

115TH CONGRESS
1ST SESSION

H. R. 4265

To modernize the sugar program under the Federal Agriculture Improvement and Reform Act of 1996, to provide for the repeal of the feedstock flexibility program for bioenergy producers under the Farm Security and Rural Investment Act of 2002 and marketing allotments for sugar under the Agricultural Adjustment Act of 1938, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 7, 2017

Ms. FOXX (for herself, Mr. DANNY K. DAVIS of Illinois, Mr. GOODLATTE, Mr. BLUMENAUER, Mr. DENT, Ms. SPEIER, Mr. ROE of Tennessee, Mr. RUSH, Mr. CHABOT, Mr. LIPINSKI, Mr. HENSARLING, Mr. GARAMENDI, Mr. SHUSTER, Ms. KUSTER of New Hampshire, Mrs. BROOKS of Indiana, Mr. KIND, Mrs. BLACK, Mrs. BEATTY, Mr. FRELINGHUYSEN, Mr. SCHNEIDER, Mr. BARLETTA, Mr. MEADOWS, Mr. SMUCKER, Mr. LATTA, Mr. SENSENBRENNER, Mr. GOHMERT, Mr. MASSIE, Mr. COSTELLO of Pennsylvania, Mr. BANKS of Indiana, Mr. COLLINS of Georgia, Mr. WOMACK, Mr. DESJARLAIS, Mrs. WALORSKI, Mr. JOHNSON of Ohio, Mrs. BLACKBURN, Mr. ROTHFUS, Mr. BRAT, Mr. KELLY of Pennsylvania, Mr. JOYCE of Ohio, Mr. FLEISCHMANN, Mr. FITZPATRICK, Ms. SHEA-PORTER, Ms. SINEMA, and Mr. STEWART) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To modernize the sugar program under the Federal Agriculture Improvement and Reform Act of 1996, to provide for the repeal of the feedstock flexibility program for bioenergy producers under the Farm Security and Rural Investment Act of 2002 and marketing allotments for

sugar under the Agricultural Adjustment Act of 1938,
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 Policy Mod-
5 ernization Act of 2017”.

6 **SEC. 2. SUGAR PROGRAM.**

7 (a) LOAN RATES.—Section 156 of the Federal Agri-
8 culture Improvement and Reform Act of 1996 (7 U.S.C.
9 7272) is amended by striking subsections (a) and (b) and
10 inserting the following new subsections:

11 “(a) SUGARCANE.—The Secretary shall make loans
12 available to processors of domestically grown sugarcane at
13 a rate equal to—

14 “(1) 18.75 cents per pound for raw cane sugar
15 for the 2018 crop year;

16 “(2) 18.50 cents per pound for raw cane sugar
17 for the 2019 crop year;

18 “(3) 18.25 cents per pound for raw cane sugar
19 for the 2020 crop year; and

20 “(4) 18.00 cents per pound for raw cane sugar
21 for the 2021 through 2023 crop years.

22 “(b) SUGAR BEETS.—The Secretary shall make loans
23 available to processors of domestically grown sugar beets
24 at a rate equal to 128.5 percent of the loan rate per pound

1 of raw cane sugar for the applicable crop year under sub-
2 section (a) for each of the 2018 through 2023 crop
3 years.”.

4 (b) AVOIDING FORFEITURES WHILE ENSURING ADE-
5 QUATE SUPPLIES AT REASONABLE PRICES.—Section
6 156(f) of the Federal Agriculture Improvement and Re-
7 form Act of 1996 (7 U.S.C. 7272(f)) is amended—

8 (1) in the subsection heading, by inserting
9 “WHILE ENSURING ADEQUATE SUPPLIES AT REA-
10 SONABLE PRICES” after “FORFEITURES”; and

11 (2) in paragraph (1), by inserting “ensure ade-
12 quate supplies of sugar at reasonable prices and”
13 after “shall”.

14 (c) ASSURANCE OF NO NET COST AND MEANS FOR
15 RECOVERY OF NET COSTS.—Section 156(f) of the Fed-
16 eral Agriculture Improvement and Reform Act of 1996 (7
17 U.S.C. 7272(f)) is further amended by adding at the end
18 the following new paragraph:

19 “(3) ASSURANCE OF NO NET COST; RECOVERY
20 OF NET COSTS.—

21 “(A) RECOVERY REQUIRED.—Whenever
22 the Secretary finds that, notwithstanding para-
23 graph (1), the program established under this
24 section has resulted in a net cost to the Federal
25 Government, the Secretary shall recover, in a

1 manner determined by the Secretary in regula-
2 tions prescribed under subparagraph (C), such
3 net cost from processors of domestically grown
4 sugarcane and sugar beets.

5 “(B) RECOVERY METHOD.—The Secretary
6 may provide for single or multiple payments by
7 each processor of domestically grown sugarcane
8 or sugar beets for the recovery of such net cost
9 under this paragraph.

10 “(C) NET COST DEFINED.—In this para-
11 graph, the term ‘net cost’ refers to a situation
12 in which Federal expenditures (including dis-
13bursement of loan proceeds) for a fiscal year
14 pursuant to the program established under this
15 section exceed receipts under such program (in-
16cluding loan repayments) for the same fiscal
17 year.

18 “(D) REGULATIONS.—The Secretary shall
19 issue regulations to carry out this paragraph.

20 “(E) APPLICATION.—This paragraph shall
21 apply beginning with the 2019 crop year.”.

22 (d) EFFECTIVE PERIOD.—Section 156(i) of the Fed-
23 eral Agriculture Improvement and Reform Act of 1996 (7
24 U.S.C. 7272(i)) is amended by striking “2018” and in-
25 serting “2023”.

1 **SEC. 3. ONE-YEAR EXTENSION OF FEEDSTOCK FLEXIBILITY**
2 **PROGRAM FOR BIOENERGY PRODUCERS AND**
3 **SUBSEQUENT TERMINATION.**

4 (a) EXTENSION.—Section 9010(b) of the Farm Secu-
5 rity and Rural Investment Act of 2002 (7 U.S.C. 8110(b))
6 is amended—

7 (1) in paragraph (1)(A), by striking “2018”
8 and inserting “2019”; and

9 (2) in paragraph (2)(A), by striking “2018”
10 and inserting “2019”.

11 (b) TERMINATION.—Section 9010 of the Farm Secu-
12 rity and Rural Investment Act of 2002 (7 U.S.C. 8110)
13 is amended by adding at the end the following new sub-
14 section:

15 “(c) TERMINATION.—The Secretary may not carry
16 out the feedstock flexibility program under subsection (b)
17 for the 2020 or subsequent crops of eligible commodities.”.

18 **SEC. 4. TWO-YEAR EXTENSION OF MARKETING ALLOT-**
19 **MENTS FOR SUGAR AND SUBSEQUENT AD-**
20 **MINISTRATION OF TARIFF-RATE QUOTAS.**

21 (a) FLEXIBLE MARKETING ALLOTMENTS FOR
22 SUGAR.—

23 (1) SUGAR ESTIMATES.—Section 359b(a)(1) of
24 the Agricultural Adjustment Act of 1938 (7 U.S.C.
25 1359bb(a)(1)) is amended by striking “2018” and
26 inserting “2020”.

1 (2) EFFECTIVE PERIOD.—Section 359l(a) of
2 the Agricultural Adjustment Act of 1938 (7 U.S.C.
3 1359ll(a)) is amended by striking “2018” and in-
4 sserting “2020”.

5 (3) TRANSITION TO FINAL STOCKS TO USE
6 RATIO.—Section 359k(b) of the Agricultural Adjust-
7 ment Act of 1938 (7 U.S.C. 1359kk(b)) is amended
8 by adding at the end the following new paragraph:

9 “(3) STOCKS-TO-USE RATIO.—Notwithstanding
10 paragraphs (1) and (2), the Secretary shall adjust
11 tariff-rate quotas established under subsection (a) in
12 such a manner as to ensure, to the maximum extent
13 practicable, that—

14 “(A) the final ratio of sugar stocks to total
15 sugar use at the end of a crop year will be ap-
16 proximately—

17 “(i) 14.5 percent for fiscal year 2019;

18 and

19 “(ii) 15 percent for fiscal year 2020;

20 and

21 “(B) stocks of raw cane and refined beet
22 sugar are adequate throughout the crop year to
23 meet the needs of the marketplace, including
24 the efficient utilization of cane refining capac-
25 ity.”.

1 (b) REPEAL AND REPLACEMENT.—

2 (1) IN GENERAL.—Effective October 1, 2020,
3 part VII of subtitle B of title III of the Agricultural
4 Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.)
5 is amended to read as follows:

6 **“PART VII—SUGAR**

7 **“SEC. 359. ADMINISTRATION OF TARIFF-RATE QUOTAS.**

8 “(a) ESTABLISHMENT.—Notwithstanding any other
9 provision of law, at the beginning of fiscal year 2021 and
10 each fiscal year thereafter through the end of the effective
11 period, the Secretary shall establish the tariff-rate quotas
12 for raw cane sugar and refined sugar to provide adequate
13 supplies of sugar at reasonable prices, but at no less than
14 the minimum level necessary to comply with obligations
15 under international trade agreements that have been ap-
16 proved by Congress.

17 “(b) ADJUSTMENT AUTHORITY.—The Secretary shall
18 adjust tariff-rate quotas established under subsection (a)
19 in such a manner as to ensure, to the maximum extent
20 practicable, that—

21 “(1) the final ratio of sugar stocks to total
22 sugar use at the end of a fiscal year will be approxi-
23 mately 15.5 percent for fiscal year 2021 and each
24 fiscal year thereafter through the end of the effective
25 period; and

1 “(2) stocks of raw cane and refined beet sugar
2 are adequate throughout the crop year to meet the
3 needs of the marketplace, including the efficient uti-
4 lization of cane refining capacity.

5 “(c) TRANSFER OF QUOTA SHARES.—

6 “(1) IN GENERAL.—The Secretary shall pro-
7 mulgate regulations that—

8 “(A) promote full use of the tariff-rate
9 quotas for raw cane sugar and refined sugar
10 and ensure adequate supplies for cane refiners
11 in the United States;

12 “(B) provide that any country that has
13 been allocated a share of the quotas may tem-
14 porarily transfer all or part of the share to any
15 other country that has also been allocated a
16 share of the quotas.

17 “(2) TRANSFERS VOLUNTARY.—Any transfer
18 under this subsection shall be valid only pursuant to
19 a voluntary agreement between the transferor and
20 the transferee, consistent with procedures estab-
21 lished by the Secretary.

22 “(3) LIMITATIONS ON TRANSFERS WITH RE-
23 SPECT TO FISCAL YEAR.—

24 “(A) IN GENERAL.—Any transfer under
25 this subsection shall be valid only for the dura-

1 tion of the fiscal year during which the transfer
2 is made.

3 “(B) FOLLOWING FISCAL YEAR.—No
4 transfer under this subsection shall affect the
5 share of the quota allocated to the transferor or
6 transferee for the following fiscal year.

7 “(d) EFFECTIVE PERIOD.—This section shall be ef-
8 fective for fiscal years only through the 2023 crop year
9 for sugar.”.

10 (2) CONTINUED APPLICATION OF PRIOR LAW
11 TO CERTAIN SUGAR CROPS.—Part VII of subtitle B
12 of title III of the Agricultural Adjustment Act of
13 1938 (7 U.S.C. 1359aa et seq.), as in effect on the
14 day before the date specified in paragraph (1), shall
15 continue to apply to the 2019 and 2020 crop years
16 for sugar.

17 **SEC. 5. SENSE OF CONGRESS.**

18 It is the sense of Congress that the President should
19 establish, as major goals of the United States trade policy,
20 the following:

21 (1) The elimination of all direct and indirect
22 subsidies benefitting the production or export of
23 sugar by any government.

24 (2) The enforcement, negotiation, and imple-
25 mentation of trade agreements that provide commer-

1 cially meaningful sugar trade liberalization globally
2 and enhance trade opportunities for United States
3 agriculture and all sectors of the United States econ-
4 omy.

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