

## Study documents need for U.S. sugar program

WASHINGTON, D.C. — An independent economic study concludes that the United States cannot subject its domestic sweetener industry to the turbulent world sugar market without risking severe and permanent damage to American producers.

The study, conducted by Economic Perspectives, Inc. (EPI) of McLean, Va., was commissioned by the Corn Refiners Association, Inc. to examine the effects of the U.S. sugar program. The sugar program contained in the 1981 farm bill, which expires this year, prevents subsidized foreign sugar from displacing domestic sugar and corn sweeteners in the U.S. market.

Robert C. Liebenow, president of the Corn Refiners Association, said that "without a domestic sugar program, U.S. sweetener producers would be quickly driven from the market, making this country primarily dependent on foreign suppliers."

Liebenow noted that the EPI study projects that, in the absence of the current sugar program, the U.S. would have had to depend on foreign sources for approximately 60 percent of its sweetener supply. Currently about 80 percent of U.S. sweetener use is supplied by domestic production of sugar and corn sweeteners.

Liebenow noted that the world price for sugar has been driven far

below the cost of production by foreign government subsidies, and that refined sugar is currently selling in the world market for around one-quarter of its cost of production.

"If there had been no sugar program in the 1981 farm bill, it would have resulted in a loss of around \$11.5 billion to the U.S. economy," Liebenow said.

According to the EPI study, U.S. sugar revenues would have dropped \$6.1 billion; high fructose corn syrup revenues would have been down \$3.5 billion; corn producers would have lost \$900 million; and the U.S. government would have had to spend an additional \$1.5 billion in price supports for corn from 1981 to 1985. Such a large increase in grain support costs would bring additional pressure to reduce the costs of the grain program, according to Liebenow.

The EPI study examines the impacts of the 1981 sugar program in the context of industry trends over the past 15 years. It compares sweetener industry performance since 1981 with trends that could reasonably have been expected in the program's absence.

Major conclusions of the study are:

\* If foreign subsidies had not distorted the world sugar market since 1981, the U.S. sugar program would have had relatively little impact on sugar producers. Its

primary role would have been to guard against potentially damaging price swings caused by variations in weather and yields.

\* World economic and political trends indicate that the factors which have caused worldwide depression in sugar prices are

likely to continue.

\* In the absence of an effective U.S. sugar program, domestic sweetener producers face severe economic losses.

\* The current U.S. sugar policy, while effectively stabilizing U.S. prices, does not restrict domestic

competition among sweeteners. High fructose corn syrup has gained an increasing share of the U.S. market because of production cost advantages. However, even high fructose corn syrup producers could be hurt by competition with current world sugar prices.

## Bacterium is a 'natural' as bean rust fungicide

WASHINGTON — A bacterium in the soil may become a natural fungicide against rust fungus that causes bean crop losses of up to \$250 million a year, a U.S. Department of Agriculture scientist said.

C. Jacyn Baker, a plant pathologist in USDA's Agricultural Research Service, said that in field tests the bacterium *Bacillus subtilis* controlled seven of the major types of rust. He said the bacterium holds promise of controlling all 28 fungus types that cause rust disease on fresh and dry beans.

"Bean rust may be the most changeable fungus in America,"

he said. According to Baker, almost every time a resistant bean is developed for one type of rust, another type seems to adapt to the plant resistance.

Baker and pathologist J. Rennie Stavely screened bacteria at the Beltsville, Md., Agricultural Research Center. They found that *B. subtilis* is initially 60 to 70 percent effective in keeping spores of the rust fungus from infecting bean leaves.

"We only get that level of control if we spray the plants every few days, which is expensive," Baker said. The bacterium stops working either because it cannot spread to new leaves or the environment

breaks it down.

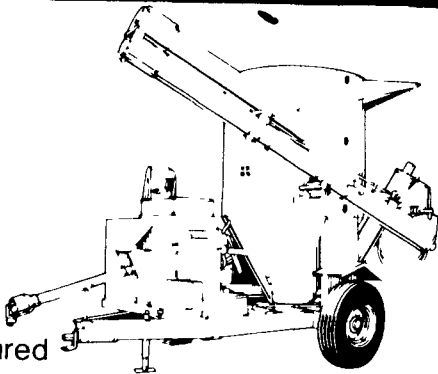
As a first step toward overcoming this problem, Baker isolated the ingredient from the bacterium that prevents the spores from germinating. He has started testing combinations of the ingredient and chemicals for a potential "rust-icide."

"We want a natural fungicide that will move around on bean leaves and be more stable in the environment," he said.

Baker may also explore the possibility of using genetic engineering to make a rust-controlling bacterium that will thrive and spread on bean leaves.

### SAVE

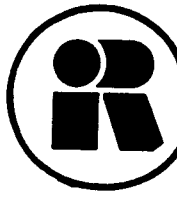
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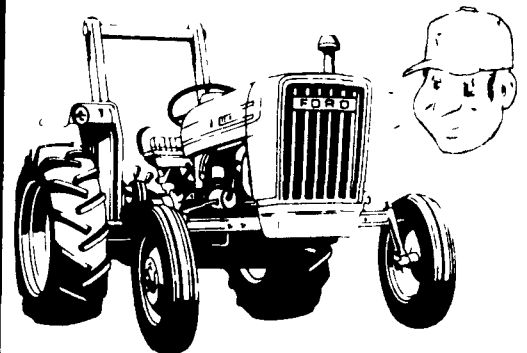
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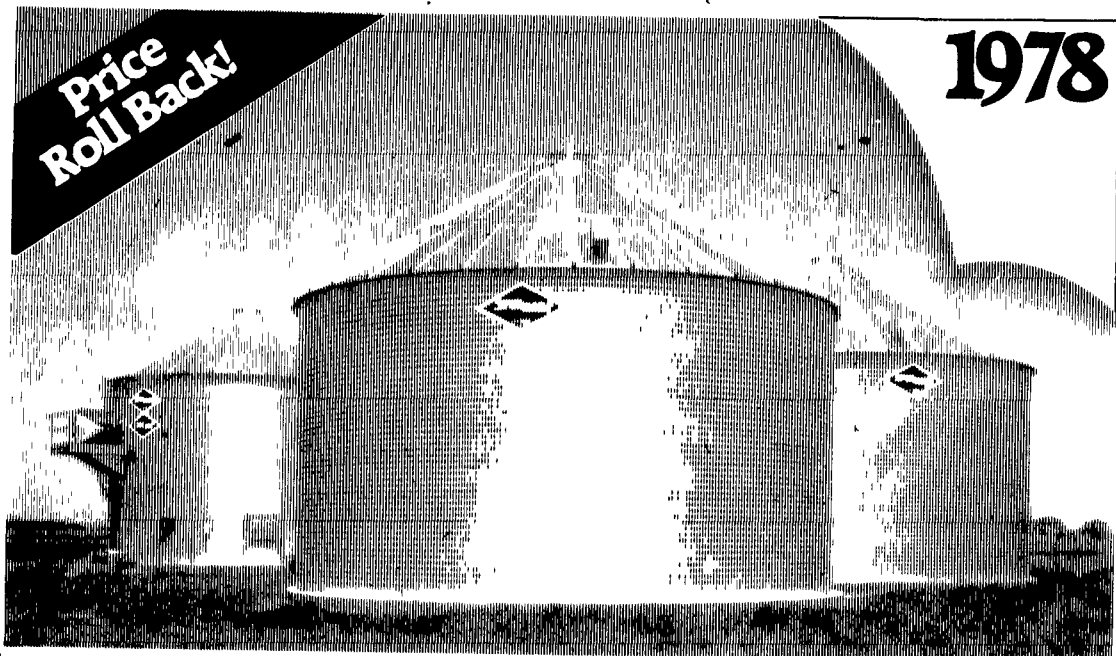


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