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Dear Congressman:

The undersigned organizations urge you to support an amendment by Rep. Bob Goodlatte to reform the sugar program when the Committee on Agriculture considers the 2012 farm bill.

At a time when major changes are under consideration for nearly all other commodity programs, the silence about the sugar program has been deafening. Yet this outdated, counterproductive subsidy cries out for change.

U.S. sugar policies –

- Cost consumers \$3.5 billion in extra food bills and sacrifice up to 20,000 potential jobs each year, according to a study by Iowa State University economists;
- Are forecast by the Congressional Budget Office to cost taxpayers \$193 million over the next 10 years through the Feedstock Flexibility Program, an absurd new subsidy created in 2008 that requires the government to buy up surplus sugar and re-sell it to ethanol plants at a loss, with taxpayers picking up the tab;
- Encourage food manufacturing jobs to move to Canada and other countries, as documented by the U.S. Department of Commerce, which found that for every sugar job saved by subsidies, three good manufacturing jobs are lost;
- Place a special burden on small businesses, including multi-generational family-owned food companies;
- Constitute an incredibly intrusive government regulation of business, inasmuch as the federal government issues legally-binding quotas to individual companies, specifying how much sugar they are permitted to sell;
- Encourage the degradation of sensitive ecosystems like the Florida Everglades through generous subsidies; and
- Distort U.S. trade policy because American negotiators must sacrifice export potential for other crops in order to preserve import protection for sugar.

Rep. Goodlatte's amendment does not eliminate sugar price supports, import quotas or marketing allotments. Rather, the amendment makes moderate and reasonable reforms to eliminate some of the worst aspects of current policies. The Goodlatte amendment will –

- Eliminate restrictions on the Secretary of Agriculture's ability to set import quotas at levels that adequately supply market needs;
- Return price supports to 2008 levels, a change scored by CBO as saving tax dollars;
- Repeal the Feedstock Flexibility (sugar-for-ethanol) Program;
- Restore USDA's authority to set marketing allotments at levels that will prevent government costs, as well as to suspend allotments if necessary;
- Make program administration more transparent by setting a goal for sugar stock levels; and
- Help developing countries by allowing them to voluntarily lease their sugar import quotas to other quota-holding countries, thereby benefiting from their quotas even if they cannot regularly produce enough sugar to fill the quotas (as many cannot).

Our organizations very much appreciate your support of these significant reforms. Please vote in favor of the Goodlatte amendment during the Agriculture Committee's markup of the 2012 farm bill.

Sincerely,

Coalition for Sugar Reform American Frozen Food Institute Chicago Area Retail Bakers Association Everglades Trust Grocery Manufacturers Association National Confectioners Association National Wildlife Federation New Jersey Bakers Board of Trade Retail Bakers of America Sweetener Users Association Council for Citizens Against Government Waste	American Bakers Association Americans for Tax Reform Consumer Federation of America Greater Cincinnati Retail Bakers Association Independent Bakers Association National Foreign Trade Council Natural Resources Defense Council New York States Association of Retail Bakers Retail Confectioners International Wisconsin Bakers Association Snack Food Association
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