



United States  
Department of  
Agriculture

Foreign  
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Service

# FACT SHEET

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## U.S. Imports of Sugar and Sugar-Containing Products

### Sugar

Raw cane sugar, refined sugar, sugar syrups, and specialty sugars enter the United States primarily under two tariff-rate quotas (TRQs), which are provided for in Chapter 17 of the *Harmonized Tariff Schedule* (HTS). Under these two TRQs, U.S. importers pay either a nominal or zero duty. Sugars that receive preferential tariff treatment under free trade agreements such as the North American Free Trade Agreement (NAFTA), the Central American/Dominican Republic Free Trade Agreement (CAFTA/DR), the Caribbean Basin Economic Recovery Act, the Andean Trade Preference Act, or the U.S. Generalized System of Preferences enter at a zero duty. The HTS permits the importation of sugars outside these TRQs, but at considerably higher duty rates. The HTS may be found on the U.S. International Trade Commission's Web site at <http://www.usitc.gov/tata/index.htm>.

### Raw and Refined Sugars for Domestic Food Use

Chapter 17 of the HTS (Additional U.S. Note 5) establishes a minimum TRQ for raw cane sugar of 1,117,195 metric tons and a minimum TRQ for refined sugar (also termed "other sugars, syrups, and molasses") of 22,000 metric tons. Additional U.S. Note 5 also authorizes the establishment of higher TRQ amounts whenever the Secretary of Agriculture

"believes that domestic supplies of sugars may be inadequate to meet domestic demand at reasonable prices." The Secretary usually establishes TRQs for raw and refined sugars in August or September for the upcoming U.S. fiscal year beginning each October 1. Raw sugar, as defined by HTS Chapter 17 Subheading Note 1, is a sugar with a sucrose content by weight, in a dry state, corresponding to a reading of less than 99.5 degrees on a polarimeter.

The U.S. Trade Representative (USTR) allocates the raw cane sugar TRQ among supplying countries, currently using a formula based on their share of exports to the United States between 1975 and 1981. Anyone may import raw cane sugar at the TRQ duty rate from any of these supplying countries as long as the sugar is accompanied by a "Certificate of Quota Eligibility." These certificates are issued by the U.S. Department of Agriculture and validated by the exporting countries' certifying authorities. Rules governing the importation of raw cane sugar under the TRQ are found in Title 15 of the Code of Federal Regulations, Part 2011, Subpart A.

In recent years the refined sugar TRQ has been allocated by USTR to Canada, Mexico, a portion which is open to all importers on a first-

come, first-served or “global” basis, and a portion for specialty sugar.

Specialty sugars include organic sugar, brown slab sugar, pearl sugar, vanilla sugar, rock candy, fondant, caster sugar, golden syrup, golden granulated sugar, cake decorations, and sugar cubes. U.S. Customs and Border Protection first fills the global allocation of the refined sugar TRQ, before opening the portion of the refined sugar TRQ reserved for specialty sugars. The specialty sugar portion is filled on a first-come, first-served basis. Imports of specialty sugar require a certificate issued by the Foreign Agricultural Service. Rules governing the importation of specialty sugar are found in Title 15 of the Code of Federal Regulations, Part 2011, Subpart B.

### **Raw Sugar for Refining, Re-Export, and Polyhydric Alcohol**

Imported raw cane sugar may replace sugar that has been exported as either refined sugar or as an ingredient in a sugar-containing product, or used in the production of polyhydric alcohol, under the U.S. Refined Sugar Re-Export Program (authorized by HTS Chapter 17 Additional U.S. Note 6). If this raw sugar originates in a country benefiting from special trade preferences, it enters at a zero duty, otherwise it enters at a nominal duty.

Participants in the program must be licensed by the Secretary. After a licensed refiner has imported and refined the raw sugar, there are three options for the refined sugar: (1) it may be transferred to a company licensed under the Sugar-Containing Products Re-Export Program; (2) it may be transferred to a company licensed under the Polyhydric Alcohol Program; or (3) it may be exported directly. Rules governing these programs are found in Title 7 of the Code of Federal Regulations, Part 1530.

### **Sugar-Containing Product Imports**

There are three tariff-rate quotas (TRQs) of sugar-containing products identified in HTS Chapter 17, listed in Additional U.S. Notes 7, 8, and 9. Note 8 establishes a TRQ of 64,709 metric tons for products containing more than **10 percent by dry weight of sugar**. All products from Mexico, and cocoa powders, blended sugar syrups, and bulk ingredients containing more than 65-percent sugar from other exporting countries are excluded from the TRQ. It should be noted that dry drink mixes, such as sweetened iced tea mix, containing more than 65-percent sugar and imported in bulk are allowed entry under this TRQ. In addition to these mixes, the Note 8 TRQ includes various other items identified under Chapters 17, 18, 19, and 21 of the HTS, such as candy and chocolate. USTR currently allocates 59,250 metric tons (92 percent) of the Note 8 TRQ to products from Canada, which enter the United States duty free. The balance, 5,459 metric tons, may be imported from any supplier, other than Mexico, on a first-come, first-served basis. The concessional rate of duty depends on the product and the country of origin. Canada is not eligible to ship products under the global portion of this Note 8 TRQ.

The TRQ under HTS Chapter 17 Note 7 is for certain **products containing over 65 percent sugar**, and the TRQ under Note 9 is for **certain blended syrups**. The TRQ quantity eligible for low-duty entry under both Note 7 and Note 9 is zero.

Chapter 18 of the HTS (Additional U.S. Note 1) establishes a TRQ of 2,313 metric tons for **cocoa powders** containing more than 10 percent by dry weight of sugar. All products from Mexico and those imported in bulk containing more than 65-percent sugar are excluded from the TRQ. The concessional rate of duty depends on the product and the country of origin.

Chapter 19 of the HTS (Additional U.S. Note 3) establishes a TRQ of 10 percent on 5,398 metric tons of **bakery mixes and doughs** containing more than 10 percent by dry weight of sugar. All products from Mexico and those imported in bulk containing more than 65-percent sugar are excluded from the TRQ. Products from Canada and developing countries benefiting from special trade preferences enter duty free under the TRQ.

Chapter 21 of the HTS (Additional U.S. Note 4) establishes a TRQ of 7.5 percent duty on 689 metric tons of **mixed condiments and seasonings** containing more than 10 percent by dry weight of sugar. Products from Mexico are excluded from this TRQ. Products from Canada and developing countries benefiting from special trade preferences enter duty free under the TRQ.

Since Jan. 1, 2003, U.S. tariffs on all sugar-containing product imports from Mexico have been zero under the terms of the NAFTA. Tariffs on raw and refined sugar from Mexico decline each year under NAFTA, and are scheduled to reach zero on Jan. 1, 2008.

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