



NEWS RELEASE

United States Department of Agriculture • Office of Communications • 1400 Independence Avenue, SW
Washington, DC 20250-1300 • Voice: (202) 720-4623 • Email: oc.news@usda.gov • Web: http://www.usda.gov

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Stevin Westcott (202) 720-4178

USDA ANNOUNCES 2004-CROP SUGAR LOAN RATES

WASHINGTON, Sept. 28, 2004 -- The U.S. Department of Agriculture's Commodity Credit Corporation (CCC) today announced loan rates for 2004-crop sugar as required by the 2002 Farm Bill. The national average loan rate for 2004 crop raw cane sugar is 18 cents per pound and is 22.90 cents per pound for refined beet sugar, unchanged from last year. These national loan rates are adjusted by region to reflect freight differentials.

CCC will continue to offer nonrecourse loans to sugar beet and sugarcane processors. Marketing assistance loans are nonrecourse because the commodity is pledged as loan collateral and producers have the option of delivering the pledged collateral to the CCC as full payment for the loan at maturity.

Loan Rates for Refined Beet Sugar

The refined beet sugar processing regions and applicable 2004-crop (Fiscal Year [FY] 2005) loan rates are:

Region	Cents Per Pound of Refined Beet Sugar
Michigan and Ohio	23.85
Minnesota and the eastern half of North Dakota	22.88
Northeastern quarter of Colorado, Nebraska and the southeastern quarter of Wyoming	23.21
Montana, northwestern quarter of Wyoming and the western half of North Dakota	22.75
Idaho, Oregon and Washington	22.13
California	23.76

Loan Rates for Raw Cane Sugar

The 2004-crop (FY 2005) raw cane sugar loan rates are:

State	Cents Per Pound of Cane Sugar, Raw Value
Florida	17.72
Hawaii	17.50*
Louisiana	18.51
Texas	18.13

*18.00 cents per pound if stored on the mainland.

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Sugar beet and sugarcane processors who receive CCC loans in FY 2005 are required to make minimum grower payments for all sugar beets and sugarcane received from growers. Processors failing to meet the required minimum grower payment will be ineligible for loans. Sugar beet grower minimum payments are the amount specified in the grower/processor contract. Sugarcane producers must pay at least the following payment levels, for average quality sugarcane, to their growers. A grower's payment level can be adjusted according to the quality adjustment method in the grower/processor contract.

State	Minimum Payment
Florida	\$26.83 per net ton
Hawaii	\$24.23 per net ton
Louisiana	\$23.66 per gross ton
Texas	\$21.84 per gross ton

For more information, contact your local USDA Service Center or Barbara Fecso at (202) 720-4146, barbara.fecso@usda.gov

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