

106TH CONGRESS
1ST SESSION

S. 1118

To amend the Agricultural Market Transition Act to convert the price support program for sugarcane and sugar beets into a system of solely recourse loans and to provide for the gradual elimination of the program.

IN THE SENATE OF THE UNITED STATES

MAY 25, 1999

Mr. SCHUMER (for himself, Mrs. FEINSTEIN, Mr. CHAFEE, Mr. GREGG, Mr. SANTORUM, and Mr. MOYNIHAN) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Agricultural Market Transition Act to convert the price support program for sugarcane and sugar beets into a system of solely recourse loans and to provide for the gradual elimination of the program.

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. RECOURSE LOANS FOR PROCESSORS OF SUG-**
4 **ARCANE AND SUGAR BEETS AND REDUCTION**
5 **IN LOAN RATES.**

6 (a) GRADUAL REDUCTION IN LOAN RATES.—

1 (1) SUGARCANE PROCESSOR LOANS.—Section
2 156(a) of the Agricultural Market Transition Act (7
3 U.S.C. 7272(a)) is amended by striking “equal to 18
4 cents per pound for raw cane sugar.” and inserting
5 the following: “, per pound for raw cane sugar, equal
6 to the following:

7 “(1) In the case of raw cane sugar processed
8 from the 1996, 1997, or 1998 crop, \$0.18.

9 “(2) In the case of raw cane sugar processed
10 from the 1999 crop, \$0.17.

11 “(3) In the case of raw cane sugar processed
12 from the 2000 crop, \$0.16.

13 “(4) In the case of raw cane sugar processed
14 from the 2001 crop, \$0.15.

15 “(5) In the case of raw cane sugar processed
16 from the 2002 crop, \$0.14.”.

17 (2) SUGAR BEET PROCESSOR LOANS.—Section
18 156(b) of the Agricultural Market Transition Act (7
19 U.S.C. 7272(b)) is amended by striking “equal to
20 22.9 cents per pound for refined beet sugar.” and
21 inserting the following: “, per pound of refined beet
22 sugar, that reflects—

23 “(1) an amount that bears the same relation to
24 the loan rate in effect under subsection (a) for a
25 crop as the weighted average of producer returns for

1 sugar beets bears to the weighted average of pro-
2 ducer returns for sugarcane, expressed on a cents
3 per pound basis for refined beet sugar and raw cane
4 sugar, for the most recent 5-year period for which
5 data are available; and

6 “(2) an amount that covers sugar beet proc-
7 essor fixed marketing expenses.”.

8 (b) CONVERSION TO RECOURSE LOANS.—Section
9 156(e) of the Agricultural Market Transition Act (7
10 U.S.C. 7272(e)) is amended—

11 (1) in paragraph (1), by inserting “only” after
12 “this section”; and

13 (2) by striking paragraphs (2) and (3) and in-
14 serting the following:

15 “(2) 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 differen-
19 tials.”.

20 (c) CONVERSION TO PRIVATE SECTOR FINANCING.—
21 Section 156 of the Agricultural Market Transition Act (7
22 U.S.C. 7272) is amended—

23 (1) by redesignating subsection (i) as subsection
24 (j);

1 (2) by inserting after subsection (h) the fol-
2 lowing:

3 “(i) CONVERSION TO PRIVATE SECTOR FINANC-
4 ING.—Notwithstanding any other provision of law—

5 “(1) no processor of any of the 2003 or subse-
6 quent crops of sugarcane or sugar beets shall be eli-
7 gible for a loan under this section with respect to
8 the crops; and

9 “(2) the Secretary may not make price support
10 available, whether in the form of loans, payments,
11 purchases, or other operations, for any of the 2003
12 and subsequent crops of sugar beets and sugarcane
13 by using the funds of the Commodity Credit Cor-
14 poration or other funds available to the Secretary.”;
15 and

16 (3) in subsection (j) (as redesignated by para-
17 graph (1)) by striking “subsection (f)” and inserting
18 “subsections (f) and (i)”.

19 (d) TERMINATION OF MARKETING QUOTAS AND AL-
20 LOTMENTS.—

21 (1) TERMINATION.—Part VII of subtitle B of
22 title III of the Agricultural Adjustment Act of 1938
23 (7 U.S.C. 1359aa et seq.) is repealed.

24 (2) CONFORMING AMENDMENT.—Section
25 344(f)(2) of the Agricultural Adjustment Act of

1 1938 (7 U.S.C. 1344(f)(2)) is amended by striking
2 “sugar cane for sugar, sugar beets for sugar,”.

3 (e) OTHER CONFORMING AMENDMENTS.—

4 (1) PRICE SUPPORT FOR NONBASIC AGRICUL-
5 TURAL COMMODITIES.—

6 (A) DESIGNATED NONBASIC AGRICUL-
7 TURAL COMMODITIES.—Section 201(a) of the
8 Agricultural Act of 1949 (7 U.S.C. 1446(a)) is
9 amended by striking “milk, sugar beets, and
10 sugarcane” and inserting “, and milk”.

11 (B) OTHER NONBASIC AGRICULTURAL
12 COMMODITIES.—Section 301 of the Agricultural
13 Act of 1949 (7 U.S.C. 1447) is amended by in-
14 serting “(other than sugarcane and sugar
15 beets)” after “title II”.

16 (2) POWERS OF COMMODITY CREDIT CORPORA-
17 TION.—Section 5(a) of the Commodity Credit Cor-
18 poration Charter Act (15 U.S.C. 714c(a)) is amend-
19 ed by inserting “(except for the 2003 and subse-
20 quent crops of sugarcane and sugar beets)” after
21 “agricultural commodities”.

22 (3) SECTION 32 ACTIVITIES.—Section 32 of the
23 Act of August 24, 1935 (7 U.S.C. 612c), is amended
24 in the second sentence of the first paragraph by in-

1 serting “(other than sugarcane and sugar beets)”
2 after “commodity” the last place it appears.

3 (f) ASSURANCE OF ADEQUATE SUPPLIES OF
4 SUGAR.—Section 902 of the Food Security Act of 1985
5 (7 U.S.C. 1446g note; Public Law 99–198) is amended
6 by striking subsection (a) and inserting the following:

7 “(a) IN GENERAL.—Beginning with the quota year
8 for sugar imports that begins after the 1998/1999 quota
9 year, the President shall use all authorities available to
10 the President as may be necessary to enable the Secretary
11 of Agriculture to ensure that adequate supplies of raw
12 cane sugar are made available to the United States market
13 at prices that are not greater than the higher of—

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

16 “(2) the raw cane sugar loan rate in effect
17 under section 156 of the Agricultural Market Tran-
18 sition Act (7 U.S.C. 7272), plus interest.”.

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