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Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

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Justice Department Sues to Block U.S. Sugar's Proposed Acquisition of Imperial Sugar

Acquisition Would Eliminate Significant Refined Sugar Producer in the Southeastern United States

The Department of Justice filed a civil antitrust lawsuit today to stop United States Sugar Corporation (U.S. Sugar) from acquiring its rival, Imperial Sugar Company (Imperial Sugar). The complaint, filed in the U.S. District Court for the District of Delaware, alleges that the transaction would leave an overwhelming majority of refined sugar sales across the Southeast in the hands of only two producers. As a result, American businesses and consumers would pay more for refined sugar, a significant input for many foods and beverages.

"Robust antitrust enforcement is an essential pillar of the Justice Department's commitment to ensuring economic opportunity and fairness for all," said Attorney General Merrick B. Garland. "We will not hesitate to challenge anticompetitive mergers that would harm American consumers and businesses alike."

"U.S. Sugar and Imperial Sugar are already multibillion-dollar corporations and are seeking to further consolidate an already cozy sugar industry. Their merger would eliminate aggressive competition in the supply of refined sugar that leads to lower prices, better quality, and more reliable service," said Assistant Attorney General Jonathan Kanter of the Justice Department's Antitrust Division. "This deal substantially lessens competition at a time when global supply chain challenges already threaten steady access to important commodities and goods. The department's lawsuit seeks to preserve the important competition between U.S. Sugar and Imperial Sugar and protect the resiliency of American domestic sugar supply."

According to the department's complaint, U.S. Sugar operates a large sugar refinery in Florida, and sells all of its refined sugar through United Sugars Corporation (United Sugars), a marketing cooperative owned by U.S. Sugar and three other refined sugar producers. Imperial Sugar operates its own sugar refinery in Georgia, and sells its refined sugar directly to customers. American Sugar Refining, known more commonly by its "Domino" brand name, is the other producer supplying a significant share of refined sugar in the southeastern United States. The complaint further alleges that United Sugars and Imperial Sugar compete head-to-head to supply refined sugar to customers across the Southeast in states stretching from Mississippi to Delaware. This competition has resulted in lower prices, better-quality products and more reliable service for customers across the region.

If U.S. Sugar is permitted to acquire Imperial Sugar, Imperial's production would be folded into the United Sugars cooperative, leaving two significant sugar producers in the region. As alleged in the complaint, because transportation costs make up a significant portion of the total price customers pay for refined sugar, the nearest sugar producers tend to be a customer's best competitive options. The complaint alleges that U.S. Sugar's proposed acquisition of Imperial Sugar will further consolidate an already concentrated market for refined sugar. If the transaction is allowed to proceed, United Sugars and Domino would control the vast majority of refined sugar sales in the region, enhancing the likelihood going forward that they will coordinate with each other and refrain from competing aggressively.

U.S. Sugar, a Delaware corporation headquartered in Florida, is the world's largest vertically-integrated cane sugar milling and refining operation. U.S. Sugar is one of four member-owners of United Sugars. In 2020, U.S. Sugar received payments of \$533 million from United Sugars, representing the company's share of United Sugars's net sales.

United Sugars, a Minnesota corporation headquartered in Minnesota, markets and sells all of the refined sugar produced by its four member-owners — U.S. Sugar, American Crystal Sugar Company, Minn-Dak Farmers Cooperative, and Wyoming Sugar Company. Its member-owners operate a total of nine sugar refineries located in Florida, Minnesota, North Dakota, Montana and Wyoming. United Sugars's revenues were \$1.8 billion in 2020.

Imperial Sugar, a wholly-owned subsidiary of Louis Dreyfus Company LLC, is a producer of refined sugar in the United States and independently markets and sells its products on its own behalf. Imperial Sugar has a refinery in Savannah, Georgia, and an intermediate sugar transfer and liquification facility in Ludlow, Kentucky. Imperial Sugar's revenues were over \$700 million in 2020.

Louis Dreyfus Company LLC, a Delaware corporation headquartered in the Netherlands, is a worldwide leader in sugar trading and merchandising and among the largest cane sugar refiners in the world. In 2020, the company had over \$33 billion in net sales.

Attachment(s):

[Download Complaint.pdf](#)

Topic(s):

Antitrust

Component(s):

[Antitrust Division](#)

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