

ECONOMIC IMPORTANCE OF LOUISIANA SUGARCANE PRODUCTION IN 2012

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Overview

In 2012, sugarcane was grown on 427,044 acres (an increase of 19,403 acres or 5 percent above the 2011 crop) in 23 Louisiana parishes. An estimated 399,286 acres 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 14.782 million tons of cane (an increase of about 2.8 million tons or 24 percent from 2011 levels). In total, the state's sugar factories produced 1.67 million short tons of sugar (96 pol), up from the 1.44 million short tons produced in 2011. The average yield of cane produced in 2012 was 37.0 tons per harvested acre, with an average sugar recovery of 11.35 percent or 227 pounds of sugar per ton of cane. The yield of commercially recoverable sugar produced per harvested acre was approximately 8,412 pounds (an increase of 1,196 pounds or 16 percent over 2011).

The gross farm value of the 2012 sugarcane crop was approximately \$586 million for sugar and molasses (a decrease of 6 percent below the 2011 crop value). The gross farm value reported above represents 60 percent of the value of the sugar and 50% of the value of molasses produced, with the remaining value for processing and marketing, which amounted to \$403 million. Therefore, the total value of the sugarcane crop to Louisiana producers, processors and landlords at the first processing level was approximately \$990 million for the 2012 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 2012 has an estimated total impact on the state's economy of \$2.45 to \$2.94 billion.

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

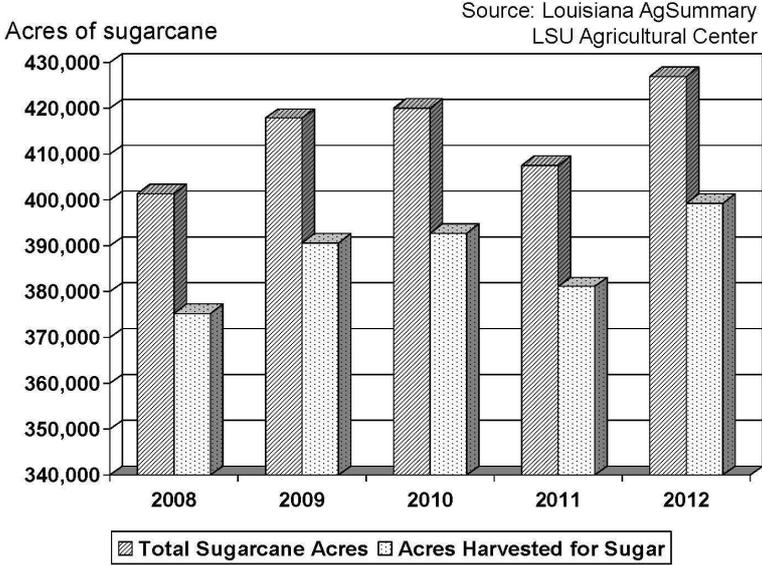
Refined white sugar in the United States is produced from two sources. Sugarbeets are processed directly into refined sugar, while sugarcane is first processed into raw sugar before being refined into white sugar. In 2012, 57.8 percent of total U.S. sugar production came from sugarbeets and 42.2 percent came from sugarcane. For the 2012/13 fiscal year, Louisiana accounted for approximately 44.0 percent of total U.S. cane sugar production and 18.5 percent of total U.S. sugar production.

U.S. Sugar Production, 2011/12 and 2012/13

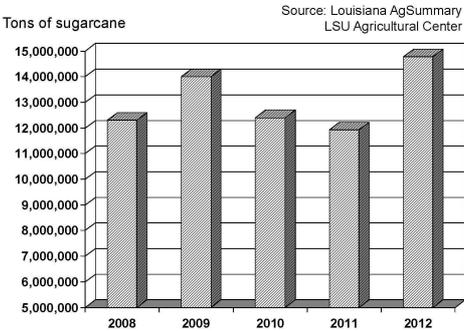
	2011/12	2012/13
	(1,000 short tons, raw value)	(1,000 short tons, raw value)
Beet sugar production	4,900	5,300
Cane sugar production	3,588	3,860
Florida	1,828	1,830
Hawaii	172	180
Louisiana	1,438	1,700
Texas	150	145
Total U.S. sugar production	8,488	9,160

Source: World Agricultural Outlook Board, U.S. Department of Agriculture, WASDE-516, March 2013.

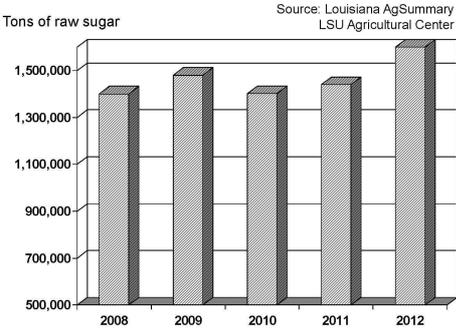
Louisiana Sugarcane Acreage, 2008-2012



Louisiana Sugarcane Production, 2008-2012



Louisiana Sugar Production, 2008-2012



2012 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)	3	6,660	11,992,200	1,817	\$3,237,8894
	Molasses (gal)		198	359,766		\$266,090
Ascension	Raw sugar (lbs)	15	8,029	153,434,190	19,110	\$41,427,231
	Molasses (gal)		241	4,605,510		\$3,406,327
Assumption	Raw sugar (lbs)	47	7,900	279,392,032	35,366	\$75,435,849
	Molasses (gal)		237	8,381,760		\$6,199,317
Avoyelles	Raw sugar (lbs)	11	7,600	72,534,400	9,544	\$19,584,288
	Molasses (gal)		228	2,176,032		\$1,609,437
Calcasieu	Raw sugar (lbs)	*	6,000	312,000	52	\$84,240
	Molasses (gal)		180	9,360		\$6,923
Evangeline	Raw sugar (lbs)	*	6,000	1,008,000	168	\$272,160
	Molasses (gal)		180	30,240		\$22,366
Iberia	Raw sugar (lbs)	86	7,995	417,490,905	52,219	\$112,722,544
	Molasses (gal)		240	12,532,560		\$9,269,332
Iberville	Raw sugar (lbs)	29	8,800	320,811,744	36,456	\$86,619,171
	Molasses (gal)		264	9,624,352		\$7,118,363
Jefferson Davis	Raw sugar (lbs)	*	6,600	7,095,000	1,075	\$1,915,650
	Molasses (gal)		198	212,850		\$157,428
Lafayette	Raw sugar (lbs)	21	7,830	99,347,040	12,688	\$26,823,701
	Molasses (gal)		235	2,981,680		\$2,205,310
Lafourche	Raw sugar (lbs)	28	7,199	213,623,126	29,674	\$587,678,244
	Molasses (gal)		216	6,409,584		\$4,470,657
Pointe Coupee	Raw sugar (lbs)	30	8,500	352,758,500	41,501	\$95,244,795
	Molasses (gal)		255	10,582,755		\$7,827,217
Rapides	Raw sugar (lbs)	16	8,600	98,005,600	11,396	\$26,461,512
	Molasses (gal)		258	2,940,168		\$2,174,607
St. Charles	Raw sugar (lbs)	*	7,920	9,670,320	1,221	\$2,610,986
	Molasses (gal)		238	290,598		\$214,932
St. James	Raw sugar (lbs)	26	7,525	214,868,850	28,554	\$58,014,590
	Molasses (gal)		226	6,543,204		\$4,772,919
St. John	Raw sugar (lbs)	10	7,668	54,971,892	7,169	\$14,842,411
	Molasses (gal)		230	1,648,870		\$1,219,537
St. Landry	Raw sugar (lbs)	6	8,400	55,171,200	6,568	\$14,896,224
	Molasses (gal)		252	1,655,136		\$1,224,172
St. Martin	Raw sugar (lbs)	49	7,900	235,822,900	29,581	\$63,672,183
	Molasses (gal)		237	7,074,687		\$5,232,580
St. Mary	Raw sugar (lbs)	45	7,900	374,949,800	47,462	\$101,236,446
	Molasses (gal)		237	11,248,494		\$8,319,611
Terrebonne	Raw sugar (lbs)	9	7,125	67,081,233	9,415	\$18,111,933
	Molasses (gal)		214	2,014,790		\$1,490,179
Vermilion	Raw sugar (lbs)	28	6,970	217,136,410	31,153	\$58,626,831
	Molasses (gal)		209	6,510,977		\$4,815,649
West Baton Rouge	Raw sugar (lbs)	15	8,800	128,348,000	14,585	\$34,653,960
	Molasses (gal)		264	3,850,440		\$2,847,862
Total Sugarcane Crop Value						\$989,313,658

Source: 2012 Louisiana Summary of Agriculture and Natural Resources, LSU Agricultural Center.

SUGARCANE SUMMARY FOR CROP YEAR 2012

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In 2012, sugarcane was grown on 427,044 acres in 22 Louisiana parishes. An estimated 399,286 acres were available for harvest for sugar, assuming that 6.5 percent of the total acres were used for seed cane.

The 11 operating raw sugar factories in the state processed 14,782,728 tons of cane, which was the largest amount in the last five years. In total, the 11 factories produced 1.67 million short tons of sugar (96 pol), which is the largest amount of sugar that Louisiana has ever processed. Total sugar production slightly exceeded 1999 record levels. In 1999, acreage was higher than acreage for 2012, cane yields were similar, but sugar recovery per ton of cane was higher.

The average yield of cane produced from each harvested acre amounted to 37.0 tons/acre (an increase of 5.8 tons/acre compared to 2011). The average sugar recovery at the 11 factories was 11.35 percent or 227 pounds of sugar (96 pol) per ton of cane; this was a decrease of 4 pounds of sugar per ton of cane compared to the 2011 crop. The average sugar recovery produced in 2012 was the second highest on record being surpassed only by the 2011 crop at 231 pounds of sugar (96 pol) per ton of cane. The yield of commercially recoverable sugar produced per harvested acre was approximately 8,412 pounds (an increase of 1,196 pounds compared to the 2011 crop). The 2012 crop had the highest recoverable sugar per acre of any sugarcane crop ever grown in Louisiana.

Although the pricing period is not completed for the 2012 crop, sugar prices were high at the beginning of the crop year and have steadily fallen since that time. The average predicted value for raw sugar for 2012 is \$0.27 per pound. Molasses prices have remained high at an average about \$126 per short ton at 79.5 Brix.

The gross farm value of the 2012 sugarcane crop was \$ 580,709,126 for sugar and molasses. The gross farm value 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 \$ 399,502,446. Therefore, the total value of the sugarcane crop to Louisiana producers, processors and landlords at the first processing level was \$ 980,211,572. Sugarcane continues to rank first in value among the state's row crops.

The high tonnage for the 2012 crop was likely due to very warm temperatures experienced in late winter and early spring and a summer rain pattern that was conducive to excellent sugarcane growth. Hurricane Isaac came slowly ashore on August 28th and lodged a majority of the 2012 sugarcane crop. Damage from the hurricane to the industry was greater in the more southern and eastern areas of the sugarcane growing region. Damage included lodged and twisted stalks with minimal stalk breakage. However, the impact of the lodged conditions undoubtedly reduced growth in those areas most affected, which led to lower than expected yield of tons of cane per acre.

High rainfall and high tides as the result of the hurricane contributed to prolonged periods of

standing water on some newly planted acres of sugarcane. A small amount of this flood damaged plant-cane had to be replanted; other acreage was kept but with less than ideal stands.

In addition to the high tonnage, recoverable sugar per ton of cane was excellent. Weather conditions after Hurricane Isaac were dry and sunny, which allowed for planting to be completed, ripener applications to continue, and natural ripening to optimize. High sugar per ton of cane complemented very high cane yield.

Sugarcane acreage in Louisiana for 2012 was higher than the acreage reported in 2011. Production acreage continues to be lost to urban encroachment, but the main factor contributing to higher overall acreage was the lower number of acres being replanted resulting in more acres available for the factory for processing. With larger plantings in the previous three years, 2012 acres for replanting were slightly less than a normal within the crop cycle. With recent higher sugar prices, more acres were planted in the northern part of the sugarcane area (i.e. Avoyelles, Rapides, and Pointe Coupee parishes).

The 2012 sugarcane variety census showed Louisiana producers continued to rely primarily on HoCP 96-540, which was grown on 40 percent of the production acres. This was followed by L 99-226 (21 percent), L 99-233 (10 percent), L 01-283 (10 percent), L 97-128 (3 percent), HoCP 00-950 (5 percent), L 01-299 (7 percent), and L 03-371 (2 percent). HoCP 04-838 was released in 2011 and is currently being increased on most farms. Ho 05-961 was released to growers in 2012. Seed-cane of Ho 05-961 was not distributed because of low levels of mosaic and the presence of the newly discovered disease - orange rust.

Sugar yield at the beginning of the harvest was low as growers harvested their older stubble crops and heavy clay land first. Sugar recoveries were low during the early portion of the harvest due to excessive rainfall and the lodged condition of the crop. As ripener schedules became more optimal and natural maturities increased, sugar recoveries improved. October and November were much drier than normal and very little field soil (mud) and trash were brought to the factories. Although much of the crop was lodged as a result of Hurricane Isaac, the dry weather mitigated the problems encountered with down cane.

The 11 factories processed more tonnage than the 2011 crop. The first factory to open was Alma on September 15, 2012, and the last factory to close was Enterprise, which processed sugarcane until January 16, 2013. For the 2012 crop, the Louisiana sugar industry did not experience any severe killing freezes.