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FACT CHECK: Sugar Lobby Continues Campaign of Distortion, Misrepresenting the Facts

The sugar-growing and processing lobby will clearly stop at nothing to protect the sugar program – a one-way deal that benefits them at the expense of every American consumer – even through distortion of the most basic facts. In a new ad, the sugar lobby falsely claims that the U.S. candy industry “boasts bigger profit margins than oil,” with profits of 35% compared to the oil industry’s 6.7%. This is simply **FALSE** and **MISLEADING**.

Here are the facts:

- First, though **the sugar lobby claims the 35% figure reflects candy companies’ profits, that is not true.** The number refers to *retailers’* markup on candy – an amount determined by the stores that sell candy, not the companies that manufacture it. According to Value Line, food retailers’ net profit margins are less than 2%.
- Second, **food manufacturers’ and candy makers’ net profit margins are on average less than 10%** – not remotely close to 35% nor high compared to all industries.
- Third, this is a misleading apples and oranges comparison. **Comparing retailer markups and net profit margins of oil companies is simply absurd.**

The FACT is, the sugar lobby is desperate to protect the sugar program, which uses government policies to guarantee them limited foreign competition and inflated profits. The sugar program may be a sweet deal for well-off farmers and sugar companies, but it has cost consumers and businesses \$14 billion over the past four years.

Congress – Reform Outdated Sugar Policies in the 2012 Farm Bill!

Learn more about the need to reform U.S. sugar policy in the 2012 Farm Bill at www.sugarreform.org.

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The Coalition for Sugar Reform is an alliance of consumers, food and beverage manufacturers, trade advocates, environmental groups, taxpayer watchdog organizations, responsible government advocates, think tanks and other interests. Our objective is to reform the federal government’s intrusive, inefficient, restrictive and outdated sugar program – a decades-old subsidy that has repeatedly failed to provide adequate supplies of sugar to the U.S. market.