

## On the Need for Sugar Reform

Congressman Danny K. Davis

Valentine's Day Floor Statement

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February 14, 2012

Mr. Speaker, we have farm programs for wheat, corn, cotton and many other crops. These programs give direct assistance to farmers, and allow market prices to be set by supply and demand. Farmers receive help, but not at the expense of workers and consumers. The sugar program is different, it helps sugar producers by hurting other people. This isn't right. There are other ways sugar farmers who may need help to receive assistance without embracing an outdated system of strict government controls that cost consumers \$4 billion per year in higher prices and over 111,000 lost jobs in the sugar-using industries in the last decade.

During FY2011 the wholesale price for U.S. refined beet sugar averaged 55.8 cents per pound. This is considerably higher than the average recorded costs during the five year period covered by the 2002 farm bill provisions for FY2003 - FY2007, which was 27.6 cents per pound. The sugar program keeps our market prices higher than world prices. This costly program must be reformed.

Congressman Joe Pitts and me have introduced legislation, H.R. 1385, the Free Market Sugar Act. This bipartisan bill would reform the sugar program by:

- \* Repealing the price supports and marketing allotments;
- \* Repealing the sugar-based ethanol program; and
- \* Reforming our controls on imports.

Eliminating sugar price supports will help level the playing field and provide sugar-based manufacturers with much-needed resources to keep people employed and modernize their production facilities.