

GUEST OPINION BY COMMISSIONER RAY JUDAH

2007 FARM BILL (2)

10-24-07

In his recent guest opinion, Mr. Roger Hatton from Clewiston, hometown of U.S. Sugar Corporation, insisted that the sugar industry receives no taxpayer supported subsidies and is adequately addressing water quality issues.

Mr. Hatton and the sugar industry continue to hide behind a veil of deception, but the public is finally demanding accountability of our state and federal government and meaningful solutions to restore our south Florida ecosystem, including Lake Okeechobee, coastal estuaries and the Florida Everglades.

Contrary to Mr. Hatton's assertion that there are no subsidies for sugar, the sugar industry is heavily subsidized by an elaborate federal program that includes government backed loans, price support and rigid import quotas.

While ignoring the principles of a free market economy the federally supported Farm Bill fosters a costly sugar cartel similar to the oil producing exporting countries (OPEC) stranglehold on the oil supply in the Middle East.

The Farm Bill includes an intricate financing system that allows the sugar industry to exploit a taxpayer supported business loan program using sugar as collateral for loans. The loan rate of 18 cents per pound is directly linked to an inflated cost of domestic sugar. By propping up the high price of domestic sugar two to three times higher than the world market price and imposing punitive tariffs on imported sugar, the federal government guarantees excessive profits to the sugar industry at the expense of the taxpayers and consumer.

The sugar processors also have the flexibility to forfeit their sugar as loan repayment, forcing the federal government to accept and store the sugar at an exorbitant cost to the taxpayers. The Congressional Research Service estimates that the Federal Sugar Subsidy program costs up to \$1.9 billion annually due to inflated prices.

Due to federal support and protection of the sugar cane industry, Department of Commerce records suggest a correlation between the high cost of domestic sugar and the loss of thousands of jobs in

sugar related industries. Candy manufacturers and confectionery businesses have closed plants and moved production to Canada and overseas where the price of sugar is much cheaper.

In their relentless pursuit to further exploit the federal price support program, the sugar cane industry is lobbying hard in the current congressional session to amend the 2007 Farm Bill to increase the sugar subsidy rate from 18 to 18.5 cents per pound. While that seems like a small percentage, the amendment equates to an increased subsidy of hundreds of millions of dollars further burdening taxpayers and the federal budget.

The U.S. House recently approved the amendment and it will be up to the U.S. Senate to exert fiscal responsibility and oppose the measure.

Mr. Hatton's assertion that the sugar farmers have cleaned their water runoff and have complied with state and federal regulation is blatantly false.

In fact, the sugar industry has back pumped water heavily laden with pesticides and fertilizers into Lake Okeechobee for decades and has convinced the South Florida Water Management District to appeal a recent U.S. District judge's ruling that back pumping must comply with the U.S. Clean Water Act.

Furthermore, the sugar industry has failed to comply with the Federal Consent Decree effective December, 2006, which stipulates a reduction in phosphorus to 10 parts per billion for water released from the Everglades Agricultural Area to Everglades National Park.

In addition, the lack of sufficient acreage in the Everglades Agricultural Area for treatment of surface water runoff from the sugar cane fields restricts the public from receiving the benefits of fully utilizing the water storage capacity in the water conservation areas south of Lake Okeechobee and providing clean water flow critical to the Everglades National Park.

Mr. Hatton's apparent agitation with my comments concerning the devastating impacts on the Caloosahatchee River and coastal estuaries due to excessive pollutant laden runoff from the sugar cane fields will only be ameliorated when the public resources receive protection from the public agencies.