

U.S. Sugar Policy Reform At-a-Glance

Why should Congress reform U.S. sugar policy?

- The current U.S. sugar program costs American consumers, small businesses and food manufacturers about \$4 billion each year and is directly responsible for the loss of thousands of American jobs.
- In the 2012 Farm Bill, reform of the current sugar policy is needed to put an end to tight sugar supplies, high sugar prices, plant closures, job losses, and unnecessary and wasteful government intrusion on domestic sugar production.

Is it true the current sugar program operates as a “no net cost” program?

- No. The sugar program costs both consumers and taxpayers by driving up food prices from the high cost of sugar. U.S. sugar prices are at an all-time high and continue to average nearly twice the world price.
- The Congressional Budget Office said that U.S. sugar policy is expected to cost taxpayers \$374 million over the next ten years.

What is the impact of the current U.S. sugar policy on American jobs?

- Because U.S. sugar prices are much higher than world prices, there is an incentive for small businesses and food manufacturers to import sugar-containing products or move plants and factories off-shore.

- An estimated 112,000 jobs were lost in U.S. sugar-using industries between 1997 and 2009. The U.S. Department of Commerce estimates that for every sugar growing job saved through high U.S. sugar prices, approximately three manufacturing jobs are lost.

How does the U.S. sugar program distort markets?

- The government controls domestic production by giving each sugar processor an “allotment”—it is illegal for the processor to sell more than this government dictated amount of sugar, regardless of supply and demand conditions.
- No other current U.S. farm program imposes government controls on how much of a commodity can legally be sold in the United States.

If the sugar program were eliminated, would it force small farmers and sugar growers out of business?

- No. We need U.S. growers—both beet and cane producers—to ensure we have a healthy domestic supply of sugar at a reasonable price. We cannot operate without them.
- The difference is that we need a sugar policy that is more balanced and is based on free market principles benefiting both domestic growers and sugar-using companies.

Does federal sugar policy only impact bakers and candy manufacturers?

- Any company using sugar in producing foods and beverages is adversely affected by the current U.S. sugar program, not just candy makers and confectioners.
- Foods that contain sugar in varying amounts include breads, canned fruit, frozen vegetables, ice cream, jams and jellies, peanut butter, soft drinks, tomato sauce, and other products.

