



Free markets. Real solutions.

What Congress Can Do



Stop picking winners and losers— in this case, sugar producers and everyone else.



Enact reforms that increase competition and reduce cronyism.

This could range from repealing the sugar program altogether, to treating sugarcane and sugar beets like other traditional crops, to passing bipartisan, commonsense legislation that would decrease taxpayer liability for loans to sugar producers, increase flexibility for producers and repeal the Feedstock Flexibility program.



Ensure access to a generous sugar supply to avoid shortages or more painful price hikes for already strapped consumers.

Contact Us

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EXPLAINER

The High Price of Federal Sugar Policy: What's the true cost of this "free" program?

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Summary

The modern sugar program is a protectionist racket benefiting politically favored **domestic producers** at the expense of consumers. The U.S. Department of Agriculture (USDA) **administers** a sticky mix of top-down policies that strictly control the domestic sugar supply, artificially boosting prices by restraining production and shutting out most imports. The program claims to operate at **no cost to taxpayers**, but this supposedly "free" program comes at a high price for other Americans and our economy.

What's Happening

Despite slowing inflation, consumers' wallets continue to be stretched by **basic expenses**, like **food**. Experts cite a **broad litany** of underlying causes, from high energy and labor costs to persistent supply chain disruptions and global conflicts. Most of these problems are outside Washington's immediate control or are one facet of a larger issue. However, there is one part of the food price puzzle that is wholly a monster of D.C.'s own making: the federal sugar program.

What are some of the costs?



High prices: U.S. consumers pay **2x** or **more** for sugar than the global average.



High costs send U.S. food maker jobs abroad. For every one domestic sugar-producing job the sugar program protects, **three confectionery jobs are lost**.



It's an economic drain: **\$2.4 to \$4 billion** in wealth is transferred from consumers and users to a comparatively small number of sugar producers.



Sugar cane harvesting **pollutes** the air with burning leaves, a dated practice other countries have worked to **eliminate**.



In addition to special treatment under the sugar program, sugar growers also get pricey **ad hoc disaster payments** and taxpayer-subsidized **crop insurance**.



Tight sugar supplies increase price volatility and leave little room for user error or innovation.



The federal sugar program imposes **production caps** on sugar growers who could potentially earn more without arbitrary restrictions.



To maintain high prices and avoid a surplus, the USDA can **take sugar off the market** through forfeitures or direct purchases. This excess sugar is then resold, at a loss, to **ethanol producers** to be blended into fuel.



Lack of competition leads to industry stagnation and inefficiency.



Cronyism **shifts power** away from voters and consumers to the government and the wealthy sugar-fueled oligarchs it favors.

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