TESTIMONY OF MR. JUAN CORTINA

Good morning, my name is Juan Cortina. I am Chief Executive Officer of GAM, a publicly owned group of Mexican sugar mills which is a subsidiary of Cultiba, a Mexican public company that is quoted on the Mexican stock exchange. I am also Chairman of the Camara Nacional de las Industrias Azucarera y Alcoholera, the Mexican sugar industry industrial chamber. In that capacity, I signed the antidumping suspension agreement on behalf of the Mexican Industry. In addition, I am a permanent member of CONADESUCA, Mexico's National Committee for the sustainable development of the sugar industry.

I have over twenty years of sugar industry experience, so I have seen the evolution of a truly integrated North American Sweeteners market under NAFTA, especially the removal in 2008 of all barriers to Mexican sugar entering the U.S. market. As a Mexican sugar businessman, I understand the complexities of the U.S. market and the laws and policies that establish a high degree of regulation and order in the market. When anomalous circumstances developed in 2013 – especially record harvest around the world - political and business strains were felt. As I testified at the Commissions' preliminary injury hearing, I firmly believe that imports from Mexico were not a cause of injury. But it became apparent to the two governments and industries that it would be beneficial to all the parties if Mexico were brought inside of the U.S. sugar program, so to speak, through agreements on quantities and price, as permitted under U.S. law. These agreements were negotiated carefully with input not only from petitioners, but from others in the U.S. industry, as well. And now, petitioners and the U.S. Administration have concluded that with the agreements in place there will be no reoccurrence of the situation that developed in 2013.

Despite this, it seems that two U.S. refiners speculate that there will be too little Mexican sugar, at prices that are too high. Of course, this is the exact opposite of petitioners' complaint. And as to their speculation, I can tell you that the agreements will not change the historical trade flows between Mexico and the United States, and that raw sugar will continue to be available. After all, the proportion of refined and raw sugar did not change when all limits on the split between raw and refined were removed in 2008, so there is absolutely no reason to think the refiners will lose anything now that caps are in place. To the best of my knowledge, neither Imperial nor AmCane has come to Mexico to buy sugar since the agreements were signed. Obviously, the concerns of the two refiners are quite accurately described as unfounded speculation: Mexico remains open for business with them, and there is plenty of Mexican sugar available for refiners to buy and further process. They can easily confirm this by meeting with potential Mexican sellers and taking delivery from the exchange.

Finally, it is clear to us that Imperial and AmCane are asking for things that go way beyond the scope of the antidumping and CVD petitions, and the relief that petitioners asked for and got. They are hoping to take advantage of this situation to gain preferential treatment under the agreements. Two very small entities in a large U.S. industry are asking for unique protection – and not from unfairly traded imports. This does not seem right under U.S. law or the U.S. sugar program.

We agree with the U.S. Department of Commerce which said in its February 10 memo:

> The problems of which AmCane Sugar and Imperial Sugar complain go well beyond the level of, and are of a different nature

than, those addressed by the normal operation of the AD and CVD laws or that Congress intended to address in establishing the sugar program.

The agreements do what they – and the U.S. law – intend them to do, and they should remain in force.