

GUEST OPINION BY COMMISSIONER RAY JUDAH
2007 FARM BILL

9-19-07

A couple of weeks ago Commissioner Bob Janes and I were unable to receive support from the majority of the Board of County Commissioners to send a letter to our Congressional delegation requesting revisions to the 2007 Farm Bill that would stop the waste of taxpayers dollars spent on subsidizing the sugar industry to the detriment of the economy and environment of south Florida.

Continuation of increased subsidies to the sugar industry is contrary to our free market economy and serves to undermine Federal and State efforts to properly manage the Lake Okeechobee Watershed and restore the Florida Everglades.

Federal price support of the sugar industry in the Everglades Agricultural Area between Lake Okeechobee and the Florida Everglades allows for the continuation of destructive land practices resulting in severe alteration to the natural hydrological systems critical to the long term sustainability of the south Florida ecosystem.

The very existence of the sugar cane industry in south Florida can be attributed to ill advised government policies resulting in big sugar being a huge welfare recipient at the expense of the public taxpayer.

For years, U.S. government subsidies have enriched the sugar industry's profit margin. This insidious federal sugar subsidy program includes government-backed loans, price support and import quotas.

A sweetheart arrangement with the United States Department of Agriculture allows the sugar processors to pledge sugar as collateral for business loans at a rate of approximately 18 cents per pound. This favorable loan rate which is two to three times higher than the average world sugar price must be repaid within nine months or sugar is forfeited to the government in lieu of repaying their debt.

In order to avoid loan default and the government being stuck with the high cost of storing forfeited sugar, the loan program guarantees that the sugar processors receive a price for sugar that is no lower than the loan value. Government control of the sugar supply maintains the high price of domestic sugar putting billions of dollars into the sugar industry's coffers. The government manipulates the sugar supply by setting quotas on the amount of foreign sugar permitted to be imported without facing prohibitive tariffs and regulating the amount of sugar that domestic processors can sell.

The sugar industry is quick to point out that the price support program requires no government outlay, but the sugar industry is allowed to plunder the taxpayer due to government's role in propping up the high price of domestic sugar.

Flush with cash, the sugar industry contributes millions of dollars to politicians that support the federal sugar subsidy program and blunt reform efforts to promote world Free Trade Agreements and halting the continuing destruction of the Florida Everglades and coastal estuaries.

The U.S. Congress recently reconvened after its summer recess and will be considering reauthorization of the 2007 Farm Bill.

Given that current Federal subsidies in the Farm Bill is the fuel that feeds the sugar industry's relentless destruction of south Florida's precious natural environment, it will require action by the people to convince our Congressional delegation to amend the Farm Bill to exclude Federal price support and subsidies of sugar operations south of Lake Okeechobee.

Only then will we be able to move forward with meaningful restoration of the Florida Everglades.