design with a black licorice string and the jelly beans are pink. The gummy candies in item CDY-220561b are in a white heart shape design with pink and red jelly beans. The gummy candies in Item CDY-220561c have one large white and pink heart shape design and red jelly beans. The gummy candies are inserted between the jelly beans and the glass storage article.

The applicable subheading for the jelly beans and gummy candies, will be 1704.90.3550, Harmonized Tariff Schedule of the United States Annotated (HTSUS), which provides for sugar confectionery (including white chocolate), not containing cocoa...other...confections or sweetmeats ready for

consumption...other...other...put up for retail sale...other. **The rate of duty will be 5.6 percent ad valorem.**

Well Traveled Fruit



- Product of U.S.A
- Packaged in Thailand
- World priced sugar.
- Low cost freight.
- Low cost labor.
- Possibly less strict labor laws?

Last Words:

- We need a unified farm and trade policy related to sugar. Either tax sugar containing products imports, or adjust domestic price supports.
- Less than 10 percent of refining capacity is non-farmer owned. Recent history with the suspension agreements would suggest that this is under threat. Independent refiners are critical to keeping pricing competitive.
- Any industry that gets any form of government support should be forced to share cost data.

Thank You

Change the way you think about sugar...

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