



May 8, 2012

American Enterprise Institute Critical of Wasteful U.S. Sugar Program

Among many other issues with the 2012 Farm Bill, the American Enterprise Institute cites the high cost of the sugar program in its white paper [American Boondoggle: Fixing the 2012 Farm Bill](#).

Sugar. *The sugar program does not transfer money from taxpayers to sugar producers. It does raise U.S. sugar prices well above world prices in most years, typically increasing domestic prices paid for sugar by almost 100 percent.*

In a typical year, the sugar program increases sugar expenditures by domestic consumers by about \$2.4 billion and generates about \$1.4 billion in extra income for sugar producers...

In most years... the sugar program benefits the relatively wealthy few at the expense of almost all consumers.

As the figures quoted above indicate, the sugar program is an expensive way to transfer income – wasting \$1 billion to transfer \$1.4 billion. That is, the program costs about \$0.66 for every \$1 received by cane or beet farmers, or sugar processors.

Given that current world sugar prices are well above the price-support level and the industry is especially healthy, this would be an ideal time to end the program.



**American
Boondoggle**
FIXING THE 2012 FARM BILL

Congress – Reform the Outdated Sugar Program in the 2012 Farm Bill!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 Our objective is to reform the federal government's intrusive, inefficient, restrictive and outdated sugar program – a decades-old subsidy that has repeatedly failed to provide adequate supplies of sugar to the U.S. market.