The Daily Dish

Sugar – the Real Story

DOUGLAS HOLTZ-EAKIN | JULY 22, 2025

This episode begins, as do many, with a post on Truth Social:

> *"I have been speaking to Coca-Cola about using REAL Cane Sugar in Coke in the United States, and they have agreed to do so," Trump wrote in a post on his Truth Social platform on Wednesday. "I'd like to thank all of those in authority at Coca-Cola. This will be a very good move by them – You'll see. It's just better!"*

Of course, the president is spending his time reformulating soft drinks. Historically every president has noted how underemployed they've been. But why would he do this?

One thought is that this decision is at the behest of Health and Human Services Secretary Back-to-Nature Bobby. But as reported by ABC News: "'No matter what, high sugar intake has been linked to all of the negative health effects,' Julia Zumpano, a registered dietitian at the Cleveland Clinic, told ABC News." This is not a health policy issue.

Or it could be another attempt to tame inflation – NOT. The sad truth is that U.S. sugar policy guarantees this will be a more, not less, expensive soda. Since 1981, successive farm bills have incorporated a very protectionist sugar policy. Each year the United States Trade Representative (USTR) publishes bilateral quotas for sugar imports. For example, Argentina is allocated 46,260 metric tons to export to the United States, while Australia gets 89,293. The basic in-quota tariff is 1.4606 cents per kilogram (0.663 cents per pound) for raw sugar (3.6606 cents per kilogram or 1.660 cents per pound for refined sugar). These tariffs are typically waived by Congress. The out-of-quota tariff is 33.87 cents per kilogram (15.36 cents per pound) for raw sugar, and 35.74 cents per kilogram (16.21 cents per pound) for refined sugar.

The upshot of this is that U.S. prices of cane sugar are roughly twice those of global prices, and well above fructose sugar. (This fact was reported by *The Wall Street Journal* in a story that somehow did not mention the reason for the higher prices: sugar quotas. Pure malpractice.) So a switch to cane sugar will do nothing to make Coca Cola cheaper.

So, we are left with the reality that the Taster-in-Chief does not recognize the legitimacy of other people's values. He knows what will taste best for them, no matter how much it costs them. There is no part of MAGA or MAHA that features traditional respect for others' values.