

Beet farmers lobby to keep U.S. protections

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Growers emphasize the program has no cost to taxpayers, but critics say limits on foreign sugar hurt consumers.

WASHINGTON - With another season of farming Minnesota sugar beets behind them, Mark Olson and Kelly Erickson turned their attention to Capitol Hill last week, working political ground fertilized with campaign contributions from the sugar industry.

Their message was simple: Keep the federal price protections for U.S. sugar that go back decades.

"The response has been good," said Olson, who lives in Willmar, Minn. "We're not asking for any money and we're not asking to change anything."

Critics counter that the policy costs American consumers and businesses more than \$1 billion a year by limiting foreign sugar in the U.S.

Olson and Erickson were among 80 sugar beet farmers who spent the week lobbying in Washington, D.C., to make sure their message is heard above all others. It's an annual ritual, Erickson explained, as farmers and their representatives reached out to 300 members of the House and Senate or their staffs.

"We come every year," said Erickson, who is president of the American Sugar Beet Growers Association. "But this is a farm bill year. This is like the ninth inning."

Sticking with the baseball theme, Erickson and his colleagues may have hit a walk-off home run. The farmers said they encountered little resistance as they reinforced talking points in face-to-face meetings with politicians.

Erickson is a member of the American Crystal Sugar beet cooperative in Moorhead, which is the sugar industry's most generous campaign contributor and most powerful lobbyist. The co-op gave more than \$1 million to House and Senate candidates in 2011.

Year in and year out, the sugar industry's message remains tightly focused: Restricting imports of foreign-produced sugar keeps prices stable in the U.S. and protects 142,000 jobs nationwide, including 30,000 in Minnesota. Most important, all this comes at "no cost to the taxpayers," the sugar lobby insists.

It does, however, come at a cost to consumers of products that include sugar and the businesses that make those products. Economists who study the sugar industry say American businesses and consumers pay at least \$1 billion a year more for sugar than they would in an open market. Businesses that use sugar say they pay roughly 40 percent more for sugar because of federal supports and tariffs. Those costs often get passed to consumers.

"Despite misleading claims that the sugar program is a 'no-cost' program, the reality is that current U.S. sugar policy costs consumers billions of dollars every year," the Coalition for Sugar Reform said in a mass e-mail last week. The coalition, a group of businesses that use sugar, urged Congress to eliminate the sugar protections, which are up for renewal in the 2012 farm bill.

Beet farmers, however, say they have received broad support on Capitol Hill during their visit, even though Republican presidential candidates Mitt Romney and Newt Gingrich have called for an end to the sugar program. The free-market Cato Institute has derided U.S. sugar policy, noting a federal study that concludes three food manufacturing jobs are lost for every sugar industry job saved by the sugar program.

Olson and Erickson say critics just don't understand the program. "Sugar is safe, affordable and adequate," Erickson said, repeating a common industry mantra.

Rep. Tim Walz, D-Minn., a House Agriculture Committee member whose district includes tens of thousands of acres of sugar beet farms, said that was the message that had to get through.

"We have a close relationship," Walz said of the beet farmers. "I think they realize that they need to make their case, and that's what they were doing -- making the case that the sugar program doesn't cost the taxpayer any money."

Walz, who has received contributions from the sugar industry to his 2012 reelection campaign, strongly supports price guarantees, tariffs and a policy that lets refiners pay back government loans with sugar in the event of a market collapse. He has not heard any rumblings that Congress will do away with the sugar program.

Neither has Sen. Amy Klobuchar, D-Minn. Like Walz, Klobuchar has said that jobs and economic impact, not campaign contributions or lobbying, drive her to champion the sugar program. She assured the sugar lobbyists whom she met last week that deficit-reducing cuts in farm programs agreed to by the agriculture committees of the Senate and House do not include sugar.

"I told them the big issue is getting the farm bill moving," Klobuchar said. "The sugar program itself -- I would assume it would be part of it."