ORGANIC TRADE ASSOCIATION

April 24, 2026

Philip Butler, Chair, Section 301 Committee
Office of the U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Re: Docket No. USTR-2026-0067; Request to Exclude Certified Organic Sugar from Any Additional Section 301 Duties on Second-Tier Sugar Imports

Dear Mr. Butler:

The Organic Trade Association is submitting with this letter to address the comments filed by the American Sugar Alliance on April 15, 2026. We recognize the concern ASA raises regarding second-tier sugar imports and their potential effect on the domestic sugar program. At the same time, the U.S. sugar program was not designed to account for the distinct dynamics of the organic sugar marketplace or the requirements of USDA organic regulations. As a result, the remedy ASA proposes is overinclusive and would capture certified organic sugar imports that are not driving the market disruption at issue.

Organic sugar occupies a separate and highly constrained market. It is used primarily in certified organic products, where conventional sugar is not an allowable substitute under USDA organic regulations. Domestic organic sugar production has not declined over this period. USDA data indicates there was one organic sugar producer in 2014 and still one in 2025, with higher output in 2025. That reflects a domestic market that has remained limited but stable under the sugar program. Even so, U.S. production still accounts for less than 10% of supply, and the organic market remains dependent on imports of organic sugar[1]. Notably, during this same period, domestic sugar beet producers have not entered certified organic production and there is no evidence of a meaningful effort, successful or otherwise, to participate in the organic sugar market.[2]

For many years, USDA administered the specialty sugar tariff-rate quota in a manner that reflected this market reality. Until the current marketing year, organic sugar entered predominantly through the specialty TRQ, with quota levels set at or near actual demand. In 2024-25, that quota was 211,656 metric tons, consistent with prior years. That history matters. It shows that organic sugar imports have been relatively stable over time, with only modest growth, and have not been the source of the type of import surge ASA describes.

The problem arose when USDA changed course for 2025-26 and set the specialty TRQ at the minimum bound level of 1,656 metric tons beginning October 1, 2025. That decision abruptly pushed what had previously been in-quota organic sugar volumes into over-quota treatment. As a result, roughly 210,000 metric tons of organic sugar that would previously have entered under the specialty sugar TRQ at the in-quota rate became subject to second-tier duty rates. Yet the underlying market did not suddenly change. USDA's April 9, 2026 WASDE estimates 2025-26 organic sugar imports at 268,895 short tons, or approximately 243,938 metric tons. Similarly, USDA's April 15, 2026 Sugar and Sweeteners report indicates that increased Tier 2 volumes of organic sugar reflect the change in specialty quota policy[3]. Those volumes are broadly in line with historical demand and do not indicate a flood of organic imports into the U.S. market.

Nor do these volumes threaten the conventional sugar market in any meaningful way. The organic sugar market is tiny relative to conventional sugar consumption in the United States. Organic sugar imports measured in the hundreds of thousands of metric tons remain a small fraction of a conventional market measured in the millions. In

[1] Abadam, V. & Diaby, S. (2025). Sugar and sweeteners outlook: May 2025 (Report No. SSS-M-441). U.S. Department of Agriculture, Economic Research Service.
[2] USDA National Organic Program Organic INTEGRITY Database
[3] Abadam, V. (2026). Sugar and sweeteners outlook: April 2026 (Report No. SSS-M-452). U.S. Department of Agriculture, Economic Research Service. "The estimate for high-tier duty refined sugar specialty (mostly comprised of organic sugar) is increased by 33,000 STRV to 269,000. This increase accounts for the average volume that entered in fiscal years 2022/23 and 2023/241 above the announced additional specialty sugar tariff-rate quota for these years (between 220,000–230,000 STRV)"

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other words, organic sugar may now fall within the technical category of second-tier imports because of USDA's quota decision, but it is not the source of the injury ASA is attempting to address.

That distinction is important because ASA has asked for new Section 301 duties on all imports subject to over-quota rates. Applied as written, that request would sweep in organic sugar and impose still higher costs on a product category already facing elevated duties. The practical result would be higher ingredient costs for certified organic food manufacturers, higher prices for consumers, and additional strain on a sector that cannot replace imports with domestic supply in the near term. Because organic sugar demand is relatively inelastic and domestic production remains limited, these added costs would not materially reduce import dependence. They would simply raise costs across the supply chain.

There is also a real risk of downstream economic harm. If organic sugar costs rise sharply in the United States, manufacturers of processed organic products will face increasing pressure to move production outside the country to remain competitive. That outcome would do nothing to solve the sugar policy concern ASA identifies, while potentially displacing U.S. manufacturing activity and jobs tied to organic food production.

USTR can avoid that result while still addressing ASA's broader concerns. The most direct solution is to exclude certified organic sugar from any new Section 301 duties applied to second-tier sugar imports. Existing HTS provisions already distinguish certified organic sugar from conventional sugar, including HTS 1701.14.1020, 1701.99.1015 and 1701.99.5015. A targeted exclusion is therefore administrable and would ensure that trade action aimed at problematic over-quota imports does not unnecessarily damage a distinct organic market.

To the extent there is concern that organic sugar could be diverted into conventional channels to take advantage of lower duty treatment, that risk can be managed through more tailored safeguards. Several straightforward options are available.

First, USDA could restore the specialty TRQ to a level that more closely reflects actual market demand for organic sugar, as it did consistently before 2025.

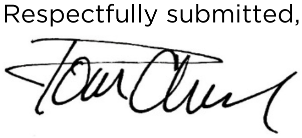
Second, importers and purchasers could be required to certify that organic sugar receiving lower-duty treatment will be used only in certified organic channels, with compliance verified through existing annual organic audit processes that are currently overseen by USDA.

Third, USDA could establish other targeted and administrable measures to ensure that organic sugar remains within certified organic channels.

Any one of these measures, and certainly any combination of them, would better address the risk of leakage into the conventional market while preserving access to needed organic supply for U.S. consumers and manufacturers while enabling USTR action on the targeted conventional sugar imports.

We appreciate the opportunity to provide these views. Organic sugar should not be treated as collateral damage in an effort to address concerns arising elsewhere in the sugar market. We would welcome the opportunity to provide any additional information that would assist the Committee.

Respectfully submitted,



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