



# Sugarcane Hurricane Program

## Overview

Under the Agricultural Assistance Act of 2003, the Commodity Credit Corporation (CCC) is required to provide compensation to Louisiana sugarcane producers and processors who suffered economic losses from the cumulative effects of Tropical Storms Isadore and Hurricane Lili and excessive rains in October 2002.

## Eligible Producers

Producers have until August 18 (10 days following release of Federal Register Notice) to select a base year other than 1999 for the purpose of calculating their 2002-crop sugar loss. Applications must be submitted by processors no later than September 22 (45 days after date of publication of Federal Register Notice). Eligible producers have to certify ownership tract sugar losses on their farms and must meet all the following requirements to be eligible:

1. Be a sugarcane processor located in Louisiana;
2. Be eligible to obtain a loan under section 156(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272 (a));
3. Submit the application according to the requirements and deadlines the Federal Register Notice specifies.

## Payments

CCC will make payments to affected sugarcane processors. The processors shall then disburse payments to affected producers from the payments they receive according to 2002-crop contracts between the two parties.

Total compensation equals the market value of 150,000 tons or 300 million pounds of CCC sugar. CCC has determined that this value is 20 cents per pound (or \$60 million in total). CCC will maintain a 7 percent reserve (\$4.2 million) in the event of appeals. The reserve will be dispersed once the appeals process is satisfied.

Loss will be measured for each ownership tract by the following formula: Loss = [sugar per acre (base year) – sugar per acre (2002 crop)] x tract acres in 2002. The base year for figuring losses will be 1999 unless the producer requests a different year (2000 or 2001).

Eligible sugar losses will be computed according to the schedule published in the Federal Register Notice. However, if the sum of all eligible sugar losses is not exactly equal to 300 million pounds, a factor will be applied to make the total exactly 300 million pounds.

An applicant's payment will equal the total eligible tract sugar losses for its producers multiplied by 20 cents per pound. Payments will be issued once all the tabulations are completed.

For further information, contact Barbara Fecso, Dairy and Sweeteners Group, USDA/FSA/EPAS, 1400 Independence Ave., SW, STOP 0516, Washington, D.C. 20250-0516; telephone (202) 720-4146; fax (202) 690-1480; e-mail: [barbara.fecso@usda.gov](mailto:barbara.fecso@usda.gov)

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