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**FARM BILL JEOPARDIZES AMERICAN INDUSTRIES, WORKERS and  
CONSUMERS, U.S. SUGAR POLICY FALLS SHORT**

Washington, D.C. – May 15, 2008 – The Sugar Policy Alliance (SPA) today expressed opposition to the farm bill conference report passed by the House and Senate. H.R. 2419 will make a bad sugar program even worse, jeopardizing American industries, workers and consumers.

Despite efforts by the sweetener user industry, lawmakers missed an opportunity to reform U.S. sugar policy. Under the bill, sugar price support loan rates will increase – a move that will lead to surplus production which is the very problem it purports to solve. According to SPA, higher U.S. price supports will encourage additional Mexican sugar imports and lead to costly surpluses.

Another missed opportunity to reform existing sugar policy is the guarantee to U.S. sugar growers 85% of the domestic market through a floor under marketing allotments regardless of market needs and taxpayer costs. This move will potentially violate U.S. trade obligations and undermine the U.S. Department of Agriculture's (USDA) ability to manage the program effectively.

Last, by mandating a new and costly sugar-for-ethanol program, the bill will require the USDA to purchase surplus sugar for around 20¢ per pound and then re-sell it to ethanol plants for under 10¢ per pound, and perhaps much less. The sugar program has always been touted as “no net cost” to taxpayers, yet this costly new measure requires the government to give away taxpayer dollars.

The Sugar Policy Alliance includes industrial sugar users, business groups, trade associations, consumer organizations and taxpayer advocates.

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