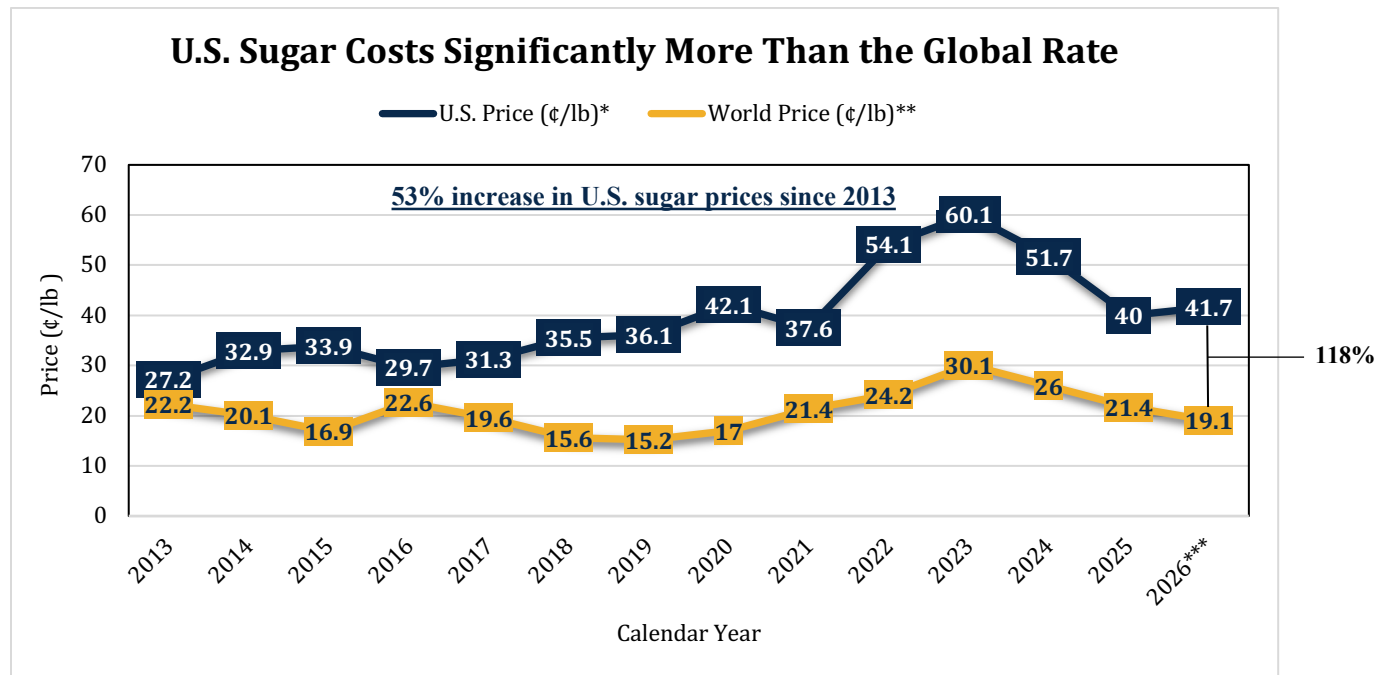


## The Higher Cost of U.S. Sugar as a Result of Government Policy

Unlike other commodity programs, the U.S. sugar program requires the federal government to restrict imports to keep domestic prices high and mandates rigid marketing allotments to restrict domestic production. The combined effects of limits on domestic production and imports artificially inflate the price of sugar in the United States, making U.S. sugar more expensive than sugar produced in other countries, as detailed in the table below.

As a result, sugar-using companies in the United States must pay more for sugar than they would if the market were more competitive. This, in turn, increases costs for these American companies and makes it more difficult for them to compete with companies in other countries.



\*U.S. refined beet sugar prices as reported by Sosland Publishing and tabulated by the U.S. Department of Agriculture. For a detailed analysis of U.S. sugar prices from fiscal years 2001 – 2024, see the Appendix.

\*\*Refined sugar prices based on the London No. 5 Sugar Futures Market.

\*\*\*Sugar prices estimated using data from the first quarter and the current trend.

As the graph illustrates, the price gap between U.S. sugar and the global market has increased dramatically over the past decade-plus.

- In 2013, U.S. prices were 22.5% above the world price; in 2026, this disparity has increased to 118%, **pushing U.S. sugar prices over double the global rate.**
- **U.S. sugar prices are 53% higher than they were in 2013, while world sugar prices are currently lower than they were that year.**

- ***Averaged over the 2013–2026 period, U.S. sugar has cost about 92% more than the world price, underscoring a persistent and substantial price gap.***

According to one economic analysis, the U.S. sugar program costs American consumers \$2.4 billion–\$4 billion per year.<sup>1</sup> Higher U.S. sugar prices as a result of this policy put undue pressure on well-paying American jobs, contributing to the loss of more than 100,000 jobs in U.S. sugar-using industries since 1997.<sup>2</sup>

Moreover, when supply interruptions inevitably occur — due to weather, disease, or other production and transportation factors — ***the U.S. sugar program’s reliance on government action to address supply chain issues can hamper timely responses to unforeseen events in an already-brittle system.***

The One Big Beautiful Bill Act updated certain aspects of the U.S. sugar program to improve program administration and increase sugar supply. Looking ahead, government agencies also have an important role in making the program more market-oriented.

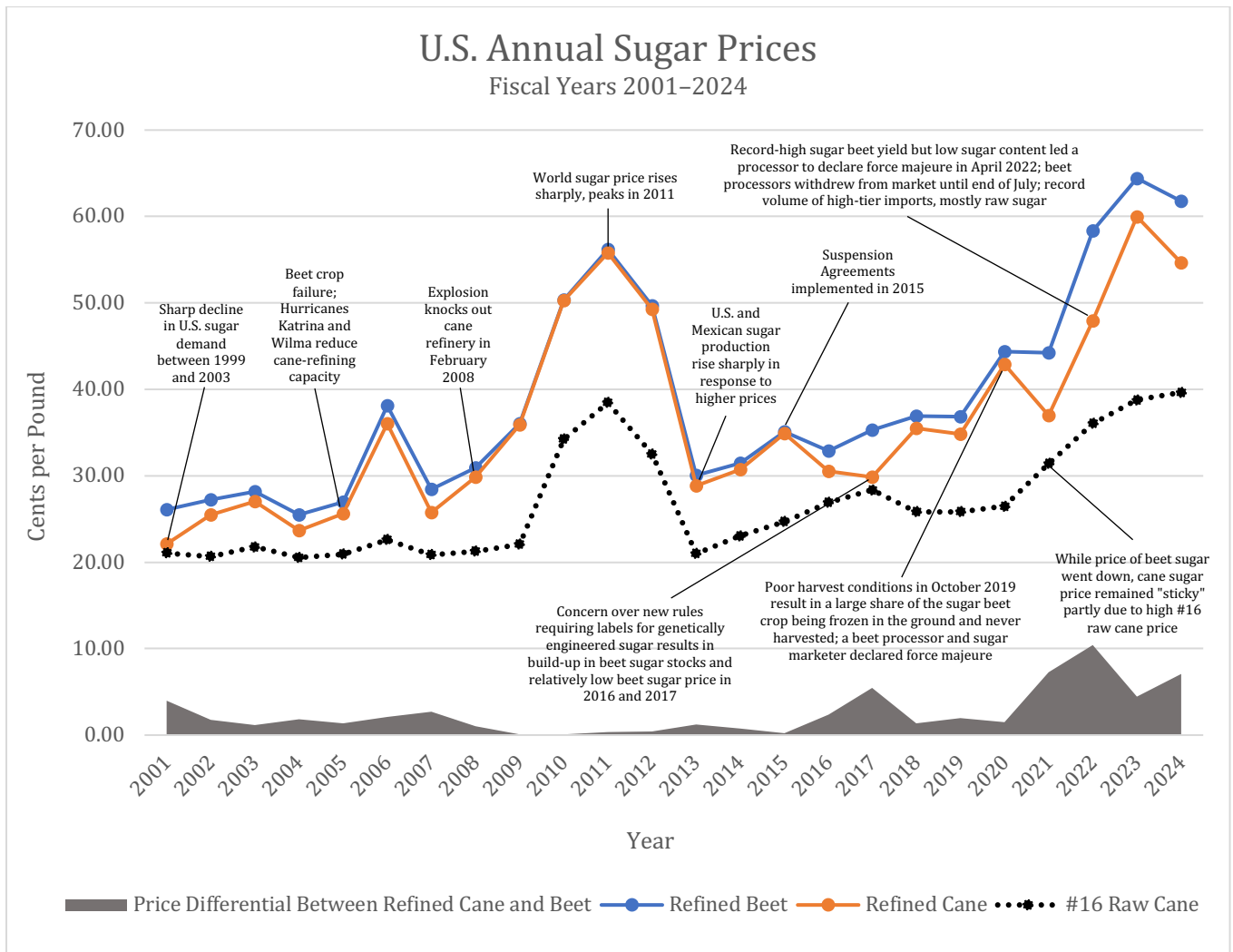
In 2023, the U.S. Government Accountability Office [recommended](#) that the U.S. Department of Agriculture (USDA) evaluate whether the current way of dividing up raw sugar import quotas is effective and consider other possible methods. Those recommendations also urge the U.S. Trade Representative (USTR) to review alternative methods to ensure they comply with U.S. laws and international trade rules, and then decide — based on that review — whether to keep the current method or adopt a new one. Both USDA and USTR agreed with these recommendations, and implementing them could help ensure fairer sugar prices for consumers and sugar-using companies alike.

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<sup>1</sup> John C. Beghin and Amani Elobeid, “Analysis of the US Sugar Program,” *American Enterprise Institute*, Nov. 6, 2017, <https://www.aei.org/research-products/report/analysis-of-the-us-sugar-program/>.

<sup>2</sup> U.S. Census Bureau, Economic Census & Annual Survey of Manufactures.

## Appendix



Note: The refined cane sugar price is the wholesale refined cane sugar price in the Northeast market and the refined beet sugar price is the wholesale refined beet sugar price in the Midwest market.

The #16 raw cane sugar price is the Intercontinental Exchange Contract No. 16 nearest futures month.

Source: USDA, Economic Research Service, *Sugar and Sweetener Yearbook Tables*.

*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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