

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

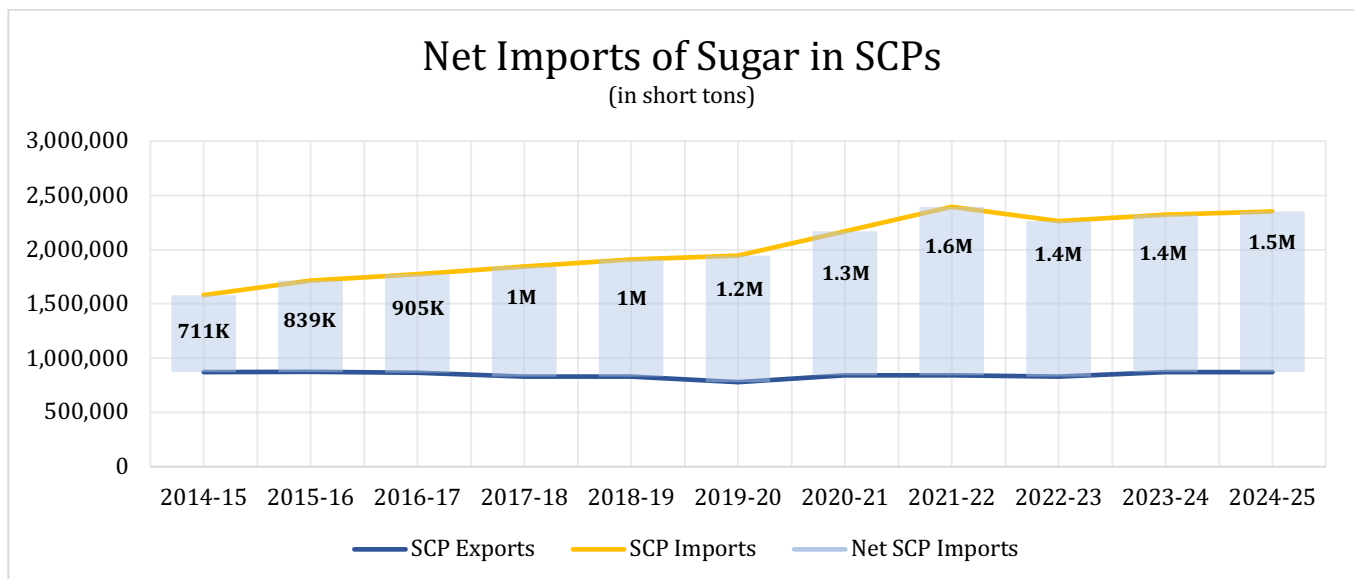
By maintaining the domestic price of sugar far above the world price available to our competitors, U.S. sugar policy encourages imports of sugar-containing foods that would otherwise be produced in the United States. More imports of sugar-containing products (SCPs) mean fewer sales for American sugar growers and processors — and the export of good American jobs. Although the sugar program was supposedly designed to protect the U.S. market and American workers, it has proven to be dysfunctional. However, smart regulatory fixes can help encourage the production of more SCPs in the United States.

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

The United States exports and imports SCPs. However, persistently tight supplies and [higher U.S. sugar prices](#) over the last 10 years, mostly as a result of deliberate U.S. policies, have caused net SCP imports to increase significantly, growing 108.5 percent between FY 2014/15 and FY 2024/25.<sup>1</sup>

Through import quotas, U.S. policy has long kept domestic sugar prices above the world level. When sugar must be imported outside of the quotas, it is subject to tariffs that are normally prohibitive. These high tariffs have resulted in persistently high domestic wholesale sugar prices.

Such federal policies make the United States a significant net importer of sugar in SCPs. In FY 2024/25, the sugar in SCP imports totaled 2.352 million short tons, as compared to 869,512 short tons in SCP exports, resulting in roughly 1.5 million short tons of net imports of sugar in SCPs, an increase of 2.1 percent from 2023-24.<sup>2</sup>



Source: Compilation of Agralytica data.

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

<sup>2</sup> Agralytica, SCP Trade Fourth Quarter 2024/2025 Report.

Some have argued that U.S. labor costs have driven the import surge, but the fact that a significant share of net imports is from Canada, a highly developed economy, belies this claim. In fact, as compared to 2023/24, net imports from Canada rose 2.2 percent in 2024/25, while net imports from Mexico increased just 0.1 percent and net imports from the rest of the world increased 1.7 percent.

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

Now consider domestic deliveries of sugar in that same fiscal year. For FY 2024/25, total domestic deliveries of U.S. sugar totaled 12.55 million short tons.<sup>4</sup> That means the amount of sugar in net SCP imports (roughly 1.5 million short tons) was equivalent to 12 percent of domestic sales in FY 2024/25.

### **Smart Regulatory Fixes Can Help U.S. Sugar Growers and Processors**

If U.S. sugar policies were even a little less restrictive, 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.

The U.S. Department of Agriculture can help by following recommendations from the Government Accountability Office to reevaluate its method for restricting sugar imports, which will help lower sugar costs and, in turn, spur the production of more SCPs domestically.

*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.*

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