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Sugar Program Reform Can Help Prevent Costly High-Tier Sugar Imports

Congress Can Address Causes of Over-Quota Imports in the Farm Bill

Washington, D.C. (February 22, 2024) – The <u>Sweetener Users Association</u> (SUA) today released a new <u>issue brief</u> detailing how tight markets and government inaction have led to the need to pay prohibitive tariffs on at least 200,000 short tons or more of sugar imports for five years running to ensure adequate supplies are available for sugar-using food companies. Fortunately, Congress can include simple fixes in the farm bill to address this problem.

U.S. sugar policy was designed to make the costs of importing high-tier sugar substantially higher than domestic sugar prices to control imports and maintain domestic sugar prices above world prices. Until recent years, the program worked as designed, keeping high-tier imports confined to specific events that drove U.S. prices above their normal level, such as hurricanes or industrial accidents at sugar refineries.

The issue brief explains that in recent years, however, skyrocketing U.S. sugar prices have forced sugar-using food companies to turn to high-tier imports. Consequently, high-tier imports have increased to 212,000 short tons in 2020/21, 390,000 short tons in 2021/22 and 455,000 short tons in 2022/23. In 2023/24, the U.S. Department of Agriculture forecasts high-tier imports will reach 715,000 short tons.

The good news is that farm bill reauthorization affords Congress the opportunity to put in place a mechanism for ensuring there is a firm, unequivocal declaration that high-tier imports are not consistent with U.S. sugar policy and should be avoided.

"We encourage Congress to take advantage of farm bill reauthorization to address the issue of high-tier sugar imports," said SUA President Rick Pasco. "This fix is among the smart reforms Congress can make in the next farm bill to ensure U.S. sugar policy works for all stakeholders."

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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 <u>SweetenerUsers.org</u> or follow us on Twitter <u>@SweetenerUsers</u>.