



Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

USDA Announces No Actions Under Feedstock Flexibility Program

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WASHINGTON, July 1, 2021 – The U.S. Department of Agriculture (USDA) Commodity Credit Corporation (CCC) does not expect to purchase and sell sugar under the Feedstock Flexibility Program (FFP) for crop year 2020, which runs from Oct. 1, 2020, to Sept. 30, 2021.

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. On loan maturity, the sugar processor may repay the loan in full or forfeit the collateral (sugar) to USDA to satisfy the loan.

The FFP, initially authorized in the 2008 Farm Bill, was reauthorized by Congress in the 2018 Farm Bill as an option to avoid sugar forfeitures. Under the FFP, if USDA is faced with the likelihood of loan forfeitures, it is required to purchase surplus sugar and sell it to bioenergy producers to reduce the surplus in the food use market and support sugar prices. USDA's June 10, 2021, World Agricultural Supply and Demand Estimates [report](#) projects that crop year 2020 (fiscal year 2021) U.S. ending sugar stocks are unlikely to lead to forfeitures. Therefore, USDA does not currently expect to purchase and sell sugar under the FFP for crop year 2020.

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 the FFP will occur on or before September 1, 2021.

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to healthy and nutritious food in all communities, building new markets and streams of income for farmers and

producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit www.usda.gov.

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