

USDA Fiscal Year 2020 Sugar Program Announcements

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WASHINGTON, September 10, 2020 - The U.S. Department of Agriculture (USDA) today announced several actions regarding fiscal year (FY) 2020 beet and cane sugar marketing allocations and the raw sugar tariff-rate quota (TRQ). They include:

- A reassignment of surplus beet sugar marketing allocations among beet sugar processors of 130,000 short tons, raw value (STRV) to raw cane sugar imports already anticipated.
- A reassignment of surplus cane sugar marketing allocations among cane sugar processors of 100,000 STRV to raw cane sugar imports already anticipated and 100,000 STRV (90,718 metric tons, raw value or MTRV) toward an increase in the TRQ for raw cane sugar.
- An increase in the raw sugar TRQ of 100,000 STRV (90,718 MTRV).
- An extension to October 31, 2020, for the final date by which raw sugar charged against the raw sugar TRQ must enter the U.S. Customs Territory.

These actions are effective September 10, 2020. The Federal Register notice announcing these increases is [here](#).

Reassignment of Fiscal Year 2020 Domestic Marketing Allocations and Allotments

In accordance with section 359e of the Agricultural Adjustment Act of 1938 (the Act), as amended, after evaluating each sugar beet processor's ability to market its full allocation, USDA is transferring allocations from beet sugar processors with surplus allocation to those with deficit allocation as set out in the Table below. Since these actions do not eliminate the deficit, in accordance with section 359e of the Act, USDA is reassigning 130,000 STRV of surplus beet sugar allocations to raw cane sugar imports already anticipated, given the absence of any CCC stocks of sugar.

USDA also has determined that domestic cane sugar supplies are inadequate to fill the FY 2020 cane sugar marketing allocations. In accordance with section 359e of the Act, after evaluating each sugarcane processor's ability to market its full allocation, USDA is transferring allocations from cane sugar processors with surplus allocation to those with deficit allocation as set out in the Table below. Since these actions do not eliminate the deficit, in accordance with section 359e of the Act, USDA is reassigning 100,000 STRV of surplus cane sugar allocations to raw cane sugar imports already

anticipated, given the absence of any CCC stocks of sugar, and 100,000 STRV (90,718 MTRV) toward an increase in the FY20 TRQ for raw cane sugar.

These FY 2020 sugar program actions will not prevent any domestic sugarcane or beet sugar processor from marketing all of its FY 2020 sugar supply.

Fiscal Year 2020 Raw Sugar TRQ Increase

On June 27, 2019, the Secretary established the FY 2020 TRQ for raw cane sugar at 1,117,195 metric tons, raw value (MTRV), the minimum to which the United States is committed under the World Trade Organization (WTO) Uruguay Round Agreements. Pursuant to Additional U.S. Note 5 to Chapter 17 of the U.S. Harmonized Tariff Schedule (HTS) and Section 359k of the Act, the Secretary has authority to modify the raw and refined sugar WTO TRQs. On April 1, 2020, the Secretary gave notice of an increase in the quantity of raw cane sugar eligible to enter at the lower rate of duty during FY 2020 of 317,515 MTRV, increasing the overall FY 2020 raw sugar TRQ to 1,434,710 MTRV.

The Secretary gives notice today of a further increase of 90,718 MTRV in the quantity of raw cane sugar eligible to enter at the lower rate of duty during FY 2020. With this increase, the overall FY 2020 raw sugar TRQ is now 1,525,428 MTRV. Raw cane sugar under this quota must be accompanied by a certificate for quota eligibility. The Office of the U.S. Trade Representative (USTR) will allocate this increase among supplying countries and customs areas.

Extension of Fiscal Year 2020 Raw Sugar TRQ Entry Date

The Secretary gives notice today that sugar charged against the FY 2020 raw sugar tariff-rate quota (TRQ) will be permitted to enter U.S. Customs territory until October 31, 2020, one month later than usual, to provide more opportunity for supplying countries to fill their import quotas. Because of logistical complications arising from the COVID-19 pandemic, some countries have indicated they will have difficulty filling their quotas prior to the end of the fiscal year - September 30.

Additional U.S. Note 5(a)(iv) of Chapter 17 of the U.S. Harmonized Tariff Schedule provides: "(iv) Sugar entering the United States during a quota period established under this note may be charged to the previous or subsequent quota period with the written approval of the Secretary."

USDA is taking these actions after determining that additional supplies of raw cane sugar are required in the U.S. market. The raw sugar TRQ increase and the extension of the raw sugar TRQ entry date are expected to add between 80,000 and 110,000 STRV to available U.S. sugar supplies. USDA will closely monitor stocks, consumption, imports and all sugar market and program variables on an ongoing basis and may make further program adjustments during FY 2020 if needed.

* Conversion factor: 1 metric ton = 1.10231125 short tons. The revised FY 2020 cane and beet sugar marketing allotments and processor allocations are shown below.

| FY 2020 OVERALL BEET/CANE ALLOTMENTS AND ALLOCATIONS (short tons, raw value) | | | |
|--|---|----------------------------|------------|
| Distribution | FY20 Allocations after 1st Reassignment | 2nd Reassignment Amount | Allocation |
| Beet Sugar | 4,886,095 | -130,000 | 4,756,095 |
| Cane Sugar | 4,183,905 | -200,000 | 3,983,905 |
| Reassignment to Raw Cane Sugar Imports | - | 330,000 | 330,000 |
| TOTAL OAQ | 9,070,000 | 0 | 9,070,000 |
| | | | |
| BEET PROCESSORS' MARKETING ALLOCATIONS: | | | |
| Amalgamated Sugar Co. | 1,247,066 | -8,424 | 1,238,642 |
| American Crystal Sugar Co. | 1,418,548 | -63,930 | 1,354,618 |
| Michigan Sugar Co. | 675,938 | 1,370 | 677,308 |
| Minn-Dak Farmers Co-op. | 316,135 | -3,923 | 312,212 |
| So. Minn Beet Sugar Co-op. | 745,247 | -8,977 | 736,270 |
| Western Sugar Co. | 441,132 | -45,549 | 395,583 |
| Wyoming Sugar Company, LLC | 42,029 | -566 | 41,463 |

| | | | |
|---|-----------|----------|----|
| TOTAL BEET SUGAR | 4,886,095 | -130,000 | 4, |
| | | | |
| STATE CANE SUGAR ALLOTMENTS: | | | |
| Florida | 2,254,473 | -104,758 | 2, |
| Louisiana | 1,771,493 | -69,651 | 1, |
| Texas | 157,939 | -25,591 | 1 |
| Hawaii | 0 | 0 | |
| TOTAL CANE SUGAR | 4,183,905 | -200,000 | 3, |
| | | | |
| CANE PROCESSORS' MARKETING ALLOCATIONS: | | | |
| Florida | | | |
| Florida Crystals | 831,767 | -97,203 | 7 |
| Growers Co-op. of FL | 432,659 | 15,616 | 4 |
| U.S. Sugar Corp. | 990,046 | -23,171 | 9 |
| TOTAL | 2,254,473 | -104,758 | 2, |
| | | | |
| Louisiana | | | |
| Louisiana Sugar Cane Products, Inc. | 1,198,090 | -59,349 | 1, |

| | | | |
|--|-----------|---------|----|
| M.A. Patout & Sons | 573,403 | -10,302 | 5 |
| TOTAL | 1,771,493 | -69,651 | 1, |
| | | | |
| Texas | | | |
| Rio Grande Valley | 157,939 | -25,591 | 1 |
| | | | |
| Hawaii | | | |
| Hawaiian Commercial & Sugar Company 1/ | 0 | 0 | |

1/ Temporary reassignment of allotment to mainland sugarcane-producing states because CCC, at this time, has not determined that HC&S p
terminated its operations.

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