

# **SWEETENER USERS ASSOCIATION**

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## **AS TAX DAY ARRIVES AMERICANS FACE A BILLION DOLLAR SUGAR PROGRAM SURPRISE**

WASHINGTON, DC – April 13, 2007 – The deadline for filing income tax returns is just around the corner. As millions of Americans rush to get their returns in the mail by April 17 most have no idea how much they will soon be paying for an outdated and unworkable sugar price support program.

“Tax day reminds Americans at least once a year that they have a right to question how the government spends their hard earned tax dollars,” said Tom Schatz, president of Citizens Against Government Waste, one of many public-interest groups seeking to reform U.S. sugar policy.

By forcing the government to buy up a higher and higher percentage of domestic sugar production, the current program will cost American taxpayers some \$1.3 billion over the next ten years, according to the non-partisan Congressional Budget Office.

The current sugar program depends on import quotas to limit the amount of cheaper foreign sugar that is allowed to be sold in the American market. The program also places strict limits on the amount of domestic sugar American producers are allowed to sell.

According to independent studies by the International Trade Commission, the Government Accountability Office, and the Organization for Economic Cooperation and Development, these limitations cost American consumers as much as \$1.8 billion a year in higher prices.

By increasing the cost of domestic sugar the current program also encourages the relocation of American jobs overseas where products containing sugar can be made more cheaply. Eventually this will hurt domestic producers by steadily reducing the demand for their product.

“Left unchanged, the current sugar program will become increasingly unworkable as NAFTA and other trade agreements force the U.S. to allow more and more imported sugar to enter the American market,” said Randy Green of the Sweetener Users Association (SUA). “Price support programs that depend on import controls cannot survive in a global environment characterized by lower trade barriers,” Green added.

Congress can reform the outdated sugar program in the 2007 farm bill now under consideration on Capitol Hill. The Sweetener Users are looking to Congress to take this opportunity to make American sugar policy 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.

The SUA represents confectioners, bakers, cereal manufacturers, beverage makers, and dairy food companies that use sugar, as well as the trade associations for these industries. The SUA believes that America needs a healthy domestic sugar industry and that domestic producer incomes should be supported by a sugar program that does not distort the market with marketing quotas and import limits.

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