

Support No-Cost Sugar Policy - Oppose Sugar Program Modernization Act

Sending Office: Honorable Michael K. Simpson
Sent By: James.Neill@mail.house.gov

Dear Colleague—

As Co-chairs of the House Sugar Caucus, we write to ask you to oppose the *Sugar Program Modernization Act*. We believe that this legislation seeks to single out the U.S. sugar program, leaving U.S. sugar farmers without the tools needed to survive the worst farm economy in decades.

Outsourcing U.S. sugar production would have devastating effects on sugar producers and consumers. It would deny sugar producers access to nonrecourse loans, and as a result, producers would have difficulty obtaining capital and staying in business. It would send prices back to 1980 levels, resulting in an unfeasible financial squeeze on family farms, and require the U.S. Department of Agriculture (USDA) to flood our markets with imports to lower sugar prices for large food manufacturers, which pass their costs onto consumers.

This measure is similar to amendments rejected three times on the Senate floor, two times on the House floor, and twice at the Committee level during review of the 2014 Farm Bill. Congress made a thoughtful decision by keeping sugar policy strong in the 2014 Farm Bill. Congress' intent in creating the no-cost sugar policy was to provide fair competition to U.S. farmers against foreign subsidies and predatory trade practices. The numbers speak to the success of current sugar policy:

- U.S. sugar policy has cost taxpayers \$0 since 2014 – well below CBO projections.
- U.S. sugar has cost less than 32 cents a pound since 2014 – nearly 10 cents below averages in other developed countries, according to the International Sugar Organization.
- More than \$20 billion in annual economic activity and 142,000 U.S. sugar jobs have remained in America where they belong thanks to the 2014 Farm Bill.

The *Sugar Program Modernization Act* would upend this success and reward the world's worst subsidizers at the expense of U.S. sugar farmers. While a handful of food manufacturers would benefit under the *Sugar Program Modernization Act*, farmers, sugar workers, rural communities, and consumers would lose out. That is too steep a price to pay so multinational food conglomerates can pad their profits.

We hope that you will oppose this harmful and unnecessary legislation.

Sincerely,

The Honorable Mike Simpson

The Honorable Alcee L. Hastings