



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Mexico removes corn syrup tax
Da: Friday, Dec. 22, 2006

Sen. Chuck Grassley, chairman of the Committee on Finance, with jurisdiction over international trade, today welcomed the Mexican Congress' removal of Mexico's tax on high fructose corn syrup. The 20 percent tax, levied on soft drinks sweetened with high fructose corn syrup, shut down U.S. high fructose corn syrup sales in Mexico and was ruled a violation of Mexico's obligations as a World Trade Organization member. Grassley vociferously has urged Mexico to lift the tax and worked with U.S. trade officials to end the dispute. Iowa has four facilities producing high fructose corn syrup, in Clinton, Cedar Rapids, Keokuk, and Eddyville. More than 25 percent of the nation's high fructose corn syrup comes from Iowa, according to industry estimates. Grassley made the following comment on the Mexican Congress' removal of Mexico's tax.

"This is very important to corn farmers and high fructose corn syrup producers in Iowa and other states. They've been unfairly shut out of a legitimate market. Now they'll be able to access that market fair and square. I'm glad the Mexican Congress recognized its need to meet its WTO obligations. Both the United States and Mexico have gained a lot from opening up trade. With this dispute behind us, we'll gain even more."