



Preliminary Estimate of the 2004/05 Louisiana Sugar Marketing Allotment and Proportionate Share Acreage

Michael E. Salassi

This report presents a preliminary estimate of the Louisiana sugar marketing allotment and the proportionate share acreage percentage for the 2004/05 marketing year. Estimates are presented for two overall allotment quantity (O.A.Q.) levels, which represent the approximate range of the projected O.A.Q. for next year. The March 10, 2004 WASDE report estimated 2003/04 U.S. sugar ending stocks at 1.952 million short tons, raw value, 55.2% higher than 2002/03 ending stocks level of 1.258 million short tons. Due to this higher ending stocks level, the projected overall allotment quantity (O.A.Q.) for 2004/05 should be lower than the effective O.A.Q. level for 2003/04 of 8,250,000 short tons. As a result, the 2004/05 O.A.Q. could be projected to be in the range of 7.7 million to 8.0 million short tons, raw value.

The table below presents estimates of the 2004/05 Louisiana sugar marketing allotment and the proportionate share acreage percentage for two projected O.A.Q. levels. For a 2004/05 O.A.Q. of 7,700,000 short tons, total cane allotment would be 3,515,050 tons. Mainland cane allotment would be 3,190,050 tons. Louisiana's share of this allotment would be approximately 1,276,020 tons. With this total state allotment, the proportionate share acreage would be 76.1% of adjusted state acreage base. For a 2004/05 O.A.Q. of 8,000,000 short tons, total cane allotment would be 3,652,000 tons. Mainland cane allotment would be 3,327,000 tons. Louisiana's share of this allotment would be approximately 1,330,800 tons. With this total state allotment, the proportionate share acreage would be 79.4% of adjusted state acreage base.

USDA will officially announce the 2004/05 sugar program parameters, including the O.A.Q. level, no later than August 2004.

<u>Item</u>	<u>Low O.A.Q.</u>	<u>High O.A.Q.</u>
	<i>(short tons, raw value)</i>	
Projected 2004/05 O.A.Q.	7,700,000	8,000,000
Cane share of allotment (45.65%)	3,515,050	3,652,000
<i>Less</i> Offshore share	325,000	325,000
<i>Equals</i> Mainland cane allotment	3,190,050	3,327,000
Louisiana allotment (app. 40% of mainland cane allotment)	1,276,020	1,330,800
<i>Divided by</i> State per acre yield goal (tons/acre)	3.40	3.40
<i>Equals</i> State acreage allotment (acres)	375,678	391,806
<i>Divided by</i> Adjusted state acreage base (acres)	493,423	493,423
<i>Equals</i> State proportionate share percent	76.1%	79.4%