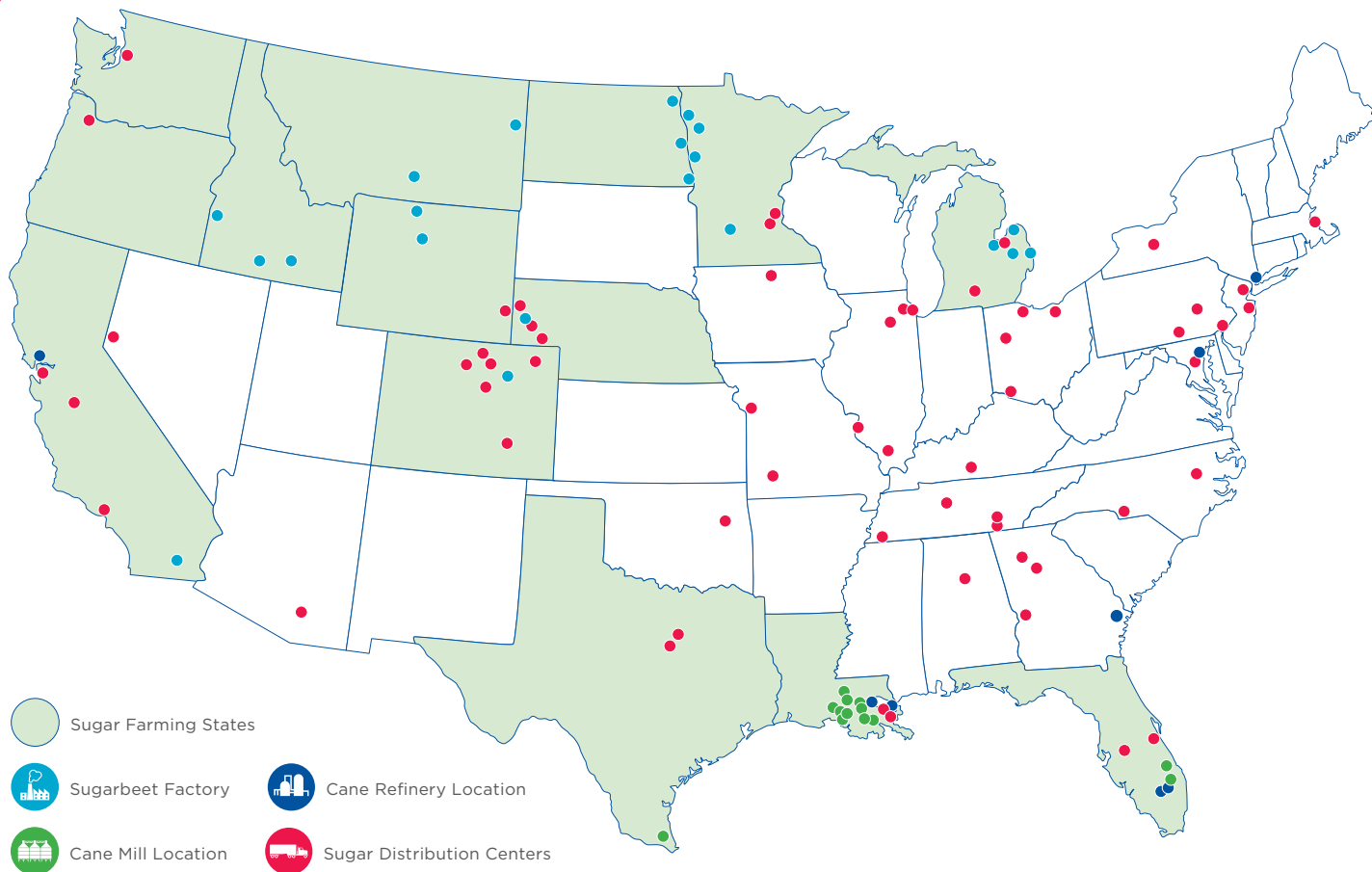


BACKING AMERICA'S BEET AND CANE PRODUCERS



- > Sugar generates **142,000 jobs in 22 states** and contributes **\$20 billion** to the economy a year
- > U.S. sugar policy is designed to cost taxpayers **\$0**
- > Consumers in foreign countries pay, on average, **20% more** for sugar than grocery shoppers in the United States
- > Foreign subsidies make sugar the **world's most distorted** commodity market

FOREIGN SUGAR SUBSIDIES PREVENT A FREE MARKET

America has a sugar policy because, for decades, foreign subsidies and predatory trade practices have made sugar the world's most distorted commodity market. And now, those subsidies are on the rise.

To achieve a free market, multilateral global reform — not unilateral disarmament of U.S. sugar policy — is needed. All countries must be at the table, and all subsidies must be on the table.

That's the philosophy behind the "Zero-for-Zero" sugar policy, where America will roll back its sugar policy if foreign competitors will end their subsidies.

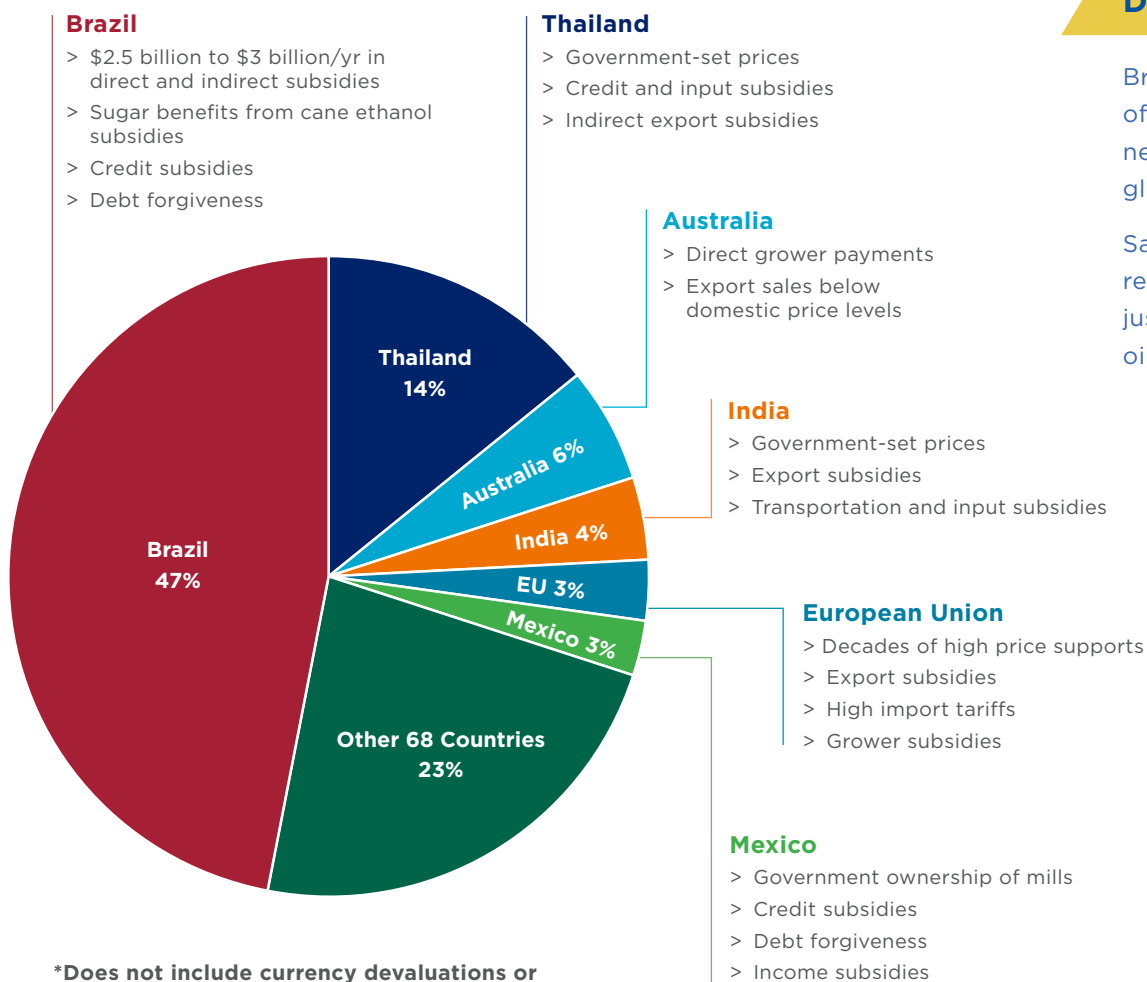
World's Largest Sugar Exporters: A History of Subsidies*

Share of Exports in the World Sugar Market
2011/12–2015/16 Average

DID YOU KNOW?

Brazil is the OPEC of sugar, controlling nearly **50%** of global exports.

Saudi Arabia of the real OPEC controls just **19%** of crude oil exports.



*Does not include currency devaluations or low labor and environmental standards.

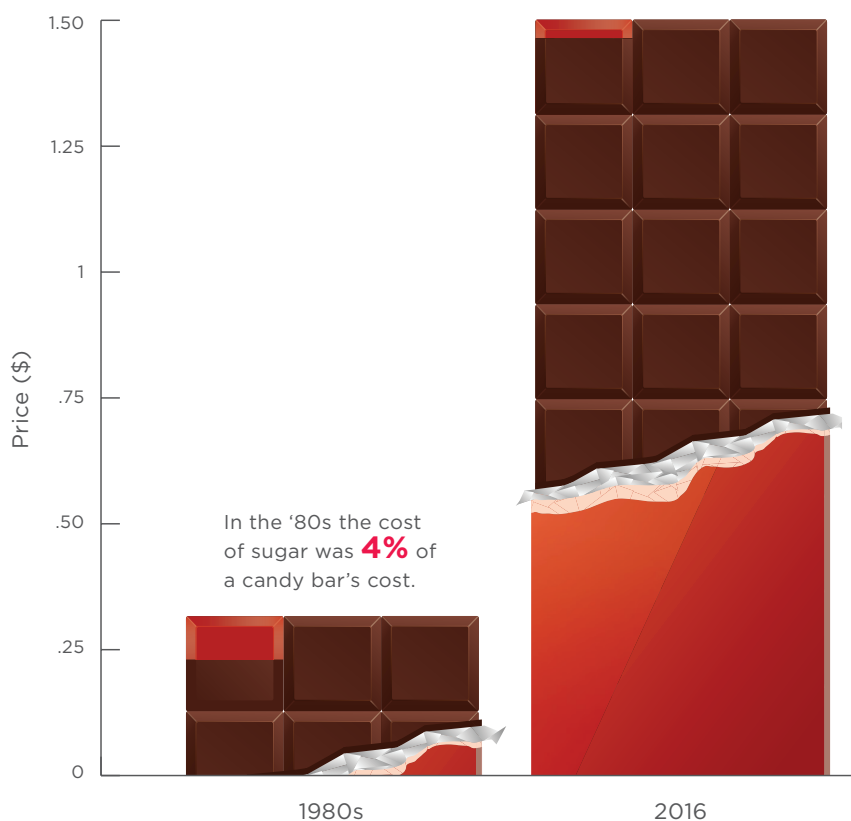
SUGAR'S SHARE OF CANDY COSTS CONTINUES TO CRUMBLE

The cost of a candy bar is at an all-time high of \$1.49. That's up 300% since the 1980s, when candy bars averaged just 35 cents. And it's not just candy bars. The price of hard candy, cookies, cake, ice cream and other sweet treats are way up, too.

Meanwhile, sugar costs about the same today as it did three decades ago and is actually 42% cheaper when corrected for inflation.

Candy Bar Prices Climb, Sugar Stays Flat

Today, the cost of sugar is **only 1%** of a candy bar's cost.



DID YOU KNOW?

A candy bar contained less than two pennies worth of sugar in the 1980s, which represented just **4%** of the product's final price. Sugar still makes up less than two cents, or a mere **1%** of a candy bar's cost today.

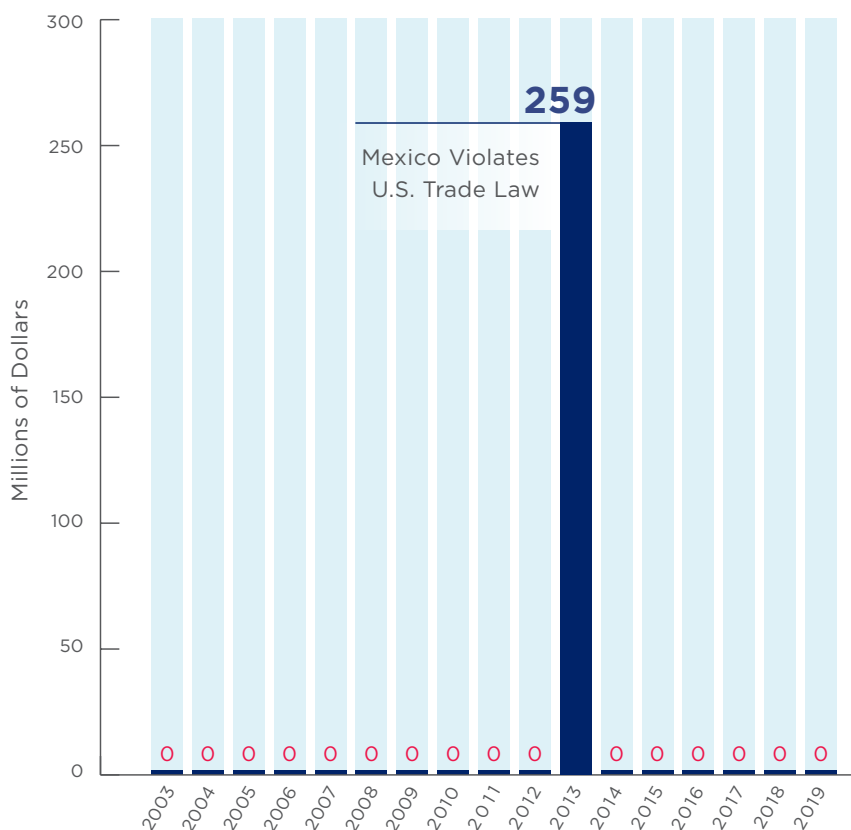
SUGAR POLICY: A NO-COST SUCCESS STORY

Sugar policy is based on loans repaid with interest, not subsidy checks. That's why it cost taxpayers \$0 in '03, '04, '05, '06, '07, '08, '09, '10, '11, '12, '14, '15, and '16. And the Congressional Budget Office and U.S. Department of Agriculture both estimate sugar policy will cost \$0 over the life of the current Farm Bill.

The only blemish on sugar's no-cost record came in 2013 when the USDA took action to keep the market from collapsing after Mexico violated U.S. trade law and dumped subsidized sugar.

Mexico's actions cost U.S. taxpayers \$259 million — which still represented less than 0.25% of Farm Bill spending that year — but resulted in more than \$1 billion in damage to U.S. sugar producers. After U.S. producers challenged these actions, the U.S. government ruled against Mexico and removed the threat, so sugar policy's no-cost operation could continue.

U.S. Sugar Policy Cost



DIRECTLY FROM THE FARM BILL

[T]o the maximum extent practicable, the Secretary shall operate the program established under this section at no cost to the Federal Government...

Source: USDA, 2002/03–2015/16 (2012/13 is a net cost)

CBO: 2016/17–2018/2019, March 2016 projections

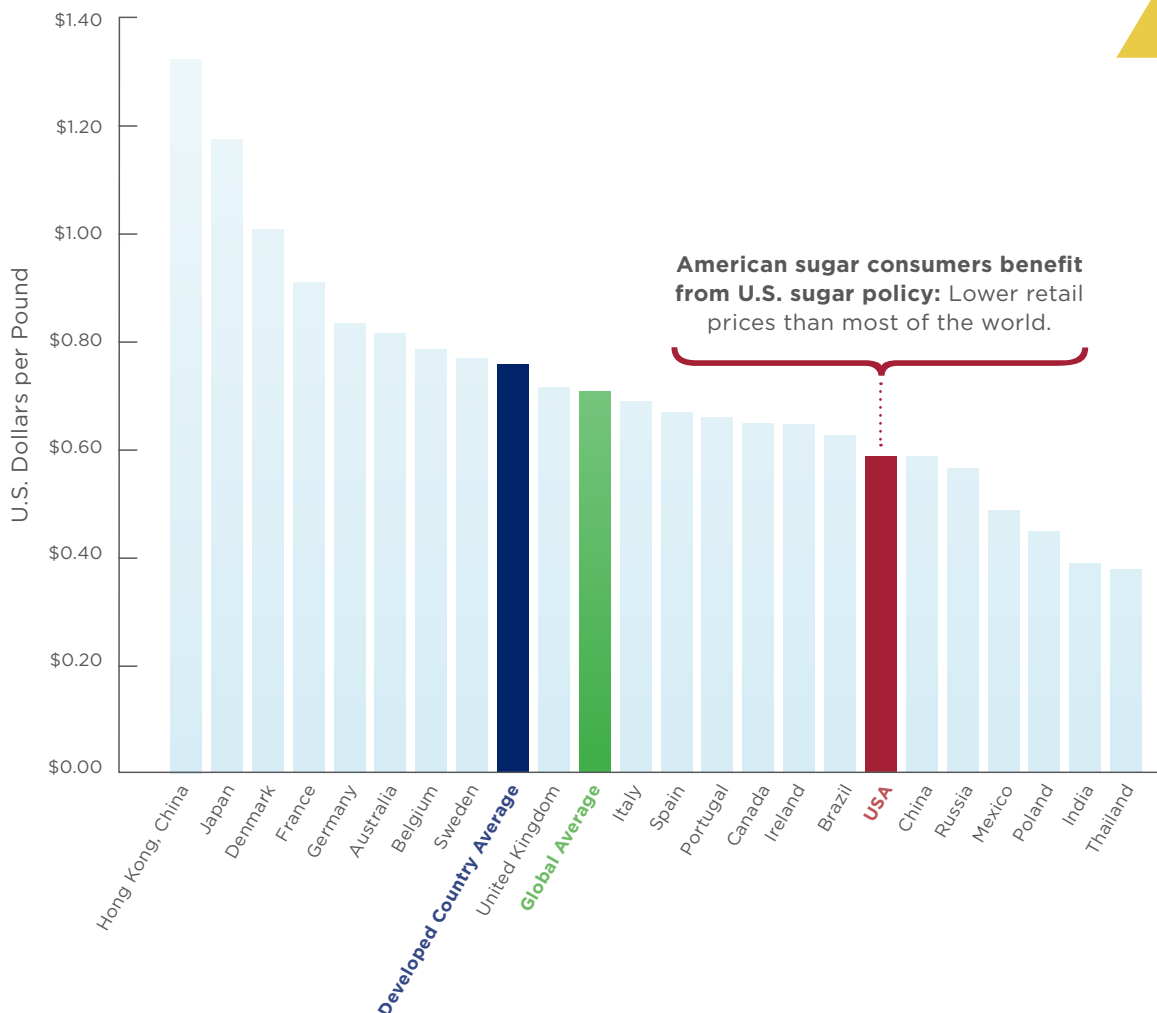
U.S. CONSUMERS GET A GREAT DEAL ON SUGAR

Grocery shoppers in other countries pay, on average, 20% more for sugar than Americans at the checkout line. And U.S. food manufacturers pay about the same for sugar as their counterparts abroad, and sometimes considerably less, according to the International Sugar Organization.

Of course, sugar policy critics would never admit these simple facts as they intentionally mislead lawmakers and journalists about sugar prices.

To make U.S. prices sound high, critics cite prices from a highly-volatile market of subsidized sugar surpluses. This market represents just 25% of the world's sugar supply, it is disconnected from actual production costs, and it doesn't include the refining, shipping, or storage costs.

Retail Sugar Prices Around the Globe



DID YOU KNOW?

U.S. prices were lower in 2016 than in 1980, back when Jimmy Carter sat in the Oval Office.

Source: SIS International Research, "Global Retail Sugar Prices," July 2015, from Euromonitor, International Monetary Fund; 2014 prices. Surveyed countries represent 67% of global sugar consumption. Developed countries include OECD member countries and Hong Kong.



BIG CANDY IS ENJOYING SWEET SUCCESS

Confectioners have nothing to complain about when it comes to sugar. They pay about the same for sugar as their counterparts abroad, and sometimes considerably less, according to the International Sugar Organization. And, they have boosted profits under the current sugar policy.

U.S. sugar prices are as low today as three decades ago, yet the price of a candy bar has increased 300% over that time. No wonder U.S. confectioners boast profit margins that are higher than hospitals, aerospace/defense contractors, telecom providers, and even Hollywood, based on Yahoo!Finance statistics.

And according to official Census data, domestic candy production and associated jobs have grown since current sugar policy took hold in 2008 — far outpacing manufacturers of non-sweetened foods.

A recent study by the dean of the University of Maryland's business school found that, over the last 15 years, the biggest producers of sugar-sweetened foods:

- > **Saw stock prices jump 136%** — nearly triple the growth of the S&P Index.
- > **Grew revenues by 131%** — double the growth of the U.S. economy.
- > **Achieved profit margins 37% higher** than other U.S. public companies.
- > **Realized returns on equity 25% higher** than other food manufacturers.

Be sure to check out all the good news Big Candy refuses to share with Congress at

sugaralliance.org/big-candy



BACKING AMERICA'S BEET AND CANE FARMERS

AMERICA'S SUGAR PRODUCERS: BY THE NUMBERS

U.S. Production

142,000 Number of American sugar jobs in 22 states in jeopardy of being outsourced without sugar policy.

\$20 billion Annual economic activity generated by U.S. sugar production.

2 million Acres of sugarbeets and sugarcane planted in America in 2016/17.

50/50 About 50% of America's sugar comes from cane, the other half from beets.

100% Percentage of beet processing factories that are farmer-owned — 90% of U.S. cane refining capacity is owned by farmers or employees.

U.S. Sugar Policy and Trade

\$0 What U.S. sugar policy cost American taxpayers in '03, '04, '05, '06, '07, '08, '09, '10, '11, '12, '14, '15, and '16. CBO and USDA also estimates no cost for the rest of the Farm Bill. A small cost in 2013 was a direct result of a flood of subsidized Mexican sugar.

5 All of the five recorded votes taken during the last Farm Bill debate rejected attempts by Big Candy to weaken sugar policy.

120 Number of countries that produce sugar and subsidize sugar production in some way.

47% Amount of global sugar exports controlled by Brazil, which built its dominance over the volatile global sugar market with \$2.5 billion a year in subsidies.

41 America is among the largest sugar importers in the world, granting market access to 41 countries.

1.4 million Tons of sugar America is forced to provide import access for, regardless of needs — imports from Mexico have been unlimited because of NAFTA.

1st Rank of America's beet farmers — the lowest cost of beet sugar producers in the world — overall, U.S. beet and cane sugar producers are 20th lowest cost of the 95 sugar-producing countries examined in a study of world efficiency.