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Statement



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Statement By

U.S. Trade Representative Susan C. Schwab and Agriculture Secretary Ed Schafer Regarding the Bush Administration's Position on Recently Proposed Farm Bill Amendments

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“Recently, U.S. and Mexican sugar producers made recommendations to the U.S. and Mexican governments regarding sugar policy under the North American Free Trade Agreement (the Agreement). U.S. government officials have met with a large number of interested parties – including sugar producers - to hear their recommendations and better understand the proposals.

“On January 1, 2008, the United States and Mexico eliminated all remaining duties and quantitative restrictions on bilateral trade in sweeteners and all other farm products, as agreed under the Agreement. These final tariff eliminations will build on the success we have already achieved. U.S. agricultural exports to Mexico, our second largest market, have increased by \$7.3 billion since the implementation of the Agreement.

“Although there have been disagreements between our governments regarding trade in sweeteners during the Agreement transition period, we have always agreed that all duties and quantitative restrictions would be eliminated after January 1, 2008. Even before January 1, the integration of our sweetener markets was well underway as U.S. tariffs on Mexican sugar had decreased to low levels and Mexican imports of high fructose corn syrup made from U.S. corn were rising thanks to our July 2006 agreement on trade in sweeteners. We believe we have the tools and the cooperative relationships with the Government of Mexico to ensure the further smooth integration of our sweetener markets.

“For all of these reasons, the Administration cannot support recent sugar policy recommendations and will oppose efforts to implement them through legislation. An integrated sweetener market will be beneficial for the people of our two countries, and producers and consumers can work within the existing policy framework—as all other commodity groups have done—to address any legitimate threat of disruption.

“In addition, the Agreement reflects a balance of benefits agreed to by the parties. Any reopening of the Agreement would upset that balance and put at risk other U.S. exporters of goods and services. For that reason, the Administration has been and will continue to be clear and consistent in strongly opposing requests to reopen this agreement.

“The Administration will continue to work closely with all parties to ensure that the rules for sweetener trade with Mexico continue to be fair and transparent and will address any valid concerns over sugar trade with Mexico as we move forward.”

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