

Welfare Analysis Canadian Sugar Policy in 1990

Scenario 1. Canada ends support so price falls from \$309/ton to \$287/ton, the world price

Gain to:	Area (Annex figure 2)	Canadian dollars (1,000)
Producers	-1	-2,661
Consumers	+1 to 10	22,449
Taxpayers	<u>-4-8</u>	<u>-19,558</u>
Nation	2+6	230

Scenario 2. Canada adopts U.S. support level of \$507/ton — welfare over and above current support \$309/ton

Gain to:	Area	Canadian dollars (1,000)
Producers	10	26,156
Consumers	-7-8-9-10	-188,991
Taxpayers	<u>8</u>	<u>149,647</u>
Nation	-7-9	-13,188

Scenario 3. Canada adopts U.S. support level of \$507/ton — welfare over and above that at the world price of \$287/ton

Gain to:	Area	Canadian dollars (1,000)
Producers	1+10	28,817
Consumers	-(1 to 10)	-211,440
Taxpayers	<u>4+8</u>	<u>166,270</u>
Nation	-2-3-5-6-7-9	-16,353

Area values (C\$1,000)

1	2,661	6	200
2	30	7	11,245
3	432	8	149,646
4	16,627	9	1,944
5	2,499	10	26,155