

SWEETENER USERS ASSOCIATION

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FOR IMMEDIATE RELEASE

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CURRENT SUGAR POLICY COSTING U.S. JOBS, PROGRAM IN NEED OF REFORM

WASHINGTON (March 22, 2007) The Sweetener Users Association (SUA) today urged members of Congress to heed the Georgia State Senate's advice about the impact of sugar policy on jobs in the American food and beverage industry. Georgia's Senate passed a resolution urging the state's congressional delegation to work for reform of sugar policy.

"Georgia's state senators agree with the Department of Commerce that the current sugar program is sending tens of thousands of good jobs in the food industry overseas," said Tom Earley, an economist with Promar International who has studied the impact of the sugar program. "We need to reform the program so we can keep those jobs in this country," Earley added.

Last year, the Commerce Department published a study that cited the sugar program as a factor behind job losses in the food industry, especially in confectionery.

Current sugar policy tries to support the prices domestic sugar producers get for their crops by imposing government-regulated price floors, marketing quotas and import restrictions. But by increasing domestic sugar prices, the program is not only driving the manufacture of more and more food products overseas where sugar is cheaper, but will eventually hurt domestic producers by undermining long-term demand for their product.

As currently structured, the sugar program is increasingly incompatible with the nation's foreign trade obligations and the changing realities of the global marketplace. As trade agreements like NAFTA lower trade barriers and sugar imports increase, the government will be forced to purchase more and more of the domestic supply, costing American taxpayers at least \$1.3 billion over the next ten years.

"The current system of government production controls is hurting taxpayers, consumers and workers by distorting prices and reducing employment in the food and beverage industry. It is time for fundamental reform," Earley said.

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

SUA represents confectioners, bakers, cereal manufacturers, beverage makers and dairy food companies that use sugar, as well as trade associations for these industries.

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