



Trade Brings Mutual Benefits

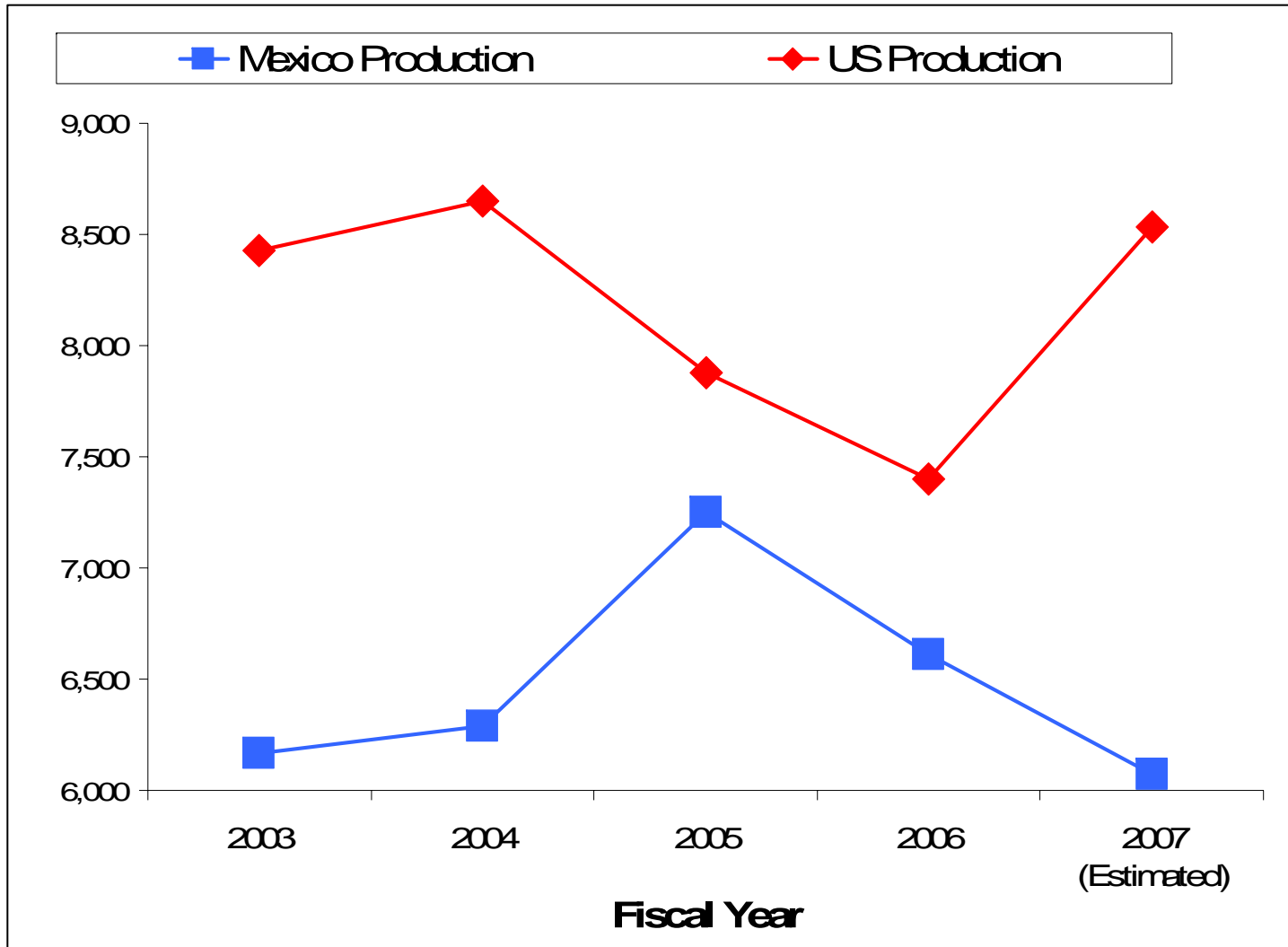


- The growing trade of sweeteners between the United States and Mexico has been complementary in recent years.
- This has helped producers, sellers and users in both countries.



Sugar Production

(In short tons raw value)





Sweetener Trade is Becoming Market-driven



- At end of 2004/05 year:
 - Surplus in Mexico, deficit in United States
- 2005/06:
 - The United States imported a record 700,000 MT of sugar from Mexico
- 2006/07 Sugar:
 - Mexico gave the United States 22,000 MT quota
 - Mexican free-trade zone imports from the United States are estimated at over 300,000 MT
 - Large U.S. beet stocks are available if U.S or Mexican markets tighten
- 2006/07 HFCS:
 - Imports in 2007 are providing Mexican bottlers much needed sweetener supplies in a potentially tightening market



U.S. Sugar



Minimum Access Commitments

| | <i>Metric tons</i> | <i>Short tons</i> |
|-------------------------------|--------------------|-------------------|
| WTO, raw sugar | 1,117,139 | 1,231,435 |
| WTO, refined sugar | 22,000 | 24,251 |
| WTO, total | 1,139,139 | 1,255,686 |
| NAFTA | N/A | N/A |
| CAFTA 1/ | 109,000 | 120,152 |
| Colombia 1/ 2/ | 50,000 | 55,116 |
| Peru 1/ 2/ | 11,000 | 12,125 |
| Panama 1/ 2/ | 7,000 | 7,716 |
| Additional specialty sugar 3/ | N/A | N/A |
| TOTAL minimum access | 1,316,139 | 1,450,795 |

1/ These access amounts are subject to a "Trade Surplus" formula, and grow slowly over time. Quantities are for first year of the agreement.

2/ Not yet implemented

3/ No minimum requirement. FY 2007 quantity is 53,144 MT.



Additional U.S. Sugar Access



- The Secretary of Agriculture may increase the U.S. tariff-rate quota (TRQ) to achieve adequate supply at reasonable prices.
- The U.S. Trade Representative allocates TRQs.
- Imports under the re-export program are not limited or controlled.
- Imports at the over-quota duty are not limited or controlled.