We are here today to review the implementation of the sugar provisions of the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill). Last week the Committee heard from USDA and representatives of the peanut industry on the peanut program, and today we continue our series of oversight hearings with a look at the U.S. sugar program.

The sugar program functions differently than many of the other commodity programs. Rather than receive direct government payments, domestic sugar producers and processors benefit from a combination of two methods which ensure a minimum price for their sugar. Marketing allotments are used to control domestic supply, and import quotas are used to regulate the quantity of imported sugar entering the U.S. market. These two tools allow the federal government to control the domestic price of sugar, which allows the program to function without direct taxpayer support and at a no-cost basis for federal government outlays, a requirement mandated by the 2002 farm bill.

Unfortunately, there are many challenges facing the sugar program today, including many issues related to trade. Different sectors of the sugar industry - from growers to refiners, to users, to import quota holders - may view the sugar program in different ways, and these views are what we expect and hope to learn here today. We welcome all of our witnesses, thank you all for appearing here today, and look forward to your testimony.