

#### **Sugar Program Administration**

International Sweetener Colloquium

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# Goals of Policies that affect Agriculture – What are we trying to do?



National Security in the supply of food

Income and Financial Stability for Growers

Insurance to mitigate the financial risk of yield losses

Mitigation of financial power imbalances - Small producers and large buyers

unequal power. Marketing loans

Cooperative business structures

Support price stability – Non recourse price support loans

Mitigation of Poverty

**Supplemental Nutritional Assistance Program** 

Promote Practice and Technological Advances to promote Sustainable

Production

Promote Diversification of Crops and

Utilize technologies to protect the environment

Promote the propagation of crop varieties that resist diseases and pests

Monitor and promote the development of safe varieties, herbicides and pesticides

Promotion of trade laws that grow exports and promote fair trade in imports Provide Safe Food supplies



#### So how is this done in the real world? Who does it? Does it all work together?



Support Income and Price Stability through Marketing loans
Raw Sugar Supported at 19.75 US Cents per pound
Refined Beet Sugar supported at 128.5% of raw sugar support price (25.38)

Policy controls to mitigate cost to the Government
Import quotas and FTA's to regulate imports into the market
Feedstock Flexibility Program
(USDA / STR / State)

Promotion of trade laws that grow exports and promote fair trade in imports (USDA / STR / ITC / DOC)

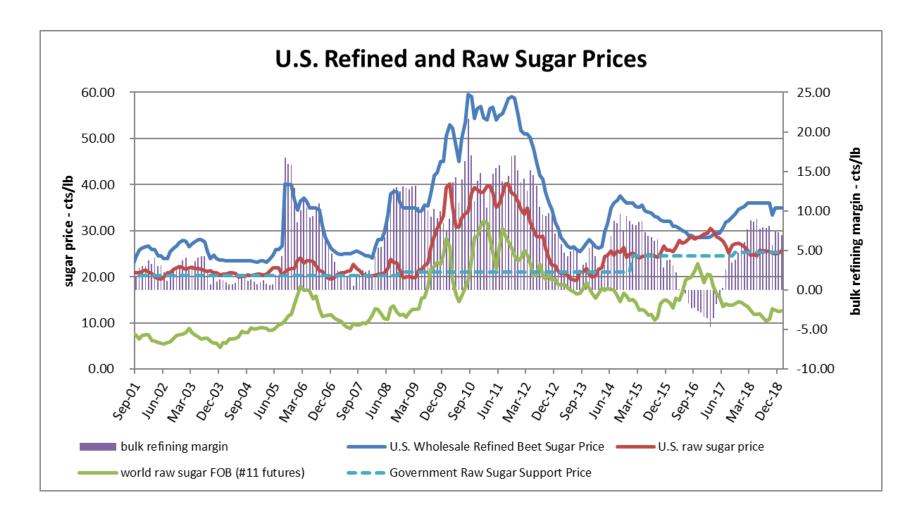
Promote sound Agricultural Production methods and the development of traditional and Genetically Modified Varieties ( USDA / Land Grant College System)

Monitor and promote the development of safe herbicides and pesticides that protect crops while being safe for the environment and are they are safe in the food supply. (USDA / EPA / FDA)

Promote safety in the physical movement of foodstuffs and compliance with US laws on food safety (CBP / TSA / FDA)







Price supports do work in the real world. The theoretic goal of stability in supply versus need is difficult to attain. It is easier to deal with surplus than to limit higher prices in times of shortage.



### Timeline of Events – US Sugar <u>Do our programs work – When does stress occur?</u>



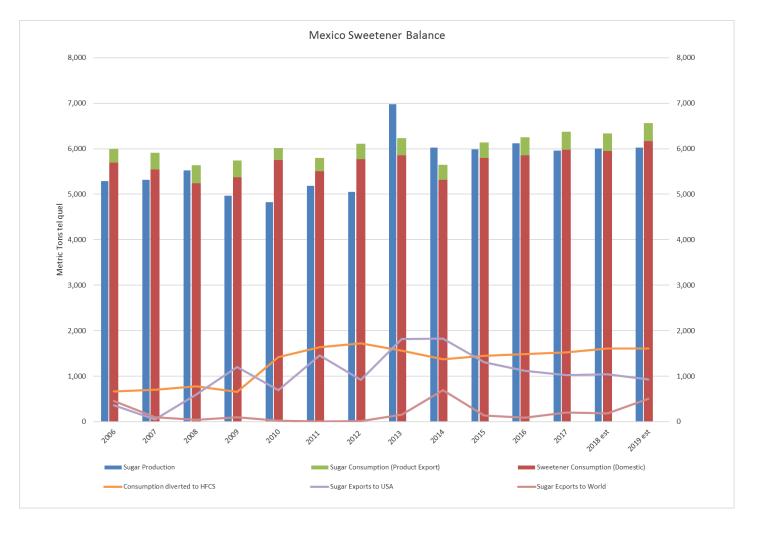


The system we have developed should be self correcting, but is not perfect and all parties seem to have periods of pain at times.



#### What about Mexico, how are two different systems of policy interacting in a world of "free" managed trade?



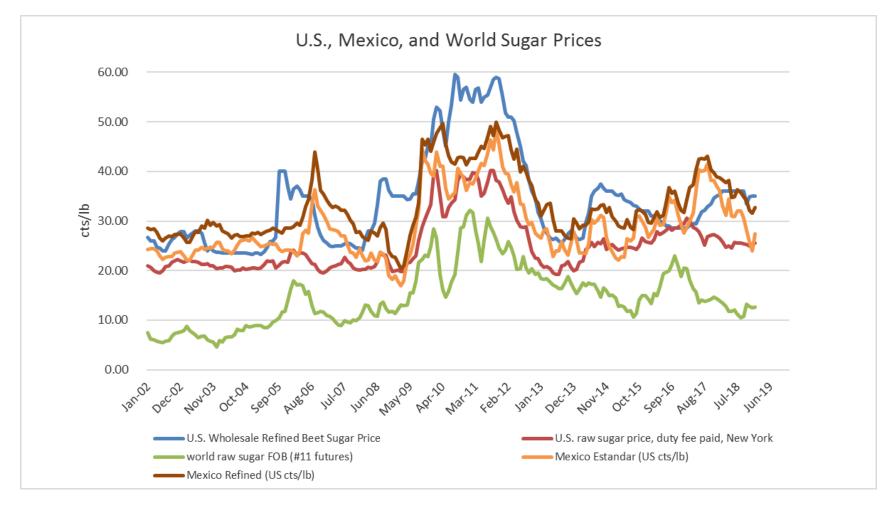


Mexican production has been quite stable in recent years. Sugar exports to the US (direct and in products) have been falling short of imports of HFCS and local consumption leading to a more regular and growing need to export to the world market.



#### Prices in US and Mexico – Stresses have happened on both sides of the border





Prices resulting from policy decisions have responded to cross border needs and have caused cross border problems.



## Policies are aimed at broad and ideal goals. Adminstrators must deal with the current realities



In the real world, producers, processors and consumers do not live in the long run. We must survive in the short run realities of the current situations.

No one agency or government has full control over the myriad of policies that impact our businesses. There are conflicts.

Policies that work allow for the flexibility for administrators to change enough to keep the various parts of the industry on course.

Good information and sharing of data between governments leads to better decisions.

The best policies probably leave everyone a bit unsatisfied from time to time.



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