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English 11 PBL: Argument Essay

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The US Sugar Industry

Do Americans know that there was a monopoly on sugar before the Great Depression? The company known as the American Sugar Refining Company owned 98% of the sugar industry.¹ While the company was later broken up, the laws from that time in history still exist. According to one of the articles published for *The 1619 Project* by *The New York Times*, sugar's importance to the U.S. began long ago with origins dating back to slavery. In the essay, "The Sugar That Saturates The American Diet Has A Barbaric History As The White Gold That Fuels Slavery," Khalil Gibran Muhammad states that "Within five decades, Louisiana planters were producing a quarter of the world's cane-sugar supply."² This is the start of the U.S. sugar industry's grip on the American economy. The US Sugar industry continues to have a stranglehold in this country's economy because of high tariffs from the government and exorbitant prices for sugar versus the global price of sugar.

The US Government backed by the American branch of the industry has imposed tariffs to keep out competition. Fortunately, they have suitable evidence at what these tariffs have to the standing of nations, as well as the industry in itself. Growers of sugar cane or beets usually get a

¹ <https://www.britannica.com/event/United-States-v-E-C-Knight-Company#ref227853>

² <https://www.nytimes.com/interactive/2019/08/14/magazine/sugar-slave-trade-slavery.html>

pay of \$200,000 on average a year.³ The only thing these tariffs do is give better pays for the farmers who grow them and the companies that distribute them. The imposed tariffs also hurt many industries within the United States including all candy manufacturers, for which they have moved factories and plants to Canada. Greg McCormack, president of Bob's Candies said "I just got tired of paying welfare to Big Sugar,"⁴ Due to the tariffs, they are not allowing actual competition from other economic-powerhouse countries. It's ultimately because of these tariffs that prices are so high in the States.

US taxpayers usually have to pay double or triple the price of sugar than the average global price. This can be attributed to the paragraph shown alone, as well as multiple other factors that we will be getting into. The reason for this is the ultimate because the United States restricts imports from other countries. This also impacts the food and beverage industries within the US. The Coalition for Sugar Reform, which represents hundreds of these companies including Coca-Cola, made a statement about a recent decision under the Trump administration, "U.S. sugar policy should empower America's food and beverage companies to create more jobs, not put hundreds of thousands of good-paying U.S. jobs at risk just to benefit one small interest group."⁵ This not just hurt other industries within our country, but also hurts the common citizen within our country as well. One USDA economist stated that the price-support program could cost taxpayers \$80 million in 2013 terms. This does not take into account of how much sugar is within the Standard American Diet, including candy, junk food, etc.⁶ This shows that you do not

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<https://www.marketwatch.com/story/the-us-spends-4-billion-a-year-subsidizing-stalinist-style-domestic-sugar-production-2018-06-25>

⁴ [Candy-Coated Cartel: Time to Kill the U.S. Sugar Program](#)

⁵ [Why Americans pay more for sugar - The](#)

⁶ [Why do Americans pay more for sugar?](#)

just have to pay double the worth of sugar, but also the same for all the food you'd eat on a daily basis.

Not everyone agrees that the US sugar industry has a stranglehold in this country's economy. The American sugar industry, unlike the sugar industries in other countries, is one of the largest sugar producers and distributors in the world. If they do not have a stranglehold on the sugar industry in this country, then why do they not own the farms? 80% of all sugarcane in the country is made by millions of small-scale farmers & plantation owners.⁷ The farmers also get benefits from this system, yet there are those who complain about the price of sugar in the states. Despite this argument, the actual price of sugar is the lowest it has been in a decade, at 10.1 cents a pound.⁸

The American sugar industry continues to have a grip on the US economy, as well as their laws. Due to these laws from a bygone era which are still not rebuked, nor changed for the modern economy, it causes a decline in the US standing amongst nations, as well as its citizens. Sugar was once called "white gold" when it was first brought to the US. Louisiana alone was credited for producing a quarter of the worlds sugar at the time. Today not much has changed, sugar is still a driving force in the food industry, it is found in virtually everything people eat. This fact enables the sugar tariffs in the US, which results in people being forced to pay double or triple the global price. Sugar, "The White Gold That Fuels Slavery", has continued to grow and over time become the white gold lining the pockets of people in the US sugar industry.

⁷ <http://fairtrade.org.uk/Farmers-and-Workers/Sugar>

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<http://marketwatch.com/story/sugar-prices-are-the-lowest-in-a-decade-but-have-yet-to-hit-bottom-2018-08-23>