

U.S. Sugar Policy: Achieving a Stronger Safety Net



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It's a Farm Bill year – why do we need a Farm Bill?

Farming is risky and getting riskier (Title I & Title XI)

Protection for economic cycles and weather disasters

Farming sustainably (Title II)

Less disruption to limited natural resources

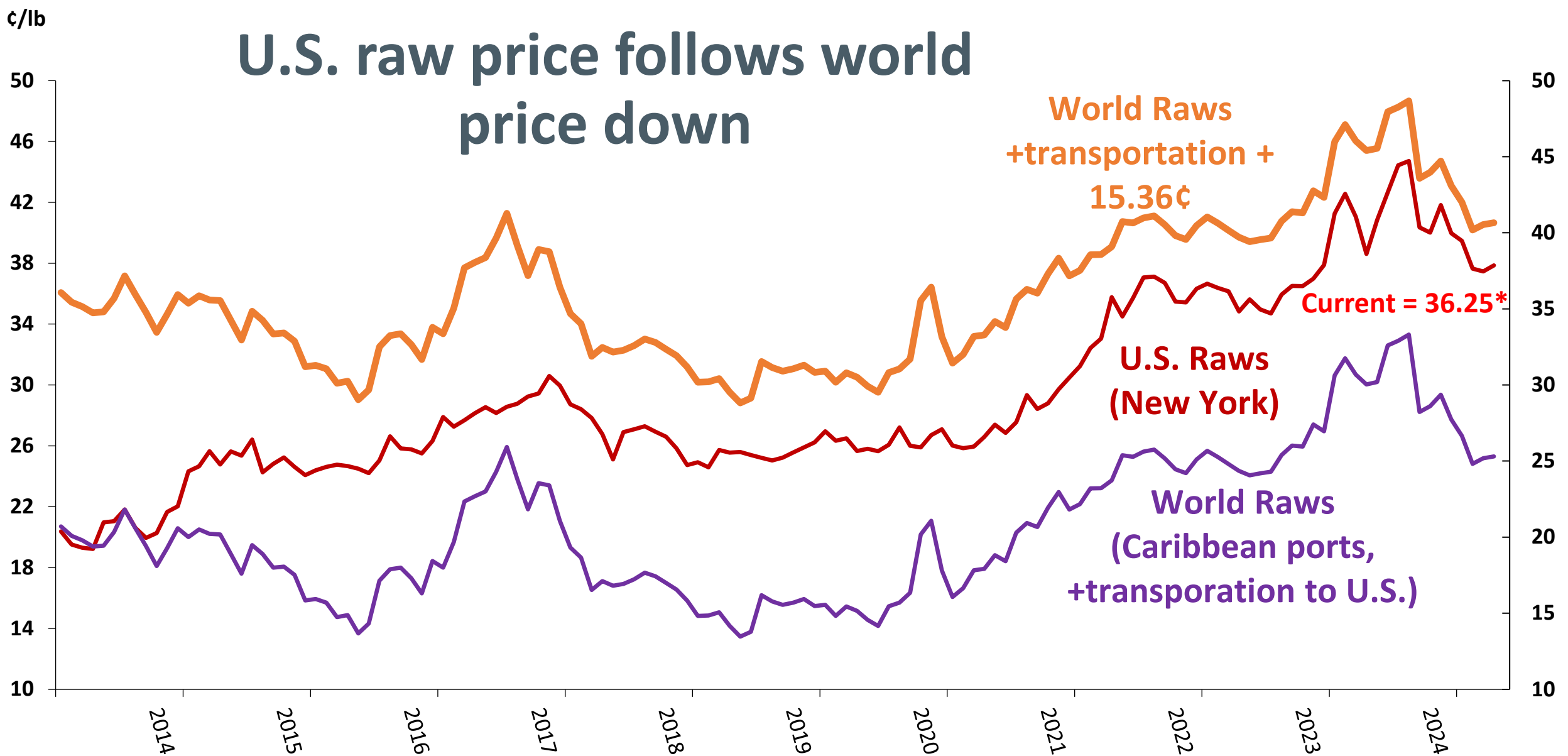
Food safety net for 40+ million Americans (Title IV)

Doing More with Less (Title VI)

Increasing productivity and ability to meet long-range climate challenges



U.S. raw price follows world price down



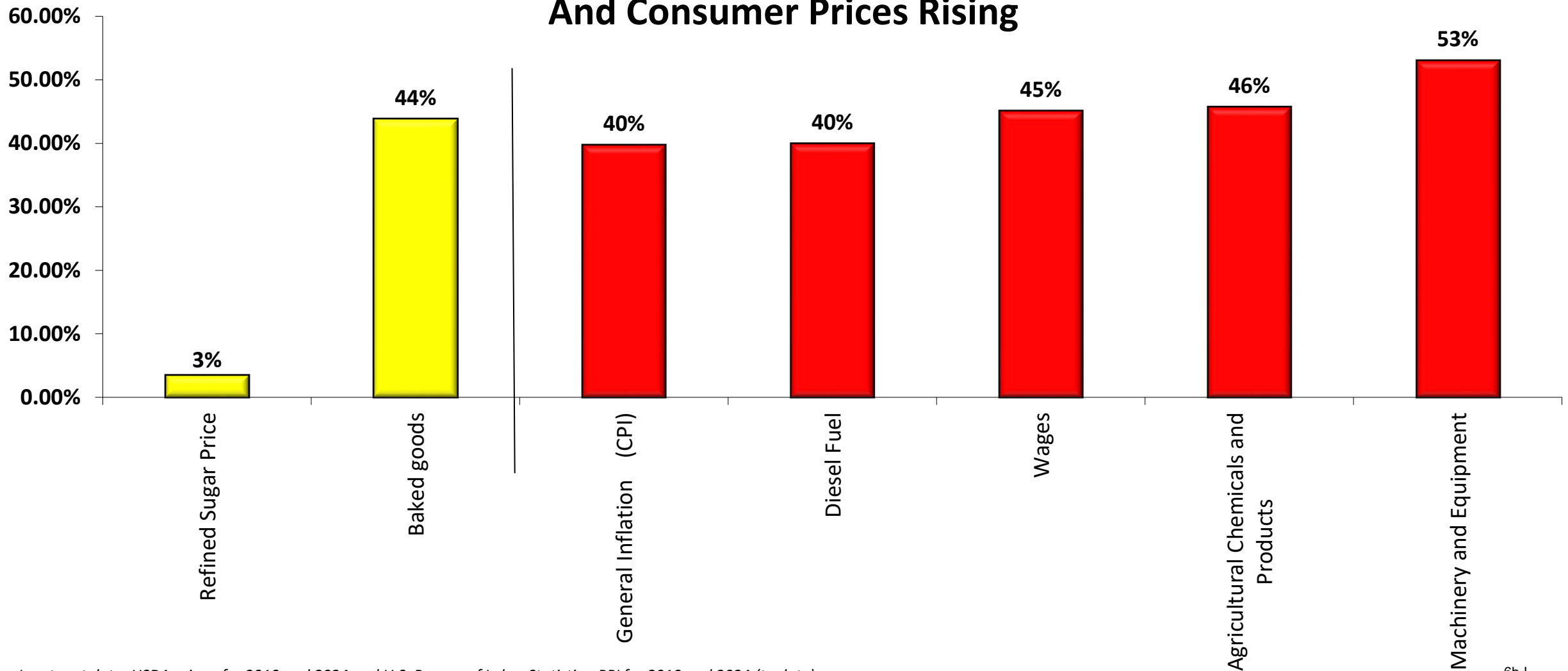
Data: USDA. U.S.: #14 or #16 raw contract, delivered New York. World: #11 raw contract, Caribbean ports. Monthly Average prices, 2008-2024.

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U.S. price at world + transportation + tier-2 duty

Since 2010: Producer Prices for Sugar Flat While Farmers' Costs Have Soared And Consumer Prices Rising



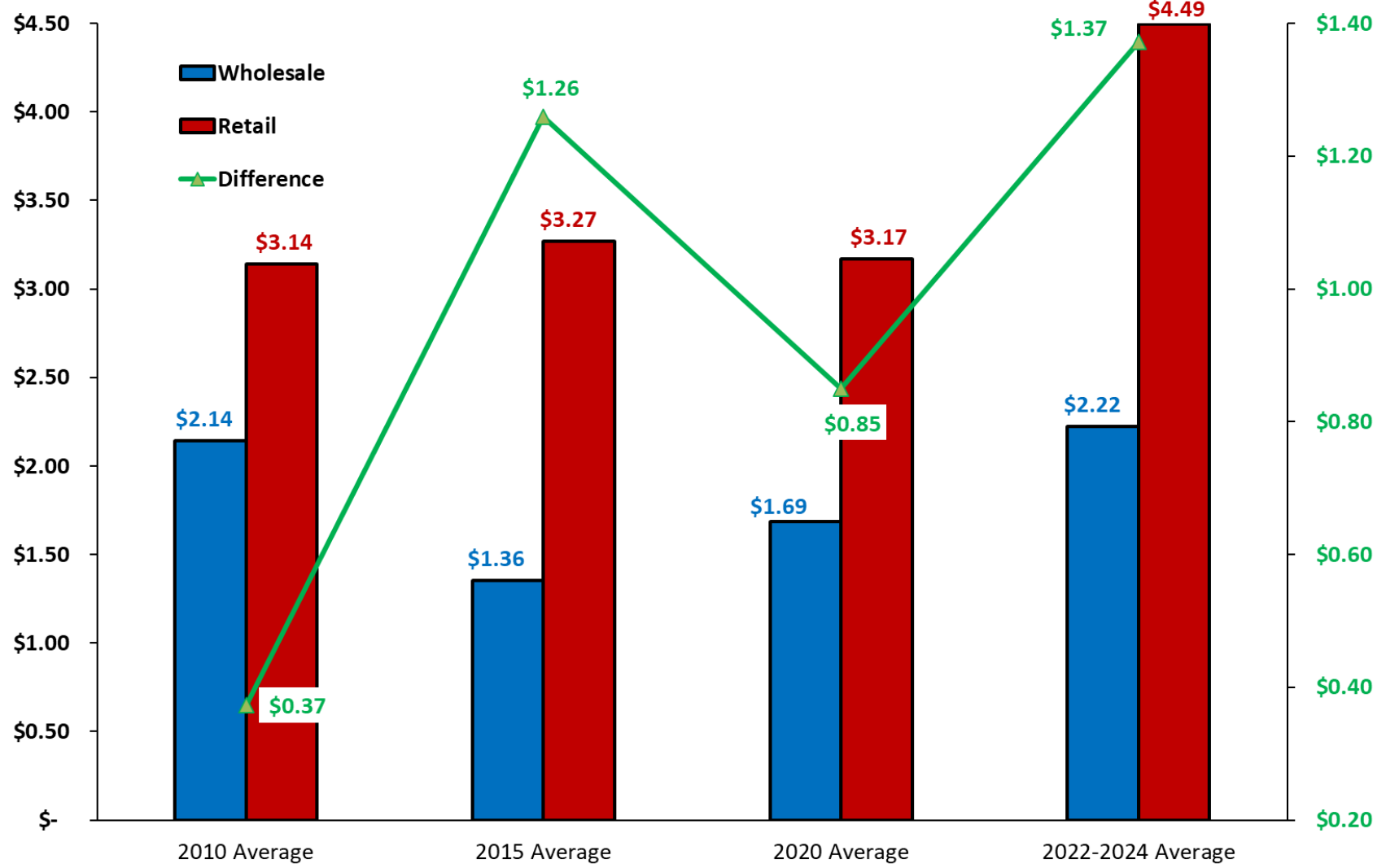
Input cost data: USDA prices for 2010 and 2024 and U.S. Bureau of Labor Statistics, PPI for 2010 and 2024 (to date).

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The Gap between Consumer and Producer Prices for Sugar Widens; Grocery Chains Benefit from Stable Producer Prices; Consumers Do Not

--Price per 4 pound bag of refined sugar--



Sugar wholesale prices nearly unchanged over past dozen years, whereas retail prices have continued to grow

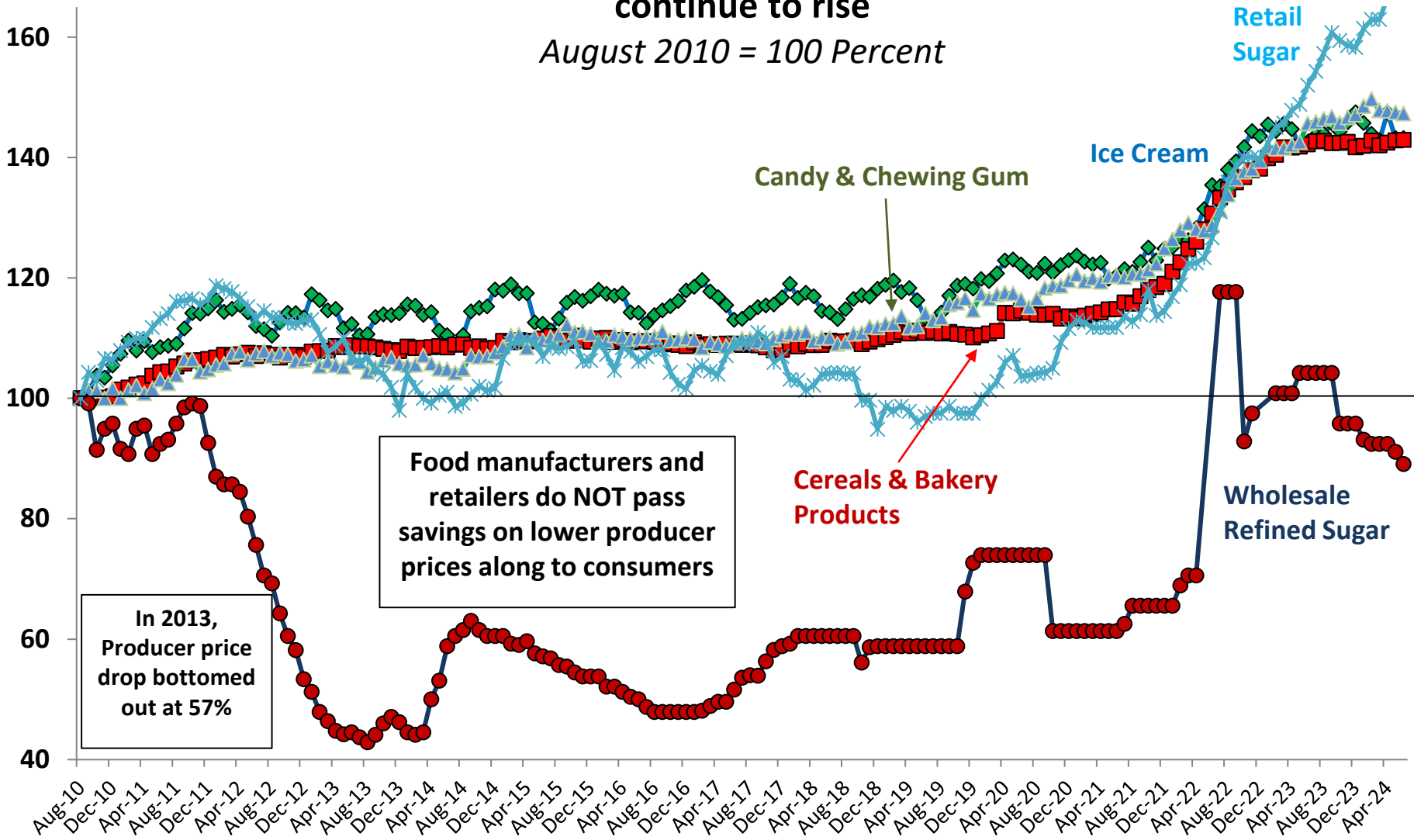
Source: USDA, Sugar Yearbook, Tables 5 and 6. Calendar per pound averages multiplied by 4, representing the wholesale and retail cost of a 4lb bag of refined sugar.



U.S. Price Changes Since 2010:

Wholesale Sugar Down 11% but Retail Sugar and as Sweetened Product Prices continue to rise

August 2010 = 100 Percent



Food manufacturers and retailers do NOT pass savings on lower producer prices along to consumers

In 2013, Producer price drop bottomed out at 57%

There has been a more continual increase over time for most sugar-containing product prices

Source: Wholesale sugar - USDA. Retail products - Bureau of Labor Statistics. Monthly average to date.



New Farm Bill should:

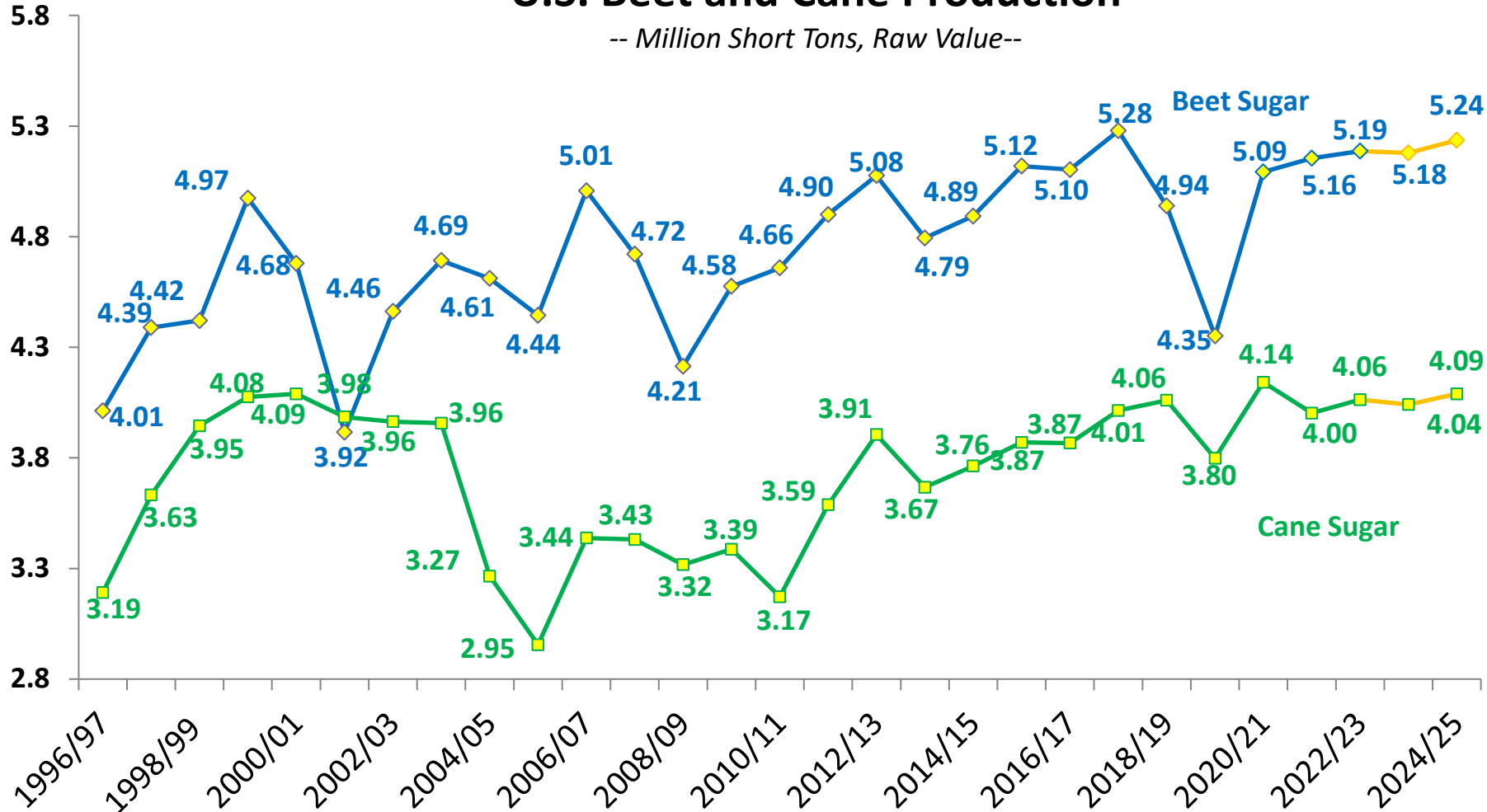
- **Update sugar marketing loans** to better reflect higher costs of production, allow continued just-in-time delivery
- Provide **strong and affordable crop insurance products** to cover increased risks
- **Support productivity improvements** through research and investments
- Acknowledge the **importance of domestic food security**



Combined, this would be a record year of domestic production = 9.33 mil STRV

U.S. Beet and Cane Production

-- Million Short Tons, Raw Value--



Data: USDA, 2023/24 forecast; 2024/25 projection.

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More American-made Sugar

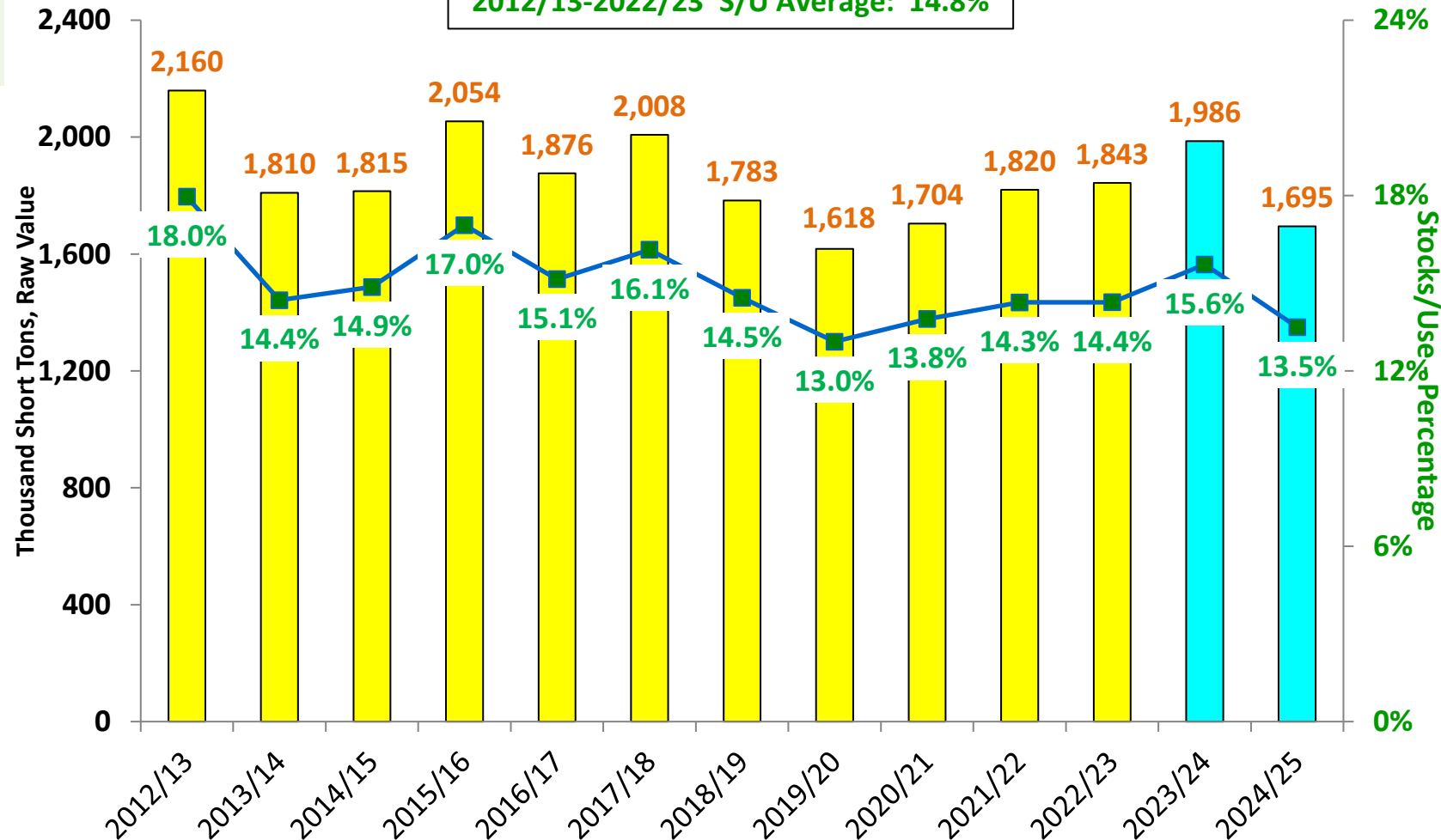


Strong Production & Solid Stocks

U.S. Sugar: Ending Stocks and Stocks/Use Ratio*

2012/13 - 2024/25

2012/13-2022/23 S/U Average: 14.8%



* Ending Stocks as a percent of total use
Data: USDA, 2023/24 forecast; 2024/25 projection.

■ U.S. Ending Stocks ■ U.S. Sugar Stocks/Use Ratio*

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STU generally between 13.5% and 15.5%.

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