

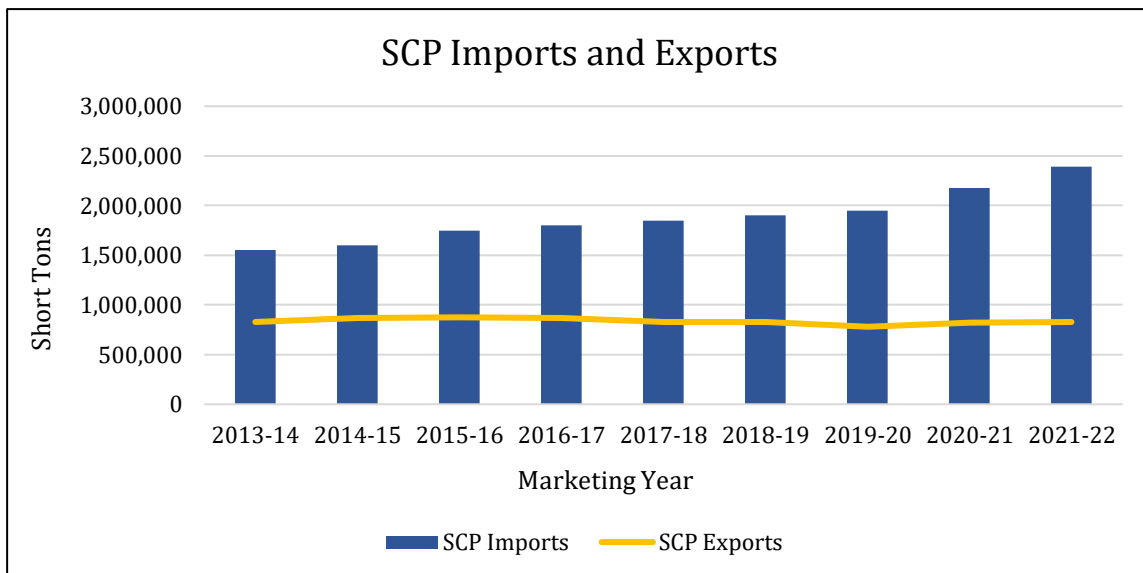
## U.S. Sugar Policy Encourages Imports of Sugar-Containing Products, Diverting Sales From American Growers and Processors

By maintaining the domestic price of sugar far above the world price available to our competitors, U.S. sugar policy encourages imports of sugar-containing foods and beverages that would otherwise be produced in the United States. More imports of sugar-containing products (SCPs) mean fewer sales for American sugar growers and processors — and the export of good American manufacturing jobs. A commodity program supposedly designed to protect the U.S. market and American workers is dysfunctional and should be modernized in the 2023 farm bill reauthorization.

### U.S. Policy Has Spurred Increased Imports of Sugar-Containing Products

The United States exports and imports SCPs. However, spurred by persistently short supplies and high prices of sugar in the U.S. market, mostly as a result of deliberate U.S. policies, net SCP imports have increased every year between fiscal year (FY) 2013/14 and FY 2021/22,<sup>1</sup> with net imports growing 124 percent over that time.

This makes the United States a significant net importer of sugar in SCPs. In FY 2021/22, the sugar in SCP imports totaled 2,388,616 short tons as compared to 830,639 short tons of sugar in SCP exports, resulting in 1,557,977 of net imports of sugar in SCPs. This was a 15.7 percent increase over FY 2020/21 in net imports of sugar in SCPs, in just one year. Net sugar in SCP imports could grow to over 1.6 million short tons if import trends for the first quarter continue for the rest of the current marketing year.<sup>2</sup>



*\*Compilation of Agralytica data<sup>3</sup>*

<sup>1</sup> Agralytica, Quarterly SCP Trade Reports.

<sup>2</sup> Agralytica, SCP Trade First Quarter 2022/23 Report, February 23, 2023.

<sup>3</sup> Alex Smith, Agralytica, Trends in Sugar-Containing Products (SCPs), February 2023.

<https://www.usda.gov/sites/default/files/documents/2023aof-Smith.pdf>.

Some have argued that U.S. labor costs have driven the import surge, but the fact that a significant share of net imports are from Canada, a highly developed economy, belies this claim.

### **More SCP Imports Means Less U.S. Sugar Sales**

Now consider domestic sales of sugar in that same fiscal year. For FY 2021/22, total domestic sales of U.S. sugar totaled 12,578,000 short tons.<sup>4</sup> That means that the amount of sugar in net SCP imports (1,557,977 short tons) was equivalent to 12 percent of domestic sales in FY 2021/22.

### **Congress Can Help U.S. Sugar Growers and Processors With Sugar Policy Reform**

If U.S. sugar policies were even a little less restrictive, the incentives for SCP imports and the disincentives for SCP exports would diminish. As a result:

- U.S. sugar growers and processors could benefit from up to 12 percent more U.S.-produced sugar; and
- A greater share of SCPs could be made in the United States with U.S. workers.

In other words, but for the perverse policy prescriptions imposed by the federal sugar program, American growers and processors could be better off by incentivizing food manufacturing jobs to remain in the United States.

Congress now has the opportunity to modernize the U.S. sugar program and address this harmful, U.S.-job-destroying policy as it works to reauthorize the farm bill in 2023.

*The Sweetener Users Association (SUA) represents American food and beverage manufacturers who use sugar to make the products U.S. consumers know and love — from sweet treats to everyday staples like bread, pasta sauce, yogurt and peanut butter. Sugar-using companies employ hundreds of thousands of Americans across the United States — from bakers and confectioners to bottlers and factory workers.*

Connect with us at [SweetenerUsers.org](https://SweetenerUsers.org) or follow us on Twitter @[SweetenerUsers](https://SweetenerUsers.org).

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<sup>4</sup> Net imports of sugar in SCPs are not counted as domestic sales.