News from Senator

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DOLE SAYS SUGAR IMPORT QUOTAS AREN'T SO SWEET

WASHINGTON -- Senator Robert Dole (R.-Kan.) today called the Administration's decision to impose quotas on sugar imports "sad proof that the support program for sugar included in last year's Farm Bill was too generous".

According to Dole, the effort to avoid up to $500 million in government sugar purchases this October could cost U.S. consumers from $1 to $1.5 million in higher retail prices.

Dole's comments followed the announcement Tuesday by Agriculture Secretary John Block that country-by-country import quotas will be needed to prevent low-cost foreign sugar from flooding the U.S. market. Under the sugar program in the Farm Bill, the USDA defends the price of domestic sugar at 16.75¢ per pound through a combination of fees and duties on imports. With the world sugar price now below 9¢ per pound, the duties and fees are inadequate to keep U.S. price high enough and prevent the sale of up to 1-million tons of domestic sugar to the USDA when purchase contracts expire in October.

"If the sugar lobbyists hadn't been so greedy last fall," Dole said, "we could have agreed on a program that would be compatible with the realities of world sugar production and trade. Instead, we are forced to divide our market among sugar exporting countries, opening ourselves to charges that the U.S. wants to eliminate restrictions on access to markets only for products which we produce efficiently."

"Additionally, a major factor in the extreme difference between U.S. and world sugar prices in the continuing high level of export subsidies on sugar by the European Economic Community (EEC). If the EEC did not pay lavish subsidies per pound to dump surplus sugar on the international market, the drastic step of instituting import quotas may well be unnecessary," Dole said.

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