

# The U.S. Sugar Program: A Recent Timeline of Increased Costs to America



2008



Congress passes a farm bill making costly and market-distorting changes to the sugar program.



2009

U.S. sugar prices are ...



... higher than world price.



2012



2013



During the farm bill debate, House and Senate vote narrowly to extend the sugar program without reform even though there is bipartisan support for reform.

Despite being reassured by the sugar lobby that the program operates at “no net cost,” in fiscal year 2013, taxpayer costs ballooned to nearly \$300 million.



2014



In March, U.S. sugar producers file antidumping and countervailing duty cases against Mexican sugar imports, costing consumers an additional **\$2.15 billion** from April 2014 to March 2015.



## The uncertain future

The Congressional Budget Office projects that the U.S. sugar program will cost an additional \$115 million over the next 10 years. Additionally, the suspension agreements finalized in December 2014 in the Mexico sugar trade cases will restrain U.S. supplies of sugar and cause even higher U.S. sugar prices, with tight supplies being a concern for at least the next five years.

## Since 2008, the sugar program ...

- Has **cost U.S. consumers and businesses up to \$3.5 billion a year** in the form of a hidden tax to provide a special interest subsidy to sugar producers.
- Has **put at unnecessary risk 600,000 American manufacturing jobs** in all 50 states.
- Has **manipulated supply and limited the availability of sugar** in the domestic market, thereby driving up U.S. sugar prices.

## In FY 2013, the sugar program cost taxpayers ...



### July 2013

Nearly **\$51 million** following USDA sugar purchases and exchanges.



### August 2013

Nearly **\$3 million** following USDA implementation of the Feedstock Flexibility Program.



### September 2013

Nearly **\$88 million** due to loan forfeitures by U.S. sugar producers and following USDA implementation of the Feedstock Flexibility Program.



### October 2013

Nearly **\$137 million** due to loan forfeitures by U.S. sugar producers.