

U.S. SUGAR POLICY: The Cost to American Consumers

The experts agree—the costs to the American people of the U.S. sugar program are far too high. Don't be fooled by those who claim that there are “no net costs” associated with the program.

According to the Government Accountability Office (GAO), the sugar program previously cost American refiners, manufacturers and consumers approximately **\$2 billion each year**.

“We estimate that the sugar program cost domestic sweetener users about \$1.5 billion in 1996 and about \$1.9 billion in 1998. Sweetener users included (1) sugarcane refiners...(2) food manufacturers...and (3) final consumers who bought sweeteners and sweetener-containing products.”

—Government Accountability Office, *Sugar Program: Supporting Sugar Prices Has Increased Users' Costs While Benefiting Producers*, June 2000

Employing the same methodology, and using U.S. and world refined sugar prices from 2009 to the present, economists estimate the current cost to consumers is now more than **\$4 billion**.

“[The U.S. sugar] program certainly doesn't make any sense at all for the millions of American consumers and thousands of U.S. businesses who were burdened last year alone with \$4.5 billion in higher sugar costs.”

—Mark Perry, *The Enterprise Blog: American Enterprise Institute*, January 2011

The Congressional Budget Office said that U.S. sugar policy will cost taxpayers **\$374 million over the next decade**.

Cumulative outlays for the Feedstock Flexibility Program, which requires government purchases of surplus sugar and re-sale to ethanol plants, are projected at \$374 million during fiscal years 2014-21.

—Congressional Budget Office, *CBO March 2011 Baseline for CCC & FCIC*, March 2011

If the current sugar program was eliminated, this country's economy could see an increase of **\$514 million**.

“Removal of the restrictions on imports of sugar is expected to result in an increase in U.S. [economic] welfare of \$514 million.”

—U.S. International Trade Commission, *The Economic Effects of Significant U.S. Import Restraints*, August 2009