

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency  
Washington, DC 20250

**Sugar Loans**  
**10-SU (Revision 4)**

**Amendment 17**

**Approved by:** Acting Deputy Administrator, Farm Programs



**Amendment Transmittal**

**A Reasons for Amendment**

Paragraph 7 has been amended to provide signature requirements for sugar processors.

Subparagraph 136 C has been amended to add that the loan maturity letter can be used for cane sugar or beet sugar loans maturing.

Subparagraph 136 D has been amended to provide that the sugar processor must convert the forfeited in-process sugar loan quantity to refined sugar within 30 calendar days after loan maturity.

Paragraph 374 has been amended to provide updated APSS instructions for completing processed sugar loan forfeiture transactions.

Page Control Chart		
TC	Text	Exhibit
	1-11 1-12 (add) 1-13, 1-14 (add) 1-15 (add) 6-1 through 6-4 15-91 through 15-114	1, pages 1, 2



## 7 Signatures, Authorizations, and Approvals

### A Signatures

\*--All sugar processors requesting sugar commodity loans must present to their STC-designated loan making County Office, documentation indicating:

- entity type
- who has the signature authority to sign for the processor.

Sugar processors are not:

- required to file forms to determine whether they are “actively engaged in farming”
- subject to other payment eligibility/limitation requirements.

**Note:** CCC-901 shall **not** be used to establish signature authority for sugar processors.

### B Entity Signature Authority

The signature authority for sugar commodity loan documents for corporations, limited liability companies, cooperatives, and other similar entities, will consist of a copy of any of the following applicable documents:

- the corporate charter, bylaws, articles of organization, or operating agreement executed according to State law, that designates officers, members or managers as authorized signatories
- resolution by the corporation or cooperatives board of directors, signed by the secretary or an officer other than the signatory being extended signature authority

**Note:** If the intent of the resolution is to extend signature authority to all officers of a corporation or cooperative, then all officers must sign the resolution.

**Exception:** For a **1 person corporation**, that person is authorized to sign for the corporation by default if documentation, such as a corporate charter, is on file in the County Office which **both**:

- identifies the “one person”
- validates that 100 percent of the corporation’s shares are held by that “one person”.

**Notes:** It is the respective sugar processor’s responsibility to inform County Offices of all changes in signature authority and to ensure that current documentation is provided accordingly with respect to sugar commodity loan program requirements.

The identification/listing of officers and/or shareholders of a corporation does not, by itself, provide sufficient evidence of who has authority to act on behalf of the corporation.--\*

**7 Signatures, Authorizations, and Approvals (Continued)****\*--C General Partnership Signature Authority**

For all sugar commodity loans issued to general partnerships, the partnership must provide the Articles of Partnership. If no Articles of Partnership are available, IRS documents such as Form 1065 (Schedule K-1) showing members and their respective shares may be used. A written statement identifying all members and shares of the partnership and signed by all members of the partnership may be used as acceptable documentation the first year the partnership is in effect or if the membership of the partnership has changed and the partnership has not filed any IRS forms.

**Any** member of a general partnership may sign for the general partnership and bind all members unless the Articles of Partnership are more restrictive.

**Note:** This policy is adopted by FSA because the majority of States have laws that provide for this; however, this is **not** the case for any other business enterprise.

A member of a general partnership may execute FSA-211 to appoint an attorney-in-fact to act on behalf of the general partnership and bind all members, unless the Articles of Partnership restrict member's authority.--\*

## 7 Signatures, Authorizations, and Approvals (Continued)

**\*--D Redelegation of Signature Authority**

Use the following to determine how an agent may be granted authority to sign sugar commodity loan documents for a corporation, limited liability company, cooperative, or other similar entity.

IF the entity documents...	THEN the person authorized to sign for the entity...
allow for redelegation of signature authority	<p>according to subparagraph A may redelegate their authority to an agent on FSA-211.</p> <p><b>Important:</b> The person authorized to sign for the entity according to subparagraph A shall <b>not</b> redelegate this authority if the entity documents do not allow for redelegation of signature authority.</p> <p><b>Example 1:</b> The Sugar Corporation charter designates James Brown as the corporate officer with signature authority for the corporation. The corporate charter provides that the authority to sign for the Sugar Corporation may be redelegated. James Brown may redelegate his signature authority for the Sugar Corporation to an agent by completing FSA-211.</p> <p><b>Example 2:</b> The Colorado Corporation charter designates Mike Jones as the corporate officer with signature authority for the corporation. The corporate charter does not indicate that the authority to sign for the Colorado Corporation may be redelegated. Mike Jones shall not redelegate his signature authority for the Colorado Corporation.</p>

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## 7 Signatures, Authorizations, and Approvals (Continued)

## \*--D Redelelegation of Signature Authority (Continued)

IF the entity documents...	THEN the person authorized to sign for the entity...
do not allow for redelegation of signature authority	<p>may use the following to authorize an agent to sign for the entity for:</p> <ul style="list-style-type: none"> <li>• corporations and cooperatives, either of the following: <ul style="list-style-type: none"> <li>• FSA-211 signed by <b>all</b> officers</li> <li>• resolution of the board of directors, signed by an officer of the corporation or cooperative, providing name of agent authorized to sign for the corporation</li> </ul> </li> <li>• limited liability companies, FSA-211 signed by all members or authorized managers.</li> </ul> <p><b>Example:</b> The ABC Sugar Corporation charter designates Mike Jones as the corporate officer with signature authority for the corporation. The corporate charter does not indicate that the authority to sign for ABC Sugar Corporation may be redelegated. Mike Jones shall not redelegate his signature authority to sign for ABC Sugar Corporation. However, an agent may be authorized to sign for ABC Sugar Corporation if all officers of ABC Sugar Corporation sign FSA-211.</p>

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## 7 Signatures, Authorizations, and Approvals (Continued)

### E Redelelegation of Authority by COC or CED

The authority to approve all loan documents prepared according to this handbook may be redelegated in writing by:

- COC to CED, except forms and documents in which CED has a monetary interest
- CED to Federal and non-Federal County Office employees, except forms and documents in which the person approving has a monetary interest.

**Reminder:** Cross training in all applicable program areas shall be completed **before** signing authority redelegation is made.

Follow this table for exceptions to redelegate authority for approval of loans.

IF the producer is...	THEN the approval authority shall be...
a Federal or non-Federal State or County Office employee	CED.
COC member	
DD	
SED	
STC member	
CED	COC.

**Note:** Questionable cases may be referred to the next higher authority for determination.

8-27 (Reserved)





**Part 6 Loan Maturity and Forfeitures****136 County Office Notice to Processors Before Maturity****A Loan Maturity Report**

County Offices shall prepare loan maturity reports through APSS, according to 12-PS, paragraphs 1460 and 1463.

**B Loan Maturity Notification**

County Offices shall notify each processor by letter with maturing loans:

- of the maturity date
- at least 45 calendar days, but not more than 60 calendar days, before the loan maturity date.

**\*--Notes:** Use example letters provided in subparagraphs C and D. The loan maturity notification letters serve as reminders to the sugar processors. Nonreceipt of a loan maturity letter does **not** negate the processor's responsibility for repaying the outstanding loan principal plus interest, if applicable, by the loan maturity date provided on signed CCC-677 or CCC-678.--\*

CCC is **not** allowed to require sugar processors to provide advance notification of their intent to forfeit sugar to CCC.

## 136 County Office Notice to Processors Before Maturity (Continued)

**\*--C Example Cane Sugar or Beet Sugar Loan Maturity Letter**

The following is an example of a loan maturity notification letter for cane sugar or beet sugar loans.--\*

**Note:** Nonreceipt of a loan maturity letter does **not** negate the processor's responsibility for repaying the outstanding loan principal plus interest, if applicable, by the loan maturity date provided on signed CCC-677 or CCC-678.

(Date)

Processor's Name  
Address  
City, State, ZIP Code

Dear Sugar Processor:

This letter serves as notification that your (crop year, commodity) warehouse-stored loan (loan number) will mature (maturity date). If the maturity date falls on a non-workday, the loan may be repaid on the next business day.

You may, any time before loan maturity, repay all or any part of the loan collateral by paying the Commodity Credit Corporation (CCC) the applicable principal plus interest.

If you do not repay the loan, title to the unredeemed loan collateral, as described in the note and security agreement, will transfer to CCC in-store at the CCC-approved warehouse at 12 a.m. the next business day following the maturity date of the loan. Title, all rights, and interest to such loan collateral shall immediately vest in CCC.

From the point of title transfer, your company will be contacted by the Kansas City Commodity Office to process the final settlement on the basis of weight/scale tickets upon eventual load out. Quality premiums and discounts will be applied at that time.

Our records do not reflect that you have filed for bankruptcy protection under Title 11 of the United States Code. If you have filed for bankruptcy, please notify us so that we may update our records and proceed to resolve this debt in accordance with bankruptcy procedures.

Please contact this office if you have any questions, or to inspect and copy records associated with the loan.

Sincerely,

County Executive Director

## 136 County Office Notice to Processors Before Maturity (Continued)

**D In-Process Sugar Loan Maturity Letter**

The following is an example of a loan maturity notification letter for in-process sugar loans.

**Note:** Nonreceipt of a loan maturity letter does **not** negate the processor's responsibility for repaying the outstanding loan principal plus interest, if applicable, by the loan maturity date provided on signed CCC-677 or CCC-678.

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<p>(Date)</p> <p>Processor's Name</p> <p>Address</p> <p>City, State, ZIP Code</p> <p>Dear Sugar Processor:</p> <p>This letter serves as notification that your (crop year) in-process sugar loan (loan number) will mature (maturity date). If the maturity date falls on a non-workday, the loan may be repaid on the next business day.</p> <p>You may, any time before loan maturity, repay all or any part of the loan collateral by paying the Commodity Credit Corporation (CCC) the applicable principal plus interest.</p> <p>If you do not repay the loan, the loan collateral will be forfeited to CCC. Since this loan was an in-process sugar loan, CCC's loan agreement with you specifies that you must convert the forfeited in-process sugar loan quantity to refined sugar within 30 calendar days after loan maturity. The refined sugar will be accepted by CCC as payment in full of principal and interest, provided the refined sugar is of acceptable grade and quality for sugar loans.</p> <p>After the conversion you must present CCC with either a KC-227 or KC-227-A. CCC may make a payment to you based on the quality on the KC-227 or KC-227-A if the value of the processed sugar forfeited exceeds the loan principal amount. You will be liable for the deficiency if the value of the processed sugar is less than the amount of principal loaned to you.</p> <p>If the transfer of the refined sugar of suitable quality to CCC does not occur within 30 calendar days from maturity, CCC may charge liquidated damages according to the Sugar Loan Program regulation in 7 CFR Part 1435.105(i)(4).</p> <p>Our records do not reflect that you have filed for bankruptcy protection under Title 11 of the United States Code. If you have filed for bankruptcy, please notify us so that we may update our records and proceed to resolve this debt in accordance with bankruptcy procedures.</p> <p>Please contact this office if you have any questions, or to inspect and copy records associated with the loan.</p> <p>Sincerely,</p> <p>County Executive Director</p>
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## 137 Loan Forfeiture Procedures

### A Nonrecourse Loans

For loans forfeited or delivered to CCC, loanmaking County Offices shall:

- complete settlement according to:
  - paragraph 374 for processed loans
  - paragraphs 386 and 387 for in-process loans

**Note:** Processed loans shall be forfeited the day after maturity unless the maturity date falls on a nonworkday. In this case, the maturity date shall be the next workday and the loan, if still outstanding, shall be forfeited the following day.

- send a copy of the following to KCCO at:

\*--COMMODITY MANAGEMENT DIVISION  
 MERCHANDISING BRANCH  
 BEACON FACILITY STOP 8748  
 P O BOX 419205  
 KANSAS CITY, MO 64141-6205  
 Telephone 816-926-3816  
 FAX 816-823-1804

- sugar warehouse receipts--\*
- KC-227 or KC-227-A
- \* \* \*
- **not** release custody of the original CCC-677 or CCC-678 or mark it “paid” until notified that the full loan quantity is covered by a storage agreement entered into between KCCO and a warehouse operator.

KCCO will process final settlements with processor on the basis of weight/scale tickets at destination.

Quality premiums and discounts will be applied at the time of forfeiture or settlement to sugarcane loans **only** (Exhibits 17 and 18).

## Section 4 Processed Sugar Loan Forfeiture Transaction

## 374 Completing Processed Sugar Loan Forfeiture Transactions

## A APSS Loan Forfeiture Procedure

This table describes the APSS loan forfeiture procedure.

Step	Action	Result
1	On Main Menu PCA005, ENTER “6”, “Forfeit a Loan”, and PRESS “Enter”.	Screen PCA11000 will be displayed.
2	On Screen PCA11000, enter producer verification information and PRESS “Enter”.	Screen PCA11500 will be displayed.
*--3	On Screen PCA11500: <ul style="list-style-type: none"> <li>to select a producer, enter the producer sequence number</li> <li>PRESS “Enter”.</li> </ul>	Screen PCA12000 will be displayed.--*
4	On Screen PCA12000: <ul style="list-style-type: none"> <li>ENTER “Y” or “N”, as applicable, to the question, “Is this the correct producer?”</li> <li>PRESS “Enter”.</li> </ul>	Screen PCA14000 will be displayed.
5	On Screen PCA14000: <ul style="list-style-type: none"> <li>ENTER “Y” or “N”, as applicable, to the following questions: <ul style="list-style-type: none"> <li>“Is this the correct loan?”</li> <li>“Do you wish to see bin/receipt for this loan?”</li> </ul> </li> <li>PRESS “Enter”.</li> </ul>	Screen PFA10000 will be displayed.
6	On Screen PFA10000, select the appropriate forfeiture option: <ul style="list-style-type: none"> <li>*--</li> <li>“1”, “Full Forfeiture at Maturity”</li> <li>* “2”, “Partial Forfeiture at Maturity”</li> <li>“3”, “Full Forfeiture Called Before Maturity”</li> <li>* “4”, “Partial Forfeiture Called Before Maturity”</li> <li>* “5”, “Forfeiture at Maturity - Immediate Purchase by Warehouse”.</li> </ul> <p><b>Note:</b> Menu options “2”, “4”, and “5” are not available.--*</p> <p>PRESS “Enter”.</p>	Screen PFA11000 will be displayed.

## 374 Completing Processed Sugar Loan Forfeiture Transactions (Continued)

## A APSS Loan Forfeiture Procedure (Continued)

Step	Action	Result
7	<p>On Screen PFA11000, the following information will be system-displayed:</p> <ul style="list-style-type: none"> <li>• bin/receipt number</li> <li>• outstanding quantity</li> <li>• outstanding amount</li> <li>• CCC storage start date</li> <li>• acquisition date.</li> </ul> <p>Answer “Y” or “N”, as applicable, to the question, “Was loan forfeited at option of producer?”</p> <p>PRESS “Enter”.</p>	Screen PFA11500 will be displayed.
8	<p>On Screen PFA11500, enter the following:</p> <ul style="list-style-type: none"> <li>•*--receipt number</li> <li>• polarity degree (Exhibit 18) for cane sugar</li> </ul> <p><b>Note:</b> If more than 1 decimal place is provided for the polarity degree, round up the digit in the tenth place.</p> <p><b>Example:</b> If KC-227 provides the polarity degree of 98.92, enter the polarity degree premium for 98.9 according to Exhibit 18.</p> <li>• sugar area/region code number (Exhibit 9).</li> <p>For cane sugar only, enter the following grading factors, as applicable:</p> <ul style="list-style-type: none"> <li>• moisture</li> <li>• grain size</li> <li>• affined sugar</li> <li>• whole sugar</li> <li>• dextran</li> <li>• ash.--*</li> </ul> <p>PRESS “Enter”.</p>	Screen PFA13000 will be displayed.

## 374 Completing Processed Sugar Loan Forfeiture Transactions (Continued)

## A APSS Loan Forfeiture Procedure (Continued)

Step	Action	Result
9	<p>On Screen PFA13000, the following information will be system-displayed:</p> <ul style="list-style-type: none"> <li>• total charges</li> <li>• total credits</li> <li>• *--producer balance (a balance indicates producer owes CCC and a receivable will be created)</li> <li>• premium amount</li> <li>• discount amount.</li> </ul> <p><b>Note:</b> Premiums and discounts will be applicable to cane sugar <b>only</b>.</p> <p>Print this page.</p> <p>PRESS "Enter".</p>	<ul style="list-style-type: none"> <li>• Screen PFA14000 will be displayed indicating files are being updated.</li> <li>• Screen PKA10001 will be displayed.</li> </ul>
10	<ul style="list-style-type: none"> <li>• For cane sugar, on Screen PKA10001, the following message will be displayed, "Price Support transaction is being updated to Price Support Master Files. Please wait."</li> <li>• For beet sugar, on Screen PFA14000, the following message will be displayed, "The files are being updated. Please wait."</li> </ul>	Main Menu PCA005 will be redisplayed.--*
11	If disbursement is due processor, the disbursement will be made through NPS according to current FI procedure.	

**Note:** Follow paragraph 137 on where and what documentation to send in on forfeited sugar loans.

375-385 (Reserved)





## Reports, Forms, Abbreviations, and Delegations of Authority

### Reports

None

### Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification		3, 62
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents		48
CCC-184 <u>1</u> /	CCC Check		402
CCC-257	Schedule of Deposit		360, 405
CCC-258	Wire Transfer of Funds		123
CCC-500	Loan Repayment Receipt		111, 123, 359-362
CCC-500-1	Loan Repayment Receipt Continuation Sheet		360
CCC-601	Commodity Credit Corporation Note and Security Agreement Terms and Conditions		2
CCC-677	Farm Storage Note and Security Agreement		2, 111, 137, 346
CCC-677A	Sugar Loan Addendum	Ex. 4	2, 346, 347
CCC-678	Warehouse Storage Note and Security Agreement		2, 111, 123, 137, 347
CCC-679	Lien Waiver		47
CCC-684-1	Note and Security Agreement Continuation Sheet Schedule of Commodity (for CCC-678)		347
CCC-692	Settlement Statement		137, 387

1/ Obsolete.

# Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

## Forms (Continued)

Number	Title	Display Reference	Reference
CCC-770 SU-1	Initial Sugar Loan Processing Checklist	Ex. 6	2, 86
CCC-770 SU-2	Sugar Processors Initial Eligibility Determination for Loans Checklist	Ex. 7	2, 86
CCC-901	Members Information 2009 and Subsequent Years		7
IRS Form 1065 (Schedule K-1)	Partner's Share of Income, Deductions, Credits, etc.		7
FSA-211	Power of Attorney		7
FSA-578	Report of Acreage		3, 62
KC-227	Raw Sugar Certification Report	34	Text
KC-227-A	Refined Sugar Certification Report	34	Text, Ex. 19
SF-LLL	Disclosure of Lobbying Activities		4
SF-LLL-A	Disclosure of Lobbying Activities Continuation Sheet		4
SU-2	Application for Nonrecourse Sugar Loan	75	2, 46, 47, 50, 74, 86, 137, 151
UCC-1	Financing Statement		2, 48, 111

## Abbreviation Not Listed in 1-CM

The following abbreviation is not listed in 1-CM.

Approved Abbreviation	Term	Reference
ICUMSA	International Commission for Uniform Methods of Sugar Analysis	Ex. 17
NRRS	National Receipts and Receivables System	Text
OLP	On-line Payments	48

## Redelegations of Authority

Redelegation of authority is provided in paragraph 7.