



Sugar Program

1996 Through 2002-Crop Sugarcane and Sugar Beets Price Support Program

Loan Program

The Federal Agriculture Improvement and Reform Act of 1996 requires the Secretary of Agriculture to provide loans to processors of

(1) domestically grown sugarcane at a rate equal to 18.0 cents per pound for raw cane sugar, and

(2) domestically grown sugar beets at a rate equal to 22.9 cents per pound for refined beet sugar, for the 1996 through 2002 crops.

Loans are nonrecourse if the tariff-rate import quota (TRQ) is established above 1.5 million short tons, raw value, at any time during the fiscal year. Otherwise, loans are recourse (i.e., loans cannot be settled by forfeiture of the sugar loan collateral but must be repaid like any other commercial loan).

Processors who forfeit sugar pledged as collateral for a nonrecourse loan will face a penalty of 1 cent per pound for raw cane sugar and 1.07 cents per pound for refined beet sugar.

Sugar loans are available beginning October 1 each fiscal year. Loans are made for nine months, but all loans must be liquidated by the end of the

fiscal year (September 30) in which the loan was made. However, processors receiving loans in July,

August, or September may repledge the sugar as collateral for a supplemental loan the following October.

National Average Loan Rates

	Cents Per Pound				
	1994	1995	1996	1997	1998
Raw Cane Sugar	18.00	18.00	18.00	18.00	18.00
Refined Beet Sugar	23.43	22.90	22.90	22.90	22.90

Regional Loan Rates

Regional loan rates reflect adjustments for the actual regional freight

costs between the individual production regions and their respective normal destinations.

Loan Rates in Cents Per Pound of Cane Sugar or Beet Sugar

	1994	1995	1996	1997	1998
Processing State or Region and Sugar Type					
Raw Cane Sugar:					
Florida	17.85	17.88	17.88	17.88	17.85
Hawaii	17.90	17.92	17.77	17.77	17.74
Louisiana	18.35	18.28	18.30	18.30	18.30
Texas	18.09	18.10	18.06	18.06	18.01
Puerto Rico	18.13	18.13	18.09	18.09	18.14
Refined Beet Sugar:					
1. Mich. & Ohio	24.26	23.51	23.79	23.79	23.80
2. Minn. & E 1/2 N.D.	23.41	22.96	22.73	22.73	22.73
3. Colo., Neb., SE 1/4 Wyo.	23.11	22.54	23.01	23.01	23.45
4. Texas	23.99	23.51	23.61	23.61	23.88
5. Mont., NW 1/4 Wyo., W 1/2 N.D.	22.98	22.44	22.19	22.19	22.39
6. E Idaho & northward	22.99	22.46	22.48	22.48	22.40
7. W Idaho & northward	22.99	22.46	22.48	22.48	22.40
8. California	23.86	23.48	23.62	23.62	23.82

Regional Support Prices

When nonrecourse loans are in effect, processors who execute a note and security agreement in order to be eligible to receive sugar loans, as prescribed by the Commodity Credit Corporation (CCC), shall be required to pay eligible producers a minimum price for sugarcane or sugar beets delivered for processing.

Marketing Allotments

The 1996 Act suspended through the 2002 crop, authority provided by the Agricultural Adjustment Act of 1938, as amended, to provide for marketing allotments (supply control) on sugar and crystalline fructose.

Marketing Assessments

During each of fiscal years 1997 through 2003, a non-refundable marketing assessment of .2475 cents per pound of raw cane sugar, and .2654 cents per pound of refined beet sugar shall be collected on each pound of sugar marketed. The assessments are remitted to CCC by the last day of the month following the month the sugar was marketed.

Minimum Price Support in Dollars Per Ton of Sugarcane *					
	1994	1995	1996	1997	1998
State or Region and Sugar Crop					
Sugarcane:					
Florida	25.90	25.75	25.75	25.75	25.17
Hawaii	23.37	23.80	23.79	23.79	23.28
Louisiana	22.58	22.55	22.87	22.87	22.97
Texas	20.24	20.70	21.51	21.51	20.37
Puerto Rico	17.58	18.20	18.26	18.26	16.69

* Starting with the 1994 crop, the minimum payment level for sugar beets is the payment specified in the grower's contract for a net selling price (NSP) equal to the loan rate less the national average fixed marketing costs. At

that NSP, the minimum payment would be based on the average sugar content for the grower's sugar beets. Processors will be advised of the minimum payment levels during the loan application process.

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