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Developing Countries Urge Congress To Renew Sugar Program

WASHINGTON, DC—The International Sugar Trade Coalition (ISTC) urges Congress to renew the U.S. sugar program in the 2007 Farm Bill, which President Bush vetoed today. The conference report on the Farm Bill would continue and improve the U.S. sugar program, under which ISTC's members export sugar to the United States.

ISTC members are sugar industries in 17 developing countries that supply about 46 percent of U.S. sugar imports, under a tariff-rate quota (TRQ) administered in accordance with rules established in the World Trade Organization.

Renewal of the sugar program will give 38 developing nations, including the members of ISTC, a guaranteed level of access to the U.S. sugar market at prices that are fairer and more predictable than prices on the world market, which do not even cover the cost of production. The U.S. sugar program puts a floor under prices for domestic producers, but foreign suppliers receive the same price. The result is a stable market that quickly made up the supply losses after hurricanes Katrina, Rita, and Wilma. "Sugar prices have been stable while prices of other foods have risen sharply in the past year," ISTC President Paul Ryberg pointed out. "The U.S. sugar program does what it's supposed to do."

Changes in Europe make the United States an even more important export market for ISTC's members. The European Union has reduced the price it pays for sugar imports from developing countries by 36 percent. ISTC members have no alternative export markets that pay a remunerative price. Sugar industries face contraction. In countries like Mauritius, Guyana and Fiji, where there is no agricultural alternative to sugarcane, standards of living will fall. Sugar production will end in St. Kitts and Nevis after 300 years, and may end in Trinidad and Tobago as well.

ISTC's membership consists of the sugar industries of developing countries from Africa, the Caribbean, Central and South America, Asia and the Pacific, including: Barbados, Belize, the Dominican Republic, Ecuador, Fiji, Guyana, Haiti, Jamaica, Malawi, Mauritius, Mozambique, Panama, the Philippines, St. Kitts and Nevis, Swaziland, Trinidad and Tobago, and Zimbabwe.

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