

NATIONAL FOREIGN TRADE COUNCIL, INC.

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July 10, 2012

The Honorable Frank D. Lucas
U.S. House of Representatives
2311 Rayburn House Office Building
Washington, DC 20515-3603

Dear Congressman Lucas:

The National Foreign Trade Council urges you to support the Goodlatte Amendment to the 2012 Farm Bill, aimed at making small reforms to federal sugar policy that would reduce food costs to every American family as well as stop the distortions of US trade policy caused by the sugar program.

These reforms would save taxpayers \$72 million, according to the Congressional Budget Office. In addition, economists from Iowa State University have estimated that consumers are spending an additional \$3.5 billion every year for higher cost sugar due to this program.

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 US negotiators to make concessions elsewhere, which means sacrificing export potential for other crops and weakening the position of the US in non-agricultural areas in negotiations ranging from the Trans Pacific Partnership (TPP) to WTO rounds.

According to the Cato Institute, the sugar program has had the effect of increasing domestic sugar prices by fifty percent, greatly affecting consumers as well as candy producers in the US, which must deal with a reduced global competitiveness, less investment, lower sales, and most importantly fewer employment opportunities. These domestic producers are being driven abroad, as seen by the relocation of Kraft and Hershey factories to Canada.

The National Foreign Trade Council fully endorses the Goodlatte Amendment that 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