

106TH CONGRESS  
1ST SESSION

# H. R. 1850

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.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 18, 1999

Mr. MILLER of Florida (for himself, Mr. GEORGE MILLER of California, Mr. GOSS, Mr. KOLBE, Mr. FORBES, Mr. WAXMAN, Mr. ROYCE, Mr. SHAYS, Mr. WOLF, Mrs. NORTHUP, Mr. FRELINGHUYSEN, Mr. BLAGOJEVICH, Mr. SUNUNU, Mr. STARK, Mr. MEEHAN, Mr. SANFORD, Mr. BASS, Mr. CAMPBELL, Mr. BRADY of Pennsylvania, Mr. PORTMAN, Mr. BERMAN, Mr. VISCLOSKY, Mr. HINCHEY, Mr. HUTCHINSON, Mr. CARDIN, Mr. CASTLE, Mr. HANSEN, Mr. COOK, Mr. COYNE, Mr. ENGLISH, Mr. ROHRABACHER, Mr. SOUDER, Mr. WEINER, Mr. SHAW, Mr. SCARBOROUGH, Mr. PORTER, Mr. COBURN, Mr. HORN, Mr. RAMSTAD, Mr. WAMP, Mr. SENSENBRENNER, Mrs. ROUKEMA, Mr. KINGSTON, and Mr. SALMON) introduced the following bill; which was referred to the Committee on Agriculture

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## 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Sugar Program Re-  
3 form Act”.

4 **SEC. 2. RECOURSE LOANS FOR PROCESSORS OF SUGAR-**  
5 **CANE AND SUGAR BEETS AND REDUCTION IN**  
6 **LOAN RATES.**

7 (a) GRADUAL REDUCTION IN LOAN RATES.—

8 (1) SUGARCANE PROCESSOR LOANS.—Sub-  
9 section (a) of section 156 of the Agricultural Market  
10 Transition Act (7 U.S.C. 7272) is amended by strik-  
11 ing “equal to 18 cents per pound for raw cane  
12 sugar.” and inserting the following: “, per pound for  
13 raw cane sugar, equal to the following:

14 “(1) In the case of raw cane sugar processed  
15 from the 1996 through 1998 crops, \$0.18.

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

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

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

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

24 (2) SUGAR BEET PROCESSOR LOANS.—Sub-  
25 section (b) of such section is amended by striking  
26 “equal to 22.9 cents per pound for refined beet

1       sugar.” and inserting the following: “, per pound of  
2       refined beet sugar, that reflects—

3               “(1) an amount that bears the same relation to  
4       the loan rate in effect under subsection (a) for a  
5       crop as the weighted average of producer returns for  
6       sugar beets bears to the weighted average of pro-  
7       ducer returns for sugarcane, expressed on a cents  
8       per pound basis for refined beet sugar and raw cane  
9       sugar, for the most recent five-year period for which  
10      data are available; plus

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

13      (b) CONVERSION TO RECOURSE LOANS.—Subsection  
14   (e) of such section is amended—

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

17              (2) by striking paragraphs (2) and (3) and in-  
18      serting the following new paragraph:

19              “(2) NATIONAL LOAN RATES.—Recourse loans  
20      under this section shall be made available at all loca-  
21      tions nationally at the rates specified in this section,  
22      without adjustment to provide regional differen-  
23      tials.”.

24      (c) CONVERSION TO PRIVATE SECTOR FINANCING.—  
25   Such section is further amended—

1           (1) by redesignating subsection (i) as subsection  
2           (j);

3           (2) by inserting after subsection (h) the fol-  
4           lowing new subsection:

5           “(i) CONVERSION TO PRIVATE SECTOR FINANC-  
6           ING.—Notwithstanding any other provision of law, no  
7           processor of the 2003 or subsequent crops of sugarcane  
8           or sugar beets shall be eligible for loans under this section  
9           with respect to such crops, and the Secretary of Agri-  
10          culture may not make price support available, whether in  
11          the form of loans, payments, purchases, or other oper-  
12          ations, for the 2003 and subsequent crops of sugar beets  
13          and sugarcane by using the funds of the Commodity Cred-  
14          it Corporation 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–1359jj) is repealed.

24               (2) CONFORMING AMENDMENT.—Section  
25               344(f)(2) of such Act (7 U.S.C. 1344(f)(2)) is

1 amended by striking “sugar cane for sugar, sugar  
2 beets for sugar,”.

3 (e) OTHER CONFORMING AMENDMENTS.—

4 (1) PRICE SUPPORT FOR NONBASIC AGRICUL-  
5 TURAL COMMODITIES.—The Agricultural Act of  
6 1949 is amended—

7 (A) in section 201(a) (7 U.S.C. 1446(a)),  
8 by striking “milk, sugar beets, and sugarcane”  
9 and inserting “, and milk”; and

10 (B) in section 301 (7 U.S.C. 1447), by in-  
11 serting “(other than sugarcane and sugar  
12 beets)” after “title II”.

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

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

24 (f) ASSURANCE OF ADEQUATE SUPPLIES OF  
25 SUGAR.—Subsection (a) of section 902 of the Food Secu-

1 rity Act of 1985 (Public Law 99–198; 7 U.S.C. 1446g  
2 note) is amended to read as follows:

3 “(a) Beginning with the quota year for sugar imports  
4 which begins after the 1998/1999 quota year, the Presi-  
5 dent shall use all authorities available to the President as  
6 may be necessary to enable the Secretary of Agriculture  
7 to ensure that adequate supplies of raw cane sugar are  
8 made available to the United States market at prices no  
9 greater than the higher of—

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

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

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