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DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

Notice of Second Sugar Purchase and Exchange for Re-export Program Credits

AGENCY: Commodity Credit Corporation and Office of the Secretary, USDA.

ACTION: Notice.

SUMMARY: The Commodity Credit Corporation (CCC) announces the intent to purchase raw cane sugar to be offered in exchange for Refined Sugar Re-export Program credits as a follow-up to the notice of sugar purchase and exchange for Re-export Program credits published in the Federal Register on June 18, 2013 (78 FR 36508-36510). CCC will purchase the sugar from domestic sugarcane processors under the Cost Reduction Options of the Food Security Act of 1985, and concurrently exchange such sugar for credits under the Refined Sugar Re-export Program.

DATES: Effective date: **[Insert date of publication in the FEDERAL REGISTER].**

FOR FURTHER INFORMATION CONTACT: For current market conditions, eligibility, and criteria for evaluation information contact Daniel Colacicco; telephone (202) 690-0734. For sugar purchase and general exchange information contact Pamela McKenzie; telephone (202) 260-8906. For Refined Sugar Re-export Program information contact Ron Lord; telephone (202) 720-6939. Persons with disabilities who require alternative means for communications (Braille, large print, audio tape, etc.) should contact the USDA Target Center at (202) 720-2600 (voice and TDD).

SUPPLEMENTARY INFORMATION:

Under the previous sugar purchase and exchange for Re-export Program credits announced in the Federal Register on June 18, 2013 (78 FR 36508-36510), and the inclusion of Certificates of Quota Eligibility (CQEs) issued pursuant to the United States-Colombia Trade Promotion Agreement and the United States-Panama Trade Promotion Agreement announced in the Federal Register on June 26, 2013 (78 FR 38286), CCC purchased approximately 91,000 metric tons (MT) of sugar from the domestic market and exchanged the purchased sugar for 300,000 MT of credits from Refined Sugar Re-export Program licenses and CQEs issued under the United States-Colombia Trade Promotion Agreement, at an aggregate cost of \$43.8 million. These purchase and exchange transactions are estimated to have saved CCC \$66.9 million in Sugar Program costs by reducing the amount of sugar loan collateral forfeitures. However, a significant forfeiture threat still remains, which will be mitigated by this action.

The sugar purchase will be administered similarly to the purchase and exchange announced on June 18, 2013. CCC will invite domestic sugarcane processors to offer raw cane sugar to CCC, as authorized by the Cost Reduction Options of the Food Security Act of 1985, as amended (7 U.S.C. 1308a(c)), which permits CCC to purchase sugar provided that the price paid is below the comparable regional or State costs of later acquiring the sugar through loan forfeiture under the Sugar Program. The purchase invitation will describe the information needed from sugar sellers, such as the quantity, storage location, and CCC warehouse code. The purchase invitation will also specify additional details, such as the opening and closing dates for offers and other terms of CCC's sugar purchase. CCC will then post a catalog listing the available sugar quantities. The purchase invitation and catalog will be placed on the Farm Service Agency (FSA) Commodity Operations

website at

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=coop&topic=landing>.

In order to allow for timely market pricing, CCC will permit sugarcane processors to provide price offers to the catalog to coincide with the timing of the exchange invitation's closing bid date.

Subsequently, approximately 2 calendar days later, an exchange invitation will be made under which CCC will offer available sugar to Refined Sugar Re-export Program licensees in exchange for re-export credits. The exchange invitation will specify a minimum bid ratio of credits per metric ton of CCC sugar. The exchange invitation will be placed on the FSA Commodity Operations website at

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=coop&topic=landing>.

The sugar purchase will be different from the earlier purchase in that only sugarcane processors may offer to sell sugar to CCC. This purchase also differs from the earlier purchase in that any sugar offered to CCC must be pledged as collateral for CCC loan, as the purpose of this action is to reduce the forfeitures of loan collateral under the sugar loan program and this would most directly reduce forfeitures. The exchange invitation and evaluation process will be administered in the same way, except for the timing, as announced in the notice published on June 18, 2013.

CCC may make future offers to purchase sugar and exchange it for re-export credits under this notice. Future offers to purchase and exchange will be made publicly available electronically on the FSA website

at <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=coop&topic=pas>, and also on the Federal Business Opportunities website at www.fbo.gov. All terms and conditions

for any future sugar purchases and exchanges will be included in the purchase and exchange invitations.

Signed on July 24, 2013.

Darci L. Vetter,
Deputy Under Secretary, Farm and Foreign
Agricultural Services

Juan M. Garcia,
Executive Vice President,
Commodity Credit Corporation.

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