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Terrebonne Parish, Louisiana

La. sugar industry hails Farm Bill as a win

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Louisiana's sugar-cane industry is hailing the Farm Bill signed into law last week by President Donald Trump as a victory.

Critics, however, say the bill perpetuates import limits and other measures that cost consumers of sugar and goods that contain it billions of dollars a year.

Policy provisions in the bill keep subsidized foreign sugar from flooding the market and provide producers with loans that are repaid with interest, thus operating without taxpayer cost, said Charles Schudmak, president of the Thibodaux-based American Sugar Cane League, which lobbied for the measure. In addition, the bill provides more-favorable USDA loan rates to farmers to help ease mounting economic pressures.

Louisiana lawmakers helped ensure the bill maintains or enhances price supports contained in the 2008 and 2014 farm bills, he said.

"Our Louisiana congressional delegation worked very hard for the sugar-cane farmers and millers in maintaining sugar policy," Schudmak said in a prepared statement.

Farmers produce sugar cane on 440,000 acres in 24 parishes across south and central Louisiana, the league estimates. This year's harvest, which is nearing an end, is expected to produce more than 14 million tons of cane with an economic impact of $2.6 billion to growers and mills. Louisiana produces about one fifth of the nation's domestic sugar, an industry that employs 27,000 people across the state.

About 22 farmers in Lafourche Parish grow cane on 25,000 acres, state figures show. Eight producers in Terrebonne Parish grow 8,800 acres. Most of that is converted to raw sugar at two mills in Lafourche, one in Thibodaux and the other in Raceland.

Gary Gravois, a sugar-cane farmer in Assumption Parish, traveled to Washington, D.C., to visit with members of Congress, their staffs and agriculture policymakers as the farm bill was debated.

"Sugar cane is very important in Assumption Parish," he said in a statement issued by the league. "We've got plenty of farming families and two sugar mills with good jobs. The message I gave Congress is that a strong sugar policy helps the family farm and creates good local jobs."

Houma-Thibodaux's two congressmen, Republicans Garret Graves of Baton Rouge and Steve Scalise of Metairie, supported the bill.

SPLIT DECISION

Louisiana's two Republican senators split, with Bill Cassidy voting for the bill and John Kennedy against.

"This legislation empowers Louisiana farmers and sugar producers to succeed," Cassidy said in a prepared statement. "The bill's investments in telemedicine and rural community treatment facilities help improve health outcomes for Louisianans and fight opioid addiction. And it also includes my provision creating a grant program that creates jobs in rural communities, increasing opportunity and boosting local economies."

Kennedy acknowledged that farmers are an "integral part of our country's history and economy."

"But unfortunately this bill has become about more than supporting our farmers," Kennedy said. "Too much of this bill is devoted to irresponsible food stamp distribution that fails to help people realize the dignity of work. I could not support this bill because it does not contain stronger work requirements for food stamps."

Other critics raised long-standing issues with provisions that limit the amount of cheaper sugar that enters the country and assess tariffs on anything that exceeds those quotas. Conservative think-tanks; lobbyists for the candy and soda industries, which use the sweetener in their products; and opponents in Congress say the quotas raise the price of sugar higher than the free market would otherwise dictate.

WINNERS AND LOSERS

A **2017 study** by the conservative American Enterprise Institute estimates the price supports cost American consumers and benefit a relative few sugar farmers and corporations.

"The welfare transfer to sugar growers and processors is quite large in the aggregate, hovering around $1.2 billion," the study says. "Losses to households are diffused, about $10 per person per year, but large for the population as a whole, in the range of $2.4–$4 billion."

The Libertarian-leaning Cato Institute issued a **policy paper** in April opposing the price supports.

"For years, the U.S. sugar program has existed as one of the most blatant and grotesque examples of crony capitalism, and one that is securely entrenched in the federal bureaucracy," the analysis says. "Best understood as an involuntary wealth transfer from consumers to producers, the sugar program's economic cost reaches into the billions of dollars. Other downsides, such as lost market-opening opportunities during free-trade negotiations, are more difficult to calculate but surely nontrivial."

'LIKE A VAMPIRE'

A bi-partisan measure that sought to cut some of the price supports failed in the House earlier this year. Some of the amendment's supporters noted that the higher sugar prices that result from import quotas and other supports have prompted food manufacturers to move jobs overseas, where the sweetener and labor are cheaper.

"This job-killing subsidy program is like a vampire, refusing to die while continuing to enrich a handful of well-connected plantation owners at the expense of hundreds of thousands of confectionery jobs in the United States," U.S. Rep. Danny K. Davis, D-Ill., said after he and other sponsors introduced the amendment in November 2017.

In 1987, Brach's candy plant was Chicago's sixth-largest manufacturer, with 4,000 workers, he said in a **prepared statement**.

"Largely due to the sugar subsidy, those jobs, those careers, are gone now, and the old Brach's factory in the industrial park on Chicago's west side, which once employed over 1,000 workers, is a wasteland," he said. "The continuation of the sugar program today puts 7,000 Illinois manufacturing jobs at risk while the cost to taxpayers has skyrocketed and will continue to grow."