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Record-High Sugar Prices Contribute to Food Inflation Rate Increase

Statement from the Coalition for Sugar Reform

Washington, D.C. (October 26, 2011) – Larry Graham, Chairman of the Coalition for Sugar Reform and President of the National Confectioners Association, issued the following statement today in response to the food inflation estimate released by the U.S. Department of Agriculture:

“The Coalition for Sugar Reform is alarmed – but not surprised – to learn of the increased food price inflation estimates just released by the U.S. Department of Agriculture. Sugar prices are at an all time high, and are a contributing factor in the overall 2011 food inflation rate, which the USDA now estimates at 3.5-4.5 percent. These record-high sugar prices can also be directly attributed to the current government-controlled U.S. sugar program – an archaic and protectionist policy that must be reformed in order to protect American consumers.

“A law passed by Congress in 2008 prevents the USDA from allowing price-reducing sugar imports for six months of every year and severely limits them the remaining six months. These restrictions are unique to the sugar industry, and also place legal limits on how much sugar companies here in the U.S. can sell to customers, further increasing prices. No other U.S. agriculture industry is subject to such central-planning measures.

“Compared to 2010, the retail price of sugar was up five percent in the first quarter, seven percent in the second quarter, and approximately thirteen percent in the third quarter. For the year as a whole, economists expect retail sugar prices to average nine percent above 2010 levels. According to the Bureau of Labor Statistics, current refined sugar prices are now 70.2 cents per pound, up 25 percent from three years earlier.

“We are pleased to see legislative action from bipartisan members of the U.S. House and Senate who have introduced six pieces of legislation to repeal or reform sugar policy. Yet ongoing Congressional support on both sides of the aisle is needed to effectively change the current U.S. sugar policy and rein in increasing food prices for families and consumers nationwide.”

About the Coalition for Sugar Reform:

The Coalition for Sugar Reform (www.SugarReform.org) represents consumer, trade, and commerce groups, manufacturing associations, and food and beverage companies that use sugar – including confectioners, bakers, cereal manufacturers, beverage makers and dairy companies – as well as the trade associations for these industries.

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