

Critics say US sugar program a sour deal for consumers

May 17 2018, by Andrew Taylor

Food processors, soft drink manufacturers and candy makers are squaring off against the U.S. sugar industry in a familiar battle over a program that props up sugar prices.

The sugar program, a web of price supports, loans and tariffs that critics say gouges consumers, is one of the key battles in this year's farm bill, a five-year renewal of federal farm and nutrition policy that always proves to be a headache for Republicans controlling Congress.

GOP leaders are promoting this year's renewal of the measure as tightening work and job training requirements for food stamps. But the food stamp proposal has driven Democrats away from the bill, scheduled for a vote Friday. That means Republicans have to pass the measure with minimal GOP defections, and it puts pressure on Republicans who have criticized costly farm subsidies in the past to vote for them this time.

The sugar program is part of an amalgam of commodity support programs that have sweeping backing in Republican-leaning farm country. But most Republicans oppose the sugar program, saying it runs counter to the party's free market bearings.

"It's one of the most ridiculous programs in the entire federal government, and that's saying something," said Rep. Tom McClintock, R-Calif.

Some GOP moderates are uneasy about the new work standards for food

stamps, which the Congressional Budget Office estimates would drive up to 2 million people off the program.

Currently, adults ages 18 to 59 are required to work part time or agree to accept a job if they're offered one. Stricter rules apply to able-bodied adults without dependents between the ages of 18 and 49, who are subject to a three-month limit of benefits unless they meet a work requirement of 80 hours per month.

The new bill expands that requirement to apply to all work-capable adults, mandating that they either work or participate in work training for 20 hours per week with the exception of seniors, pregnant women, caretakers of children under the age of 6, or people with disabilities.

For years, the twice-a-decade effort to rewrite the farm bill has relied on a coalition of farm-state Republicans who back federal agriculture subsidies and other assistance and Democrats supporting food stamps. This has proved frustrating to conservatives seeking to make changes to either side of the measure.

Rep. Virginia Foxx, R.-N.C., is behind a plan that would scrap production limits, give the Department of Agriculture more power to boost sugar imports and eliminate a government program that sells surpluses to ethanol producers.

"Let's be crystal clear about what the sugar program does: It puts the government in charge of deciding how much sugar will be produced in this country, which inflates the cost—and it guarantees the processing industry a base profit by giving them subsidized loans," Foxx said Thursday. "We stopped these practices years ago for other commodities and only sugar is left with this sweet deal."

A vote is slated for Thursday evening.

House Agriculture Committee Chairman Mike Conaway, R-Texas, says Foxx's proposal is a "poison pill" since its passage could bleed support for the underlying farm bill and force Republicans in some areas to take a politically tough vote.

Indeed, a string of lawmakers from Minnesota, Florida, Michigan, Texas and Nebraska rose up to defend the program and the thousands of jobs it supports in their states.

"This is about protecting American jobs, American hard-working farmers from unfair, undue competition from around the world," Conaway said. "We don't let other products come into this country at below the cost of production."

Critics of the sugar program say it has led to the closing of U.S. candy factories in the face of foreign competition and means higher food prices in the grocery aisle.

Passage of the bill is a priority for GOP leaders, who are eager to pitch to voters its tougher work requirements for food stamps, a party priority that polls well with voters.

"This is going to get more people out of poverty. This is going to get more people a steady job. This is going to get more people moving toward a good career," said House Speaker Paul Ryan, R-Wis.

Powerful forces oppose the move, including large, politically active sugar producers and lawmakers from regions that grow sugar beets and cane. They warn it would open the door to cheaper sugar from overseas and put domestic producers out of business. And they say that sugar costs the same now as it did decades ago while the price of processed food goes ever upward.

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