

USDA Announces Sugar Program Actions for FY 2015

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USDA Announces First Quarter Sugar Feedstock Flexibility Program Expectations and Sugar Tariff Rate Quotas for Fiscal Year 2015

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WASHINGTON, Sept. 2, 2014 – The U.S. Department of Agriculture (USDA) Commodity Credit Corporation (CCC) today announced that it does not expect to purchase sugar under the Feedstock Flexibility Program in fiscal year 2015. CCC is required to announce quarterly estimates of sugar to be purchased for the Feedstock Flexibility Program in a given crop year. USDA also announced fiscal year 2015 raw and refined sugar tariff-rate quotas.

Feedstock Flexibility Program

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 2014 Farm Bill as an option to avoid sugar forfeitures. USDA's Aug. 12, 2014 [World Agricultural Supply and Demand Estimates](#) report projects a domestic fiscal year 2015 ending sugar stocks-to-use ratio of 6.9 percent. USDA has determined that sugar loan collateral forfeitures are unlikely. The department will closely monitor stocks, consumption, imports, and all sugar market and program variables on an ongoing basis, and will continue to administer the sugar program as transparently as possible using the latest available data.

Sugar Tariff Rate Quotas

USDA is establishing the fiscal year 2015 traffic rate quota (TRQ) for raw cane sugar at 1,231,497 short tons raw value (1,117,195 metric tons raw value*), the minimum to which the United States is committed under the World Trade Organization Uruguay Round Agreement on

Agriculture. Pursuant to additional U.S. note 5 to chapter 17 of the U.S. Harmonized Tariff Schedule and section 359k of the Agricultural Adjustment Act of 1938, as amended, USDA published this decision in the Federal Register.

Raw cane sugar under this TRQ must be accompanied by a certificate of quota eligibility and may enter the United States until Sept. 30, 2015. The Office of the U.S. Trade Representative (USTR) will allocate this TRQ among supplying countries and customs areas.

USDA is also establishing the fiscal year 2015 refined sugar TRQ at 139,993 short tons raw value (127,000 metric tons raw value). Of this quantity, 117,568 short tons raw value (106,656 metric tons raw value) is reserved for the importation of specialty sugars as defined by the USTR. The total refined sugar TRQ includes the 24,251 short tons raw value (22,000 metric tons raw value) minimum to which the United States is committed under the Uruguay Round Agreement on Agriculture, of which 1,825 short tons raw value (1,656 metric tons raw value) is reserved for specialty sugar.

Because the specialty sugar TRQ is first-come, first-served, tranches are needed to allow for orderly marketing throughout the year. The fiscal year 2015 specialty sugar TRQ will be opened in five tranches. The first, totaling 1,825 short tons raw value (1,656 metric tons raw value), will open Oct. 10, 2014. All specialty sugars are eligible for entry under this tranche. The second will open on Oct. 24, 2014, and be equal to 42,825 short tons raw value (38,850 metric tons raw value). The remaining three tranches will each be equal to 24,306 short tons raw value (22,050 metric tons raw value), with the third opening on Jan. 9, 2015; the fourth on April 10, 2015; and the fifth on July 10, 2015. The second, third, fourth, and fifth tranches will be reserved for organic sugar and other specialty sugars not currently produced commercially in the United States or reasonably available from domestic sources.

The USTR will allocate the refined TRQ, other than the amount reserved for specialty sugar, among supplying countries and customs areas.

* Conversion factor: 1 metric ton = 1.10231125 short tons.