

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

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

Amendment 13

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 138 A has been amended to update the PSD contact information.

Exhibit 2 has been amended to provide average quality for 2011 crop sugarcane.

Exhibit 9 has been amended to update 2011 crop loan rates for the following:

- national average sugar
- regional beet sugar
- regional cane sugar
- regional in-process beet sugar
- regional in-process cane sugar.

Exhibit 10 has been amended to update sugarcane minimum price support levels.

Exhibit 17 has been amended to update premiums and discounts for bulk raw cane sugar.

Exhibit 18 has been amended to update bulk raw cane sugar polarity premium and discount schedule.

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137 Loan Forfeiture Procedures (Continued)**B In-Process Loans**

For matured in-process loans, loanmaking County Offices shall ensure that:

- the letter in Exhibit 19 is mailed the 1st workday after maturity
- collateral is converted into raw or refined beet sugar within 1 month of loan maturity
- once the conversion is fully processed into raw cane or refined beet sugar, the processor shall transfer the sugar to CCC
- upon transferring the sugar, CCC will make a payment to the processor based on KC-227 or KC-227-A in an amount equal to the amount obtained by multiplying the difference between the loan rate the processor received times the quantity of sugar transferred to CCC.

If the processor forfeits the in-process sugar loan collateral but does not transfer raw or refined beet sugar of suitable quality to CCC within 1 month of maturity, CCC may charge liquidated damages according to 7 CFR Part 1435.

C Processor Storage Agreement

At maturity, a processor shall:

- agree to continue storing any loan collateral sugar that is forfeited to CCC
- at all times be responsible for maintaining the quality, quantity, and condition of the CCC-owned sugar in storage
- store sugar forfeited to CCC in eligible storage for as long as CCC considers necessary.

Notes: CCC shall make monthly storage payments to the processor for the period of time the forfeited sugar remains in CCC inventory.

The storage payment rate shall be as agreed to by CCC and the processor, according to the terms and conditions in CCC-678.

138 Reporting Forfeiture Activity

A County Office Action

County Offices shall report to State Offices all sugar loan forfeitures by 9 a.m. (local time) on the 1st workday after the loan matures. The report shall include the following:

- processor's name
- loan number
- quantity
- storage location
- type (raw cane, processed beet, or in-process).

B State Office Action

State Offices shall submit the report received from the County Office to PSD:

- *--by e-mail to **toni.williams@wdc.usda.gov--***
- no later than 10 a.m. (local time) the 1st workday after the loan matures.

139-150 (Reserved)

Definitions of Terms Used in This Handbook

*--Average Quality for 2011 Crop Sugarcane

For 2011 crop sugarcane, average quality sugarcane means, for:

- **Florida**, sugarcane containing **14.90** percent sucrose in normal juice
- **Hawaii**, sugarcane that yields **270.22** pounds of raw sugar per net ton.
- **Louisiana**, sugarcane that yields **221.80** pounds of raw sugar per gross ton
- **Texas**, sugarcane that yields **188.72** 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.

Crop Loan Rates

A National Average Sugar Loan Rates

*--The following provides the national (weighted average) loan rates for the **2011** crops of domestically grown sugar beets and sugarcane.

Commodity	Loan Rate (Cents Per Pound)
Beet Sugar, Refined	24.09
Cane Sugar, Raw Value	18.75

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 **2010** crop (FY 2011) loan rates for refined beet sugar.

Area/Region Code	States	Loan Rate (Cents Per Pound)
1	Michigan Ohio	25.32
2	Minnesota eastern half of North Dakota	23.64
3	northeastern quarter of Colorado Nebraska southeastern quarter of Wyoming	23.96
4	Montana northwestern quarter of Wyoming western half of North Dakota	23.80
5	Idaho Oregon Washington	22.55
6	California	24.75

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Crop Loan Rates (Continued)

B 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. The following provides the regional **2011** crop (FY 2012) loan rates for refined beet sugar.

Area/Region Code	States	Loan Rate (Cents Per Pound)
1	Michigan Ohio	25.72
2	Minnesota eastern half of North Dakota	24.06
3	northeastern quarter of Colorado Nebraska southeastern quarter of Wyoming	24.51
4	Montana northwestern quarter of Wyoming western half of North Dakota	24.08
5	Idaho Oregon Washington	22.90
6	California	24.76

C Regional Cane Sugar Loan Rates

The following provides **2010** crop (FY 2011) regional loan rates for cane sugar, raw value.

Area/Region Code	Area	Loan Rate (Cents Per Pound), Raw Value
1	Florida	18.21
2	Hawaii	16.52
3	Louisiana	19.10
4	Texas	18.02
6	Sugar processed in Hawaii, but placed under loan on the United States mainland	18.50

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Crop Loan Rates (Continued)

C Regional Cane Sugar Loan Rates (Continued)

*--The following provides **2011** crop (FY 2012) regional loan rates for cane sugar, raw value.

Area/Region Code	Area	Loan Rate (Cents Per Pound), Raw Value
1	Florida	18.16
2	Hawaii	17.46
3	Louisiana	19.52
4	Texas	18.69
6	Sugar processed in Hawaii, but placed under loan on the United States mainland	18.75

D Regional In-Process Beet Sugar Loan Rates

The following provides the regional **2010** crop (FY 2011) 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	20.26
2	Minnesota eastern half of North Dakota	18.91
3	northeastern quarter of Colorado Nebraska southeastern quarter of Wyoming	19.17
4	Montana northwestern quarter of Wyoming western half of North Dakota	19.04
5	Idaho Oregon Washington	18.04
6	California	19.80

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Crop Loan Rates (Continued)

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

*--The following provides the regional **2011** crop (FY 2012) 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	20.58
2	Minnesota eastern half of North Dakota	19.25
3	northeastern quarter of Colorado Nebraska southeastern quarter of Wyoming	19.61
4	Montana northwestern quarter of Wyoming western half of North Dakota	19.26
5	Idaho Oregon Washington	18.32
6	California	19.81

E Regional In-Process Cane Sugar Loan Rates

The following provides the regional **2010** crop (FY 2011) 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	14.57
2	Hawaii	13.22
3	Louisiana	15.28
4	Texas	14.42
6	Sugar processed in Hawaii, but placed under loan on the United States mainland	14.80

The following provides the regional **2011** crop (FY 2012) 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	14.53
2	Hawaii	13.97
3	Louisiana	15.62
4	Texas	14.95
6	Sugar processed in Hawaii, but placed under loan on the United States mainland	15.00

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Minimum Price Support Payment Levels for Sugar Beets and Sugarcane

A Sugarcane Minimum Price Support Levels

*--The following provides the **2010** crop (FY 2011) regional minimum price support levels per net or gross ton for average quality sugarcane.

Area	Level
Florida	\$27.37 per net ton
Hawaii	\$24.16 per net ton
Louisiana	\$26.74 per gross ton
Texas	\$23.30 per gross ton

This table provides the **2011** crop (FY 2012) regional minimum price support levels per net or gross ton for average quality sugarcane.

Area	Level
Florida	\$27.59 per net ton
Hawaii	\$26.42 per net ton
Louisiana	\$27.48 per gross ton
Texas	\$22.70 per gross ton

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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.

Premiums and Discounts for Bulk Raw Cane Sugar

A Overview

*--The following premiums and discounts are for 2011 crop year raw cane sugar, and are based on the #16 Contract specifications.

B Moisture

For each 0.01 in excess of 0.30 deduct 0.0338 cents per lb.

C Grain Size

For each 1 percent:

- above 45 percent, deduct 0.0225 cents per lb.
 - below 22 percent, add 0.0094 cents per lb.
- (Based on percent through 30 mesh U.S. sieve.)

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 Cents/Lb.	Deduct Cents/Lb.
Below 800	0.0304	
1301 to 1500		0.0338
1501 to 1800		0.0844
1801 to 2100		0.1856
2101 to 2400		0.3375
Above 2400		0.5400
COLOR (Whole Raw) (ICUMSA color units Method 4 Modified)		
For Each 25 Units		
	Add Cents/Lb.	Deduct Cents/Lb.
Below 3000	0.0003	
5001 to 6000		0.0003
6001 to 7000		0.0008
7001 to 8000		0.0020
8001 to 9000		0.0037
Above 9000		0.0059

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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.
251 to 350		0.0026
351 to 450		*--0.0060
451 to 550		0.0101
Above 550		0.0150--*

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	0.2500	0.17
over 98.0 up to and including 98.2	0.2600	0.18
over 98.2 up to and including 98.4	0.2700	0.19
over 98.4 up to and including 98.6	0.2800	0.20
over 98.6 up to and including 98.8	0.2900	0.21
over 98.8 up to but not including 99.0	0.3000	0.22
For each .01 percent of ash content:		
<ul style="list-style-type: none"> •*--in excess of derived maximum ash content, deduct 0.0028 cents per lb. • below derived minimum ash content, add 0.0012 cents per lb.--* 		

Bulk Raw Cane Sugar Polarity Premium and Discount Schedule

The following provides schedule for premiums and discounts adjusted for polarity degree that shall *--be applied to 2011 Raw Cane sugar loans at settlement or forfeiture.

Premiums		Discounts	
Polarity Degree	Adjustment Cents/Lb.	Polarity Degree	Adjustment Cents/Lb.
99.0	0.0000	96.0	0.0000
98.9	0.7181	95.9	-0.1031
98.8	0.6956	95.8	-0.2063
98.7	0.6731	95.7	-0.3094
98.6	0.6506	95.6	-0.4125
98.5	0.6281	95.5	-0.5156
98.4	0.6056	95.4	-0.6188
98.3	0.5831	95.3	-0.7219
98.2	0.5606	95.2	-0.8250
98.1	0.5381	95.1	-0.9281
98.0	0.5156	95.0	-1.0313
97.9	0.4734	94.9	-1.0828
97.8	0.4313	94.8	-1.1344
97.7	0.3891	94.7	-1.1859
97.6	0.3469	94.6	-1.2019
97.5	0.3047	94.5	-1.2891
97.4	0.2625	94.4	-1.3406
97.3	0.2203	94.3	-1.3922
97.2	0.1781	94.2	-1.4438
97.1	0.1359	94.1	-1.4953
97.0	0.0938	94.0	-1.5469
96.9	0.0844		
96.8	0.0750		
96.7	0.0656		
96.6	0.0563		
96.5	0.0469		
96.4	0.0375		
96.3	0.0281		
96.2	0.0188		
96.1	0.0094		
96.0	0.0000		

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