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## What Is This U.S. Sugar Policy Everyone Is Talking About?

With [coverage](#) of the U.S.-Mexico sugar trade case appearing in news outlets around the country over the past month, and this past [week](#) in particular, you may be wondering what the deal is when it comes to U.S. sugar policy. Here's what you need to know:

The U.S. sugar program is a Depression-era program - the only commodity program not reformed in the 2014 farm bill - which costs American consumers and businesses \$3.5 billion annually while propping up already profitable U.S. sugar producers through price guarantees and loans.

It consists of four main components:

1. **Price supports enforce a minimum price for sugar in the U.S. market**, causing U.S. sugar prices to soar well above world sugar prices, from 2009-2012 in particular, and again in 2014.
2. **Marketing allotments limit the amount of sugar sold in the U.S. market** to prevent surplus supplies through government imposed limits on how much sugar producers can sell each year, forcing sugar users to look elsewhere for sugar.
3. **Tariff-rate (i.e., import) quotas restrict how much sugar can be shipped to the United States** - meanwhile the United States has never been self-sufficient in sugar. As a result, each year, sugar users are faced with uncertainty, not knowing whether they will have access to enough sugar to meet their needs.
4. **The Feedstock Flexibility Program mandates that the government buy excess sugar** in times of surplus and sell it at a loss to ethanol plants, which added to the sugar program's cost to taxpayers of nearly \$300 million in fiscal year 2013.

The U.S.-Mexico sugar trade case has only made matters worse for U.S. sugar policy and American consumers and manufacturers by further restricting sugar supplies.

### Only Congress can fix the U.S. sugar program.

Learn more about the need to reform U.S. sugar policy at [www.sugarreform.org](http://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 Our objective is to reform the federal government's intrusive, inefficient, restrictive and outdated sugar program - a decades-old subsidy that has repeatedly failed to provide adequate supplies of sugar to the U.S. market.*