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America's bitter sugar policy

By: [Sen. Jeanne Shaheen](#) and [Sen. Mark Kirk](#)

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It's almost Halloween and time for trick-or-treating. Americans are expected to spend more than \$2 billion on candy this holiday, according to industry reports. They'll buy sweets from domestic manufacturers — like Lindt USA in New Hampshire and Jelly Belly in Illinois — that together employ thousands of workers.

But here's a fact that should scare consumers: They're probably paying more for that candy than they should be — thanks to a little-known part of U.S. agricultural policy, the sugar program.

U.S. sugar policy is rigged in favor of a handful of large sugar producers — at the expense of everyone else. This is costing consumers and sugar-using businesses \$4 billion a year, according to a study due to be released Wednesday.

The sugar program is outdated, unneeded and should go. Our bill, the Stop Unfair Giveaways and Restrictions Act, would end this system.

Created in 1934 and modified several times since, the sugar program is a complex system that often escapes public scrutiny. It includes price supports, which establish an artificial floor on sugar, and import restrictions, which prevent foreign sugar from bringing U.S. sugar prices in line with the rest of the world.

The program also includes a bizarre system of market controls that dictate to

the nation's established sugar producers how much each company is allowed to sell. No producer can exceed its allotment — and no new player is allowed to enter the market.

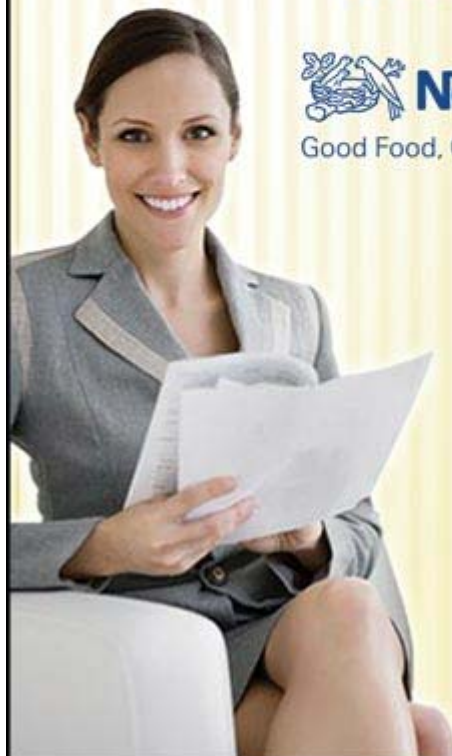
This is a unique system in our economy — and it applies only to sugar. It stifles innovation and efficiency because it's anti-

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competitive. This program makes no sense.

The end result is a U.S. sugar price that's almost twice the world average. That translates into a direct impact on U.S. consumers — who buy sugar directly and who buy products made with sugar every day. Americans can't afford to be wasting that money in today's difficult economy.

Most alarming, high sugar prices affect jobs. The sugar program benefits about 4,700 growers of sugar cane and sugar beets nationwide. But it hurts more than 600,000 people working in sugar-using industries nationwide — from candy makers to bakers.

High sugar prices were responsible for the loss of 112,000 jobs in those industries between 1997 and 2009, according to industry analysts. For every sugar-growing job saved through high U.S. sugar prices, according to a 2006 Commerce Department study, approximately three jobs in sugar-using industries are lost.

This policy puts U.S. businesses at a terrible disadvantage. Imported products that use sugar are relatively free of punitive tariffs. That means foreign competitors in the confectionery industry are using cheaper sugar so they can undersell American companies.

The result is a loss of American jobs as U.S. factories shut down and international firms locate new facilities outside the United States.

In Chicago, home to many candy makers, the number of jobs in the sugar and confectionery manufacturing industry fell by almost 50 percent over the past decade. In New England, mom-and-pop candy makers like Boston Fruit Slices have been forced to lay off employees because of rising sugar prices.

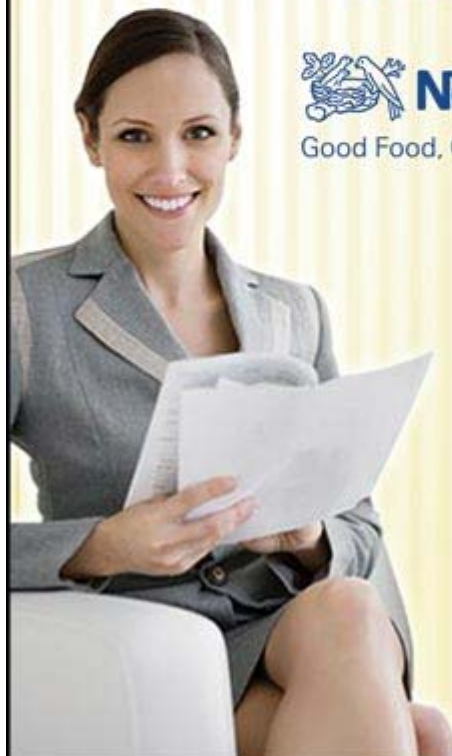
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This sugar program is antiquated. Supporters of sugar reform, including the Competitive Enterprise Institute, the U.S. Chamber of Commerce, the National Foreign Trade Council, the National Association of Manufacturers and the Consumer Federation of America. All say the program is hurting consumers and businesses.

Democrats and Republicans have come together to push for an end to this program because it is not a partisan issue. It's about entrenched interests versus sound policy. Sugar price supports are an unnecessary market intervention that have no place in our 21st-century economy.

Sen. Jeanne Shaheen (D-N.H.) serves on the Small Business and Entrepreneurship Committee. Sen. Mark Kirk (R-Ill.) serves on the Health, Education, Labor and Pensions Committee. They are co-sponsors of the SUGAR Act.

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