



Dr. Bernard LaFayette Jr
Chairman of the Board

Dr. Charles Steele Jr
President/CEO

Key Vote

Foxx/Davis Amendment

May 16, 2018

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Democratic Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Ryan and Democratic Leader Pelosi:

The Farm Bill is Unjust to Poor Families, But the Sugar Program Needs to be Reformed

Congressional lawmakers are currently gearing up this week for a floor debate over the 2018 Farm Bill. The House Agriculture committee's version of the massive omnibus package includes titles on trade, rural development, crop insurance, and agricultural subsidy programs. Most notably, the bill features massive cuts to the Supplemental Nutrition Assistance Program (SNAP), formerly known as the "food stamp" program, stripping billions in nutrition benefits and food aid from millions of low-income African American families. At a time when the poverty rate amongst African Americans is almost two times greater than that of the general U.S. population, and with an even larger disparity for African American children, House Republicans are quite literally taking food away from our communities' children¹. Even more troublesome is the fact that this version of the Farm Bill is lining the pockets of big business in the form of corporate welfare at the expense of the underserved. This money would be better served supporting those who need it most. One such big business benefactor fueled almost entirely by government support is the sugar industry in the form of the current U.S. Sugar Program.

It is no coincidence that American sugar costs consumers and businesses well over 50% percent more than the world market price.² In fact, the federal government is to blame, as sugar prices are made artificially higher through components of the U.S. Sugar Program. Originally created in 1938, the Sugar Program uses marketing allotments (restricting the production of sugar quantities), price controls, and import quotas to stack the deck in favor of a small number of domestic sugar producers and processors. These uncompetitive policies force businesses to pay for inflated priced ingredients, which gets passed onto the consumer for higher food prices for baked goods, beverages, candy, cereal, dairy, and frozen food - to name a few.

¹ <http://www.stateofworkingamerica.org/fact-sheets/poverty/>

² <http://fairsugarpolicy.org/wordpress/wp-content/uploads/2018/04/Sugar-program-Overview-Fact-Sheet.pdf>



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The Sugar Program costs between \$2.4 and \$4 billion per year³. To make matters worse, the program is responsible for 17,000 and 20,000 American job losses per year⁴. Despite minimal job-creation (a total of just over 20,000 jobs), the program has severely damaging effects on low-skill labor and manufacturing jobs in a wide array of industries that at-risk urban and rural workers rely on. According to the Department of Commerce, “The confectionery manufacturing sector loses three jobs for every sugar job saved by the sugar program.”⁵

Southern Christian Leadership Conference (SCLC) works every day to give our most impoverished communities greater access to opportunity. Higher unemployment, poverty, and certain demographic characteristics all lead to food insecurity. After 80 years of unfair subsidies and advantages for the Sugar Industry, during the same time it has promoted policies to hinder the growth of communities of color, it’s time for Congress to use its power to help the underserved.

Fortunately, there is a path towards righting the wrongs of Big Sugar in the form of congressional action known as the Sugar Policy Modernization Act of 2017 – and in its most recent form called the Foxx-Davis Sugar Policy Modernization Amendment. Currently being considered as an amendment to the Farm Bill, this legislation is one step toward reforming the U.S. Sugar Program while ensuring greater job stability and the opportunity for economic empowerment in minority communities. SCLC strongly supports the Foxx-Davis Amendment as a first step towards ending the U.S. sugar program, a longstanding policy unfavorable to communities of color.

Sincerely,

Dr. Charles Steele, Jr.
President/CEO
Southern Christian Leadership Conference

³ <http://www.aei.org/publication/analysis-of-the-us-sugar-program/>

⁴ <https://www.cato.org/publications/policy-analysis/candy-coated-cartel-time-kill-us-sugar-program>

⁵ https://www.trade.gov/mas/ian/build/groups/public/@tg_ian/documents/webcontent/tg_ian_002705.pdf