

115TH CONGRESS
1ST SESSION

S. 2086

To amend the Federal Agriculture Improvement and Reform Act of 1996 to extend and modernize the sugar program, to extend and subsequently repeal the feedstock flexibility program for bioenergy producers, to extend and subsequently replace flexible marketing allotments for sugar, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 7, 2017

Mrs. SHAHEEN (for herself, Mr. TOOMEY, Mr. ALEXANDER, Mr. CASEY, Ms. COLLINS, Mr. COONS, Mr. CORKER, Mr. DURBIN, Mrs. FEINSTEIN, Ms. HASSAN, Mr. HELLER, Mr. KAINE, Mr. MARKEY, Mr. MCCAIN, Mrs. McCASKILL, Mr. PORTMAN, Mr. WARNER, Ms. WARREN, and Mr. JOHNSON) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Federal Agriculture Improvement and Reform Act of 1996 to extend and modernize the sugar program, to extend and subsequently repeal the feedstock flexibility program for bioenergy producers, to extend and subsequently replace flexible marketing allotments for sugar, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Sugar Policy Mod-
3 ernization Act of 2017”.

4 **SEC. 2. SUGAR PROGRAM.**

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

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

12 “(1) 18.75 cents per pound for raw cane sugar
13 for the 2018 crop year;

14 “(2) 18.50 cents per pound for raw cane sugar
15 for the 2019 crop year;

16 “(3) 18.25 cents per pound for raw cane sugar
17 for the 2020 crop year; and

18 “(4) 18.00 cents per pound for raw cane sugar
19 for each of the 2021 through 2023 crop years.

20 “(b) SUGAR BEETS.—The Secretary shall make loans
21 available to processors of domestically grown sugar beets
22 at a rate that is equal to 128.5 percent of the loan rate
23 per pound of raw cane sugar for the applicable crop year
24 under subsection (a) for each of the 2018 through 2023
25 crop years.”.

1 (b) AVOIDING FORFEITURES WHILE ENSURING ADE-
 2 QUATE SUPPLIES AT REASONABLE PRICES.—Section
 3 156(f) of the Federal Agriculture Improvement and Re-
 4 form Act of 1996 (7 U.S.C. 7272(f)) is amended—

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

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

11 (c) ASSURANCE OF NO NET COST AND MEANS FOR
 12 RECOVERY OF NET COSTS.—Section 156(f) of the Fed-
 13 eral Agriculture Improvement and Reform Act of 1996 (7
 14 U.S.C. 7272(f)) is amended by adding at the end the fol-
 15 lowing:

16 “(3) ASSURANCE OF NO NET COST; RECOVERY
 17 OF NET COSTS.—

18 “(A) DEFINITION OF NET COST.—In this
 19 paragraph, the term ‘net cost’ means an
 20 amount by which Federal expenditures (includ-
 21 ing disbursement of loan proceeds) for a fiscal
 22 year made pursuant to the program established
 23 under this section exceed receipts under that
 24 program (including loan repayments) for that
 25 fiscal year.

1 “(B) RECOVERY REQUIRED.—If the Sec-
2 retary finds that, notwithstanding paragraph
3 (1), the program established under this section
4 has resulted in a net cost to the Federal Gov-
5 ernment, the Secretary shall recover that net
6 cost from processors of domestically grown sug-
7 arcane and sugar beets in a manner determined
8 by the Secretary in regulations promulgated
9 under subparagraph (D).

10 “(C) RECOVERY METHOD.—The Secretary
11 may provide for single or multiple payments by
12 each processor of domestically grown sugarcane
13 or sugar beets for the recovery of the net cost
14 described in subparagraph (B).

15 “(D) REGULATIONS.—The Secretary shall
16 promulgate such regulations as the Secretary
17 determines are necessary to carry out this para-
18 graph.

19 “(E) APPLICATION.—This paragraph shall
20 apply beginning with fiscal year 2019.”.

21 (d) EFFECTIVE PERIOD.—Section 156(i) of the Fed-
22 eral Agriculture Improvement and Reform Act of 1996 (7
23 U.S.C. 7272(i)) is amended by striking “2018” and in-
24 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 in paragraphs (1)(A) and (2)(A) by striking
 7 “2018” each place it appears and inserting “2019”.

8 (b) TERMINATION.—Section 9010 of the Farm Secu-
 9 rity and Rural Investment Act of 2002 (7 U.S.C. 8110)
 10 is amended by adding at the end the following:

11 “(c) TERMINATION.—The Secretary may not carry
 12 out the feedstock flexibility program described in sub-
 13 section (b) for the 2020 or subsequent crops.”.

14 **SEC. 4. TWO-YEAR EXTENSION OF MARKETING ALLOT-**
 15 **MENTS FOR SUGAR AND SUBSEQUENT AD-**
 16 **MINISTRATION OF TARIFF-RATE QUOTAS.**

17 (a) FLEXIBLE MARKETING ALLOTMENTS FOR
 18 SUGAR.—

19 (1) SUGAR ESTIMATES.—Section 359b(a)(1) of
 20 the Agricultural Adjustment Act of 1938 (7 U.S.C.
 21 1359bb(a)(1)) is amended in the matter preceding
 22 subparagraph (A) by striking “2018” and inserting
 23 “2020”.

24 (2) STOCKS-TO-USE RATIO.—Section 359k(b) of
 25 the Agricultural Adjustment Act of 1938 (7 U.S.C.

1 1359kk(b)) is amended by adding at the end the fol-
 2 lowing:

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

8 “(A) the final ratio of sugar stocks to total
 9 sugar use at the end of a fiscal year is—

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

11 and

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

13 and

14 “(B) stocks of raw cane sugar and refined
 15 beet sugar are adequate throughout each of fis-
 16 cal years 2019 and 2020 to meet the needs of
 17 the marketplace, including the efficient use of
 18 raw cane sugar refining capacity.”.

19 (3) EFFECTIVE PERIOD.—Section 359l(a) of
 20 the Agricultural Adjustment Act of 1938 (7 U.S.C.
 21 1359ll(a)) is amended by striking “2018” and in-
 22 serting “2020”.

23 (b) REPEAL AND REPLACEMENT.—

24 (1) IN GENERAL.—Effective on October 1,
 25 2020, part VII of subtitle B of title III of the Agri-

1 cultural Adjustment Act of 1938 (7 U.S.C. 1359aa
2 et seq.) is amended to read as follows:

3 **“PART VII—SUGAR**

4 **“SEC. 359a. ADMINISTRATION OF TARIFF-RATE QUOTAS.**

5 “(a) ESTABLISHMENT.—Notwithstanding any other
6 provision of law, at the beginning of fiscal year 2021 and
7 each fiscal year thereafter through the end of the effective
8 period described in subsection (d), the Secretary shall es-
9 tablish tariff-rate quotas for raw cane sugar and refined
10 beet sugar—

11 “(1) to provide adequate supplies of sugar at
12 reasonable prices; and

13 “(2) at such levels as are necessary to comply
14 with obligations under international trade agree-
15 ments that have been approved by Congress.

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

20 “(1) the final ratio of sugar stocks to total
21 sugar use at the end of each fiscal year is 15.5 per-
22 cent; and

23 “(2) stocks of raw cane and refined beet sugar
24 are adequate throughout each fiscal year to meet the

1 needs of the marketplace, including the efficient use
 2 of cane refining capacity.

3 “(c) TRANSFER OF QUOTA SHARES.—

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

6 “(A) promote the maximum practicable use
 7 of the tariff-rate quotas established under sub-
 8 section (a);

9 “(B) ensure adequate supplies of raw cane
 10 sugar for cane refiners in the United States;
 11 and

12 “(C) provide that any country that has
 13 been allocated a share of the tariff-rate quotas
 14 established under subsection (a) may tempo-
 15 rarily transfer all or part of the share to any
 16 other country that has been allocated a share of
 17 the quotas.

18 “(2) TRANSFERS VOLUNTARY.—Any transfer
 19 under paragraph (1)(C) shall be valid only—

20 “(A) pursuant to a voluntary agreement
 21 between the transferor and the transferee; and

22 “(B) consistent with procedures estab-
 23 lished by the Secretary.

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

1 “(A) IN GENERAL.—Any transfer under
 2 paragraph (1)(C) shall be valid only for the du-
 3 ration of the fiscal year during which the trans-
 4 fer is made.

5 “(B) FOLLOWING FISCAL YEAR.—No
 6 transfer under paragraph (1)(C) shall affect the
 7 share of the quota allocated to the transferor or
 8 transferee for the next fiscal year after the fis-
 9 cal year during which the transfer is made.

10 “(d) EFFECTIVE PERIOD.—This section shall be ef-
 11 fective only through fiscal year 2023.”.

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

19 **SEC. 5. SENSE OF CONGRESS.**

20 It is the sense of Congress that the President should
 21 establish as major goals of the trade policy of the United
 22 States—

23 (1) the elimination of all direct and indirect
 24 subsidies benefitting the production or export of
 25 sugar by any government; and

1 (2) the enforcement, negotiation, and imple-
2 mentation of trade agreements that—

3 (A) provide commercially meaningful sugar
4 trade liberalization globally; and

5 (B) enhance trade opportunities for the ag-
6 ricultural sector and other sectors of the econ-
7 omy of the United States.

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