

ACTION: Notice.

SUMMARY: The Commodity Credit Corporation (CCC) increased the 2002-crop overall allotment quantity (OAQ) of domestic sugar by 463,000 short tons, raw value (STRV) to 8.663 million STRV on May 13, 2003. In addition, CCC reassigned unused cane and beet sugar allocations between respective processors on May 19, 2003.

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SUPPLEMENTARY INFORMATION: Section 359c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359c), as amended, requires adjustments to marketing allotments and allocations quarterly, as CCC determines appropriate, to reflect changes in estimated sugar consumption, stocks, production, or imports. The initial OAQ amount set in August 2002 for the 2002 crop year was 7.7 million STRV. CCC adjusted that to 8.2 million STRV in January 2003. Because market prices for both refined and raw sugar remained well above loan forfeiture levels, CCC again increased the OAQ in May 2003 to make domestic sugar available to the market. The cane sector was allotted 45.65 percent (3.955 million STRV) of the OAQ, while beet received 54.35 percent (4.708 million STRV).

Section 359e(a) of the Farm Security and Rural Investment Act of 2002 requires a periodic review to determine (in view of current sugar inventories, estimated sugar production, expected

marketings and other pertinent factors) whether (1) any sugarcane processor will be unable to market the sugar covered by the portion of the State cane sugar allotment allocated to the processor; and (2) any sugar beet processor will be unable to market its allocation. Section 359e(b)(1)(B) further provides for the reassignment of the estimated quantity of a State deficit proportionately to the allotments for other cane sugar States (depending on each State's capacity to market) when a State does not have the capacity to fulfill its allotment among its own processors.

In April 2003, CCC surveyed sugarcane and sugar beet processors asking for revisions to 2002-crop production and ending stocks estimates for the purpose of calculating reassignments. CCC determined that the cane sector could only fulfill 3.945 million STRV of its allotment. The remaining unfulfilled portion of its allotment, 10,000 STRV, was reassigned to CCC for sale of inventory. However, CCC did not reduce the cane sector allotment 10,000 STRV at that time due to uncertainties in company production estimates provided in the survey. Likewise, it was determined that the beet sector would only be able to fulfill 4.534 million STRV of its new allotment. Thus, 77,641 STRV of beet sugar were reassigned among beet processors. The unfilled balance, 174,000 STRV, was reassigned to CCC for the sale of its inventory.

The allotments/allocations were calculated differently for the cane and beet sectors:

Cane Sector

- Allotments/allocations were changed to incorporate the 211,360 STRV increase in the cane sugar allotment and the updated 2002-crop

production/marketing estimates. (Column C of the attached table).

- Allocations were reduced for processors with surplus allocations and reassigned to processors with surplus supply within the same State. This occurred for Florida and Louisiana (Column D of the attached table).

- The remaining excess Louisiana allocation that could not be eliminated by reassignment within Louisiana plus excess allocations from Hawaii and Puerto Rico were reassigned to cane processors in Florida and Texas. These two states indicated in the survey that they had a shortfall in allocation for the current crop year (Column E of the attached table).

Beet Sector

- Allotments/allocations were changed to incorporate the 77,641 STRV increase in the beet sugar allotment (Column C of the attached table).

- Allocations were reassigned from beet processors with unused allocation, as indicated in the April 2003 survey for the current year, to those indicating an allocation shortfall (Column E of the attached table).

CCC will continue to closely monitor market performance and critical program variables throughout the year to ensure that program objectives are met, including maintaining market balance. Sugar allotment/allocation reassignments will be reevaluated periodically as production estimates improve.

These actions apply to all domestic cane and beet sugar marketed for human consumption in the United States from October 1, 2002, through September 30, 2003. The revised 2002-crop sugar marketing allotments and allocations (in short tons, raw value) are listed in the following table:

FISCAL YEAR 2003 SUGAR MARKETING ALLOTMENTS AND ALLOCATIONS (REVISED MAY 2003)

[Short Raw Value—Tons]

	B Last allot- ment/ allocation	C Change due to increase in OAQ	D Cane reassign- ments within states	E Reassignments across all proc- essors by sector	F New allot- ment/ allocation
Overall Beet/Cane Allotments:					
Beet Sugar	4,456,700	251,641	.....	0	4,708,341
Cane Sugar (includes P. Rico)	3,743,300	211,360	.....	0	3,954,660
Total OAQ	8,200,000	463,000	.....	0	8,663,000
Beet Reassignment to CCC .....	.....	.....	.....	.....	174,000
Cane Reassignment to CCC .....	.....	.....	.....	.....	10,000
Allotment Available to Beet .....	.....	.....	.....	.....	4,534,341
Allotment Available to Cane .....	.....	.....	.....	.....	3,954,660
Beet Processors' Marketing Allocations:					
Amalgamated Sugar Co.	975,245	16,176	.....	-15,400	976,021
American Crystal Sugar Co.	1,593,720	27,854	.....	32,380	1,653,954
Holly Sugar Corp.	299,019	5,209	.....	-5,128	299,100