

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Sugar Loans
10-SU (Revision 4)**

Amendment 7

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 2 G has been amended to update the year in the examples of loan maturity dates for initial, repledged, and supplemental loans.

Exhibit 2 has been amended to include the average quality for 2007 crop sugarcane.

Exhibit 9 has been updated to include the 2007 regional rates for beet, cane, in-processed beet and in-processed sugarcane loans. The rates for crop year 2005 have been removed.

Exhibit 10 has been updated to include the 2007 sugarcane minimum price support levels.

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2 Basic Loanmaking Provisions

A General Loan Availability

Price support is available to eligible processors in:

- the United States
- Puerto Rico.

B Processed Sugar Loans

Processed sugar loans are warehouse-stored nonrecourse loans for which eligible sugar offered as loan collateral may be forfeited to CCC, at loan maturity, in satisfaction of the loan indebtedness.

C In-Process Sugar Loans

In-process loans are farm-stored nonrecourse loans made available to processors of a crop of domestically grown sugarcane or sugar beets for in-process sugars derived from the crop. The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar. In-process loans mature on the last day of the 9th month after the month the loan was disbursed.

D Loan Availability Dates

Initial loans are available **October 1** through **September 30**.

Processors receiving initial loans in July, August, or September may repledge the sugar as collateral for a supplemental loan. These **supplemental** loans shall:

- be requested during the following October
- be nonrecourse
- be made at the loan rate in effect at the time the supplemental loan is made
- mature in 9 months minus the number of whole months that the initial loan was in effect.

Note: No loans will be made after June 30, 2008.

E Repledged Loans

Repledged loans are initial loans that:

- were repaid at principal plus interest before the loan maturity date
- are repledged before the final loan availability date by the same eligible processor
- mature on the same date as that of the original note and security agreement.

2 Basic Loanmaking Provisions (Continued)

F Loan Maturity Dates

Follow this table for loan maturity dates.

IF the loan is...	THEN the maturity date is the last day of the 9 th month...
initial	after the month in which the loan was disbursed; however, this date shall be no later than September 30.
repledged	after the month in which the loan was disbursed minus the number of months the initial loan was pledged. All repledged loans mature no later than September 30.
supplemental	minus the number of whole months that the initial loan was in effect.

Notes: If the maturity date falls on a nonworkday, the maturity date shall be the **next** workday.

See examples in subparagraph G.

G Examples of Loan Maturity Dates

These are examples of **initial** loan maturity dates.

Disbursement Date	Maturity Date
*--October 16, 2007	July 31, 2008
November 8, 2007	August 31, 2008
December 1, 2007, through September 30, 2008	September 30, 2008

These are examples of **repledged** loan maturity dates.

Disbursement Date of Initial Loan	Date Repaid	Date Repledged	Maturity Date
October 16, 2007	December 31, 2007	February 1, 2008	July 31, 2008
January 2, 2008	May 31, 2008	September 1, 2008	September 30, 2008

These are examples of **supplemental** loan maturity dates (initial loans made in July, August, and September) and the supplemental loan requested in October.

Initial Disbursement Date	Date Repaid	Supplemental Loan Date	Maturity Date
July 10, 2007	September 10, 2007	October 1, 2007	April 30, 2008
August 15, 2007	September 15, 2007	October 6, 2007	May 31, 2008
September 20, 2007	September 30, 2007	October 20, 2007	June 30, 2008--*

Definitions of Terms Used in This Handbook

*--Average Quality for 2007 Crop Sugarcane

For 2007 crop sugarcane, average quality sugarcane means, for:

- **Florida**, sugarcane containing **14.98** percent sucrose in normal juice
- **Hawaii**, sugarcane that yields **266.08** pounds of raw sugar per net ton.
- **Louisiana**, sugarcane that yields **206.71** pounds of raw sugar per gross ton
- **Texas**, sugarcane that yields **186.38** pounds of raw sugar per gross ton.--*

Crop Year

Crop year means the period October 1 through September 30 of the applicable crop year.

Note: Sugar that is processed from desugaring molasses shall be considered as having been processed in the crop year during which the desugaring took place.

Eligible Producer

Eligible producer is the owner of a portion or all of the sugar beets, sugarcane, or in-process sugar including share rent landowners, at both the time of harvest and the time of delivery to the processor. Producers determined to be ineligible because of any of the following regulations are **ineligible** producers:

- HELC and WC provisions in 7 CFR Part 12
- controlled substance violations according to 7 CFR Part 718.

Initial Loans

Initial loans are loans disbursed from October 1 through September 30 of the applicable crop year.

In-Process Loans

In-process loans are nonrecourse loans made available to processors of a crop of domestically grown sugarcane or sugar beets for in-process sugars derived from the crop. The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar. In-process loans mature on the last day of the 9th month after the month the loan was disbursed.

In-Process Sugar

In-process sugar means the intermediate sugar containing products as CCC determines produced in the processing of domestic sugar beets and sugarcane. It does not include raw sugar, liquid sugar, inverted sugar, inverted syrup, or other finished products that are otherwise eligible for a loan.

Definitions of Terms Used in This Handbook (Continued)

Nonrecourse Loan

Nonrecourse loan is a loan for which the eligible sugar offered as loan collateral may be delivered or forfeited to CCC, at loan maturity, in satisfaction of the loan indebtedness.

Normal Juice

Normal juice is the undiluted juice extractable from sugarcane by a mill tandem, if no maceration water is added during the milling process.

Processor

Processor is a person or legal entity that commercially processes sugar beets into refined sugar or processes sugarcane into raw sugar, cane syrup, or edible molasses.

Raw Value

The raw value of any quantity of sugars means its equivalent in terms of ordinary commercial raw sugar testing 96 degrees by the polariscope.

The principal grades and types of sugar and liquid sugar are translated into raw value in the following manner for:

- **direct-consumption sugar**, derived from **sugar beets** and testing 92 or more sugar degrees by the polariscope, by multiplying the number of pounds times 1.07
- **sugar**, derived from **sugarcane** and testing more than 92 sugar degrees by the polariscope, by multiplying the number of pounds times the figure obtained by adding to 0.93 the result of multiplying 0.0175 times the number of degrees and fractions of a degree of polarization above 92 degrees
- **sugar** and **liquid sugar**, testing less than 92 sugar degrees by the polariscope, by dividing the number of pounds of the “total sugar content” by 0.972.

Repledged Loans

Repledged loans are initial loans that:

- were repaid at principal plus interest before the loan maturity date
- are repledged before the final loan availability date by the same eligible processor
- mature on the same date as that of the original note and security agreement.

Supplemental Loan

Supplemental loan is a loan disbursed between October 1 and October 31, which was originally made in July, August, or September, and is repledged during the current loan year, not to exceed 9 months minus the number of whole months that the initial loan was in effect.

2002 Through 2007 Crop National Loan Rates

A National Average Sugar Loan Rates

This table provides the national (weighted average) loan rates for the 2002 through 2007 crops of domestically grown sugar beets and sugarcane.

Commodity	Loan Rate (Cents Per Pound)
Beet Sugar, Refined	22.90
Cane Sugar, Raw Value	18.00

***--2006 and 2007 Crop Regional Loan Rates**

A Regional Beet Sugar Loan Rates

The regional loan rates have been adjusted to reflect the processing location of sugar offered as collateral for price support loans. This table provides the regional **2006** crop loan rates for refined beet sugar.

Area/Region Code	States	Loan Rate (Cents Per Pound)
1	Michigan Ohio	24.13
2	Minnesota eastern half of North Dakota	22.91
3	northeastern quarter of Colorado Nebraska southeastern quarter of Wyoming	22.94
4	Montana northwestern quarter of Wyoming western half of North Dakota	22.76
5	Idaho Oregon Washington	22.04
6	California	23.77--*

***--2006 and 2007 Crop Regional Loan Rates (Continued)**

A Regional Beet Sugar Loan Rates (Continued)

The regional loan rates have been adjusted to reflect the processing location of sugar offered as collateral for price support loans. This table provides the regional **2007** crop loan rates for refined beet sugar.

Area/Region Code	States	Loan Rate (Cents Per Pound)
1	Michigan Ohio	24.17
2	Minnesota eastern half of North Dakota	22.89
3	northeastern quarter of Colorado Nebraska southeastern quarter of Wyoming	22.95
4	Montana northwestern quarter of Wyoming western half of North Dakota	23.00
5	Idaho Oregon Washington	22.03
6	California	23.62

B Regional Cane Sugar Loan Rates

This table provides **2006** crop regional loan rates for cane sugar, raw value.

Area/Region Code	Area	Loan Rate (Cents Per Pound), Raw Value
1	Florida	17.93
2	Hawaii	17.00
3	Louisiana	18.33
4	Texas	17.93--*
6	Sugar processed in Hawaii, but placed under loan on the United States mainland	18.00

***--2006 and 2007 Crop Regional Loan Rates (Continued)**

B Regional Cane Sugar Loan Rates (Continued)

This table provides **2007** crop regional loan rates for cane sugar, raw value.

Area/Region Code	Area	Loan Rate (Cents Per Pound), Raw Value
1	Florida	18.07
2	Hawaii	16.64
3	Louisiana	18.27
4	Texas	17.27--*
6	Sugar processed in Hawaii, but placed under loan on the United States mainland	18.00

C Regional In-Process Beet Sugar Loan Rates

*--This table provides the regional **2006** crop (FY 2007) loan rates for in-process beet sugar, which is 80 percent of the applicable loan rate.

Area/Region Code	States	Loan Rate (Cents Per Pound)
1	Michigan Ohio	19.30
2	Minnesota eastern half of North Dakota	18.33
3	northeastern quarter of Colorado Nebraska southeastern quarter of Wyoming	18.35
4	Montana northwestern quarter of Wyoming western half of North Dakota	18.21
5	Idaho Oregon Washington	17.63
6	California	19.02--*

***--2006 and 2007 Crop Regional Loan Rates (Continued)**

C Regional In-Process Beet Sugar Loan Rates (Continued)

This table provides the regional **2007** crop (FY 2008) loan rates for in-process beet sugar, which is 80 percent of the applicable loan rate.

Area/Region Code	States	Loan Rate (Cents Per Pound)
1	Michigan Ohio	19.34
2	Minnesota eastern half of North Dakota	18.31
3	northeastern quarter of Colorado Nebraska southeastern quarter of Wyoming	18.36
4	Montana northwestern quarter of Wyoming western half of North Dakota	18.40
5	Idaho Oregon Washington	17.62
6	California	18.90

D Regional In-Process Cane Sugar Loan Rates

This table provides the regional **2006** crop (FY 2007) loan rates for in-process cane sugar, raw value, which is 80 percent of the applicable loan rate.

Area/Region Code	States	Loan Rate (Cents Per Pound), Raw Value
1	Florida	14.34
2	Hawaii	13.60
3	Louisiana	14.66
4	Texas	14.34--*
6	Sugar processed in Hawaii, but placed under loan on the United States mainland	14.40

*--This table provides the regional **2007** crop (FY 2008) loan rates for in-process cane sugar, raw value, which is 80 percent of the applicable loan rate.

Area/Region Code	States	Loan Rate (Cents Per Pound), Raw Value
1	Florida	14.46
2	Hawaii	13.31
3	Louisiana	14.62
4	Texas	13.82--*
6	Sugar processed in Hawaii, but placed under loan on the United States mainland	14.40

***--2006 and 2007 Crop Minimum Price Support Payment Levels for Sugar Beets and Sugarcane**

A Sugarcane Minimum Price Support Levels

This table provides the **2006** crop (FY 2007) regional minimum price support levels per net or gross ton for average quality sugarcane.

Area	Level
Florida	\$27.63 per net ton
Hawaii	\$24.36 per net ton
Louisiana	\$24.44 per gross ton
Texas	\$22.60 per gross ton

This table provides the **2007** crop (FY 2008) regional minimum price support levels per net or gross ton for average quality sugarcane.

Area	Level
Florida	\$27.98 per net ton
Hawaii	\$25.03 per net ton
Louisiana	\$24.90 per gross ton
Texas	\$22.62 per gross ton--*

Note: Adjust the prices in this exhibit for sugarcane of greater or lesser than average quality under the method agreed upon by the producer and the processor according to the terms and conditions of the producer-processor marketing contract.

B Sugar Beet Minimum Payment

Sugar beet grower minimum payments must not exceed the amount specified in the grower processor contract.

