

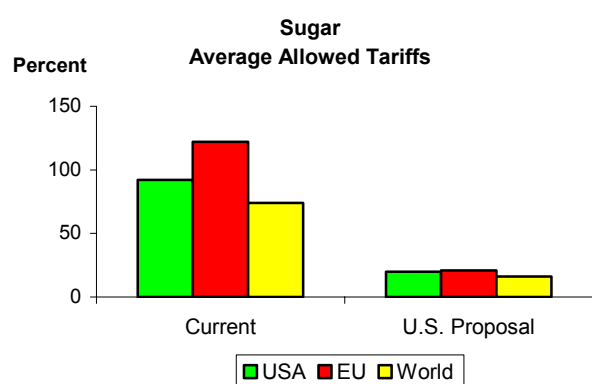
What's at Stake for Sugar?

The July 2002 U.S. agriculture proposal for the World Trade Organization Doha Development Agenda calls for ambitious reforms to open global markets for American agriculture. The U.S. initiative would correct many of the disparities U.S. sugar currently faces at home and abroad.

Market Access

Tariffs: The average allowed WTO tariff for sugar is 74%.

Reduce and Harmonize Tariffs: The United States is calling for a formula that would reduce high tariffs more than low tariffs with no tariff line greater than 25%, creating more equitable treatment for U.S. sugar.



Export Competition

EU Export Subsidies: In marketing year 2000/01, the European Union (EU) provided \$340 million in export subsidies to sugar producers, with the allowance to spend as much as \$455.8 million on sugar exports.

Elimination of Export Subsidies: The U.S. proposal would eliminate export subsidies over a five-year implementation period.

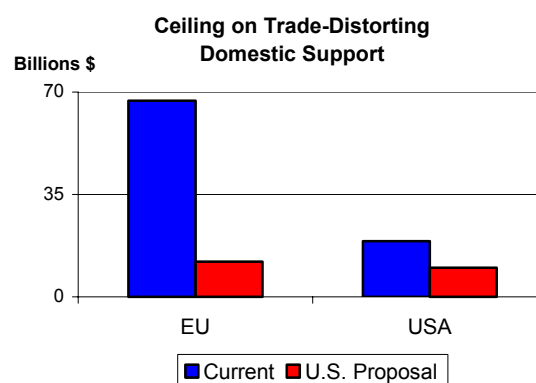
Domestic Support

Trade-Distorting Domestic Support:

In marketing year 1998/99, the EU provided \$6 billion in "amber box" support to sugar producers. The U.S. provided \$1 billion in "amber box" support in 1998.

Reduce and Harmonize Domestic Support:

Under the U.S. proposal, the amount of trade-distorting domestic support available to any country would be capped at 5% of the total value of production. For example, the amount available to the EU across all products would drop from more than \$67 billion a year to around \$12 billion. The "blue box" exemption, which accounted for \$22 billion of support in the EU during marketing year 1998/99, would be eliminated. The U.S. maximum allowed trade-distorting support would fall from \$19 billion to around \$10 billion.



Top Export Markets, 2001

1. Mexico	\$540,000
2. Colombia	\$467,000
3. Jamaica	\$227,000
4. Trinidad & Tobago	\$215,000
5. Netherlands	\$156,000

Total U.S.
Sugar Exports \$3 million

Top Import Sources, 2001

1. Brazil	\$72 million
2. Dominican Rep.	\$65 million
3. Mexico	\$42 million
4. Philippines	\$37 million
5. Australia	\$35 million

Total U.S.
Sugar Imports \$480 million