



USDA Announces No Actions under Feedstock Flexibility Program

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WASHINGTON, June 28, 2019 - USDA's Commodity Credit Corporation (CCC) announced today that it does not expect to purchase and sell sugar under the Feedstock Flexibility Program (FFP) for crop year 2018, which runs from Oct. 1, 2018, to Sept. 30, 2019.

The CCC is required by law to quarterly announce estimates of sugar to be purchased and sold under the FFP based on crop and consumption forecasts.

Federal law allows sugar processors to obtain loans from USDA with maturities of up to nine months when the sugarcane or sugar beet harvest begins. Upon loan maturity, the sugar processor may repay the loan in full or forfeit the collateral (sugar) to USDA to satisfy the loan.

FFP was reauthorized by Congress in the 2018 Farm Bill as an option to avoid sugar forfeitures. USDA's June 11, 2019, World Agricultural Supply and Demand Estimates report (usda.gov/oce/commodity/wasde) projects that fiscal year 2019 U.S. ending sugar stocks are unlikely to lead to forfeitures. Therefore, USDA does not expect to purchase and sell sugar under the FFP for crop year 2018.

USDA will closely monitor domestic sugar stocks, consumption, imports and other sugar market variables on an ongoing basis and will continue to administer the sugar program as transparently as possible using the latest available data. The next quarterly estimate regarding FFP will occur on or before September 1, 2019.

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