

# TELEGRAM

Foreign Service of the  
United States of America

INCOMING AMEMBASSY BRASILIA

INCO-SUGAR

ACTION  
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CHRON  
RF

UNCLASSIFIED

Classification

Control: STATE 205743:

Recd: JULY 20, 1968  
1:22 PM

R 192353Z JUL 68  
FM SECSTATE WASHDC  
TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS  
RUMTBK/AMEMBASSY BANGKOK 7233  
RUEHBAC/AMEMBASSY CANBERRA 1895  
RUDSC/AMEMBASSY LONDON 7865  
RUMVC/AMEMBASSY MANILA 4859  
RUDSND/AMEMBASSY NEW DELHI 6318  
RUFJC/AMEMBASSY PARIS 8146  
RUEHCR/XEMEMBASSY PORT LOUIS 0231  
RUDSPC/AMEMBASSY PRETORIA 0869  
RUASTP/AMEMBASSY TAIPEI 1890  
RUFJCX/AMEMBASSY TANANARIVE 0636  
RUEHCU/AMCONSUL BELIZE 0353  
RUFJCX/AMCONSUL MARTINIQUE 0117  
RUDSPC/AMCONSUL MBABANE 0184  
RUEHCU/AMCONSUL SUVA 0207  
RULPAL/POLAD CINGSO  
STATE GRNC  
BT  
UNCLAS STATE 205743

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ACTION COPY  
ACTION TAKEN

SUBJECT: THE UNITED STATES SUGAR REQUIREMENT  
INCREASED AND DEFICITS REALLOCATED

1. THE USDA ANNOUNCED TODAY AN INCREASE OF 100,000 TONS IN  
ESTIMATE OF TOTAL SUGAR REQUIREMENTS - FROM 10.8 TO 10.9  
MILLION TONS. DEFICITS TOTALLING APPROXIMATELY 71,250 TONS WERE  
ALSO DECLARED AND PRORATED TO COUNTRIES ABLE TO SUPPLY THE SUGAR.

2. THAILAND HAS FORMALLY NOTIFIED THE SECRETARY THAT IT IS NOT  
IN A POSITION TO FILL ITS QUOTA THIS YEAR. FORMAL NOTICE HAS  
NOT YET BEEN RECEIVED FROM PANAMA. ACCORDINGLY, THAT COUNTRY  
AND THE BEET SUGAR AREA RETAINED THE RIGHT TO FILL THEIR BASIC  
QUOTAS DESPITE TODAY'S ACTION.

3. THE FOLLOWING DEFICITS WERE DECLARED:

BEET SUGAR AREA	47,667 TONS
PANAMA	5,726 TONS
THAILAND	17,860 TONS

4. LARGE QUANTITIES OF MAINLAND PRODUCED REFINED BEET SUGAR  
AND RAU CANE SUGAR WILL BECOME AVAILABLE FOR MARKETING THIS FALL.

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THE DEPARTMENTS CROP REPORT FOR JULY INDICATES A RECORD SUGAR BEET CROP AND A NEAR RECORD SUGAR CANE CROP. DESPITE THIS PROSPECT CANE SUGAR REFINERS AND SUGAR USERS APPARENTLY DESIRE TO MAINTAIN INVENTORIES AT A HIGH LEVEL THROUGHOUT THE SUMMER. THE POSSIBILITIES OF A WORK STOPPAGE AMONG STEVEDORES AT THE END OF SEPTEMBER MAY BE A CONTRIBUTING CAUSE.

5. THIS SITUATION HAS CREATED AN UNUSUAL DEMAND FOR RAW CANE SUGAR FOR ARRIVAL IN AUGUST AND SEPTEMBER AND HAS PLACED UPWARD PRESSURE ON RAW SUGAR PRICES. THE SPOT PRICE WHICH WAS ALREADY ABOVE THE SUGAR ACT GUIDE PRICE ROSE AN ADDITIONAL FIVE POINTS ON JULY 12 TO 7.60 CENTS PER POUND.

6. TODAY'S ACTION ASSIGNS 105,671 TONS OF ADDITIONAL RAW CANE SUGAR TO FOREIGN COUNTRIES ABLE TO SHIP FOR EARLY ARRIVAL. THE QUOTA FOR THE MAINLAND CANE SUGAR AREA IS ALSO INCREASED BY 17,333 TONS.

7. THE INCREASES IN TOTAL QUOTAS AND PRORATIONS RESULTING FROM TODAY'S ACTIONS TOGETHER WITH THE REVISED QUOTAS AND PRORATIONS ARE SHOWN IN THE FOLLOWING TABLE:

PRODUCTION AREAS	CHANGING QUOTAS	TOTAL QUOTAS & PRORATIONS
DOMESTIC BEET SUGAR	--	3,115,667
MAINLAND CANE SUGAR	17,333	1,186,666
HAWAII	--	1,191,704
PUERTO RICO	--	525,000
VIRGIN ISLANDS	--	--
TOTAL DOMESTIC	17,333	6,019,037
REPUBLIC OF PHILIPPINES	--	1,126,020
MEXICO	16,608	611,078
DOMINICAN REPUBLIC	17,672	682,526
BRAZIL	16,242	597,641
PERU	12,955	476,691
BRITISH WEST INDIES	4,596	211,276
ECUADOR	2,363	86,912
FRENCH WEST INDIES	1,445	66,463
ARGENTINA NO	1,998	73,520
COSTA RICA	1,912	70,355

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NICARAGUA	1,912	70,355
COLOMBIA	1,718	63,240
GUATEMALA	1,611	59,291
PANAMA	-5,259	37,810
EL SALVADOR	1,183	43,482
HAITI	902	33,202
VENEZUALA	816	30,038
BRITISH HONDURAS	335	15,392
BOLIVIA	193	7,113
HONDURAS	193	7,113
AUSTRALIA	8,388	201,970
REPUBLIC OF CHINA	3,495	34,154
INDIA	3,355	80,788
SOUTH AFRICA	2,471	59,470
FIJI ISLANDS	1,840	44,311
THAILAND	-17,745	--
MAURITIUS	768	18,513
MALAGASY REPUBLIC	396	9,538
SWAZILAND	304	7,295
IRELAND	--	5,351
TOTAL FOREIGN	82,667	4,880,963
TOTAL	100,000	10,900,000

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