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U.S. Sugar Policy Posts Impressive Track Record

WASHINGTON—Thanks to the no-cost sugar policy passed by Congress in 2008, the widespread closures of sugar facilities that once plagued sugar farmers and sugar workers have largely subsided, the American Sugar Alliance (ASA) reported to the Senate Agriculture Committee today in written testimony.

“U.S. sugar policy has been a resounding success during the 2008 Farm Bill and deserves to be extended,” ASA wrote. “It has achieved its goals of providing reliable supplies of high-quality sugar at reasonable prices, and a critical safety net for producers. It has done so without government expenditure. Furthermore, if extended, USDA predicts zero expenditures through 2022.”

All told, the sugar industry “has shed 139,000 jobs in the past 19 years” because of two decades of low, stagnant prices and rising input costs. But there have been fewer facility closures under the current Farm Bill than any of its predecessors.

In addition to U.S. sugar producers, who rank among the world’s most efficient, the current no-cost policy is working well for others, ASA found.

Consumers continue to benefit. “American retail prices for sugar have been remarkably stable over the past three decades,” ASA wrote. And according to global surveys, “consumer prices in the rest of the developed world have averaged 10 to 30 percent higher than here.”

Confectioners—who are one of the few opponents of sugar policy—have increased U.S. production by 2.5 percent since the 2008 Farm Bill became law, according to U.S. Census data. “There are press releases and news reports virtually every week about strong profit statements and expanding operations in the food manufacturing sector,” ASA testified.

Foreign sugar producers are also thriving under the current policy, which is why many overseas growers are joining their U.S. counterparts in urging Congress for an extension.

“We are more open to foreign sugar than any other major sugar producer and are the world’s largest sugar importing country,” explained ASA. “In recent years, we have imported an average of 30 percent of our needs.”

ASA is the national coalition of growers, processors, and refiners of sugarbeets and sugarcane, accounting for 142,000 American jobs and $20 billion in economic activity.

For more information about U.S. sugar policy, visit www.sugaralliance.org