

Lugar Free Sugar Act of 2011

Freeing Americans from Government Control of Sugar Prices

The Senator Dick Lugar (R-IN) Free Sugar Act of 2011 would create a free market in sugar, free small businesses and consumers from paying government-inflated food prices, and free sugar producers from the commands of Washington.

Sugar prices matter

The price of sugar affects food and beverage costs for all Americans. Every time Hoosiers see sugar listed as a food ingredient, they should know that they are paying more than they need to because of the current federal sugar program.

Currently, U.S. sugar prices are **at or near all-time record highs**. The U.S. sugar program raises U.S. sugar prices well above the world sugar price, forcing U.S. consumers, small businesses, and food manufactures to pay more for sugar than their foreign counterparts. On the world market, people pay 34 cents per pound for refined sugar – 20 cents less than Americans pay due to our sugar program. And the 10-year average price through 2009 for refined sugar is 13 cents per pound – **less than half the U.S. price**.

These artificially high domestic sugar prices are especially costly for American small businesses like bakers, candy-makers, and restaurants using sugar, and it hurts U.S. food manufacturers that compete with imports that benefit from lower world sugar prices. In other words, **the federal government sugar program supports sugar producers at the expense of Hoosier families and employers**. A recent estimate put the cost of the U.S. sugar program to all Americans at **\$4 billion each year**.

Federal Sugar Program

Current sugar policy substitutes the federal government for the private sector in basic economic decisions about buying and selling, supply and price. Current policy is designed to guarantee that growers and processors of sugar beets and sugarcane receive a minimum price by dictating the amount of sugar they can produce and sell each year.

Big Sugar' federal supports include:

- *Price Supports* (called "loans") that enforce a minimum price for sugar.
- *Marketing Allotments* that impose government controls on how much each private business is licensed to sell.
- *Import Quotas and Tariffs* that limit U.S. trade in lower-cost sugar sources.
- A variety of additional programs, such as sugar purchase guarantees.

Cut sugar costs, cut government intervention

The U.S. sugar program, on the books in some form since the New Deal, is a stark example of unnecessary, intrusive, and wasteful federal intervention. **The Lugar Free Sugar Act of 2011 repeals the sugar program**. Once enacted, Americans will benefit from lower-cost sugar and less federal intervention.