

Economic Impact of DR-CAFTA on Southern Agriculture: The Case of Sugar

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Price and Quantity Impacts of Alternative Import Scenarios



Increased U.S. Imports from 2003/04 Base	Domestic Price \$/MT	Domestic Price Cents/lb	World Price \$/MT	World Price Cents/lb	Beet Production MT	Cane Production MT	U.S. Consumption MT
Base	455.25	20.66	163.76	7.43	4415.68	3716.32	8946.00
100,000	441.50	20.03	163.91	7.44	4369.75	3700.34	8984.47
500,000	390.24	17.71	164.46	7.46	4190.48	3637.17	9141.02
1,000,000	333.54	15.13	165.16	7.49	3972.40	3557.83	9343.80
2,000,000	241.65	10.96	166.57	7.56	3560.26	3400.98	9775.36
3,089,000	168.15	7.63	168.15	7.63	3147.98	3232.97	10283.68

Lost Value of Sugar Beet and Cane Production from Import Scenarios



Import Scen.	Domestic Price	Beet Prod.	Cane Prod.	Total Value (Beet)	Total Value (Cane)	Total Value (All)	Lost Value
TMT	\$/MT	MT	MT	\$	\$	\$	\$
Base	455.25	4,416,000	3,716,000	2,010,384,000	1,691,709,000	3,702,093,000	0
100	441.50	4,370,000	3,700,000	1,929,355,000	1,633,550,000	3,562,905,000	-139,188,000
500	390.24	4,190,000	3,637,000	1,635,105,600	1,419,302,880	3,054,408,480	-647,684,520
1,000	333.54	3,972,000	3,558,000	1,324,820,880	1,186,735,320	2,511,556,200	-1,190,536,800
2,000	241.65	3,560,000	3,401,000	860,274,000	821,851,650	1,682,125,650	-2,019,967,350
3,089	168.15	3,148,000	3,233,000	529,336,200	543,628,950	1,072,965,150	-2,629,127,850

Sectoral Effects of 1,000 TMT Raw Sugar Imports.



Industry Sector	Direct Effect (\$)	Indirect Effect (\$)	Induced Effect (\$)	Total Effect (\$)
Ag, Forestry, Fish & Hunting	0	451,068,800	15,176,987	466,245,760
Mining	0	27,569,850	7,700,059	35,269,908
Utilities	0	63,910,488	19,945,040	83,855,528
Construction	0	11,486,965	6,336,279	17,823,244
Manufacturing	1,190,536,800	408,828,512	160,610,512	1,755,963,136
Wholesale Trade	0	106,511,760	48,103,404	154,615,168
Transportation & Warehousing	0	196,837,552	36,631,224	233,468,784
Retail trade	0	17,223,220	81,435,536	98,658,752
Information	0	33,502,780	52,084,836	85,587,616
Finance & insurance	0	79,682,472	107,855,192	187,537,664
Real estate & rental	0	172,195,424	66,935,436	239,130,864
Professional- scientific & tech svcs	0	60,521,752	40,327,260	100,849,008
Management of companies	0	50,021,048	14,693,942	64,714,992
Administrative & waste services	0	29,506,906	25,337,468	54,844,372
Educational svcs	0	565,545	13,026,996	13,592,541
Health & social services	0	104,529	101,431,608	101,536,136
Arts- entertainment & recreation	0	4,264,936	14,919,599	19,184,536
Accomodation & food services	0	10,676,032	41,558,852	52,234,884
Other services	0	28,499,644	41,521,004	70,020,648
Government	0	47,996,800	93,236,128	141,232,928
Total	1,190,536,800	1,800,975,015	988,867,362	3,980,379,441

Aggregate Output Effects from Various Raw Sugar Import Scenarios



Import Scenarios	Direct Effect	Indirect Effect	Induced Effect	Total Effect
TMT	\$	\$	\$	\$
100	139,188,000	210,555,000	115,610,000	465,354,000
500	647,684,520	979,779,351	537,970,723	2,165,434,540
1,000	1,190,536,800	1,800,975,015	988,867,362	3,980,379,441
2,000	2,019,967,350	3,055,685,155	1,677,797,032	6,753,452,011
3,089	2,629,127,850	3,977,191,971	2,183,770,140	8,790,090,289

Import Levels Necessary to Induce Forfeitures in Cane Producing States



	Increased U.S. Imports from 2003/04 Base	Dom. Price \$/MT	Dom. Price cents/lb	World Price \$/MT	World Price cents/lb	Beet Prod. MT	Cane Prod. MT	U.S. Con. MT
LA Forf.	368,000	406.45	18.44	164.27	7.45	4248.76	3657.98	9089.14
Texas Forf.	439,000	397.62	18.04	164.37	7.46	4216.97	3646.46	9116.87
HI/PR Forf.	446,000	396.80	18.00	164.38	7.46	4214.32	3645.34	9119.55
Florida Forf.	495,000	390.83	17.73	164.45	7.46	4192.24	3637.91	9139.23



Thank you!