

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

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

Amendment 29

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 1 C has been amended to update sources of authority.

Subparagraph 46 B has been amended to update loan types.

Exhibit 9 has been amended to provide updated 2020 crop sugar loan rates.

Exhibit 10 has been amended to provide updated 2020 crop sugarcane minimum price support levels.

Exhibit 17 has been amended to provide updated 2020 crop premiums and discounts for bulk raw cane sugar.

Exhibit 18 has been amended to provide and updated 2020 crop bulk raw cane sugar polarity premium and discount schedule.

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Part 1 General Policy and CLPS Procedures

1 Handbook Provisions

A Handbook Purpose

This handbook provides instructions for administering the Sugar Loan Program.

B Authority and Responsibility

PSD has the authority for administering the Sugar Loan Program.

C Sources of Authority

Authority for the Sugar Loan Program is mandated by:

- 7 CFR Part 1435.
- Food, Conservation, and Energy Act of 2008
- Agricultural Act of 2014
- Consolidated Appropriations Act, 2016
- *--Agricultural Improvement Act of 2019.--*

1 Handbook Provisions (Continued)

D Responsibilities

This table lists the responsibilities for the Sugar Loan Program.

Responsible Office	Responsible Group	Responsibility
National Office	<ul style="list-style-type: none"> • CCC Board • Executive Vice President • designee 	<ul style="list-style-type: none"> • Making a determination on any question arising under the Sugar Loan Program • Revising or rescinding any incorrect COC, STC, or KCAO determination
	PSD	Administering the Sugar Loan Program under DAFP supervision and direction
State Office	STC	Determining State policy according to this handbook
	STC through SED	Administering all phases of the Sugar Loan Program in the State Note: STC may correct or require COC to correct or withhold any action taken that is not consistent with this handbook.
County Office	COC	<ul style="list-style-type: none"> • Determining policy according to this handbook • Providing publicity necessary to inform all producers and processors of the Sugar Loan Program provisions before the beginning of each program year
	COC through CED	Administering the Sugar Loan Program in the county
	Loanmaking County Office employees	Determining whether: <ul style="list-style-type: none"> • processor is eligible for loan • sugar is eligible for loan • processors are being provided with updated lists of eligible producers • computations and disbursements are based on handbook procedures

Part 3 Obtaining Sugar Loan Program Benefits

46 Obtaining Loans

A Loanmaking Offices

Eligible processors will obtain loans from the County Office designated by STC as the processor's loanmaking County Office. This is applicable when the warehouse has multiple storage locations.

SU-2 will be completed and signed by processors to request a loan. A copy of Exhibits 17 and 18 will be given to sugar processors with each cane sugar loan request.

B Loan Types

Nonrecourse loans may be disbursed to an eligible processor of * * * sugar beets and sugarcane as:

- farm-stored loan for in-process sugar
- warehouse-stored loan for raw or refined sugar.

46 **Obtaining Loans (Continued)****C Maximum Eligible Quantity for Loan**

The total quantity of sugar that a processor may pledge as collateral for an **initial** loan during a crop year may not exceed the quantity derived from processing domestically grown sugar beets or sugarcane from eligible producers during the applicable crop year.

The total quantity that a processor may pledge as collateral for a **supplemental** loan may not exceed the quantity of sugar pledged for initial loans the previous July, August, or September.

For in-process sugar, the processor may pledge as collateral for an **in-process** loan the quantity certified as the number of gallons of thick juice that will equal the number of pounds of sugar when processed into raw cane or refined beet sugar.

A processor requests an in-process sugar loan and certifies to 1,000 gallons and 6,700 pounds of sugar. Determine reasonableness as follows.

$$1000 \text{ gallons} \times 6.9 = 6,900 \text{ pounds.}$$

Multiply the number of gallons times 6.9 to determine reasonableness for the acceptable number of pounds.

Note: Loans on cane sugar are to be made on the actual pounds of eligible sugar, commercial weight.

D Ineligible Quantity for Loan

The quantity of ineligible sugar that is in storage includes sugar:

- processed in previous crop years, unless pledged for an initial loan the previous July, August, or September
- currently under loan
- representing sugar beets or sugarcane from ineligible producers, including producers determined to be ineligible because of the regulations governing:
 - HELC and WC
 - controlled substances
 - acreage report.

If it is determined that ineligible sugar has been pledged as collateral for loan, the processor shall be required to immediately redeem a quantity of the loan collateral equal to the ineligible quantity.

Crop Loan Rates

A National Average Sugar Loan Rates

*--The following provides the national (weighted average) loan rates for the **2020** crops of domestically grown sugar beets and sugarcane.

Commodity	Loan Rate (Cents Per Pound)
Beet Sugar, Refined	25.38
Cane Sugar, Raw Value	19.75

B 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. The following provides the regional **2020** crop (FY 2021) loan rates for refined beet sugar.

Area/Region Code	States	Loan Rate (Cents Per Pound)
1	Michigan Ohio	26.32
2	Minnesota Eastern half of North Dakota	24.98
3	Northeastern quarter of Colorado Nebraska Southeastern quarter of Wyoming	26.09
4	Montana Northwestern quarter of Wyoming Western half of North Dakota	25.26
5	Idaho Oregon Washington	25.53
6	California	26.75

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Crop Loan Rates (Continued)

C Regional Cane Sugar Loan Rates

*--The following provides **2020** crop (FY 2021) regional loan rates for cane sugar, raw value.

Area/Region Code	Area	Loan Rate (Cents Per Pound), Raw Value
1	Florida	18.96
3	Louisiana	20.55
4	Texas	20.24

D Regional In-Process Beet Sugar Loan Rates

The following provides the regional **2020** crop (FY 2021) 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	21.06
2	Minnesota Eastern half of North Dakota	19.98
3	Northeastern quarter of Colorado Nebraska Southeastern quarter of Wyoming	20.87
4	Montana Northwestern quarter of Wyoming Western half of North Dakota	20.21
5	Idaho Oregon Washington	20.42
6	California	21.40

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Crop Loan Rates (Continued)

E Regional In-Process Cane Sugar Loan Rates

*--The following provides the regional **2020** crop (FY 2021) 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	15.17
3	Louisiana	16.44
4	Texas	16.19

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Minimum Price Support Payment Levels for Sugar Beets and Sugarcane

A Sugarcane Minimum Price Support Levels

*--This table provides the **2020** crop (FY 2021) regional minimum price support levels per net for Florida or gross ton for Louisiana and Texas for average quality sugarcane.

Area	Level
Florida	\$27.86 per net ton
Louisiana	\$30.51 per gross ton
Texas	\$27.84 per gross ton--*

B Sugar Beet Minimum Payment

Sugar beet grower minimum payments are the amount specified in the grower processor contract.

Premiums and Discounts for Bulk Raw Cane Sugar

A Overview

--The following premiums and discounts are for 2020 crop year raw cane sugar, and are based--
on the #16 Contract specifications.

Note: All premiums and discounts are provided in dollars per pound instead of cents per pound.

B Moisture

For each 0.01 in excess of 0.30 deduct \$0.000356 per lb.

C Grain Size

For each 1 percent (based on percent through 30 mesh U.S. sieve):

- above 45 percent, deduct \$0.000237 per lb.
- below 22 percent, add \$0.000099 per lb.

D Color - Affined Raw

Apply the following according to ICUMSA color units Method 4 Modified.

COLOR (Affined Raw) (ICUMSA color units Method 4 Modified)		
For Each 10 Units		
	Add Per Lb.	Deduct Per Lb.
Below 800	\$0.000032	
1300 to 1500		\$0.000036
1500 to 1800		\$0.000089
1800 to 2100		\$0.000196
2100 to 2400		\$0.000356
Above 2400		\$0.000569
COLOR (Whole Raw) (ICUMSA color units Method 4 Modified)		
For Each 25 Units		
	Add Per Lb.	Deduct Per Lb.
Below 3000	\$0.000004	
5000 to 6000		\$0.000003
6000 to 7000		\$0.000009
7000 to 8000		\$0.000021
8000 to 9000		\$0.000039
Above 9000		\$0.000062

Premiums and Discounts for Bulk Raw Cane Sugar Loans (Continued)

***--E Dextran**

Apply dextran discounts according to the following.

Dextran		
For Each Unit		
	Add Cents/Lb.	Deduct Cents/Lb.
Less than or equal to 250		0.000000
251 to 350		0.000028
351 to 450		0.000063
451 to 550		0.000107
Above 550		0.000158

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F Ash

Apply ash discounts according to the following.

IF polarity is...	THEN maximum is...	AND minimum is...
less than or equal to 98.0	0.25	0.17
over 98.0 up to and including 98.2	0.26	0.18
over 98.2 up to and including 98.4	0.27	0.19
over 98.4 up to and including 98.6	0.28	0.20
over 98.6 up to and including 98.8	0.29	0.21
over 98.8 up to but not including 99.0	0.30	0.22
For each .01 percent of ash content:		
<ul style="list-style-type: none"> ●*--in excess of derived maximum ash content, deduct \$0.000030 per lb.--* ● below derived minimum ash content, add \$0.000012 per lb. 		

Bulk Raw Cane Sugar Polarity Premium and Discount Schedule

The following provides schedule for premiums and discounts adjusted for polarity degree that will
--be applied to 2020 raw cane sugar loans at settlement or forfeiture.--

Premiums		Discounts	
Polarity Degree	Adjustment Per Lb.	Polarity Degree	Adjustment Per Lb.
98.9 and Above	\$0.007564	95.9	-\$0.001086
98.8	\$0.007327	95.8	-\$0.002173
98.7	\$0.007090	95.7	-\$0.003259
98.6	\$0.006853	95.6	-\$0.004345
98.5	\$0.006616	95.5	-\$0.005431
98.4	\$0.006379	95.4	-\$0.006518
98.3	\$0.006142	95.3	-\$0.007604
98.2	\$0.005905	95.2	-\$0.008690
98.1	\$0.005668	95.1	-\$0.009776
98.0	\$0.005431	95.0	-\$0.010863
97.9	\$0.004987	94.9	-\$0.011406
97.8	\$0.004543	94.8	-\$0.011949
97.7	\$0.004098	94.7	-\$0.012492
97.6	\$0.003654	94.6	-\$0.013035
97.5	\$0.003209	94.5	-\$0.013578
97.4	\$0.002765	94.4	-\$0.014121
97.3	\$0.002321	94.3	-\$0.014664
97.2	\$0.001876	94.2	-\$0.015208
97.1	\$0.001432	94.1	-\$0.015751
97.0	\$0.000988	94.0	-\$0.016294
96.9	\$0.000889		
96.8	\$0.000790		
96.7	\$0.000691		
96.6	\$0.000593		
96.5	\$0.000494		
96.4	\$0.000395		
96.3	\$0.000296		
96.2	\$0.000198		
96.1	\$0.000099		
96.0	\$0.000000		

