

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Sugar Loans 10-SU (Revision 4)	Amendment 18
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Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Paragraph 49.5 has been added to provide supplemental loan policy.

Subparagraph 75 A has been amended to provide updated SU-2 instructions.

Subparagraph 75 B has been amended to provide an updated version of SU-2. SU-2, item 4 was amended so that the sugar processor can designate whether the loan request is for a repledged or supplemental loan.

Note: All SU-2's with a date older than September 25, 2013, must be destroyed.

Page Control Chart		
TC	Text	Exhibit
1, 2	3-7, 3-8 3-9 (add) 4-29 through 4-52	

Table of Contents

Page No.

Part 1 General Policy and APSS Procedures

1	Handbook Provisions	1-1
2	Basic Loanmaking Provisions.....	1-5
3	Sodbuster and Swampbuster Provisions	1-8.6
4	Lobbying Provisions	1-8.6
5	Prompt Payment Act.....	1-9
6	Finality Rule.....	1-10
7	Signatures, Authorizations, and Approvals	1-11
8-27	(Reserved)	

Part 2 Eligibility Requirements

28	Processor Eligibility	2-1
29	Eligible Sugar.....	2-1
30	Storage Requirements	2-2
31	Requesting Warehouse-Stored Loans	2-3
32	Quality Determinations.....	2-4
33	List of Approved Sugar Storage Agreement Warehouses	2-4
34	General Warehouse Document Requirements	2-5
35-45	(Reserved)	

Part 3 Obtaining Sugar Loan Program Benefits

46	Obtaining Loans.....	3-1
47	Lien Searches	3-4
48	Filing UCC-1's.....	3-5
49	Repledging Provisions	3-8
49.5	Supplemental Loans.....	3-8
50	Loan Document Review	3-9
51-61	(Reserved)	

Part 4 Loanmaking

Section 1 Compliance and Noncompliance

62	Compliance Provisions	4-1
63	Handling Ineligibility.....	4-4
64-73	(Reserved)	

Section 2 Verification and Application of Sugar Loans

74	Verifying CCC's Loan Interest.....	4-27
75	Recording Data on SU-2.....	4-29
76-85	(Reserved)	

Table of Contents (Continued)

Page No.

Part 4 Loanmaking (Continued)

Section 3 Spot Checks

86	Spot-Check Provisions.....	4-53
87-96	(Reserved)	

Section 4 Loan Maintenance

97	Maintaining Loan Collateral.....	4-75
98-110	(Reserved)	

Part 5 Repayment of Loans

Section 1 Repayment Provisions

111	Repaying Loans	5-1
112-122	(Reserved)	

Section 2 Information and Application of Interest

123	Interest Rates.....	5-21
124-135	(Reserved)	

Part 6 Loan Maturity and Forfeitures

136	County Office Notice to Processors Before Maturity.....	6-1
137	Loan Forfeiture Procedures.....	6-4
138	Reporting Forfeiture Activity	6-6
139-150	(Reserved)	

Part 7 Processor Payments

Section 1 Processor Payments to Producers

151	Processor Payment Requirements to Producers.....	7-1
152-162	(Reserved)	

Section 2 Payment Requirements to Producers of Sugar Beets

163	Minimum Payment Level for Sugar Beets.....	7-23
164-174	(Reserved)	

48 Filing UCC-1's (Continued)

E Preparing UCC-1

For raw cane sugar or beet sugar, identify collateral on UCC-1 as "sugar". Do not include quantities.

For in process sugar, identify collateral on UCC-1 as follows:

“For example: (#) gallons of in process sugar will convert to (#) of pounds of (raw/refined) sugar”.

F Paying Filing or Recording Fees

*--Issue payment through OLP and NPS for filing or recording fees according to either of the following:

- 8-LP, subparagraph 521 E--*
- State Office filing instructions for the State.

G CCC-10

Each processor applying for a CCC sugar loan shall complete CCC-10 according to 8-LP, *--paragraph 502.--*

Refer to CCC-10, item 7 or 8 on where to file UCC-1 and conduct a lien search.

49 Repledging Provisions

A Repledging Eligible Sugar Provisions

Eligible processors may, before the final loan availability date, repledge as collateral for the loan, eligible sugar that has been previously mortgaged and **repaid**, principal **plus** interest. The initial loan must be repaid before requesting to repledge eligible sugar.

The maturity date for the loan for the repledged collateral must be the same as the maturity date for the original note and security agreement.

B Repledging In-Process Sugar

Processors who do not forfeit the in-process sugar may further process the in-process sugars into raw cane and beet sugar and repay the in-process collateral.

Note: The processor may obtain a loan for the raw cane sugar or refined beet sugar in the normal manner.

C Sugar Not Eligible To Be Repledged

A quantity of sugar represented by loans that were called because of any of the following conditions may not be repledged:

- in-process sugar not processed
- deteriorating condition of sugar
- incorrect certification.

*--49.5 Supplemental Loans

A Requesting Supplemental Loans

Eligible processors may request a supplemental loan if the sugar processor requested and repaid in-full an initial loan during the last 3 months of FY (July, August, and September).

B Establishing Supplemental Loans

Supplemental loans are:

- considered the same crop year as the initial loan
- made at the loan rate in effect at the time the initial loan was made
- matures in 9 months minus the number of whole months that the initial loan was in effect.

Note: See examples in subparagraph 2 G.--*

50 Loan Document Review

A Second Party Review

A second party review of all sugar loan applications, KC-227's, KC-227-A's, and loan documents shall be performed before disbursement. The reviewer:

- must ensure that the correct loan factors and rates were used to compute the loan amount
- shall initial SU-2 when the review is completed.

51-61 (Reserved)

75 Recording Data on SU-2

A Preparing SU-2

County Offices shall prepare SU-2 according to this table for **all** sugar loans. A copy of Exhibits 17 and 18 shall be given to sugar processors with each cane sugar loan requested.

Item	Instructions
1	Enter name and address of processor.
2A	Enter the total storage capacity the processor owns and leases. Note: If space is leased, enter only the space that is committed, under written obligation, to store the processor's sugar.
2B	Enter the ineligible quantity in storage, including sugar: <ul style="list-style-type: none"> • processed in previous years • currently under loan • in deteriorating condition • representing production from ineligible producers, including producers determined to be ineligible because of regulations governing HELC, WC, acreage report, or controlled substance violations.
2C	Enter the eligible quantity in storage that is both of the following: <ul style="list-style-type: none"> • owned by the processor or jointly owned by the processor and producers • physically in the storage facility described in item 2 b.
3	Enter crop year.
*--4A	Enter commodity.
4B	If this is an initial loan, enter a checkmark.
4C	If this is a repledged loan, enter a checkmark.
4D	If this is a supplemental loan, enter a checkmark.--*
5	Enter required information.
6	Enter names of all lienholders. Note: If there are no lienholders, processors shall enter “ none ” and initial the entry.
7	For: <ul style="list-style-type: none"> • farm-stored loans, number the lots sequentially beginning with number “1” on processor’s first SU-2. Notes: Do not include in a lot, sugar offered for loan that is stored at more than 1 address. One address may have more than 1 designated lot, if both of the following apply: <ul style="list-style-type: none"> • the sugar is separated • processor requests more than 1 designated lot. • warehouse-stored loans, from KC-227 or KC-227-A enter both the: <ul style="list-style-type: none"> • warehouse code from item 4 • control number assigned by the warehouse operator in item 8.

75 Recording Data on SU-2 (Continued)

A Preparing SU-2 (Continued)

Item	Instructions
8	Enter the State and County location of the facility.
9	Enter a checkmark in the appropriate checkbox to indicate the type of sugar processed. Note: Only 1 type can be checked for the loan.
10	<p>For:</p> <ul style="list-style-type: none"> • farm-stored loans, enter the total number of pounds in storage to be placed under loan <p>Notes: For bulk raw cane sugar:</p> <ul style="list-style-type: none"> • the processor shall provide weight and polarization, or satisfactory records to substantiate the quantity for which the loan is requested • do not adjust loan quantity for polarity • independent polarity sampling, at the processor’s expense, will be done at forfeiture for settlement purposes. <p>If a nonloanmaking office is providing quantity and eligibility verification to a loanmaking office, verifier shall enter initials and date beside the lot number.</p> <p>Ensure that the quantity entered in storage is equal to or less than the eligible quantity from item 2 c.</p> <ul style="list-style-type: none"> • warehouse-stored loans, from KC-227 or KC-227-A, enter the total net pounds from item 10 A.
***	***
*--11	Enter the applicable loan rate from Exhibit 9.
12	Enter the result of multiplying item 10 times item 11.
13	Enter the total from columns 10 and 12.--*
Part B	The processor shall read Part B before signing the processor certification of eligible sugar.
Part C	<ul style="list-style-type: none"> • Authorized CCC representative shall sign and date after verifying that the information on SU-2 is correct. • Enter County Office name, address, and telephone number.

75 Recording Data on SU-2 (Continued)

B Example of SU-2

This is an example of SU-2.

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This form is available electronically.

SU-2
(09-25-13)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

APPLICATION FOR NONRECOURSE SUGAR LOAN

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1435, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine applicant eligibility to receive CCC financing of a nonrecourse sugar loan under the Sugar Loan Program. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice by USDA/FS-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for CCC financing of a nonrecourse sugar loan under the Sugar Loan Program.

This information collection is exempted from the Paperwork Reduction Act as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F-Administration). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.

PART A – PROCESSOR, LOAN, AND COMMODITY INFORMATION

1. NAME AND MAILING ADDRESS OF PROCESSOR (Including Zip Code)		2. STORAGE FACILITY INFORMATION		3. CROP YEAR	4A. COMMODITY: _____	5. STATE & COUNTY CODES AND LOAN NUMBER
		A. Total Capacity (Lbs.)			<input type="checkbox"/> B. Initial Loan	
		B. Ineligible quantity in storage (Lbs.)			<input type="checkbox"/> C. Repledged Loan	
		C. Eligible quantity in storage (Lbs.)			<input type="checkbox"/> D. Supplemental Loan	
6. LIENHOLDER(S)						

7. WAREHOUSE NUMBER	8. LOCATION OF FACILITY	9. TYPE OF SUGAR (Check one below)			10. QUANTITY FOR LOAN (Lbs.) ^{1/}	11. LOAN RATE PER LB.	12. LOAN VALUE \$
		Sugar Cane	Sugar Beet	In Process			
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
13. TOTALS:							

^{1/}Loans on cane sugar will be made on actual pounds (commercial weight). Adjustments for polarity will be made upon settlement based on independent sampling and testing at the processor's expense. The schedule of premiums and discounts to be used is available in the loan-making office.

PART B – PROCESSOR CERTIFICATION

14. I hereby request a Commodity Credit Corporation (CCC) loan on the above-identified commodity. I certify all of the following: (1) I own the commodity; (2) I have paid or will pay all producers at least the rates required in the sugar loan regulations (7 CFR Part 1435); (3) the quantity for loan is in existence, is stored where indicated, and will be maintained and safely stored throughout the loan period and afterward as directed by CCC; and (4) the quantity for loan is free and clear of all liens, security interests and encumbrances, except as shown above. The processor specified in Part A Item 1 of this application certifies that the quantity of sugar pledged as collateral for loan is eligible sugar as defined in 7 CFR Part 400 Crop Insurance, or (3) 7 CFR Part 71S Controlled Substances, the processor has not pledged as collateral for such a loan a quantity sugar which is equivalent to the quantity derived from such producer's sugar beets or sugar cane. In the event CCC determines that such ineligible sugar has been pledged as collateral for a loan, the processor agrees to immediately redeem a quantity of the loan collateral equal to the ineligible quantity, as determined by CCC.

I further certify that the gallons of in-process sugar, when converted will equal the pounds certified in Item 10.

Are you or any co-applicants delinquent on any Federal Non-Tax debt? YES NO

14A. PROCESSOR'S SIGNATURE	14B. TITLE	14C. DATE (MM-DD-YYYY)
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PART C – COUNTY FSA OFFICE CERTIFICATION

This certifies that the above-named processor is an "eligible" processor in accordance with Sugar Regulations 7 CFR Part 1435.

15A. FOR COUNTY FSA COMMITTEE	15B. DATE (MM-DD-YYYY)	15C. COUNTY OFFICE NAME AND ADDRESS	15D. TELEPHONE NUMBER (Include Area Code)
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C Preparing and Distributing SU-2

Loanmaking County Offices shall:

- prepare SU-2 in duplicate for all loans, both farm- and warehouse-stored, including loan conversions
- distribute SU-2 as follows:
 - file original in processor's loan folder
 - send 1 copy to processor.

76-85 (Reserved)

