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# Farm Bill Fight to Cut Sugar Subsidies

**Millions of dollars go to lobbying to keep U.S. sugar program afloat.**

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Sugar seldom fails to sweeten the deal, but the exception might be the 2012 farm bill.

The fight over sucrose is seeping into congressional offices across the Hill, as lobbying firms on both sides sweet talk lawmakers and their staffs.[Big Cuts to Food Stamps in 2012 Farm Bill.]

The disagreement is over whether or not to extend the U.S. sugar program, which restricts how much sugar can be imported from overseas and sold in the United States.

According to the CATO Institute, the restrictions inflate sugar prices here. The group says the U.S. buyer pays 36 cents for a pound of sugar, while sugar prices across the globe are on average 50 percent lower.

But reforming the U.S. sugar restrictions requires reworking a program that has remained virtually unchanged for decades.

Even in the first draft of the 2012 farm bill, there were no revisions made to the program, something that National Confectioners Association Spokeswoman Susan Smith says is evidence of how close the sugar growers are with legislators on the Hill.

"There are a lot of people who are not supporting sugar reform, especially members of Congress," Smith says.

In 2012, the sugar growing and production lobbies have poured more than $2.1 million into influencing legislators, according to Open Secrets. American Crystal Sugar, a leading lobbying group has spent $951,300 alone over the last year.

Open Secrets also shows the groups have contributed to both Democratic and Republican legislators, giving nearly $3 million since 2011.

The top recipient was Michigan Democratic Senator and Chairman of the Senate Agriculture Committee Debbie Stabenow who received $48,986 over the last year. Oklahoma Republican Rep. Frank Lucas, who chairs the House Committee on Agriculture, also got a nice donation of $39,000, Open Secrets says.

Sugar even has PACs. This year American Crystal Sugar doled out more than $1.2 million to candidates.

But confectioners across the country have also beefed up their game. This year, Open Secrets shows that companies like Hershey, Mars and the National Confectioners Association spent more than $1 million lobbying.

"We believe there is a good chance this year that we can win this," Smith says. "We have mobilized our members and we are stepping up."

Indiana Republican Sen. Dick Lugar has introduced an amendment to the farm bill that would do away with the sugar program.

"Government manipulation to increase U.S. sugar prices is driving jobs across the border and taxing American consumers," Lugar said in a statement about the amendment. "Continuing big sugar's handout costs private sector jobs at a time when the farm bill should be enhancing job growth."

Toni Chiappetta, a small business owner and manager of Sweetie Pies Bakery in Napa Valley, Calif., says the price of sugar is a huge factor in determining her bottom line.

"Any raw good affects our business. Our main purchases are sugar, butter and flour. Any time any of them go up, you cannot recover fast enough," Chiappetta says. "We have a small margin in this kind of business. And if sugar is expensive, it's all a trickle down effect."

Candy makers say that high domestic sugar prices and skyrocketing tariffs on imported sugar are keeping them from expanding their business or worse, forcing them to ship production overseas.

"More and more of our members, other sugar users, and consumers are seeing the devastating affect of the program," says NCA's Smith. "Growth isn't coming in the United States anymore because of the cost of the ingredients. I mean there is only one company in the entire country that sill makes candy canes."

A recent study from Iowa State University reveals that doing away with the sugar program could save American consumers $3.5 billion and create 20,000 more jobs a year in the food industry.

Sugar producers, however, assert that abolishing the sugar program is short sighted. Many say that keeping prices higher in the U.S. is a crucial part of stabilizing domestic supply.

"Our tariffs are in place to respond to the unfair predatory trade practices by foreign producers and their governments," says Luther Markwart, the executive vice president of the American Sugarbeet Growers.

The U.S. is one of the largest importers of sugar, which is an essential ingredient in many of the foods we eat; it is used as a bulking agent, a sweetener and as a preservative. It's in our cereal and our canned ravioli. Because sugarbeets and sugar cane spoil shortly after they are harvested, production facilities must be nearby the fields and are run by the farmers themselves.

"That is what makes sugar very unique from any other commodity out there," Markwart says.

Sugar growers argue that unlike soybeans, wheat, corn, or other crops, sugar producers rely on a regulating their supply to keep sugar prices high enough to incentivize growing the costly crop.

If farmers stop growing, the impact on small communities where the sugar is grown would be devastating farmers say. [Senate Takes Up Farm Bill That Changes Safety Net]

"If the local people don't grow them, the factory closes," Markwart says.

Kelly Erickson, president of the Sugarbeet Growers of America is vigilant about amendments like Lugar's that he says would threaten the livelihood of sugar growers in the U.S.

"We are going to work hard to beat back these amendments," Erickson says.

An active farmer with 900 acres in Northern Minnesota, Erickson says the U.S. sugar program is vital to keeping the sugar production industry in the U.S. alive.

"It is a safety net for U.S. sugar producers," he says. "Sugar is heavily subsidized on the world market. We have to think of American farmers first."