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PRESS RELEASE

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Major U.S. Business and Good Government Groups Call on USTR to End Protectionist Treatment of Sugar in Trade Negotiations

Trans-Pacific Partnership Seen as Opportunity to Break the Cycle and Allow Competition in U.S. Market

Washington, DC – In a <u>letter</u> sent today to U.S. Trade Representative Ron Kirk, 15 major business organizations urged USTR to include all agricultural commodities in the ongoing Trans-Pacific Partnership (TPP) negotiations and to drop the longstanding and outdated protection of the very profitable and influential U.S. sugar industry.

Citing the realities of trade negotiations, the organizations said that when the U.S. insists on protecting its sugar producing industry from foreign competition, other nations counter with equally protectionist demands, thereby limiting export opportunities for other U.S. goods.

"Many sectors of the U.S. economy that rely on trade are denied export opportunities because of the special treatment that we provide to U.S. sugar growers (e.g., excessive protection of U.S. sugar growers comes at a cost in minimized market expansion for U.S. rice, beef, pork, corn, soybean and other commodity exports)," the letter stated.

The groups outlined other significant costs resulting from the protection of the U.S. sugar industry:

"Federal government-induced tight supplies of sugar are now costing U.S. consumers and food manufacturers as much as an additional \$3.5 billion per year.

"...According to the U.S. Census Bureau, the U.S. sugar-using sector has suffered the loss of 125,000 jobs between 1997 and 2010. In 2006, the Department of Commerce found that for every sugar growing job saved, three were lost in the sugar-using sector.

"For these reasons, we believe it is time for the Administration to re-examine its sugar trade policy as part of a broader reaffirmation of an open trade agenda for the United States," the letter concluded.

The letter was signed by the following organziations:

- Coalition for Sugar Reform
- American Bakers Association
- American Frozen Food Institute
- Club for Growth
- Competitive Enterprise Institute
- Council for Citizens Against Government Waste
- Emergency Committee for American Trade
- Grocery Manufacturers Association

- Independent Bakers Association
- International Dairy Foods Association
- National Association of Manufacturers
- National Confectioners Association
- National Foreign Trade Council
- Sweetener Users Association
- U.S. Chamber of Commerce

To read the full letter, and for more information about U.S. sugar policy and why reform is long overdue to protect the nation's consumers, food manufacturers, and small businesses, visit www.SugarReform.org.

About the Coalition for Sugar Reform:

The Coalition for Sugar Reform (www.SugarReform.org) represents consumer, trade, and commerce groups, manufacturing associations, and food and beverage companies that use sugar – including confectioners, bakers, cereal manufacturers, beverage makers and dairy companies – as well as the trade associations for these industries.

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