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## Wall Street Journal: ‘Absurdity of Federal Sugar Program Is Legendary’

An [editorial in today’s Wall Street Journal](#) puts a spotlight on the U.S. sugar program, calling it “an egregious business welfare scheme” and highlighting the need for reform.

Excerpt:

- ***“The absurdity of the federal sugar program is legendary. Every year the government grants sugar processors nonrecourse loans linked to the amount of sugar the government says they can produce at a set price per pound ... . If the market price is below the loan price when it’s time to sell, the processors simply forfeit their crop to the U.S. Department of Agriculture in lieu of repaying the loan. They can still make a profit thanks to the price guaranteed by the loan. ...***
- ***“The Congressional Budget Office estimates that the loan program will cost some \$115 million over the next 10 years. But the greater cost is to the economy. The food and drink industry, which has sales of some \$387 billion, is less competitive when it has to pay twice the world price for sugar. ...***
- ***“The relatively few sugar cane and beet producers have grown fat and happy off this racket, but they are losing support. ...***
- ***“[Representative] Pitts is now seeking another opportunity for a vote to limit the size of the nonrecourse loan to any single sugar processor, and we hope he gets it. This wouldn’t end all of the political help that guarantees profits for sugar producers. But it would be a start, and a sign that American democracy isn’t so calcified by special interests that it can’t reform one of Washington’s worst welfare schemes.”***

Read the full editorial [here](#).

## 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 Our objective is to reform the federal government’s intrusive, inefficient, restrictive and outdated sugar program - a decades-old subsidy that has repeatedly failed to provide adequate supplies of sugar to the U.S. market.*