
USDA Announces Fiscal Year 2021 Sugar Loan Rates, Allotment and Marketing Allocations

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WASHINGTON, September 24, 2020 – The U.S. Department of Agriculture’s (USDA) Commodity Credit Corporation (CCC) today announced the marketing assistance loan rates for sugar for crop year 2020 (fiscal year 2021). CCC also announced sugar beet and sugarcane allotments and processor marketing allocations for the fiscal year 2021 domestic sugar program.

USDA offers marketing assistance loans to processors of domestically grown sugar beets and domestically grown sugarcane to provide interim financing to producers so that commodities can be stored after harvest when market prices are typically low and be sold later when price conditions are more favorable. The 2018 Farm Bill increased the national average loan rate to 19.75 cents per pound for raw cane sugar and 25.38 cents per pound for refined beet sugar. These rates are adjusted regionally to reflect marketing cost differentials.

The loans are available beginning October 1, 2020, and mature at the end of the nine-month period beginning on the first day of the first month after the month in which the loan is made, or the end of the fiscal year in which the loan is made, whichever is earlier. Producers have the option to deliver the pledged sugar collateral to CCC as full payment for the loan at maturity.

Loan Rates for Refined Beet Sugar

The refined beet sugar processing regions and applicable 2020-crop (fiscal year 2021) loan rates in cents per pound of refined beet sugar are:

- Michigan and Ohio – 26.32
- Minnesota and the eastern half of North Dakota – 24.98
- Northeastern quarter of Colorado, Nebraska and the southeastern quarter of Wyoming – 26.09

- Montana, northwestern quarter of Wyoming and the western half of North Dakota – 25.26
- Idaho, Oregon and Washington – 25.53
- California – 26.75

Loan Rates for Raw Cane Sugar

The 2020-crop (fiscal year 2021) raw cane sugar loan rates in cents per pound of cane sugar, raw value are:

- Florida – 18.96
- Louisiana – 20.55
- Texas – 20.24

Note: Hawaii stopped producing sugar in January 2017 and hence, requires no loan rate.

Sugar beet and sugarcane processors who receive CCC loans in fiscal year 2021 are required to make minimum grower payments for all sugar beets and sugarcane received from eligible growers. Processors failing to meet the required minimum grower payment will be ineligible for loans for the crop year following their failure to meet the required minimum grower payment.

Sugar beet grower minimum payments are the amount specified in the grower/processor contract.

Sugarcane processors must, at minimum, pay growers for their share of production from molasses and sugar per ton of cane as specified here. State minimum payments are:

- Florida – \$27.86 per net ton
- Louisiana – \$30.51 per gross ton
- Texas – \$27.84 per gross ton

CCC has not modified the fiscal year 2021 raw sugar loan schedule of premiums and discounts because the raw cane sugar loan rate has not changed. These schedules can be found in the Farm Service Agency (FSA) handbook 10-SU, which is available at [10-SU \(Rev. 4\) Amend. 29](#) or in FSA's state and county offices.

Initial Fiscal Year 2021 Sugar Allotment and Marketing Allocations

CCC also announced the initial fiscal year 2021 overall sugar marketing allotment, which is established at 10,327,500 short tons, raw value. The overall sugar marketing allotment is set at 85% of the estimated quantity of sugar for domestic human consumption for the crop year of 12,150,000

short tons, raw value as forecast in the September 2020 World Agricultural Supply and Demand Estimates report. By statute, CCC is required to assign a fixed portion of the overall sugar marketing allotment to the beet sector and the cane sector. CCC distributed the fiscal year 2021 beet sugar allotment of 5,612,996 short tons, raw value (54.35% of the overall sugar marketing allotment) among the sugar beet processors and the cane sugar allotment of 4,714,504 short tons, raw value (45.65% of the overall sugar marketing allotment) among the sugarcane States and processors.

By statute, CCC is required to allot 325,000 short tons, raw value of the cane sector to “Offshore” States, meaning Puerto Rico and Hawaii. CCC has determined that Puerto Rico and Hawaii have permanently exited sugarcane production. As a result, CCC has re-allocated the 325,000 short tons, raw value of cane sector allotment previously assigned to “Offshore” States to the Mainland States of Florida, Louisiana, and Texas.

CCC determined that farm-level proportionate shares are not necessary in Louisiana in fiscal year 2021, the only State eligible for proportionate shares, because the cane sugar sector is not expected to fill its allotment.

USDA will closely monitor stocks, consumption, imports and all sugar market and program variables on an ongoing basis. USDA will continue to administer the sugar program as transparently as possible using the latest available data and adjust as necessary to ensure adequate supplies of both raw and refined sugar in the domestic market.

The initial fiscal year 2021 sugar marketing State allotments and processor allocations are listed in the table below:

FY 2021 OVERALL BEET/CANE ALLOTMENTS AND ALLOCATIONS (short tons, raw value)	
Distribution	Initial FY21 Allocations
Beet Sugar	5,612,996
<u>Cane Sugar</u>	<u>4,714,504</u>
TOTAL OAQ	10,327,500
BEET PROCESSORS' MARKETING ALLOCATIONS:	

Amalgamated Sugar Co.	1,201,785
American Crystal Sugar Co.	2,064,243
Michigan Sugar Co.	579,685
Minn-Dak Farmers Co-op.	389,817
So. Minn Beet Sugar Co-op.	757,576
Western Sugar Co.	572,891
<u>Wyoming Sugar Company, LLC</u>	<u>46,999</u>
TOTAL BEET SUGAR	5,612,996
STATE CANE SUGAR ALLOTMENTS:	
Florida	2,533,938
Louisiana	1,960,286
<u>Texas</u>	<u>220,279</u>
TOTAL CANE SUGAR	4,714,504
CANE PROCESSORS' MARKETING ALLOCATIONS:	
Florida	
Florida Crystals	1,043,289

Growers Co-op. of FL	455,818
<u>U.S. Sugar Corp.</u>	<u>1,034,831</u>
TOTAL	2,533,938
Louisiana	
Louisiana Sugar Cane Products, Inc.	1,360,893
<u>M.A. Patout & Sons</u>	<u>599,393</u>
TOTAL	1,960,286
Texas	
Rio Grande Valley	220,279

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