

The Sugar Lobby's Sugar Price Misinformation Campaign Continues

The latest sugar producer graphic comparing changes in sugar and sugar-containing product prices is among their more cynical and misleading efforts. It is reproduced on the next page. But if one looks at the period from January 2008, the year the current farm bill was passed, to the present, here's the true story.

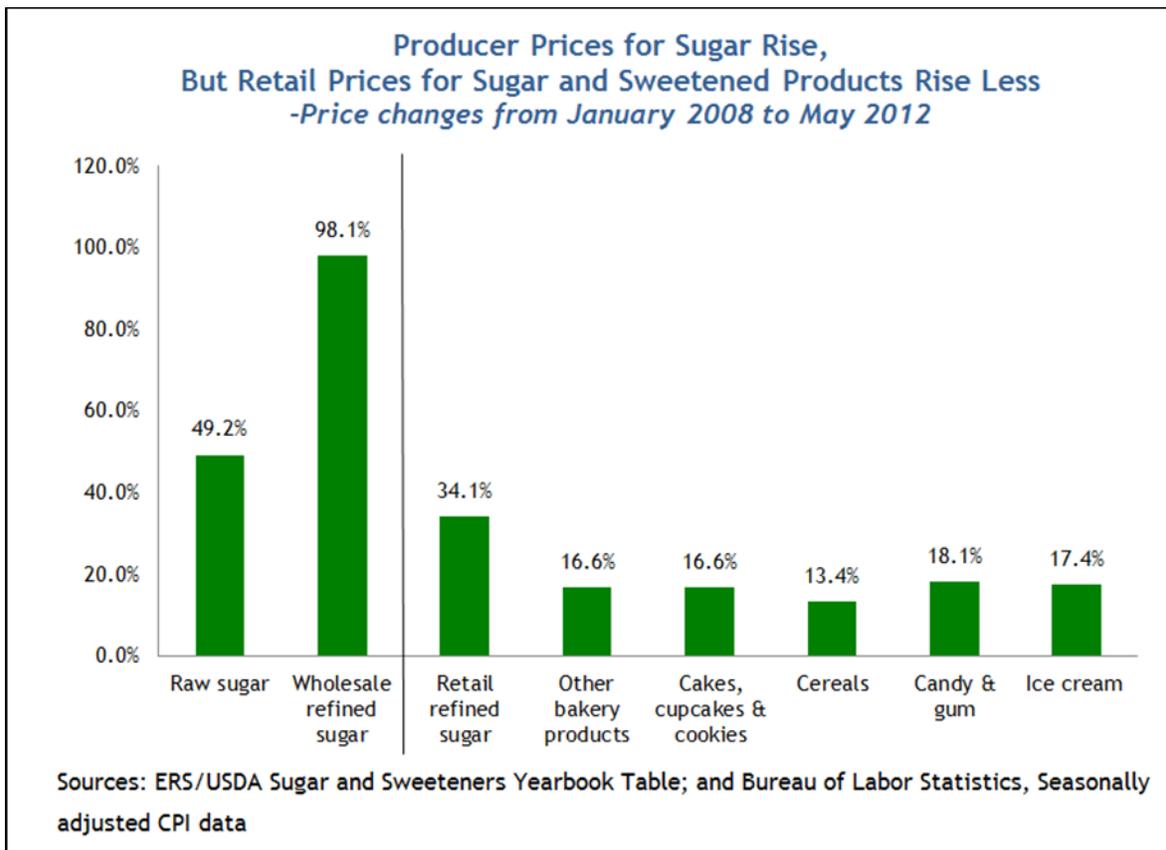
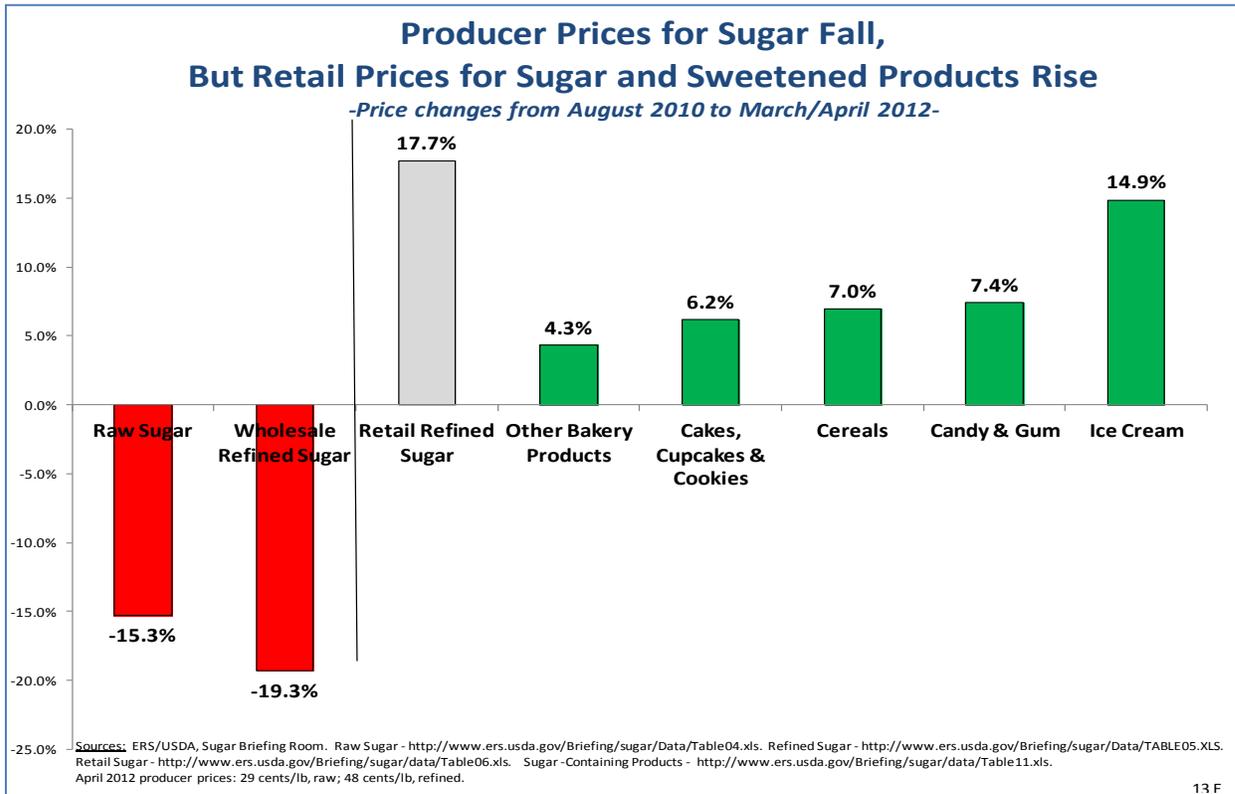


Chart from sugar producer lobbying materials:



Picking a starting point for a chart showing percent change should not distort the factual situation, as this one does by starting from August 2010 when sugar prices reached their all-time high.

The production costs (and prices) of these sugar-containing products are influenced by changing costs for labor, energy, and a variety of raw materials. In the case of sugar, it is the government support program that has inflated the cost to manufacturers.

Agricultural commodity prices can be quite variable due to weather and government policy changes, and it is clear that changes in costs, whether up or down, are eventually reflected in product prices with a lag of several months. If food manufacturers could just ignore input costs and set prices wherever they wanted, they would have profits that dwarf those of other US manufacturers. But they can't, so they don't.