

Crop Production

Sugar plan hostile to poorer growers



Sugarbeet Focus

IF multinational food manufacturers get their way, some of the world's poorest sugarcane farmers will be left out in the cold, says Jack Roney, the director of economic and policy analysis at the American Sugar Alliance.

The ASA is a coalition of U.S. cane, beet and corn farmers, processors, suppliers and workers that is lobbying against changing the U.S. sugar program in the 2007 Farm Bill.

Roney says proposals by the Sweetener Users Association — a lobbying group for candy companies and multinational food manufacturers — would send U.S. sugar prices below the world average cost of production.

To cushion the blow for American farmers and to protect their domestic sugar supplies, the Sweetener Users Association is asking taxpayers to "fork over \$1.3 billion a year in subsidy checks to domestic sugar producers," Roney says.

Foreign producers would receive nothing. African and Latin American farmers, who depend on sugar revenue for survival, would lose hundreds of millions in sugar sales to the U.S. under the candy companies' subsidy check proposal, Roney says. He calculates that lost revenues would have been \$430 million had the proposed program been in place this past year.

"This is just a misguided scheme. Developing countries would lose, taxpayers would lose, and U.S. sugar farmers would lose. The only winners would be multibillion-dollar food conglomerates that don't need government handouts," Roney says.

Consumers wouldn't even see the benefit of cheaper sugar, Roney continues. Manufacturers would pocket the savings to boost their profits.

Happened in EU

According to Roney, the same thing happened in the European Union. Last year, the European Union announced a shift in its sugar policy. European prices are being lowered by 36% — to levels just above U.S. prices — and domestic producers are receiving lucrative payments to make the transition.

Developing countries that normally send much of their production to Europe will receive almost no compensation to ease their pain.

"The EU's policy shift will take about \$700 million a year out of the pockets of the people who need it the most. Doing the same in America would compound the problem and make poor exporting nations even poorer," he says.

Roney says he fears this would lead to more countries going the way of St. Kitts and Nevis, which recently announced the end of their 360-year-old sugar industry.

The U.S. is the world's second-largest sugar importer, and 38 of its 41 foreign suppliers are considered developing

countries. Many are vocal supporters of the current U.S. sugar program, he says.

U.S. sugar producers, who currently get their returns from the market instead of government subsidy checks, oppose the food manufacturers' subsidy plan because of its cost and implementation hurdles.



The VALUE REVOLUTION BEGINS HERE.

UPI has re-defined value for sugar beet growers across the country. Our trusted, proven, post-patent crop protection chemistry has cut the cost of weed control dramatically and revolutionized the industry. Today, we're leading the way with world-class research: your assurance of superior weed control and superior crop safety. Join the ranks of the revolution. Call UPI, 1-800-247-1557. Or visit: www.upi-usa.com.



UPI
Built for where crop protection is going

DISCOVER THE ENTIRE UPI SUGAR BEET HERBICIDE PORTFOLIO:

ALPHANEX® • CLOPYR™ AG • BnB PLUS™ • PHEN-DES 8+8® • ETHOTRON® SC

Always read and follow label directions. Ethotron, Alphalex and Phen-Des 8+8 are registered trademarks and BnB Plus and Clopyr AG are trademarks of United Phosphorus, Inc. ©2006, United Phosphorus, Inc.