

104TH CONGRESS  
1ST SESSION

# S. 1302

To restore competitiveness to the sugar industry by reforming the Federal sugar program and thereby ensuring that consumers have an uninterrupted supply of sugar at reasonable prices, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 10, 1995

Ms. MIKULSKI introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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## A BILL

To restore competitiveness to the sugar industry by reforming the Federal sugar program and thereby ensuring that consumers have an uninterrupted supply of sugar at reasonable prices, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Sugar Competitiveness  
5 Act of 1995”.

6 **SEC. 2. MARKET-ORIENTED SUGAR PROGRAM LOANS.**

7 (a) IN GENERAL.—Section 206 of the Agricultural  
8 Act of 1949 (7 U.S.C. 1446g) is amended—

1           (1) by striking the section heading, subsections  
2           (a) through (h), and subsection (j);

3           (2) by inserting before subsection (i) the follow-  
4           ing:

5 **“SEC. 206. RECOURSE LOANS TO PROCESSORS OF SUGAR-**  
6 **CANE AND SUGAR BEETS.**

7           “(a) SUGARCANE PROCESSOR LOANS.—

8           “(1) IN GENERAL.—The Secretary shall make  
9           recourse loans available to processors of sugarcane  
10           on raw cane sugar processed from the 1995 and suc-  
11           ceeding crops of sugarcane.

12           “(2) LOAN RATES.—Recourse loans under this  
13           subsection shall be make at the rate of 18 cents per  
14           pound of raw cane sugar for the 1995 crop of sugarcane;  
15           16 cents per pound of raw cane sugar for the  
16           1996 crop of sugarcane; 14 cents per pound for the  
17           1997 crop of sugarcane; and 12 cents per pound for  
18           the 1998 and succeeding crops of sugarcane.

19           “(b) SUGAR BEET PROCESSOR LOANS.—

20           “(1) IN GENERAL.—The Secretary shall make  
21           recourse loans available to processors of sugar beets  
22           on refined sugar processed from the 1995 and suc-  
23           ceeding crops of sugar beets.

24           “(2) LOAN RATES.—Recourse loans under this  
25           subsection for sugar refined from a crop of sugar

1 beets shall be made at a rate, per pound of refined  
2 sugar, that reflects—

3 “(A) an amount that bears the same rela-  
4 tion to the loan rate in effect under subsection  
5 (a)(2) as the weighted average of producer re-  
6 turns for sugar beets bears to the weighted av-  
7 erage of producer returns for sugarcane, ex-  
8 pressed on a cents per pound basis for refined  
9 beet sugar and raw cane sugar, for the most re-  
10 cent 5-year period for which data are available;  
11 plus

12 “(B) an amount that covers sugar beet  
13 processor fixed marketing expenses.

14 “(c) ADMINISTRATIVE RULES.—

15 “(1) NATIONAL LOAN RATES.—Recourse loans  
16 under this section shall be made available at all loca-  
17 tions nationally at the rates specified in this section,  
18 without adjustment to provide regional differentials.

19 “(2) LENGTH OF LOANS.—Each recourse loan  
20 made under this section shall be for a term of 3  
21 months, and may be extended for additional 3-month  
22 terms, except that—

23 “(A) no loan may have a cumulative term  
24 in excess of 9 months or a term that extends

1           beyond September 30 of the fiscal year in which  
2           the loan is made; and

3                   “(B) a processor may terminate a loan and  
4           redeem the collateral for the loan at any time  
5           by payment in full of principal, interest, and  
6           fees then owing.

7           “(d) PROHIBITION ON PRICE SUPPORT.—The Sec-  
8   retary may not make price support available, whether in  
9   the form of nonrecourse loans, payments, purchases, or  
10 other operations, for the 1995 or subsequent crops of sug-  
11 arcane or sugar beets by using the funds of the Commod-  
12 ity Credit Corporation.

13           “(e) USE OF COMMODITY CREDIT CORPORATION.—  
14 The Secretary shall use the funds, facilities, and authori-  
15 ties of the Commodity Credit Corporation to carry out this  
16 section.”.

17           (b) EFFECT ON EXISTING LOANS.—

18                   (1) Except as provided in paragraph (2), sec-  
19           tion 206 of the Agricultural Act of 1949 (7 U.S.C.  
20           1446g), as in effect on the day before the date of  
21           the enactment of this Act, shall continue to apply  
22           with respect to nonrecourse loans made under such  
23           section before such date.

24                   (2) Any loan in effect on the day before the  
25           date of the enactment of this Act that is extended

1 on or after the date of enactment shall be converted,  
2 when extended, into a recourse loan at the loan rate  
3 specified in section 206(a), as amended by this Act,  
4 and any loan made on or after the date of enactment  
5 shall be a recourse loan.

6 (c) EXTENSION AND MODIFICATION OF MARKETING  
7 ASSESSMENT.—Subsection (i) of the Agricultural Act of  
8 1949 (7 U.S.C. 1446g) is amended—

9 (1) by striking “(i)” and inserting “(f)”;

10 (2) in paragraph (1)—

11 (A) by striking “1992 through 1996” and  
12 inserting “1992 through 2003”;

13 (B) in subparagraph (A), by striking “sub-  
14 section (b)” and inserting “subsection (a)”;

15 (C) in subparagraph (B)—

16 (i) by striking “subsection (b)” and  
17 inserting “subsection (a)”;

18 (ii) by striking “1998” and inserting  
19 “2003”;

20 (iii) by striking “1.1 percent” and in-  
21 serting “1.5 percent”; and

22 (iv) by striking “(but not more than  
23 .198 cents per pound of raw cane sugar)”  
24 and inserting “as of October 1, 1995”;

25 (3) in paragraph (2)—

1 (A) by striking “1992 through 1996” and  
2 inserting “1992 through 2003”; and

3 (B) in subparagraph (B)—

4 (i) by striking “1998” and inserting  
5 “2003”;

6 (ii) by striking “1.1794 percent” and  
7 inserting “1.6083 percent”;

8 (iii) by striking “(but not more than  
9 .2123 cents per pound of beet sugar)” and  
10 inserting “as of October 1, 1995”; and

11 (iv) adding at the end the following  
12 new paragraph:

13 “(7) IMPORTED SUGAR.—Effective only for im-  
14 ports of raw cane sugar and refined sugar during  
15 the 1996 through 2003 fiscal years, each exporter of  
16 raw cane sugar or refined sugar to be imported into  
17 the United States shall remit to the Commodity  
18 Credit Corporation a nonrefundable marketing as-  
19 sessment in an amount equal—

20 “(A) in the case of imports of raw cane  
21 sugar, 1.5 percent of the loan level established  
22 under subsection (a) per pound of raw cane  
23 sugar as of October 1, 1995;

24 “(B) in the case of imports of refined  
25 sugar, 1.6083 percent of the loan level estab-

1           lished under subsection (b) per pound of refined  
2           sugar as of October 1, 1995.”.

3           (d) CONFORMING AMENDMENTS.—

4           (1) PRICE SUPPORT FOR DESIGNATED  
5           NONBASIC AGRICULTURAL COMMODITIES.—Section  
6           201(a) of the Agricultural Act of 1949 (7 U.S.C.  
7           1446(a)) is amended by striking out “milk, sugar  
8           beets, and sugarcane” and inserting in lieu thereof  
9           “and milk”.

10          (2) PRICE SUPPORT BENEFITS TO PRODUC-  
11          ERS.—

12                (A) IN GENERAL.—Section 401(e) of such  
13                Act (7 U.S.C. 1421(e)) is amended by striking  
14                out “(1)” in paragraph (1) and striking out  
15                paragraph (2).

16                (B) TECHNICAL AMENDMENT.—Section  
17                405(b) of such Act (7 U.S.C. 1425(b)) is  
18                amended by striking out the last sentence.

19          (3) TITLE III OF THE AGRICULTURAL ACT OF  
20          1949.—Section 301 of the Agricultural Act of 1949  
21          (7 U.S.C. 1447) is amended by inserting “(other  
22          than sugarcane and sugar beets)” before “at a  
23          level”.

24          (4) POWERS OF COMMODITY CREDIT CORPORA-  
25          TION.—Section 5(a) of the Commodity Credit Cor-

1       poration Charter Act (15 U.S.C. 714c(a)) is amend-  
2       ed by inserting “(except for sugarcane and sugar  
3       beets of the 1996 and subsequent crops)” after “ag-  
4       ricultural commodities”.

5               (5) SECTION 32 ACTIVITIES.—The second sen-  
6       tence of the first paragraph of section 32 of the Act  
7       of August 24, 1935 (7 U.S.C. 612c) is amended by  
8       inserting “(other than sugarcane and sugar beets)”  
9       after “commodity” the last place it appears.

10              (e) CCC SALES PRICE RESTRICTIONS.—Section  
11       407(c) of such Act (7 U.S.C. 1427(c)) is amended by add-  
12       ing at the end a new paragraph as follows:

13                      “(6) SUGAR.—The Corporation may sell for un-  
14       restricted use sugar surrendered to it under the loan  
15       programs provided for in section 351 at such price  
16       as the Corporation determines appropriate to main-  
17       tain and expand export and domestic markets for  
18       sugar and to avoid undue disruption of commercial  
19       sales of sugar.”.

20              (f) ASSURANCE OF ADEQUATE SUPPLIES OF  
21       SUGAR.—Effective October 1, 1996, section 902(a) of the  
22       Food Security Act of 1985 (7 U.S.C. 1446g note) is  
23       amended to read as follows: “Beginning with the quota  
24       year for sugar imports that begins after the 1994/1995  
25       quota year, the President and the Secretary of Agriculture

1 shall use all authorities available to the President and the  
2 Secretary, as the case may be, to ensure that adequate  
3 supplies of raw cane sugar are made available to the  
4 United States market at prices no greater than the higher  
5 of—

6 “(1) the world sugar price (adjusted to a deliv-  
7 ered basis); or

8 “(2) the raw cane sugar loan rate in effect  
9 under section 206(a) of the Agricultural Act of 1949  
10 (plus interest).”.

11 **SEC. 3. TERMINATION OF MARKETING QUOTA AND ALLOT-**  
12 **MENTS.**

13 (a) **TERMINATION.**—

14 (1) **IN GENERAL.**—Subject to paragraph (2),  
15 part VII of subtitle B of title III of the Agricultural  
16 Adjustment Act of 1938 (7 U.S.C. 1359aa–1359jj)  
17 is repealed.

18 (2) **EFFECTIVE DATE.**—Paragraph (1) shall be  
19 effective October 1, 1996, for sugar marketed on or  
20 after such date.

21 (b) **CONFORMING AMENDMENT.**—Section 344(f)(2)  
22 of such Act (7 U.S.C. 1344(f)(2)) is amended by striking  
23 out “sugar cane for sugar; sugar beets for sugar;”.

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