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BACKING AMERICA'S BEET AND CANE FARMERS

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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,

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

Saginaw

Eric J. Sowatsky, CPA

Saginaw

GreenStone Farm Credit Services

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

MONTANA

Curtis, Sommers & Associates PLLC
Billings

First State Bank of Forsyth
Forsyth

Rabo AgriFinance
Billings

Smith, Lange & Halley, PC
Sidney

Yellowstone Bank
Sidney

NEBRASKA

Dana F. Cole & Company, LLP
Scottsbluff

Farm Credit Services of America
Omaha

Platte Valley Bank
Scottsbluff

NORTH DAKOTA

Ag. Country Farm Credit Services
Fargo

American Federal Bank
Fargo

American State Bank and Trust Co.
Williston

Bank of Hamilton
Hamilton

Choice Financial Group
Fargo

Choice Financial Group
Grafton

Choice Financial Group
Grand Forks

United Valley Bank
Cavalier

OREGON

The Nichols Accounting Group, P.C.
Ontario

SOUTH CAROLINA

AgFirst Farm Credit Bank
Columbia

TEXAS

First Community Bank
San Benito

WASHINGTON

Alegria & Company, PS
Yakima

Keybank, N.A.
Kennewick

WYOMING

ANB Bank
Worland

James Reilly, CPA, PC
Cody

Pinnacle Bank
Worland

Russell & Russell, CPAs
Basin

SBW & Associates, PC
Cody

SBW & Associates, PC
Worland

Western Sage CPA, PC
Worland

