

U.S. Investigates Mexican Sugar Exports for Unfair Prices

JANET McCONNAUGHEY, Associated Press

NEW ORLEANS (AP) — The U.S. Commerce Department is investigating allegations that Mexico is exporting far more sugar than it has in the past and selling it in the U.S. at below fair market price.

The American Sugar Alliance and other groups asked for the investigation in March, saying imports of sugar subsidized by the Mexican government have cut the price of raw sugar in half since 2011.

Alliance spokesman Phillip Hayes said the price was above 40 cents a pound for the 2011 crop year, but fell to less than 20 cents per pound last year.

The Commerce Department announced its decision Friday, saying sugar imports from Mexico grew from 1.4 million metric tons in 2011 to nearly 2.1 million metric tons last year. The sugar alliance said that was a record — and imports from Mexico this year are on a pace to break it with imports totaling as much as 2.3 million tons by Sept. 30.

The alliance claims that in one year, imports of Mexican sugar went from 9 percent to 18 percent of the U.S. market share.

American farmers produced an estimated 8.9 million tons of sugar from cane and beets last year, according to the U.S. Agriculture Department.

U.S. farmers contend that Mexican sugar is being sold on the U.S. market at substantially less than fair value. If findings of the Commerce Department support the claim, the International Trade Commission could impose import duties to make up the difference.

"It'll mean a lot to sugar farmers in the U.S. if they can bring the case to a good conclusion," said Louisiana sugar farmer Mike Robichaux.

The leading U.S. sugar growing states are Florida, Louisiana, Texas and Hawaii, according to the Agriculture Department.

About one-fifth of Mexico's sugar industry is owned by the government, according to the American Sugar Alliance.

Source URL (retrieved on 02/28/2015 - 8:31pm):

<http://www.foodmanufacturing.com/news/2014/04/us-investigates-mexican-sugar->

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Published on Food Manufacturing (<http://www.foodmanufacturing.com>)

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