Sugar Policy Modernization Act of 2017

The Sugar Policy Modernization Act makes needed commonsense reforms to the federal sugar support program. The bill provides real relief for businesses and consumers from burdensome government mandates that frequently keep our sugar prices excessively high relative to our global competitors. This bill is supported by a broad coalition of consumer, business and environmental groups.

Sugar is the most tightly restricted agricultural commodity in the United States and was the only commodity not reformed by the 2014 Farm Bill. This bill provides Congress with the opportunity to reform a program that has cost consumers and businesses at least $15 billion since 2008. Since 1997, we have lost more than 125,000 jobs in sugar-using industries. In fact, the Department of Commerce has found that for every job saved, the sugar program kills three manufacturing jobs.

The Sugar Reform Act would:

- **Ensure no net cost to taxpayers.** The 2008 Farm Bill raised sugar price supports to a higher level that led to a nearly $300 million bailout of the sugar industry in 2013. This bill would return loan rates to levels that have been historically associated with zero taxpayer costs, and it would repeal a program that currently requires the government, if sugar prices fall below guaranteed levels, to buy surplus sugar and then sell that sugar to ethanol companies at a loss. The bill further prevents any hefty costs from falling on taxpayers by requiring the sugar industry to reimburse any tax dollars used to bail out individual sugar processors.

- **Repeal domestic supply restrictions.** This bill would repeal the detailed quotas, known as marketing allotments, set by USDA to restrict the amount of sugar each individual domestic processing company can sell. No other commodity in the U.S. has this type of supply control dictated by the government. This bill would repeal these quotas to end this inappropriate government micromanagement of the industry.

- **Reduce market distortions caused by sugar import quotas.** This bill would direct the Secretary of Agriculture to manage the program to ensure adequate amounts of sugar at reasonable prices, and it would repeal current laws that arbitrarily restrict USDA's authority to administer import quotas during certain times of the year. This bill would provide greater flexibility for USDA to respond to changing market conditions. The bill additionally expresses the sense of Congress that major U.S. trade policy goals should include elimination of direct and indirect sugar subsidies and pursuit of trade agreements that liberalize sugar trade.