

Commodity Credit Corporation Decision on Arizona Sugar Factory Plea for a Cane Sugar Marketing Allocation - June 5, 2003

The Commodity Credit Corporation (CCC) has determined that the Arizona Sugar Factory can receive a cane sugar marketing allocation, not to exceed 50,000 tons, for the 2004 crop. However, prior to the promulgation of 2004-crop sugar marketing allocations (expected in September 2004), the Arizona Sugar Factory must demonstrate its ability to process, produce, and market 2004-crop raw cane sugar. If CCC is satisfied, it will establish a 2004-crop allocation for the Arizona Sugar Factory consistent with its ability to process, produce, and market raw cane sugar, but not to exceed 50,000 tons. CCC will also provide Arizona with a cane sugar marketing allotment to accommodate the Arizona Sugar Factory's allocation.

Additionally, CCC will need evidence of: 1) 2004-crop sugarcane acreage sufficient to fulfill the allocation, 2) the means to harvest the crop and transport cane to the mill, 3) the mill's ability to process the sugarcane into marketable raw sugar, 4) a transportation system to transport raw sugar to a refinery, and 5) a marketing agreement for the raw cane sugar.

The Arizona Sugar Factory cannot sell 2004-crop over-allocation sugar to permit another processor to meet its allocation nor may the Arizona Sugar Factory buy 2004-crop over-allocation sugar to meet its allocation.

CCC has determined that an allocation consistent with Arizona Sugar Factory's capacity to process, produce, and market raw sugar, not to exceed 50,000 tons, is a fair, efficient, and equitable distribution of the Arizona allotment. The Arizona Sugar Factory is the only cane sugar processing facility currently proposed for Arizona.

CCC has considered the adverse effects on existing processors and producers in mainland States. CCC has determined that an allocation consistent with Arizona Sugar Factory's capacity to process, produce, and market raw sugar, not to exceed 50,000 tons, minimizes adverse impacts on existing processors and producers. The adverse impacts will be distributed proportionately among all mainland processors.