

# *Voices for Sugar Reform*

March 15, 2005

## **STATEMENT OF CONSUMER FEDERATION OF AMERICA**

“American consumers pay almost \$1 billion per year more for sugar and products containing sugar than they would if the U.S. market for sugar were fully competitive, according to the U.S. General Accounting Office. And the poor pay more dearly, because their family food budgets are a disproportionately high percentage of their total disposable income. Sugar program reform would give American families a real break for their food budget. The sugar program constitutes a public policy that transfers money from consumers mostly to the handful of large corporations that benefit most from the program. Further, it is hard to see how the U.S. government will have the credibility to bring about liberalization in agricultural trade in the current Doha Round negotiations so long as this costly domestic sugar production subsidy remains in place.”

(Contact: Mark Silbergeld, Director of International Issues, Consumer Federation of America)

## **STATEMENT OF NATIONAL TAXPAYERS UNION**

“The Bush Administration has proposed moderate agricultural reforms in its budget and has called for liberalization of trade in its international negotiations. Clearing away the antiquated and sticky web of sugar subsidies, tariffs, and price supports will be a key test of whether Washington is willing to take these principles to the next level.

“Sugar interests like to make the claim that the federal sugar program is run ‘at no cost to the taxpayer,’ yet they conveniently ignore the cost of staffing and operating the bureaucracy necessary to run this monstrous program, storing surplus sugar in government warehouses, and tweaking bilateral and multilateral trade agreements in order to satisfy the whims of the sugar industry. These costs combined with the de facto tax on consumers and industries from federally sanctioned protectionism, constitute the ingredients of a bitter pill that American taxpayers can no longer stomach – and politicians can no longer ignore.”

(Contact: Tad DeHaven, Economic Policy Analyst, National Taxpayers Union)

## **THE FOUNDATION FOR DEMOCRACY IN AFRICA**

“The ‘Subsidies Wall’ that separates consumers worldwide from ‘Free Markets’ must be brought crumbling down so that DEMOCRACY and FREEDOM may spread to all corners of the globe, leaving no room for the tyrants, despot leaders and terrorists that stand in the way of LIBERTY. Americans must lead this effort, just as we led the effort to defeat Communism which brought the Berlin Wall crumbling down. Addressing the harm created by the current sugar policy on consumers in the United States, poor and developing countries, particularly in Africa and consumers throughout world, is the first step in the right direction.”

(Contact: Fred Oladeinde, President, Foundation for Democracy in Africa)

## **STATEMENT BY THE DKT LIBERTY PROJECT**

“Among the priorities of the DKT Liberty Project is free, open, and competitive trade. We therefore find the present US sugar regime to be indefensible. The sugar program artificially raises the price of sugar in the United States; it closes the US market to sugar growers in the rest of the world, including deserving developing countries; it artificially promotes the growing of huge amounts of sugarcane in Florida to the detriment of the environment there; it is forcing many sugar-using industries to move out of the United States.

“We find especially egregious the fact that the sugar subsidy program is designed to achieve the subsidization of relatively wealthy American farmers and agricultural interests at the expense of even the poorest Americans, by driving up prices at the supermarket. Even the poorest Americans--people with incomes so low they do not pay income taxes--pay this subsidy in the price of the food they buy. The whole program should be scrapped.”

(Contact: Philip D. Harvey, DKT Liberty Project, tel. 202-223-8780)

#### **STATEMENT BY CITIZENS AGAINST GOVERNMENT WASTE**

“It is bad enough that the archaic sugar program forces American consumers to pay two to three times the world price for sugar and sugar-containing products. Even worse is the fact that, more than any other farm program, it is an obstacle to advancing freer international trade of all agriculture products and preventing across-the-board reform of agriculture programs. This hurts the rest of American farmers, taxpayers, consumers and developing nations.”

(Contact: John E. Frydenlund, Director, Center for International Food and Agriculture Policy at Citizens Against Government Waste, 1301 Connecticut Avenue, NW, Suite 400 Washington, DC 20036, tel. 202-467-5300, fax. 202-467-4253, [jfrydenlund@cagw.org](mailto:jfrydenlund@cagw.org))

#### **STATEMENT BY CONSUMERS FOR WORLD TRADE**

"The U.S. sugar program is an outdated entitlement program that props up uncompetitive farmers at the expense of American consumers. By limiting imports our government drives up the price of sugar and sugar-containing products which hits low-income Americans the hardest. In addition it prevents developing countries from having access to our market – access that could make an enormous difference in their standard of living. American farmers of other commodities have had to learn to compete in a global economy - why should sugar farmers be given preferential treatment at the expense of so many others?"

(Contact: Pam Slater, Legislative Director, Consumers for World Trade, 1001 Connecticut Ave., NW, Suite 1130, Washington, DC 20036, tel. (202) 293-2944)

#### **STATEMENT BY THE COMPETITIVE ENTERPRISE INSTITUTE**

“How can a domestic program that raises families’ food costs, harms the environment, and hurts poor farmers in developing countries be justified when the chief people who gain are a small elite group of producers? While the arguments for reforming the US sugar program are compelling, big sugar producers to date have been able to fend off all reforms. Government continues to prop up sugar prices, to limit sugar imports, and to provide the industry with special loans on special terms. The US sugar program is now over 70 years old. Reform is long overdue.”

(Contact: Frances B. Smith, Adjunct Fellow, Competitive Enterprise Institute, Washington, DC, tel: 202-538-8738, e-mail [smithfran@gmail.com](mailto:smithfran@gmail.com))