

USDA Announces No Actions under Feedstock Flexibility Program

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WASHINGTON, December 12, 2019 – The U.S. Department of Agriculture (USDA) Commodity Credit Corporation (CCC) announced today that it does not expect to purchase and sell sugar under the Feedstock Flexibility Program for crop year 2019, which runs from Oct. 1, 2019 to Sept. 30, 2020.

The CCC is required by law to quarterly announce estimates of sugar to be purchased and sold under the Feedstock Flexibility Program 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.

The Feedstock Flexibility Program was reauthorized by Congress in the 2018 Farm Bill as an option to avoid sugar forfeitures. USDA's December 10, 2019, World Agricultural Supply and Demand Estimates report (www.usda.gov/oce/commodity/wasde) projects that fiscal year 2020 U.S. ending sugar stocks are unlikely to lead to forfeitures. Therefore, currently, USDA does not expect to purchase and sell sugar under the Feedstock Flexibility Program for crop year 2019.

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 Feedstock Flexibility Program will occur on or before April 1, 2020.

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