

DDP USA



DDP MEXICO



SUGAR IC 45 DDP USA 2026

DDP: The seller will verify with the BRAZIL USINA, before sending the FCO, the **CQE or Certificate of Quota Eligibility**. That is, **if we send the FCO it is because the purchase and the quota with the lowest import tariff are guaranteed.**

The Buyer issues a Letter of Intent (LOI) in favor of (ASK us THE MANDATE NAME COMPANY) _ The LOI must indicate that the Buyer has read and agrees with the purchase process, or it must include any observations regarding the process. (COPY AND PASTE THIS PROCEDURE) Additionally, the agreed price by the authorized representatives must be stated. The LOI must be on letterhead and contain all the final buyers' details.

NOTE: A LOI with CIS and KYC is required to initiate buyer DD.

CONTRACT PROCEDURES DDP USA / MEXICO FOR SUGAR IC 45

Seller issues FCO (Full Corporate Offer) first, upon Buyer's preliminary LOI and basic KYC summary (non-sensitive). Buyer then issues ICPO (or LOI upgraded to ICPO) together with full CIS/KYC and POF (bank verifiable). Upon acceptance of ICPO + compliance pack, Seller issues SPA draft for execution.]

FCO is issued as the Seller's commercial offer (price/quantity/delivery/payment framework). Buyer provides ICPO +

full CIS/KYC + POF after reviewing the FCO and confirming internal/bank feasibility.】

The Buyer signs and seals the FCO page and returns it to the Seller. Buyer signs and seals the FCO only after issuing ICPO and completing compliance/KYC submission; FCO countersigned by Buyer forms the commercial basis for the SPA.】

Seller issues SPA draft after Buyer countersigns the FCO and Seller confirms receipt and acceptance of Buyer's CIS/KYC + POF.】

The Buyer signs and seals every page of the SPA and returns it to the Seller.

The executed SPA shall be sent to the Buyer for review via corporate email from **THE SELLER** directly to the Buyer's official corporate email.

If the negotiation is conducted through a third-party company or an external individual, the Buyer must provide a **written authorization** explicitly permitting such company or person to act on its behalf.

The Seller completes, signs, and seals the SPA, and within **seventy-two (72) hours** issues a **Proforma Invoice**, which is sent to the Buyer via the Seller's corporate email (**THE SELLER**).

Once the Buyer receives the signed and sealed Proforma Invoice, the Buyer shall send the **draft of the financial instrument (draft bank guarantee or SBLC)** to the Seller's Financial Department for verification, **to avoid errors or unnecessary banking costs**.

The Buyer's bank shall then issue **MT199 or MT799 pre-advice**, via SWIFT, notifying the Seller's bank of the forthcoming **Standby Letter of Credit (SBLC)**, and confirming Proof of Funds (POF), bank-to-bank, to verify readiness of the Seller's bank to receive the financial instrument.

Upon receipt of the **MT199/MT799 pre-advice**, the Buyer's bank shall issue the **SWIFT MT760 (SBLC)**.

The Seller's bank shall respond via **MT799** to the Buyer's bank with confirmation of receipt

and authorization of the SBLC draft.

The Seller's bank shall issue a Performance Bond Guarantee (2% of the SBLC value) within

ten (10) business days of receipt and confirmation of the SBLC (SWIFT MT760).

Once the SBLC is confirmed, the annual Contract shall be activated, and the Seller shall issue a final **Proforma Invoice**.

The Seller shall commence delivery only after full confirmation by its bank of receipt and authentication of the financial instrument.

The Seller will then initiate product delivery to the port or warehouse, together with the corresponding certificates.

These procedures shall take approximately **thirty (30) to thirty-five (35) days**, depending on the total quantity of Product to be delivered.

Meanwhile, quality, quantity, and weight inspections shall be carried out by **SGS**, at the Seller's expense.

The Seller's bank shall transmit the **SGS inspection report** to the Buyer's bank as **Proof of Product (POP)**.

When the inspection by SGS is completed, the Buyer may obtain a copy of the documents at the port office, **subject to prior written authorization from the Seller**.

No person may accompany the cargo or collect documents at the port without mutual written authorization from both Parties.

All original shipping documents shall be transmitted **bank-to-bank** (Seller's bank to Buyer's bank) **for payment release**.

Payment for each shipment shall be made by a **top 50 bank**, international bank domiciled in the United States of America or the European Union, acceptable to the Seller.

In case of a payment delay exceeding **ten (10) banking days**, the Seller shall have the right to claim payment under the Bank Guarantee (SBLC), and the Product shall become available for sale to another Buyer without further notice.

For SBLC instruments, the Seller’s company shall be designated as the **first and sole beneficiary** of the financial instrument.

The Guarantee must be issued by a **top-tier bank**, and shall read as follows:

This Standby Letter of Credit is subject to URDG 758 and shall be irrevocable, issued in favor of the Seller by a Top 50 international bank domiciled in the United States of America or the European Union, acceptable to the Seller. Payment shall be made at sight upon presentation of a compliant written demand by the beneficiary in strict accordance with the terms of the Standby Letter of Credit. The instrument shall be issued in a form customary and acceptable in international commodity trading transactions. Transferability or assignability shall apply only if expressly agreed in writing by the Parties, and the Standby Letter of Credit shall not be required to be fully cash-backed unless expressly agreed in writing by the Buyer.

PRICES:

SUGAR IC 45 DDP USA/ MEX	PRICE USD \$ PER MT	USA OR MEXICO PORT	PRICE USD \$ MEXICO DDP / MT
12,500	\$ 840.00	DDP	\$ 750.00
25,000	\$ 820.00	DDP	\$ 740.00
50,000	\$ 805.00	DDP	\$ 730.00
100,000	\$ 795.00	DDP	\$ 720.00
SUGAR IC 45 DDP SPOT	PRICE USD \$ PER MT SPOT		PRICE USD \$ PER MT SPOT
->	+ \$ 30.00	DDP	+ 30.00

THIS IS OUR SECRET >> DDP USA:

Regarding sugar importation into the United States and exportation from Brazil. Your question is excellent, as the term **CQE** is fundamental in our industry.

What Does CQE Mean?

CQE stands for **Certificate for Quota Eligibility**. This is an official document that must accompany sugar shipments exported to the United States to qualify for the benefits of an import quota.

In simple terms, the CQE is the "passport" that allows a Brazilian exporter (or one from any other country with a quota allocation) to have their sugar enter the U.S. market at a significantly lower tariff rate. Without this certificate, the same sugar would be subject to a much higher tariff, rendering it uncompetitive in price.

Is CQE Similar to a Tariff-Reducing Quota?

Your intuition is correct; they are intrinsically linked, but they are not precisely the same thing. Allow me to explain the distinction:

- **The Import Quota (Tariff-Rate Quota - TRQ):** To protect its domestic sugar industry, the United States establishes a Tariff-Rate Quota (TRQ) system. This system operates on a two-tiered tariff structure:
 - **A low tariff (in-quota tariff):** Applied to a specific quantity of sugar imported annually from designated countries. Brazil, due to its significance as a major producer, is one of the countries allocated a substantial portion of this quota.
 - **A high tariff (over-quota tariff):** Applied to all sugar imported in excess of the established quota amount. This tariff is prohibitively high, making such imports commercially non-viable in practice.

- **The CQE (Certificate for Quota Eligibility):** This is the document that certifies that a specific sugar shipment is part of the quota allocated to that country. Therefore, the CQE is not the quota itself but rather the instrument that **enables the use** of that quota, thereby granting access to the lower tariff rate.

To use an analogy: the quota (TRQ) is like having a reservation at an exclusive restaurant with a special-priced menu. The CQE is the reservation confirmation you must present at the door to be admitted and enjoy the preferential pricing.

What are the Benefits of a CQE?

From the perspective of a Brazilian sugar exporter, the benefits of exporting under the authority of a CQE are critically important:

- **Preferential Access to the U.S. Market:** The primary benefit is gaining access to one of the world's most stable and highest-priced sugar markets. Without the quota and the corresponding CQE, competing with U.S. domestic production would be virtually impossible.
- **Drastic Tariff Reduction:** As mentioned, the difference between the in-quota and over-quota tariff rates is substantial. The CQE guarantees the application of the low tariff, which translates directly to greater profitability for the Brazilian exporter.
- **Predictability and Stability:** The quota system provides a degree of certainty regarding the volume of sugar that can be exported to the United States in a given fiscal year. This allows Brazilian producers and exporters to plan their production and sales with greater confidence.
- **Higher Prices for Brazilian Sugar:** By being able to sell within the U.S. market, Brazilian exporters can achieve more attractive prices than those typically available on the global market, which tends to be more volatile and subject to lower pricing.

In summary, the **CQE is the key that unlocks the door to the U.S. sugar market under preferential conditions.** While it is not the quota itself, it is the indispensable document required to benefit from it. For a Brazilian exporter, securing a portion of the quota allocation and the associated CQE is fundamental to the profitability and viability of their exports to the United States.

I hope this detailed explanation has been very helpful.