U.S. Sugar Program to Cost Americans $629M over the Next 10 Years

WASHINGTON (The Coalition for Sugar Reform) — The Coalition for Sugar Reform has released the following statement in response to the Congressional Budget Office's (CBO) April 2014 Baseline for Farm Programs, which forecasts that the U.S. sugar program will cost American taxpayers $629 million between FY 2014 and FY 2024.

"The sugar producers' claim over the years that the U.S. sugar program operates at 'no net cost' is clearly false, as it has been for some time. In FY 2013 alone, the program cost American taxpayers nearly $300 million and is set to cost taxpayers upwards of $600 million over the next 10 years based on the latest CBO baseline estimate.

"Even as the sugar lobby is pressing for new and unfair import limits on Mexican sugar, the industry is poised to receive taxpayer dollars every single year over the next decade, in flat contradiction to their false claims. Taking into account the FY 2013 costs, by 2024, taxpayers will have been forced to spend nearly $1 billion — all to prop up prices and profits for sugar producers.

"These new CBO projections underscore the need to reform a program that has created a cartel of 14 big sugar companies who are already quite profitable and whose industry is not in need of any more government handouts.

"While sugar-using companies operate in the free market without federal subsidies and face competitiveness challenges the world over because of market-distorting changes made to the sugar program in the 2008 farm bill, their competitors have been able to access sugar on the world market at lower prices, creating an unlevel playing field for a critical segment of the U.S. manufacturing base. The sugar-using industry supports 600,000 American manufacturing jobs across the country — jobs jeopardized by the sugar program.

"The U.S. sugar-producing industry will likely claim that sugar-using companies are doing just fine and that the CBO baseline estimates suggest that the sugar-producing industry is still in need of relief given current lower domestic prices and the prospect for additional sugar loan forfeitures. However, the reality is that drastic swings in price over the past several years are a direct result of the sugar program that the producers engineered — a program that needs to be reformed by Congress.

"With congressional budget experts now predicting taxpayer costs for sugar subsidies every single year for the next 10 years, both taxpayers and their representatives in Congress should be appalled that the American people are being forced to foot the bill for a Depression-era handout that has long outlived its

purpose."

The CBO estimates suggest that over the next 10 years, sugar producers will continue to default on their federal government loans and forfeit sugar — sugar that USDA, and ultimately taxpayers, will have to pay for unnecessarily. Astoundingly, the sugar program was the only agriculture program not reformed by Congress in the 2014 farm bill.

To follow is a breakdown of the CBO's estimated costs for the sugar program by fiscal year:

- FY 2014: $238,000,000
- FY 2015: $11,000,000
- FY 2016: $24,000,000
- FY 2017: $32,000,000
- FY 2018: $41,000,000
- FY 2019: $46,000,000
- FY 2020: $44,000,000
- FY 2021: $45,000,000
- FY 2022: $48,000,000
- FY 2023: $49,000,000
- FY 2024: $51,000,000

For the full CBO report, click here [1], and see page 4 for the sugar outlays.

For more information about U.S. sugar policy and why reform is long overdue to protect the nation's consumers, food manufacturers and small businesses, visit www.SugarReform.org [2].

About the Coalition for Sugar Reform:
The Coalition for Sugar Reform *[2] 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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Links:
[1] http://www.cbo.gov/sites/default/files/cbofiles/attachments/44202-2014-04-USDA.pdf
[2] http://www.SugarReform.org