



Consumer Federation of America

June 12, 2012

Dear Senator:

On behalf of the Consumer Federation of America¹, I urge you to vote in favor of Senate Amendment 2159 to the farm bill. This amendment – sponsored by Sen. Jeanne Shaheen, Sen. Richard Lugar, Sen. Mark Kirk, Sen. Richard Durbin, and Sen. Dan Coats – would make modest yet important improvements to the U.S. sugar program to help reduce costs of the program to consumers. For too long, consumers have been stuck with the tab for a sugar program designed to inflate the domestic price of sugar.

Since passage of the 2008 farm bill, refined and retail sugar prices have been at all-time record highs averaging 71 cents per pound for 2012, according to the most recent Consumer Price Index data from the U.S. Department of Labor's Bureau of Labor Statistics, almost 40 percent higher than prices to consumers for the same period four years ago.

The most significant factor behind these record prices is a sugar program that has taken away the authority of the Secretary of Agriculture to allow additional imports when needed in the domestic market. The Secretary of Agriculture should be able to increase the sugar tariff-rate quota (TRQ) when needed to meet U.S. demand. A more prudent sugar policy would be one that gives USDA the ability to provide the domestic market with an adequate supply of sugar at reasonable prices. Senate Amendment 2159 will allow the Secretary of Agriculture to take further action to increase the sugar TRQ as necessary to satisfy market needs throughout each year.

A recent study by Iowa State University researchers found that the artificially high sugar prices propped up by the sugar program were adding up to \$3.5 billion each year to consumer costs. This sugar reform amendment will provide much needed economic relief to many households, while maintaining a generous program for sugar growers, and I encourage you to vote in favor of the amendment.

Sincerely,

Chris Waldrop
Director, Food Policy Institute

¹ CFA is an association of nearly 300 non-profit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy and education. Member organizations include local, state, and national consumer advocacy groups, senior citizen associations, consumer cooperatives, and trade unions.