

ECONOMIC IMPORTANCE OF LOUISIANA SUGARCANE PRODUCTION IN 2014

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Overview

In 2014, sugarcane was grown on 409,594 acres in 23 Louisiana parishes. An estimated 383,970 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 12,760,857 tons of cane, which was lower than the amount processed in 2013. In total, the 11 factories produced 1.478 million short tons of sugar (96° pol), which exceeded expectations because of the late start to the growing season due to cold weather during the winter and spring of 2014. The average yield of cane produced from each harvested acre amounted to 33.3 tons/acre (a decrease of 0.8 tons/acre compared to 2013). The average sugar recovery at the 11 raw sugar factories was a new state record of 11.6 percent or 232 pounds of sugar (96° pol) per ton of cane; this was an increase of 10 pounds of sugar per ton of cane compared to the 2013 crop. The yield of commercially recoverable sugar produced per harvested acre was approximately 7,730 pounds (an increase of 160 pounds compared to the 2013 crop). The 2012 crop had the highest recoverable sugar per acre of any sugarcane crop ever grown in Louisiana when production was recorded at 8,412 pounds of sugar/harvested acre.

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

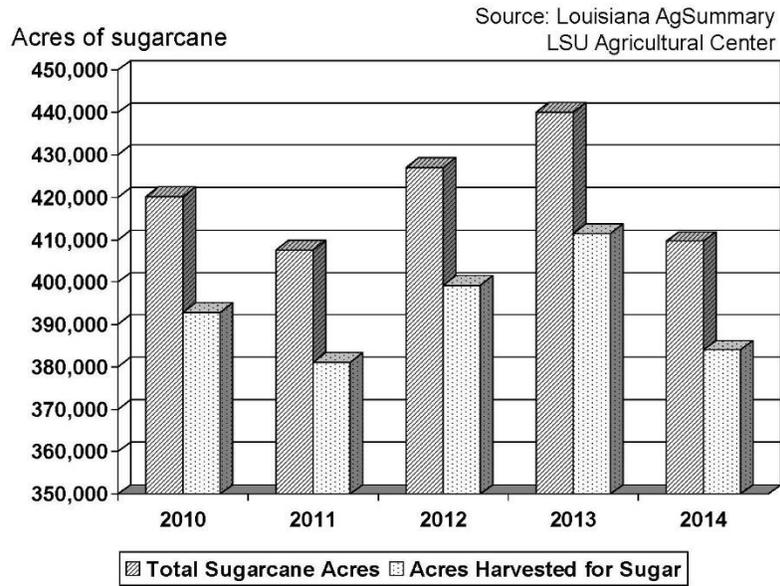
Refined white sugar in the United States is produced from two sources. Sugarbeets are processed directly into refined sugar, while sugarcane is first processed into raw sugar before being refined into white sugar. In 2014, 56.3 percent of total U.S. sugar production came from sugar beets and 43.7 percent came from sugarcane. For the 2014/15 fiscal year, Louisiana accounted for approximately 40.3 percent of total U.S. cane sugar production and 17.6 percent of total U.S. sugar production.

U.S. Sugar Production, 2013/14 and 2014/15

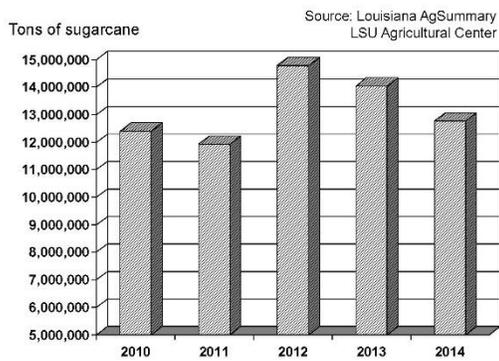
	2013/14	2014/15
	(1,000 short tons, raw value)	(1,000 short tons, raw value)
Beet sugar production	4,794	4,870
Cane sugar production	3,663	3,775
Florida	1,759	1,950
Hawaii	168	180
Louisiana	1,591	1,520
Texas	145	125
Total U.S. sugar production	8,457	8,645

Source: World Agricultural Outlook Board, U.S. Department of Agriculture, WASDE-539, March 2015.

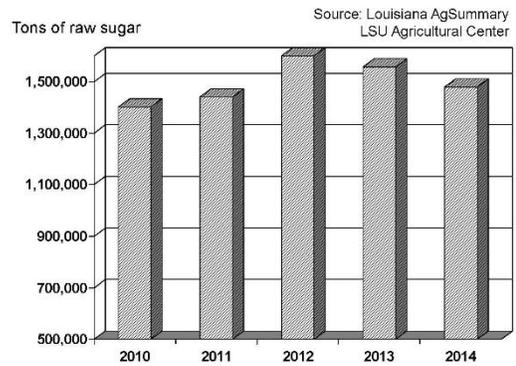
Louisiana Sugarcane Acreage, 2010-2014



Louisiana Sugarcane Production, 2010-2014



Louisiana Sugar Production, 2010-2014



2014 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)	5	6,143	20,264,107	3,299	\$4,738,424
	Molasses (gal)		184	607,016		\$424,911
Ascension	Raw sugar (lbs)	12	6,607	110,124,154	16,668	\$25,750,698
	Molasses (gal)		198	3,300,224		\$2,310,157
Assumption	Raw sugar (lbs)	41	6,609	215,440,182	32,598	\$50,377,096
	Molasses (gal)		198	6,454,404		\$4,518,083
Avoyelles	Raw sugar (lbs)	11	6,615	46,053,630	6,962	\$10,768,874
	Molasses (gal)		198	1,378,476		\$964,933
Calcasieu	Raw sugar (lbs)	*	6,143	2,616,918	426	\$611,923
	Molasses (gal)		184	78,384		\$54,869
Cameron	Raw sugar (lbs)	*	6,143	202,719	*	\$47,402
	Molasses (gal)		184	6,072		\$4,250
Evangeline	Raw sugar (lbs)	*	5,670	266,490	*	\$62,314
	Molasses (gal)		170	7,990		\$5,593
Iberia	Raw sugar (lbs)	82	7,277	404,382,890	55,570	\$94,558,199
	Molasses (gal)		218	12,114,260		\$8,479,982
Iberville	Raw sugar (lbs)	30	7,655	276,483,290	36,118	\$64,651,009
	Molasses (gal)		230	8,307,499		\$5,814,998
Jefferson Davis	Raw sugar (lbs)	*	6,237	5,700,618	914	\$1,332,995
	Molasses (gal)		187	170,918		\$119,643
Lafayette	Raw sugar (lbs)	20	7,277	70,324,928	9,664	\$16,444,312
	Molasses (gal)		218	2,106,752		\$1,474,726
Lafourche	Raw sugar (lbs)	28	5,910	158,618,490	26,839	\$37,090,290
	Molasses (gal)		177	4,750,503		\$3,325,352
Pointe Coupee	Raw sugar (lbs)	33	7,655	294,082,135	38,417	\$68,766,206
	Molasses (gal)		230	8,835,910		\$6,185,137
Rapides	Raw sugar (lbs)	10	6,993	69,090,840	9,880	\$16,155,741
	Molasses (gal)		210	2,074,800		\$1,452,360
St. Charles	Raw sugar (lbs)	*	6,562	8,957,130	1,365	\$2,094,476
	Molasses (gal)		197	268,905		\$188,234
St. James	Raw sugar (lbs)	23	6,853	190,390,046	27,782	\$44,519,539
	Molasses (gal)		206	5,723,092		\$4,006,164
St. John	Raw sugar (lbs)	10	7,124	50,754,938	7,125	\$11,868,196
	Molasses (gal)		214	1,524,643		\$1,067,250
St. Landry	Raw sugar (lbs)	8	7,088	44,725,280	6,310	\$10,458,261
	Molasses (gal)		213	1,344,030		\$940,821
St. Martin	Raw sugar (lbs)	37	7,229	209,287,985	28,965	\$48,961,890
	Molasses (gal)		217	6,285,405		\$4,399,784
St. Mary	Raw sugar (lbs)	42	7,182	329,265,972	45,846	\$76,993,360
	Molasses (gal)		215	9,856,890		\$6,899,823
Terrebonne	Raw sugar (lbs)	9	6,064	52,981,168	8,737	\$12,388,763
	Molasses (gal)		182	1,642,197		\$1,113,094
Vermilion	Raw sugar (lbs)	30	7,348	255,431,176	34,762	\$59,728,323
	Molasses (gal)		220	7,647,640		\$5,353,348
West Baton Rouge	Raw sugar (lbs)	13	7,655	107,361,375	14,025	\$25,104,668
	Molasses (gal)		230	3,225,750		\$2,258,025
Total Sugarcane Crop Value						\$744,834,497

Source: 2014 Louisiana Summary of Agriculture and Natural Resources, LSU Agricultural Center.

SUGARCANE SUMMARY FOR CROP YEAR 2014

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In 2014, sugarcane was grown on 409,594 acres in 23 Louisiana parishes. An estimated 382,970 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 12,760,857 tons of cane, which was lower than the amount processed in 2013. In total, the 11 factories produced 1.478 million short tons of sugar (96° pol), which exceeded expectations because of the late start to the growing season due to cold weather during the winter and spring of 2014.

The average yield of cane produced from each harvested acre amounted to 33.3 tons/acre (a decrease of 0.8 tons/acre compared to 2013). The average sugar recovery at the 11 raw sugar factories was a new state record of 11.6 percent or 232 pounds of sugar (96° pol) per ton of cane; this was an increase of 10 pounds of sugar per ton of cane compared to the 2013 crop. The yield of commercially recoverable sugar produced per harvested acre was approximately 7,730 pounds (an increase of 160 pounds compared to the 2013 crop). The 2012 crop had the highest recoverable sugar per acre of any sugarcane crop ever grown in Louisiana when production was recorded at 8,412 pounds of sugar/harvested acre.

Although the pricing period is not completed for the 2014 crop, sugar prices have risen slightly compared to the pricing period for the 2013 crop. The average predicted value for raw sugar for 2014 is \$0.23 per pound. Molasses prices have remained high at an average of \$120 per short ton at 79.5 Brix.

The gross farm value of the 2014 sugarcane crop was \$ 438,975,767 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 \$ 303,020,834. Therefore, the total value of the sugarcane crop to Louisiana producers, processors and landlords at the first processing level was \$ 741,996,601.

The 2014 sugarcane crop got off to an extremely slow start. Late winter and spring temperatures were well below normal. In addition, rainfall was above normal during this same time frame. In fact, below average temperatures were experienced for the months of January through June (data from Baton Rouge Airport). Temperatures conducive for optimum growth of sugarcane were not experienced until mid-June. Summer rainfall was above average and generally well distributed, which provided for good sugarcane growth in late summer. As the

planting season neared, the crop was short and planting was delayed for about two weeks for many growers. Planting ratios were generally average for the 2014 planting season. Stands of newly planted cane are considered excellent.

At harvest, cane yields (tons/acre) were higher than expected, which was likely due to very warm temperatures experienced in August through early October that resulted in excellent late season crop growth. Louisiana harvested a relatively erect crop because no tropical systems affected the Louisiana sugar industry in 2014. In addition, sugarcane brown rust levels were low and crop canopies remained very green. These factors along with abundant fall sunshine were conducive to providing for a crop with record sugar recovery along with good tonnage. Weather conditions for the 2014 harvest were generally dry, except for the last three weeks of processing. An erect crop along with dry weather allowed growers the ability to harvest and factories to process clean cane. Lower mud and fiber content were good news for the raw sugar factories as these conditions minimize sucrose losses in raw sugar processing.

Sugarcane acreage (409,594 acres) in Louisiana for 2014 was lower than the acreage reported in 2013. The cold and wet winter and spring caused stand problems in some sugarcane varieties. As a result, more acreage of older stubble crops was ploughed out than in more normal years. Production acreage continues to be lost to urban encroachment and industrial development.

The 2014 sugarcane variety census showed Louisiana producers have spread their risk and continued to rely on several varieties. The most widely grown variety was HoCP 96-540, which was grown on 37 percent of the production acres. This was followed by L 01-299 (22%), L 99-226 (13%), L 01-283 (10%), HoCP 04-838 (6 %), HoCP 00-950 (4 %), and L 03-371 (3 %). Seed-cane of the newly released variety Ho 07-613 was sold to growers from secondary increase stations.

Sugar yield (lbs of sugar/acre) at the beginning of the harvest was good considering that growers harvested their older stubble crops and heavy clay land first. Sugar recoveries were excellent where ripeners were applied and much lower where ripeners were not applied. The 2014 harvest produced record sugar recoveries and variety response to ripeners was some of the best response in many years. Sugar recoveries were also higher due to the erectness of the crop. An erect crop can be topped when harvested.

The Louisiana sugar industry experienced below freezing temperatures on November 18 and 19 of 2014, where minimum temperatures experienced were 27° F in Baton Rouge and 26° F in Houma. Although growing points were killed by these temperatures, no freeze cracks were observed and bud damage along the stalk was minimal. Growers were able to harvest the most freeze damaged cane first, and the harvest season was completed with minimal losses, although there were some unexplained losses of recoverable sugar at several factories. Most damage from

the freeze occurred in the more northern and eastern areas of the sugarcane growing areas in Louisiana.

The 11 factories processed less tonnage than the 2014 crop. The first factory to open was Cora Texas on September 25, 2014, and the last factory to close was Enterprise, which processed sugarcane until January 10, 2015.