



NEWS

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CAGW Calls for Reform of Sugar Program

Washington, D.C. – Citizens Against Government Waste (CAGW) President Tom Schatz today issued the following statement:

On behalf of its 1.2 million members and supporters, CAGW calls for reform of the sugar program in the 2007 farm bill and applauds the efforts of the congressional Sugar Reform Caucus.

The current U.S. sugar program, which escaped any reform in past farm bills, includes government-set price floors, government-enforced marketing quotas, and strict limits on imports. It distorts markets, hampers trade liberalization, costs consumers, and will become increasingly costly to taxpayers in the years ahead.

The program keeps U.S. sugar prices at least twice the world level. It also encourages opposition to trade agreements, even when the agreements are clearly in the national interest and benefit most other U.S. agricultural producers.

The sugar program's defenders claim that the program has no taxpayer cost and that it is necessary to keep small sugar farmers in business. However, the Congressional Budget Office forecasts that the government will be forced to purchase surplus domestic supplies, costing taxpayers \$1.375 billion over the next 10 years. Nobody should be allowed to get by with calling the sugar program a "no net cost" program.

The sugar program has always been costly for U.S. consumers — the Government Accountability Office (GAO) estimates that the sugar program increases the price of sugar and sugar-containing products by \$1.9 billion annually.

And who does it help? GAO found that nearly 60 percent of all sugar program benefits go to just the wealthiest 1 percent of sugar farmers. The sugar program is an unconscionable transfer of wealth from those least able to pay — low-income consumers of sugar and sugar-containing foods — to a small group of growers and processors, most of whom are large corporations or wealthy individuals.

Finally, the sugar program has almost wiped out the U.S. sugar cane refining industry and has forced candy manufacturers to move their operations abroad, destroying hundreds of thousands of jobs for American workers.

It is well past time to end the archaic sugar program.

Citizens Against Government Waste is a nonpartisan, nonprofit organization dedicated to eliminating waste, fraud, mismanagement and abuse in government.

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