Farm Bill Statement
USDA Forum
July 26, 2005
North Dakota State Fair, Minot, ND

Good afternoon. My name is Dennis Klosterman. I am a farmer ~~and sugarbeet grower~~ and Sugarbeet, Corn & Soybean. I currently grow ~~235~~ 400 acres of beets for Minn-Dak Farmers Cooperative. I am one of Minn-Dak's original growers, planting the first crop in 1974 in partnership with my father and my brother is my current partner. Minn-Dak is a sugarbeet processing facility in Wahpeton, North Dakota and is owned by 488 North Dakota and Minnesota sugarbeet farmers. We plant, harvest and process a little over 100,000 acres of sugarbeets. We produce on average about 600 million pounds (321,000 STRV) of refined beet sugar annually generating nearly $160 million of total revenue. We employ more than 500 people during the course of the year with a payroll cost of about $12.7 million.

- Like other American farmers, American sugarbeet and sugarcane farmers are among the best in the world at what we do – high yields, low costs of production.

- Unlike other American farmers, we are lined up behind subsidized foreign producers to supply our own market. Trade agreements – the WTO and the NAFTA – guarantee access to foreign producers, whether we need the sugar or not; we supply whatever is left.

- Like other American farmers, the biggest threats to our livelihoods should be bad weather, pests, disease, and low market prices. But I'm sad to say that the greatest threat to American sugar farmers is the United States Trade Representative. The USTR wants to negotiate my market away to subsidized foreign sugar producers, without even addressing any of the government subsidies in those countries.

- Each trade agreement that passes with additional commitments to import subsidized foreign sugar, like the CAFTA – or the TAFTA, with Thailand – dooms more American sugar farmers, like my neighbors and me, to the unemployment line. Import more foreign sugar; export more American sugar jobs.

- Aside from these trade agreements, the no-cost U.S. sugar policy is working and should be allowed to continue in the next Farm Bill. Trade agreements should not take away American sugar farmers' ability to exist, to compete for the U.S. sugar market, and to have a place alongside other commodity programs in the Farm Bill.

- U.S. sugar policy is working for American consumers.
    - In other developed countries, consumers pay 30% more for their sugar than American consumers do.
    - Sugar is more affordable here than in any other country in the world (in terms of minutes of work to purchase one pound), with the lone exception of tiny Singapore.
    - Consumer prices for sugar in this country are virtually unchanged since the early 1990's.

- U.S. sugar policy is working for American taxpayers.
    - U.S. sugar policy has been designed to operate at no cost to U.S. taxpayers since 1985 – the last year we received a support price increase. We derive all our income from the marketplace; we receive *no* income supports from the government when market prices fall.
    - Over the past 15 years (1991-2005) government outlays for other commodity programs have totaled $215 billion. Government net *revenues* from sugar policy over the same period have been $110 million.

- U.S. sugar policy is working for U.S. consumers and taxpayers and is giving American sugar farmers the opportunity to survive and compete in a world of highly subsidized foreign sugar producers. The successful, no-cost U.S. sugar policy should be allowed to survive and should be a part of the next Farm Bill.