

NATIONAL FOREIGN TRADE COUNCIL, INC.

1625 K STREET, NW, WASHINGTON, DC 20006-1604

TEL: (202) 887-0278



FAX: (202) 452-8160

May 22, 2013

The Honorable Richard C. Shelby
United States Senate
304 Russell Senate Office Building
Washington, DC 20510-0103

Dear Senator Shelby

I am writing on behalf of the National Foreign Trade Council, an association of some 250 U.S. The National Foreign Trade Council urges you to support Senate Amendment 925 to the 2013 Farm Bill, which was introduced by Senators Jeanne Shaheen (D-NH), Pat Toomey (R-PA), Mark Kirk (R-IL) and 15 other cosponsors. This bipartisan amendment is aimed at making modest reforms to federal sugar policy that would reduce food costs to every American family as well as stop the distortions of U.S. trade policy caused by the sugar program. These reforms would help to save consumers and businesses up to \$3.5 billion every year and protect hundreds of thousands of American jobs in sugar-using industries.

One of the most significant side effects of the sugar program has been its distorting impact on U.S. trade policy. Maintaining import protections on sugar forces U.S. negotiators to make concessions elsewhere, which means sacrificing export potential for other crops and weakening the position of the United States in nonagricultural areas in negotiations ranging from the Trans-Pacific Partnership to WTO rounds.

The sugar program has had the effect of increasing domestic sugar prices over the past four years, which have ranged from 64 to 92 percent higher than the average world price. The artificially high prices have greatly affected consumers as well as food and beverage manufacturers in the United States, which must deal with a reduced global competitiveness, less investment, lower sales, and most importantly fewer employment opportunities.

According to Commerce Department data, nearly 127,000 American jobs in the food production industry were lost due to high sugar prices in the domestic market and foreign food producers being able to take advantage of lower ingredient costs from much lower world sugar prices. The U.S. economy is paying a price for the special treatment afforded to the sugar industry.

The National Foreign Trade Council fully endorses the Shaheen-Toomey-Kirk amendment, which will lower prices for consumers, provide support for a whole host of producers who use sugar, and save taxpayers millions of dollars.

Sincerely,

William A. Reinsch
President