

# Financial Leaders Support Strengthening Sugar Program Oppose Efforts to Weaken Sugar Policy

July 18, 2024

To: The Honorable Debbie Stabenow, Chairwoman, Senate Agriculture Committee  
The Honorable John Boozman, Ranking Member, Senate Agriculture Committee  
The Honorable Glenn Thompson, Chairman, House Agriculture Committee  
The Honorable David Scott, Ranking Member, House Agriculture Committee

The signatories to this letter are a representative group of local and regional banks and lending institutions that collectively make thousands of operating loans to sugarbeet and sugarcane farmers across the nation and Certified Public Accountants and tax professionals who prepare sugarbeet and sugarcane farmers' state and federal tax filings. We are privy to confidential financial records of producers and are in the best position to understand their income and cost challenges.

American farmers are experiencing economic stress due to falling prices, rising interest rates, and high input costs. Sugarbeet and sugarcane sugar producers are no different. For the past three years, input price inflation caused by Covid-driven supply chain bottlenecks, the Russia war in Ukraine, climatic disruptions, and rising interest rates have put tremendous financial stress on sugar producers. It has forced some farmers to exit the business and raises financing hurdles for capital investments on the farm and for their processing facilities.

We support strengthening sugar program provisions in the Farm Bill and improving USDA crop insurance products to better manage increased risks and to make them more affordable. Improving the sugar safety net in the next Farm Bill can help sustain a stable financial framework for continued investment by family farmers at the farm and sugar processing levels.

Conversely, we strenuously oppose any weakening of the current Farm Bill safety net, which would dramatically increase the risk associated with producing sugar. An effective safety net is essential when lenders consider extending operating loans to farmers, given the high levels of investments necessary to run a successful sugarbeet or sugarcane operation and the financing necessary for processing those crops into raw and refined sugar.

Based on a review of several recommendations by sugar policy opponents, it is our assessment that these proposals would increase foreign supplies, drive down market prices, increase the likelihood of farmers defaulting on their operation loans, and generally raise the financial risk associated with sugar production. Adopting those proposals (or individual elements thereof) would undermine the safety net for American sugarbeet and sugarcane farmers, which, in turn, would also result in the collapse of sugar cooperatives, mills, and processors and the good-paying jobs for the thousands of workers they employ in rural and urban areas. Ironically, the collapse of the domestic sugar industry would also cause significant disruptions in the supply chain for food manufacturers, who are behind this legislation, and for the American consumers who rely on just-in-time sugar deliveries.

Given the current economic pressures noted above, we ask the Members of Congress to strengthen the safety net for sugar producers in the next Farm Bill and to oppose any legislation that would weaken it.

Respectfully,

**NATIONAL BANK**

CoBank

**CALIFORNIA**

AgWest Farm Credit

Garcia & Preece, CPAs

*Brawley*

Umpqua Bank

**COLORADO**

Bank of Colorado

Johnson and Associates, CPAs, PC

*Sterling*

Premier Farm Credit, ACA

*Sterling*

Umpqua Bank

**FLORIDA**

Bank of Belle Glade

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*New Iberia*

Citizens Bank & Trust, Plaquemine

*Plaquemine*

Community First Bank

*New Iberia*

The Cottonport Bank

*New Roads*

Duplantier, Hrapmann, Hogan & Maher, LLP, CPAs

*New Orleans*

Eileen D. Fruge, CPA

*Lafayette*

First National Bank

FM Bank

*Breaux Bridge*

Red River Bank

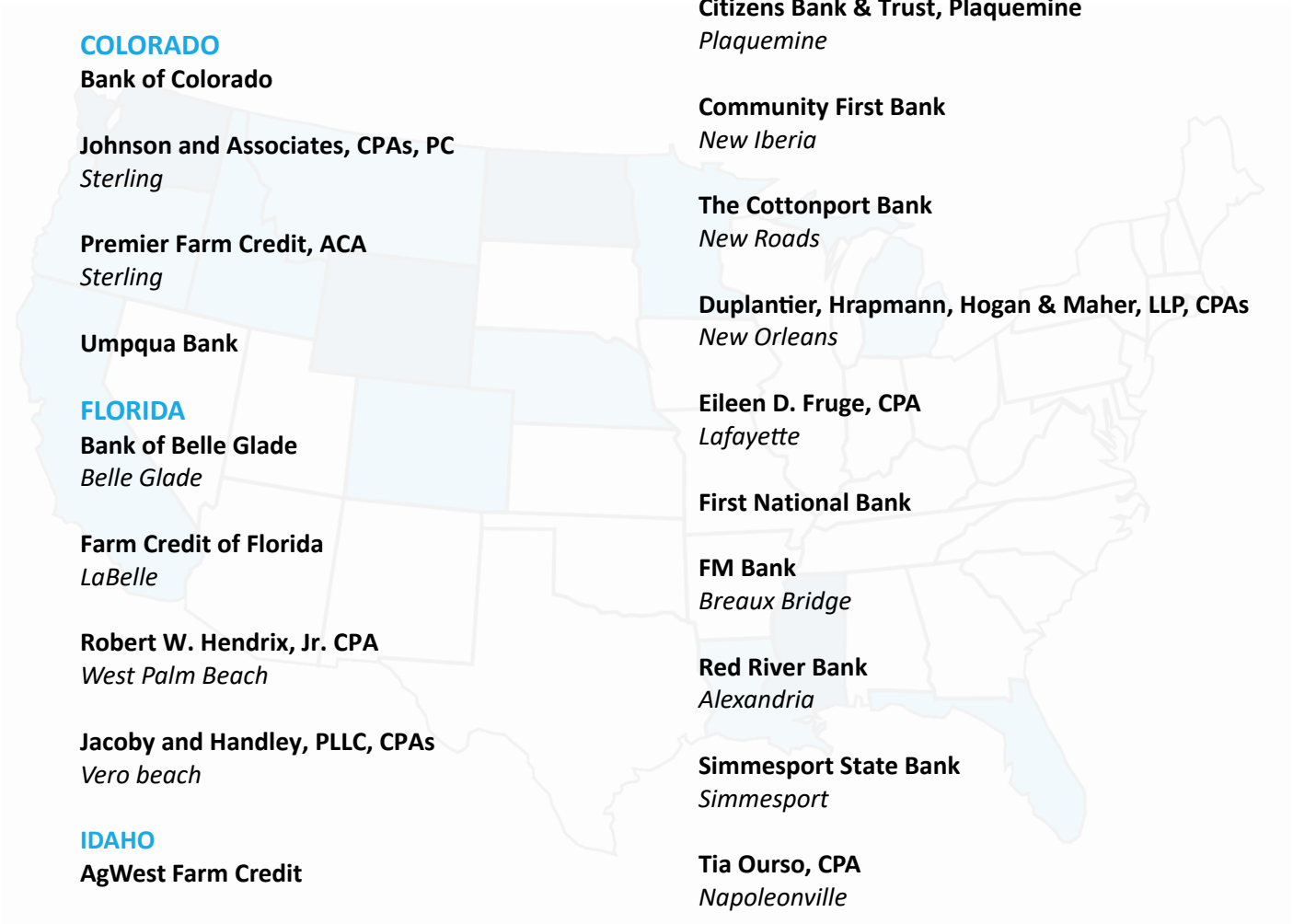
*Alexandria*

Simmesport State Bank

*Simmesport*

Tia Ourso, CPA

*Napoleonville*



## MICHIGAN

**Bay Port State Bank**  
*Bay Port*

**Citizens Alliance Bank**  
*Clara City*

**GreenStone Farm Credit Services**  
*Caro*

**Hyzer, Hill, Kuzak & CO**  
*Bad Axe*

**Northstar Bank**  
*Bad Axe*

**Thumb Bank & Trust**  
*Bay Port*

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**American Federal Bank**  
*Crookston*

**MinnWest Bank**

**Northwestern Bank**  
*Dilworth*

**Phil Thompson and Associates**  
*Warren*

**Red River State Bank**  
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*Ridgeland*

**MONTANA**  
**AgWest Farm Credit**

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*Forsyth*

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**NORTH DAKOTA**  
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*Grand Forks*

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**Bell Bank**  
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**First State Bank - Buxton**  
*Buxton*

**First United Bank**  
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**First Western Bank & Trust**  
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**Frandsen Bank & Trust**

**Kindred State Bank**  
*Kindred*

**KodaBank**  
*Drayton*

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**AgWest Farm Credit**

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**AgWest Farm Credit**

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**WYOMING**

**ANB Bank**

*Worland*

**James W. Reilly, CPA**

*Cody*

**Russell & Russell, CPAs**

*Basin*

**SBW & Associates, PC**

*Cody*

**SBW & Associates, PC**

*Powell*

**SBW & Associates, PC**

*Worland*

