

Crystal shows it's sweet on DC politicians

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If you made a list of the Minnesota-based companies that spend the most money lobbying the federal government, you'd see some familiar names, with Medtronic and Target at the top. But there is one relatively small Minnesota company that has become a big political player.

American Crystal Sugar pulls in annual revenues of about \$1.2 billion. The Moorhead-based cooperative of about 3,000 sugar beet farmers doesn't even crack the top 50 largest Minnesota companies. But when it comes to influence in Washington, Crystal is king.

"American Crystal Sugar, and the people associated with American Crystal Sugar, have actually donated millions upon millions of dollars to federal political interests, because at the end of the day, they do have a lot at stake," said Dave Levinthal, editor of OpenSecrets.org, a watchdog website that tracks money in politics.

What does American Crystal Sugar have at stake in Washington?

Three words: The Farm Bill.

The federal government runs a complex system that guarantees the price for American-produced sugar and limits foreign competition. American Crystal wants those programs maintained.

"The goal is to artificially raise the price of sugar," said Chris Edwards, who directs tax policy studies at the libertarian CATO Institute. "There's a small group of farmers who gain monopoly profits at the expense of consumers."

But, of course, there is another side to the story.

Other countries protect their sugar industries, too. If the U.S. drops its sugar protections unilaterally, American Crystal fears nothing short of annihilation.

"There are just some realities to the world of sugar and the world sugar market that would allow a lot of foreign, subsidized sugar to be dumped into the United States market," American Crystal Sugar lobbyist Kevin Price explained. "The price would collapse and we'd go out of business."

American Crystal Sugar spends between \$1 million and \$2 million a year on lobbying the federal government. That's about the same level as Cargill - a company almost 100 times its size.

American Crystal's political action committee spends another \$1 million-plus every year on contributions to political campaigns.

Its PAC has quadrupled in size in the past decade.

It is among the 20 largest in the country, and the largest in the agriculture sector.

According to data from OpenSecrets.org, American Crystal Sugar's PAC supported 32 U.S. Senate candidates and 218 candidates for the U.S. House during the past election cycle.

That money opens doors for Price on Capitol Hill.

"If you're a member of Congress, you're not just thinking of agriculture policy," he said. "You're thinking about health care and defense and education and transportation and international relations and military issues - all kinds of different things all the time. And so that's one of the reasons we do what we do. It allows us to break through that clutter a little bit and have our voices heard."

Price makes no apologies for his company's political contributions.

"We're very proud of it," he said. "It's certainly part of the political process that many people probably wish didn't exist, but it does. And you might as well be good at it, and that's what we try to do."

With the more free-market-minded Republicans back in control in the U.S. House, Price may face a somewhat more skeptical audience next time the Farm Bill comes up. But he said he's not worried. It just means he has a lot of new people to meet.