

# **SWEETENER USERS ASSOCIATION**

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## **SWEETENER USERS CALL FOR POLICY CHANGE AT AGRICULTURAL OUTLOOK FORUM**

**ARLINGTON, VA (February 17, 2006)** – At today’s 2006 Agricultural Outlook Forum hosted by the U.S. Department of Agriculture, Sweetener User Association President Randy Green urged cooperation across all segments of the sugar industry to make U.S. sugar policy more market-oriented.

“The entire industry should begin to discuss how it can work together,” said Green. Calling current sugar policy “unbalanced,” Green commented that “the status quo does not work for us and will not work long for producers.”

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

Green said sugar policy has historically been marked by bitter disputes between producers and users, but the time has come to work together.

“Frankly, I am not aware of another commodity where the gap between suppliers’ and customers’ policy preferences has historically been any wider,” he said. But, he added, the arguments mask the reality of mutual dependence and the need for cooperation.

“As users, we need a stable, reliable, high-quality supply of sugar at competitive prices,” Green said. “Suppliers, in turn, rely on us to transform their commodity into a product with value to the ultimate consumer.

“It is in sugar users’ interest to have a viable, healthy sugar-producing and sugar-processing industry,” he added. “Because crop failures and other supply disruptions are always possible – as we have painfully been reminded this year – it is also in our interest as users to have a production sector that is geographically diverse,” he noted.

When Congress writes the 2007 farm bill, a sugar industry consensus would allow positive changes to be made, Green said.

“We think future policies need to emphasize the role of market needs in delivering an ample supply of sugar to refiners, industrial users and consumers, and support producer incomes without distorting market signals,” Green said. “It is also important that future policies be more

transparent, administratively flexible and responsive to market needs, as well as consistent with our trade obligations.”

It is a good time for producers and users to work together because pressures for change are mounting, Green said. He cited such forces as –

- Unrestricted sugar imports from Mexico in 2008;
- Growing imports of sugar-containing products that have increased because of the way the current sugar program operates;
- Congressional projections that the sugar program will cost around \$300 million a year in the future; and
- The probability that future trade agreements will create additional sugar import obligations as U.S. negotiators bargain for more market access for export-oriented U.S. farm products.

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