

ECONOMIC IMPORTANCE OF LOUISIANA SUGARCANE PRODUCTION IN 2010

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Overview

In 2010, sugarcane was grown on 420,137 acres (an increase of 2,269 acres or 0.5 percent above the 2009 crop) in 23 Louisiana parishes. An estimated 392,829 acres (an increase of 2,121 acres or 0.5 percent) were available for harvest for sugar, assuming 6.5 percent of the total acres were used for seed cane purposes. The 11 operating factories in the state processed nearly 12.4 million tons of cane (a decrease of 1.6 million tons or 11 percent less than 2009 levels). In total, the state's sugar factories produced 1.401 million short tons of sugar (96 pol), which was a decrease of 39,000 tons or 2.7 percent when compared to 2009. The average yield of cane produced in 2010 was 29.5 tons per total acre and 31.6 tons per harvested acre, with an average sugar recovery of 11.3 percent or 226 pounds of sugar per ton of cane.

The gross farm value of the 2010 sugarcane crop was \$503 million for sugar and molasses (an increase of 12.6 percent above the 2009 crop value). The gross farm value reported above represents 60 percent of the value of the sugar and molasses produced, with the remaining 40 percent for processing and marketing, which amounted to \$343 million. Therefore, the total value of the sugarcane crop to Louisiana producers, processors and landlords at the first processing level actually was \$847 million, an increase of \$95 million compared to the 2009 crop. The value ranks sugarcane as the leading agricultural row crop produced in Louisiana in terms of total crop market value. Using an economic multiplier in the range of 2.5-3.0, the sugarcane industry in 2009 has an estimated total impact on the state's economy of \$2.1 to \$2.5 billion.

Louisiana's Rank is Total U.S. Sugar Production

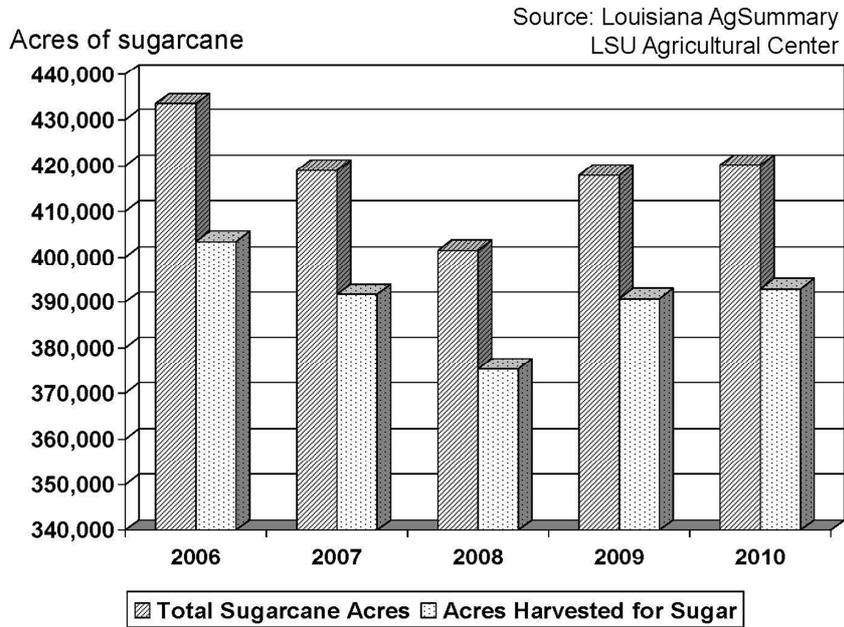
Refined white sugar in the United States is produced from two sources. Sugarbeets are processed directly into refined sugar, while sugarcane is first processed into raw sugar before being refined into white sugar. In 2010, 60.4 percent of total U.S. sugar production came from sugarbeets and 39.6 percent came from sugarcane. For the 2010/11 fiscal year, Louisiana accounted for approximately 44.4 percent of total U.S. cane sugar production and 17.6 percent of total U.S. sugar production.

U.S. Sugar Production, 2009/10 and 2010/11

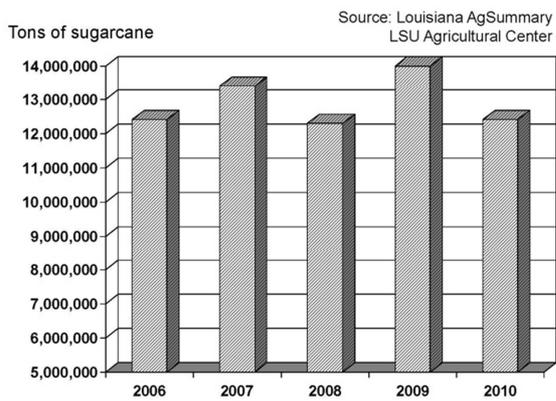
	2009/10	2010/11
	(1,000 short tons, raw value)	(1,000 short tons, raw value)
Beet sugar production	4,575	4,800
Cane sugar production	3,400	3,150
Florida	1,646	1,440
Hawaii	161	170
Louisiana	1,481	1,400
Texas	112	140
Total U.S. sugar production	7,975	7,950

Source: World Agricultural Outlook Board, U.S. Department of Agriculture, WASDE-492, March 2011.

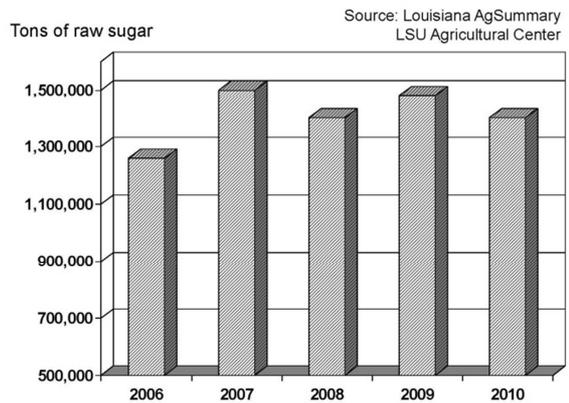
Louisiana Sugarcane Acreage, 2006-2010



Louisiana Sugarcane Production, 2006-2010



Louisiana Sugar Production, 2006-2010



2010 Louisiana Agricultural Summary Data for Sugarcane

Parish	Sugarcane Products	Total Producers	Units of Production (Yield per acre)	Total Production	Total Acres	Total Crop Value
Acadia	Raw sugar (lbs)	7	5,400	8,370,000	1,550	\$2,365,864
	Molasses (gal)		162	251,100		\$122,518
Ascension	Raw sugar (lbs)	16	6,900	125,014,200	18,118	\$35,336,514
	Molasses (gal)		207	3,750,426		\$1,829,927
Assumption	Raw sugar (lbs)	50	6,115	240,509,554	39,331	\$67,982,431
	Molasses (gal)		183	7,197,587		\$3,511,883
Avoyelles	Raw sugar (lbs)	12	8,200	63,025,200	7,686	\$17,814,703
	Molasses (gal)		246	1,890,756		\$922,547
Calcasieu	Raw sugar (lbs)	*	4,500	11,943,000	2,654	\$3,375,808
	Molasses (gal)		135	358,290		\$174,819
Cameron	Raw sugar (lbs)	*	4,500	160,200	36	\$45,282
	Molasses (gal)		135	4,806		\$2,345
Evangeline	Raw sugar (lbs)	*	4,900	328,300	67	\$92,797
	Molasses (gal)		147	9,849		\$4,806
Iberia	Raw sugar (lbs)	82	6,694	393,406,380	58,770	\$111,200,247
	Molasses (gal)		201	11,812,770		\$5,763,746
Iberville	Raw sugar (lbs)	30	8,100	285,354,900	35,229	\$80,658,416
	Molasses (gal)		243	8,560,647		\$4,176,954
Jefferson Davis	Raw sugar (lbs)	*	4,500	31,275,000	6,950	\$8,840,192
	Molasses (gal)		135	938,250		\$457,796
Lafayette	Raw sugar (lbs)	25	6,600	82,737,600	12,536	\$23,386,610
	Molasses (gal)		198	2,482,128		\$1,211,092
Lafourche	Raw sugar (lbs)	32	5,503	154,293,114	28,038	\$43,612,492
	Molasses (gal)		165	4,626,270		\$2,257,273
Pointe Coupee	Raw sugar (lbs)	32	8,200	293,232,000	35,760	\$82,884,957
	Molasses (gal)		246	8,796,960		\$4,292,257
Rapides	Raw sugar (lbs)	16	6,800	62,539,600	9,197	\$17,677,443
	Molasses (gal)		204	1,876,188		\$915,439
St. Charles	Raw sugar (lbs)	*	6,100	8,436,300	1,363	\$2,384,605
	Molasses (gal)		183	253,089		\$123,488
St. James	Raw sugar (lbs)	29	6,200	180,054,200	29,041	\$50,894,120
	Molasses (gal)		186	5,401,626		\$2,635,588
St. John	Raw sugar (lbs)	16	6,400	46,873,600	7,324	\$13,249,292
	Molasses (gal)		192	1,406,208		\$686,124
St. Landry	Raw sugar (lbs)	10	6,450	51,152,370	7,931	\$14,458,729
	Molasses (gal)		194	1,538,536		\$750,690
St. Martin	Raw sugar (lbs)	53	6,975	187,571,700	26,892	\$53,019,017
	Molasses (gal)		209	5,620,428		\$2,742,347
St. Mary	Raw sugar (lbs)	45	6,300	249,051,600	39,532	\$70,396,925
	Molasses (gal)		189	7,471,548		\$3,645,555
Terrebonne	Raw sugar (lbs)	9	5,707	52,812,578	9,254	\$14,928,003
	Molasses (gal)		171	1,582,434		\$772,109
Vermilion	Raw sugar (lbs)	27	7,014	211,338,834	30,131	\$59,737,035
	Molasses (gal)		210	6,327,510		\$3,087,350
West Baton Rouge	Raw sugar (lbs)	12	7,900	109,723,100	13,889	\$31,014,331
	Molasses (gal)		237	3,291,693		\$1,606,099
Total Sugarcane Crop Value						\$847,048,565

Source: 2010 Louisiana Summary of Agriculture and Natural Resources, LSU Agricultural Center.

SUGARCANE SUMMARY FOR CROP YEAR 2010

Kenneth Gravois and Ben Legendre
Sugar Research Station and Audubon Sugar Institute

In 2010, sugarcane was grown on 420,137 acres (an increase of 2,269 acres or 0.5 percent above the 2009 crop) in 23 Louisiana parishes. An estimated 392,829 acres (an increase of 2,121 acres or 0.5 percent) were available for harvest for sugar, assuming that 6.5 percent of the total acres were used for seed cane.

The 11 operating factories in the state processed nearly 12.2 million tons of cane (a decrease of 2.8 million tons or 20 percent less than 2009 levels). In total, the 11 factories produced 1.4 million short tons of sugar (96 pol), which was a decrease of 80,000 tons or 5.4 percent when compared to 2009.

The average yield of cane produced per total acre was 29.0 tons (a decrease of 4.4 tons or 13.2 percent). The average yield of cane produced from each harvested acre amounted to 31.1 tons (a decrease of 4.7 tons or 13.1 percent). The average sugar recovery at the 11 factories was 11.3 percent or 226 pounds of sugar (96 pol) per ton of cane; this was an increase of 22 pounds of sugar per ton of cane or an increase of 9 percent when compared to the 2009 crop. The yield of commercially recoverable sugar produced per total acre averaged 6,563 pounds (a decrease of 251 pounds or 3.7 percent). The yield of commercially recoverable sugar produced per harvested acre was approximately 7,019 pounds (a decrease of 284 pounds or 4 percent).

Although the pricing period is not completed for the 2010 crop, sugar prices remained high for most of the year, with the average predicted value for raw sugar at \$0.28 per pound, an increase of \$0.049 per pound or 21 percent more than the 2009 price. Molasses prices have remained high although the price has dropped from last year but should still average about \$100 per short ton at 79.5 Brix or \$ 0.58 per gallon, a decrease of 11.7 cents per gallon or 16.7 percent relative to 2009 levels.

The gross farm value of the 2010 sugarcane crop was \$483 million for sugar and molasses (an increase of \$36 million or 8 percent greater than the 2009 crop). The gross farm value reported above represents 60 percent of the value of the sugar and 50 percent of the value of molasses produced. The remaining percentages are for processing and marketing, which amounted to \$335 million. Therefore, the total value of the sugarcane crop to Louisiana producers, processors and landlords at the first processing level actually was \$809 million, an increase of \$57 million or 7.5 percent when compared to the 2009 crop. Sugarcane continues to rank first in value among the state's row crops.

Cane yield for the 2010 crop was lower than the 2009 crop. Lower tonnage was likely the result of damage from the wet harvest of 2009 followed by a cold winter and spring. On the other hand, recoverable sugar per ton of cane was excellent and partially offset the lower cane yield. The yield of sugar per acre was fifth best in the history of the Louisiana industry and well within a five-year average for the state.

Sugarcane acreage in Louisiana for 2010 was similar to the acreage reported in 2009. Production acreage continues to be lost to urban encroachment. With higher sugar prices, more acres were planted in the northern part of the sugarcane area (i.e. Avoyelles, Rapides, and Pointe Coupee parish).

The 2010 sugarcane variety census showed Louisiana producers continued to rely primarily on HoCP 96-540, which was grown on 48 percent of the production acres. This was followed by L 99-226 (16.9 percent), L 97-128 (11.2 percent), L 99-233 (9.8 percent), HoCP 00-950 (4.2 percent), and L 01-283 (4.1 percent). Acreage devoted to LCP 85-384 and Ho 95-988 continued to decrease. L 01-299 and L 03-371 were released in 2009 and 2010, respectively, and increased on most farms.

Weather records showed that the average temperatures across the sugarcane belt were considerably below average from January through early April. In fact, it was the coldest winter since 1951. In addition, rainfall was also above average during this same time frame. From May through August, temperatures warmed and timely rains occurred for most areas of the state. The crop responded to excellent growing condition during its grand growth phase and exceeded the expectations of many. Dry weather returned from September through most of the fall, which made for excellent harvesting conditions. However, some late planted cane was adversely affected by the dry conditions, but the majority of the planted cane in 2010 is in excellent shape.

Because of new fertilizer recommendations that reduce nitrogen rates by 20 to 30 percent and the high cost of fertilizer, in general, many producers continued to use less nitrogen in 2010 than was used in past years. Undoubtedly, the lower rates of nitrogen helped to improve the natural maturity of the crop. Producers also applied little to no phosphorus and potassium due to high costs.

Sugar yield at the beginning of the harvest was low as growers harvested their older stubble crops and heavy clay land first. With higher prices forecasted for the 2010 crop, many growers kept a higher percentage of their stubble crop than normal even though the cane stands in the spring were not up to par. Sugar recoveries were excellent and very little field soil (mud) and trash were brought to the factories. Also, the crop was fairly erect in 2010 and growers were also able to top a majority of their sugarcane during harvest. Although natural ripening was excellent, ripeners were widely used and the crop responded well to artificial ripening. The dry weather contributed to lowering both harvesting and processing costs.

The 11 factories processed much lower tonnages compared to 2009, and all factories closed much earlier than in previous years. The first factory closed on December 14, 2010, and the last factory closed on January 3, 2011. On December 14 and 15, 2010, prolonged, below freezing temperatures occurred throughout Louisiana. The more northern and eastern growing areas recorded temperatures as low as 25 F for several hours. The low temperatures experienced in the western area were not as low as those seen in the northern and eastern areas. Fortunately, the earlier closing of most factories minimized the harmful effects of this freeze, although there were some losses of both tonnage and sugar recovery as a result of the freezing temperatures. It was noted that only a few freeze cracks within stalks occurred in isolated areas during this period. With freeze cracks, significant deterioration in cane quality would occur within one week following such a freeze.