

Notices

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This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

Domestic Sugar Program—Increase of 2002-Crop Overall Allotment Quantity

AGENCY: Commodity Credit Corporation, USDA.

ACTION: Notice.

SUMMARY: Commodity Credit Corporation (CCC) has increased the 2002-crop overall allotment quantity (OAQ) of domestic sugar by 500,000 short tons, raw value (STRV). The beet sugar sector allotment increased to 4.457 million STRV, and the cane sugar sector increased to 3.743 million STRV, for a total OAQ of 8.200 million STRV. CCC has also revised the State cane allotments and processor allocations of the beet and cane sugar marketing allotments to be consistent with the increased OAQ and updated cane State and cane processor 2002-crop production forecasts. CCC is also suspending the proportionate share requirement on Louisiana sugarcane producers for the 2002 crop.

ADDRESSES: Barbara Fecso, Dairy and Sweeteners Analysis Group, Economic Policy and Analysis Staff, Farm Service Agency, USDA, 1400 Independence Avenue, SW., STOP 0516, Washington, DC 20250-0516; telephone (202) 720-

4146; FAX (202) 690-1480; e-mail: barbara.fecso@usda.gov.

FOR FURTHER INFORMATION CONTACT: Barbara Fecso at (202) 720-4146.

SUPPLEMENTARY INFORMATION: Section 1403 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) amended section 359c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359c) to authorize the Secretary to adjust marketing allotments and allocations quarterly to reflect changes in estimated sugar consumption, stocks, production, or imports. When USDA announced a 7.700 million ton OAQ in August 2002, it noted the existence of considerable sugar market uncertainties and that the OAQ could be adjusted if warranted. After closely monitoring the market, and because market prices for both refined and raw sugar have been well above loan forfeiture levels, CCC increased the OAQ, thereby increasing the supply of sugar available to the domestic market.

At this time, CCC does not expect the beet sector to fully use its allotment and will reassign the estimated unused allotment (deficit), 182,000 tons, to the CCC inventory to be sold. The estimated unused allotment is calculated as the beet sector's FY 2003 allotment, 4.457 million tons, less beet processors' estimated available supply, 4.275 million tons (0.360 million tons beginning stocks plus 4.215 million tons production, less an assumed 0.300 million tons in estimated minimum ending stocks). While the beet sector ending inventory averaged 560,000 tons over the past decade, reaching a low of 360,000 tons at the end of FY 2002, the level to which the beet sector reduces its FY 2003 ending stocks is uncertain. Due to production and marketing unknowns,

CCC estimates that an ending stocks level of 300,000 tons may be attainable.

CCC will conduct a thorough survey of beet and cane sugar production and stocks-to-use prior to May 1, 2003, and make allocation reassignments, as necessary. At that time, CCC may reduce the amount reassigned to CCC for inventory sales if survey results indicate CCC misjudged the beet sector's ability to supply the market. This can occur even if CCC has sold the reassigned sugar because CCC's ability to sell sugar is not limited to availability of reassigned sugar marketing allotments.

Pursuant to section 359f of the Agricultural Adjustment Act of 1938, as amended, (7 U.S.C. 1359ff), CCC announced the suspension of the proportionate share requirement on Louisiana sugarcane producers for the 2002 crop after it determined that the amount of sugar estimated to be produced from the 2002-crop sugarcane in Louisiana (1.340 million tons, raw value) will not be sufficient to enable Louisiana sugar cane processors to meet the state's cane sugar allotment (1.331 million tons, raw value) and provide for a normal carryover.

USDA will continue to closely monitor market performance and critical program variables throughout the year to ensure meeting program objectives and maintaining market balance. Further OAQ adjustments and alteration of the sugar Tariff Rate Quota (TRQ) import quantity will be considered as market conditions warrant.

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

2002-CROP SUGAR MARKETING ALLOTMENTS AND ALLOCATIONS

[Revised January 2003]

	Previous allotment/allocation	Change ¹	Revised allotment/allocation
Overall Beet/Cane Allotments			
Beet Sugar	4,184,950	271,750	4,456,700
Cane Sugar (includes Puerto Rico)	3,515,050	228,250	3,743,300
Total (Overall Allotment Quantity)	7,700,000	500,000	8,200,000
State Cane Sugar Allotments			
Florida	1,715,471	214,045	1,929,516