



1100 New Jersey Ave., SE

Suite 910

Washington, DC 20003

Phone: (202) 842-2345

May 10, 2023

The Honorable Debbie Stabenow
Chairwoman
Committee on Agriculture, Nutrition
and Forestry
United States Senate
Washington, DC 20510

The Honorable John Boozman
Ranking Member
Committee on Agriculture, Nutrition
and Forestry
United States Senate
Washington, DC 20510

Dear Chairwoman Stabenow and Ranking Member Boozman:

Members of the Sweetener Users Association (SUA) commend you for the recent hearings on the 2023 farm bill held by the Committee on Agriculture, Nutrition, and Forestry. You and your fellow Senators have gathered valuable information and perspectives that will assist you in the important task of crafting a new farm bill.

As companies that use sugar in the manufacture of foods and beverages, SUA members are directly affected by many aspects of the farm bill, notably the U.S. sugar program. It is our view that this program is in need of reform. The various aspects of U.S. sugar policy – the program in the farm bill, the tariff-rate quotas (TRQs) that limit imports, and the U.S.-Mexico Sugar Suspension Agreements – work together in such a way that supplies of sugar are inadequate to meet market needs.

At the same time, we acknowledge that sugar producers' and processors' costs of production have risen. Our own members have experienced significant increases in costs for labor, energy, capital and other items. We do not seek the abolition of the U.S. sugar program, but rather changes that will improve its operation.

Indeed, our members' interests would be well-served if domestic sugar production increased. An expansion of capacity at existing facilities and new entrants to sugar production would increase farm income, enable our facilities to operate more efficiently without the chronic shortages that have become the norm for sugar markets in recent years, and bring new jobs to rural areas. We would like to see U.S. sugar policy encourage expanded domestic production, not further restrict

it. And we note that the terms of the suspension agreements with Mexico guarantee that U.S. expansion would not lead to surplus production.

Producer organizations have advocated an increase in price support rates in light of higher production costs. Although we would note that current market prices are more than twice the support price, we take seriously the concerns of growers and processors. It is in our interest for their industry to remain healthy and viable.

Unfortunately, it is difficult for Congress to evaluate appropriate support levels in the complete absence of official production cost data for sugar beets, sugarcane and the raw and refined sugar made from these crops. At one time, the U.S. Department of Agriculture published such statistics for sugar beets but has not done so for decades and, to our knowledge, has never estimated production costs for sugarcane. It is true that a private consulting firm purports to measure production costs in a variety of countries, including the United States, but its data are proprietary and unpublished.

An important first step in evaluating appropriate support levels would be for the Committee to gather impartial data from a variety of sources, including USDA, to obtain accurate information on production costs – information that is readily available for corn, wheat, soybeans, cotton, rice and most if not all other commodities that enjoy price support protection. In the longer term, mandating that USDA calculate such costs on an ongoing basis would also promote program efficiency and transparency.

SUA fully understands the imperative for this farm bill to help producers. What our members seek is modest change in sugar policy that will better promote adequate supplies at reasonable prices. We would hope that this is a goal which all involved in sugar debates would share.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Pasco". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rick Pasco
President