

Sweet Facts



December 11, 2014

Washington Post: U.S.-Mexico Sugar Deal Means Higher Prices for Consumers

An editorial in yesterday's *The Washington Post* calls attention to the draft suspension agreements in the U.S. sugar producers' antidumping and countervailing duty cases against Mexican sugar imports as a *"blatant transfer of income from consumers to industry"* in the form of higher U.S. sugar prices.

Excerpt:

- ***"[S]ugar is selling for 24 cents per pound on the U.S. commodities market, about 9 cents above the world price. This differential is due not to market forces but rather to government intervention.***
- *"... U.S. sugar producers persuaded the Commerce Department to threaten Mexican producers with tariffs for allegedly subsidizing sugar exports to the United States.*
- *"In late October, U.S.-Mexican negotiations produced a preliminary deal under which the United States would refrain from imposing tariffs if Mexico's industry accepted price and quantity controls on its exports; the expectation that U.S. supplies will tighten accordingly has driven up prices.*
- ***"On its merits, the U.S. producers' case against Mexico was, at best, hypocritical. ... U.S. producers, though nominally private, have benefited from federal subsidies and protections since the New Deal, including per-country quotas on imports. ...***
- ***"If finalized early next year as expected, the new U.S.-Mexico sugar deal would amount to managed trade in this commodity and, as such, a partial rollback of a market-opening agreement both sides had negotiated in good faith more than two decades ago. Potential U.S. free-trade partners, take note."***

Congress, Reform the U.S. Sugar Program.

Learn more about the need to reform U.S. sugar policy 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 Our objective is to reform the federal government's intrusive, inefficient, restrictive and outdated sugar program – a decades-old subsidy that has repeatedly failed to provide adequate supplies of sugar to the U.S. market.