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GAO Finds Special Protections in U.S. Sugar Program Come at Expense of Consumers, Has Led to U.S. Job Loss

Congress Can Help U.S. Consumers and Overall Economy With Reforms in 2023 Farm Bill

Washington, D.C. (November 1, 2023) – In a new [report](#) published yesterday, the Government Accountability Office (GAO) confirmed the financial burdens imposed by the sugar program on U.S. consumers and the economy. The [Sweetener Users Association](#) (SUA) pointed to the findings of “Sugar Program: Alternative Methods for Implementing Import Restrictions Could Increase Effectiveness” as further evidence of the urgent need for U.S. sugar policy reform in the 2023 farm bill.

GAO findings include:

- **Sugar Producers Enriched Far More Than Other Farm Producers:** Federal sugar policy provides sugar growers with special protections compared to other farm producers, which come at the expense of U.S. food companies who face record high sugar prices that lead to job loss and higher food costs for consumers.
- **Few Benefit at the Expense of Many:** “The [U.S. sugar] program creates higher sugar prices, which cost consumers more than producers benefit, at an annual cost to the economy of around \$1 billion per year.”
- **Outdated Data Being Used to Implement the Sugar Program:** “The program also restricts the amount of sugar entering the U.S. at a low tariff. The tariff restrictions are applied using a method based on 40-year-old data that doesn't reflect current market conditions. This has led to fewer sugar imports than expected.”
- **High Costs on Consumers and Economy:** “According to some studies, the program costs consumers an estimated \$2.5 billion to \$3.5 billion per year, yielding net costs to the economy of approximately \$1 billion per year.”
- **Decline in U.S. Employment:** “Other studies estimate that the program leads to declines in U.S. employment in industries that rely heavily on sugar, such as confectionery manufacturing.”

- **A Competitive Disadvantage:** “In 2022 U.S. consumers, including food manufacturers, paid twice the world price for sugar.”

“We appreciate the GAO taking a hard look at the U.S. sugar program and confirming that it is in fact a harm to U.S. consumers, sugar-using companies and the overall economy,” said SUA President Rick Pasco. “The case for modernizing U.S. sugar policy to better serve all sugar stakeholders continues to build, and we call on Congress to enact positive reforms in the farm bill.”

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The Sweetener Users Association (SUA) represents American food companies that 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, including bakers, confectioners, factory workers and more.

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

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