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**TAX DAY REMINDS AMERICANS OF COSTLY SUGAR PROGRAM AND
HIGHER PRICES**

Sweetener Users Say Sugar Policy Takes Farm Bill Program From Bad to Worse

Washington, D.C. – April 16, 2008 – The Sweetener Users Association (SUA) continued to voice opposition to sugar provisions in the proposed 2008 farm bill and reminded lawmakers that taxpayers will soon pick up the tab for an outdated and unworkable sugar price support program.

The taxpayer costs of the sugar programs in the House and Senate versions of the farm bill are roughly \$1.3 billion over ten years, according to Congressional Budget Office (CBO) estimates. Yet according to an earlier study by an economic research firm, Promar International, this figure is actually closer to \$5.4 billion – primarily because CBO underestimated the cost of diverting sugar to ethanol, which would require the government to sell surplus sugar to ethanol plants at a loss. A USDA study last year demonstrated that producing ethanol from sugar would cost more than twice the current cost of using corn.

The much delayed farm bill is expected to reach agreement in both the House and Senate as early as Friday, according to the Chairmen of the House and Senate Agriculture Committees. However, still unclear is how an agreement will be met on which offsets to pay for spending above the 10-year baseline of \$597 billion.

Among other damaging provisions in the new farm bill are increases in the sugar price support loan rates, additional restrictions on sugar imports, and guaranteeing U.S. sugar growers 85% of the domestic market regardless of market needs and taxpayer costs.

Last month, the Administration announced that it would support a farm bill that cost \$10 billion above the baseline if it contained significant program reforms including several sugar policy reforms. Among them would be eliminating the 85% guarantee and ethanol program and canceling the loan rate increases. According to SUA, all these steps could provide cost savings if properly crafted.

The existing sugar program already represents a flawed policy that costs American jobs by encouraging import substitution and by hampering the competitiveness of U.S. food manufacturing. These provisions, taken as a whole, will raise US market prices for sugar by an average of two cents per pound for the five-year period of the bill, costing consumers \$400 million per year or \$2 billion over the life of a five-year bill.

SUA members advocate a healthy domestic sugar-producing and sugar-processing industry that can deliver an ample supply to refiners, industrial users, and consumers, but believe sugar policy should support producer incomes without distorting the market.

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