April 17, 2018

The Honorable Michael Conaway  
Chairman, House Agriculture Committee  
U.S. House of Representatives  
2430 Rayburn HOB  
Washington, DC 20515

The Honorable Collin Peterson  
Ranking Member, House Agriculture Committee  
U.S. House of Representatives  
2204 Rayburn HOB  
Washington, DC 20515

Dear Chairman Conaway and Ranking Member Peterson:

On behalf of 142,000 U.S. sugar farmers and workers, we thank you both for your continued support of America’s no-cost sugar policy. As the industry’s bankers and accountants noted in the attached letter, sugar producers are facing dire economic pressures right now, and a strong sugar policy will be essential to their ability to obtain financing and weather the storm.

Opponents of this policy – driven by multinational food manufacturers – are aggressively attacking sugar producers’ safety net, which is designed to counter foreign subsidies and unfair trade practices. These attacks come even though food makers have achieved strong profits by charging consumers more for sweetened products and pocketing the savings from sugar prices that are lower today than in 1980.

We will depend on your leadership to beat back legislative attempts to further depress farmers’ prices with heavily subsidized imports. Components of H.R. 4265, which we call the “Sugar Farmer Bankruptcy Bill,” could be offered as Farm Bill amendments, and we fear these policy overhauls would have disastrous consequences if enacted.

There is overwhelming bipartisan support for current sugar policy in the House Agriculture Committee, and its members will be on solid footing in continuing their support. U.S. grocery shoppers pay 22 percent less for sugar than the rest of the developed world. Meanwhile, U.S. confectioners pay 25 percent less than companies in other developed countries and have announced more than 100 domestic expansion projects since the 2014 Farm Bill took hold.

After years of dealing with a market distorted by unlawful, subsidized Mexican sugar imports, U.S. producers need some financial certainty right now. A five-year Farm Bill will go a long way towards providing that certainty, and we hope Congress can deliver a bill this year.
We commend each of you for the manner in which sugar policy discussions have gone to date and appreciate the continuation of existing policy in H.R. 2, the Agriculture and Nutrition Act of 2018. We look forward to working with you as the Farm Bill process unfolds.

Sincerely,

Executive Committee
American Sugar Alliance

Luther Markwart
Executive Vice President
American Sugarbeet Growers Association

Jack Pettus
Vice President of Government Relations
American Sugar Cane League

Brian Baenig
President
United States Beet Sugar Association

Ryan Weston
Chief Executive Officer, Florida Sugar Cane League; Washington Representative, Rio Grande Valley Sugar Growers

Enclosure: Financial Leaders Oppose the Sugar Policy Modernization Act, March 20, 2018
FINANCIAL LEADERS OPPOSE
THE SUGAR POLICY MODERNIZATION ACT

March 20, 2018

To: The Honorable Pat Roberts, Chairman, Senate Agriculture Committee
    The Honorable Debbie Stabenow, Ranking member, Senate Agriculture Committee
    The Honorable Michael Conaway, Chairman, House Agriculture Committee
    The Honorable Collin Peterson, Ranking member, House Agriculture Committee

The signatories of this letter are a representative group of local and regional banks that collectively make thousands of operating loans to sugar beet and sugarcane farmers across the nation and of Certified Public Accountants and tax professionals who prepare sugar farmers’ state and federal tax filings.

Given the confidentiality of their individual financial records, no one is in a better position to see and comprehend their income and cost challenges than we.

With low commodity prices across the board, American farmers are experiencing substantial economic stress. Beet and cane sugar producers are no different. For the past four years, depressed market prices caused by subsidized and dumped Mexican imports put tremendous financial stress on sugar producers, forcing some to exit the business and raising the financing hurdles for new growers seeking to enter the business.

Elimination or weakening of the safety net would dramatically alter the level of risk associated with the farming operation, a key factor in lending decisions farmers and their lenders make each year. Without an effective safety net, lenders would balk at offering operating loans to farmers who would have little prospect of repaying the loans in a depressed market.

We have had the opportunity to review the “Sugar Policy Modernization Act” that sugar policy opponents proposed to Congress in November 2017. It is clear the food-manufacturer opponents of sugar policy do not know what we know.

If this bill, or its individual elements, is adopted, it would force oversupply of the U.S. sugar market and would effectively remove the price safety net for American sugar farmers. The collapse of domestic sugar producers would cause major disruptions in the supply chain for food manufacturers and American consumers.

The economic repercussions would be severe for the many vulnerable rural communities and regional economies that depend on a strong sugar industry. Transfer of American economic activity and jobs to foreign sugar-producing countries would be the result. The proposed legislation favors foreign sugar producers and multinational candy conglomerates over American jobs.

Given the current fragile financial state of the U.S. sugar industry, we implore the Members of Congress to maintain a strong safety net for sugar farmers in the next Farm Bill, and to oppose any legislation that would weaken it.

Respectfully,

[Signature]
CALIFORNIA
Garcia & Preece
Brawley

COLORADO
Northern Colorado Agri-Business
Greeley
CoBank
Greenwood Village

FLORIDA
Bank of Belle Glade
Belle Glade
Farm Credit of Florida
Royal Palm Beach
Morgan, Jacoby, Thurn, Boyle & Assoc.
Vero Beach
Nowlen, Holt & Miner, P.A.
Belle Glade
Ruben Ledesma, Jr. EA
West Palm Beach
Shiver & Company CRA
Belle Glade

IDAHO
Banner Bank
Twin Falls
Fiala, Fiala & Murphy, CPA’s
Twin Falls
The Nichols Accounting Group, P.C.
Nampa

LOUISIANA
Bank of Commerce
White Castle
Community First Bank
New Iberia
Duplantier, Hrapmann, Hogan & Maher, LLP, CPAs
New Orleans
Farmers Merchants Bank & Trust
Breaux Bridge
First Bank & Trust
Plaquemine
First National Bank of Jeanerette
Jeanerette
The Teche Bank
New Iberia
Tri Parish Bank
Lafayette

MICHIGAN
Alex M. Wilson, CPA
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Caro
Nietzke & Faupel, PC
Pigeon
Peter J. Bender, CPA
Saginaw

MINNESOTA
American Federal Bank
East Grand Forks
Dahl, Hatton, Muir & Reese LTD
Hallock
Frandsen Bank and Trust
East Grand Forks
Heritage Bank, N.A.
Pennock
Kenton McGregor, CPA
East Grand Forks
Northern Sky Bank
Crookston
Phil Thompson and Associates
Warren