

SWEETENER USERS ASSOCIATION

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CURRENT STATE OF SUGAR POLICY RECALLS DAYS OF OLD *Reform Needed to Address Taxpayer Cost, Domestic Job Loss*

WASHINGTON, DC – April 4, 2007 – Back in April 1764 the King of England, looking for money to support his colonial army, slapped a stiff tax on American sugar. The colonists responded with the patriotic cry, “No taxation without representation,” and refused to accept merchandise imported from Britain.

The King learned a harsh lesson about the realities of the global marketplace.

As we approach the April 5th anniversary of the infamous Sugar Act, the Sweetener Users Association (SUA) thinks it is a good time to reflect on the realities of America’s modern sugar program and seriously consider alternatives to an increasingly unworkable policy.

“Congress has an opportunity to reform sugar policy as part of the 2007 farm bill,” said Lawrence T. Graham, president of the National Confectioners Association, one of the associations and companies that make up SUA. “The members of the SUA want to see an American sugar program that is more flexible, more market oriented, less costly to taxpayers, less damaging to American job growth, and more compatible with the nation’s global trade obligations,” Graham added.

Left unchanged, the current sugar program will cost American taxpayers about \$1.3 billion over the next ten years, according to the non-partisan Congressional Budget Office. It will hurt American workers by encouraging the relocation of good jobs to foreign countries, as a recent study by the U.S. Department of Commerce showed. The program will become increasingly unworkable and incompatible with the nation’s trade obligations. It will continue to hurt American consumers by increasing the price of every product made with sugar.

Left unchanged, the sugar program will continue to put inflexible government regulations between buyers and sellers and make the market less able to respond efficiently to sudden shifts in supply and will end up hurting the same domestic sugar producers it is intended to help by driving down long-term demand for their product.

America needs a healthy domestic sugar industry, but the SUA believes sugar policy should support domestic producer incomes without distorting the market through marketing quotas and import limits.

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

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