

107TH CONGRESS  
1ST SESSION

# S. 1652

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 SENATE OF THE UNITED STATES

NOVEMBER 7, 2001

Mr. SANTORUM (for himself and Mr. McCain) 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 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. SHORT TITLE.**

4       This Act may be cited as the “Sugar Program Re-  
5       form Act”.

1 **SEC. 2. RECOURSE LOANS FOR PROCESSORS OF SUGAR-**  
2 **CANE AND SUGAR BEETS AND REDUCTION IN**  
3 **LOAN RATES.**

4 (a) GRADUAL REDUCTION IN LOAN RATES.—

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

11 “(1) In the case of raw cane sugar processed  
12 from the 1996 through 2000 crops, \$0.18.

13 “(2) In the case of raw cane sugar processed  
14 from the 2001 crop, \$0.17.

15 “(3) In the case of raw cane sugar processed  
16 from the 2002 crop, \$0.16.

17 “(4) In the case of raw cane sugar processed  
18 from the 2003 crop, \$0.15.

19 “(5) In the case of raw cane sugar processed  
20 from the 2004 crop, \$0.14.”.

21 (2) SUGAR BEET PROCESSOR LOANS.—Section  
22 156(b) of the Agricultural Market Transition Act (7  
23 U.S.C. 7272(b)) is amended by striking “equal to  
24 22.9 cents per pound for refined beet sugar.” and  
25 inserting the following: “, per pound of refined beet  
26 sugar, that reflects—

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

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

11          (b) CONVERSION TO RECOURSE LOANS.—Section  
12 156(e) of the Agricultural Market Transition Act (7  
13 U.S.C. 7272(e)) is amended—

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

16           (2) by striking paragraph (2) and inserting the  
17          following:

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

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

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

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

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

7 “(1) no processor of any of the 2005 or subse-  
 8 quent crops of sugarcane or sugar beets shall be eli-  
 9 gible for a loan under this section with respect to  
 10 the crops; and

11 “(2) the Secretary may not make price support  
 12 available, whether in the form of loans, payments,  
 13 purchases, or other operations, for any of the 2005  
 14 and subsequent crops of sugar beets and sugarcane  
 15 by using the funds of the Commodity Credit Cor-  
 16 poration or other funds available to the Secretary.”;  
 17 and

18 (3) in subsection (j) (as redesignated by para-  
 19 graph (1))—

20 (A) by striking “subsection (f)” and insert-  
 21 ing “subsections (f) and (i)”; and

22 (B) by striking “2002” and inserting  
 23 “2004”.

24 (d) TERMINATION OF MARKETING QUOTAS AND AL-  
 25 LOTMENTS.—

1           (1) TERMINATION.—Part VII of subtitle B of  
2 title III of the Agricultural Adjustment Act of 1938  
3 (7 U.S.C. 1359aa et seq.) is repealed.

4           (2) CONFORMING AMENDMENT.—Section  
5 344(f)(2) of the Agricultural Adjustment Act of  
6 1938 (7 U.S.C. 1344(f)(2)) is amended by striking  
7 “sugar cane for sugar, sugar beets for sugar,”.

8 (e) OTHER CONFORMING AMENDMENTS.—

9           (1) PRICE SUPPORT FOR NONBASIC AGRICUL-  
10 TURAL COMMODITIES.—

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

16           (B) OTHER NONBASIC AGRICULTURAL  
17 COMMODITIES.—Section 301 of the Agricultural  
18 Act of 1949 (7 U.S.C. 1447) is amended by in-  
19 serting “(other than sugarcane and sugar  
20 beets)” after “title II”.

21           (2) POWERS OF COMMODITY CREDIT CORPORA-  
22 TION.—Section 5(a) of the Commodity Credit Cor-  
23 poration Charter Act (15 U.S.C. 714c(a)) is amend-  
24 ed by inserting “(except for the 2005 and subse-

1       quent crops of sugarcane and sugar beets)” after  
 2       “agricultural commodities”.

3           (3) SECTION 32 ACTIVITIES.—Section 32 of the  
 4       Act of August 24, 1935 (7 U.S.C. 612c), is amended  
 5       in the second sentence of the first paragraph by in-  
 6       serting “(other than sugarcane and sugar beets)”  
 7       after “commodity” the last place it appears.

8           (f) ASSURANCE OF ADEQUATE SUPPLIES OF  
 9       SUGAR.—Section 902 of the Food Security Act of 1985  
 10      (7 U.S.C. 1446g note; Public Law 99–198) is amended  
 11      by striking subsection (a) and inserting the following:

12       “(a) IN GENERAL.—Beginning with the quota year  
 13      for sugar imports that begins after the 2000/2001 quota  
 14      year, the President shall use all authorities available to  
 15      the President as may be necessary to enable the Secretary  
 16      of Agriculture to ensure that adequate supplies of raw  
 17      cane sugar are made available to the United States market  
 18      at prices that are not greater than the higher of—

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

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

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