



Annual Joint Meeting – June 2008

President's Message – Florida Division

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On behalf of the Florida Division of the American Society of Sugar Cane Technologists, it is my pleasure to welcome everyone to the International Plaza Hotel and Resort in Orlando. This is the first time here for our society and I wish you all a very pleasant and memorable stay.

It is a privilege for me to address such a distinguished group of technologists, scientists and engineers. It was just thirty years ago here in Orlando that I stood in front of a similar audience as a freshly minted engineer to make my first technical presentation to our society. You can imagine what an honor it is for me to address you today as President of the Florida Division.

Although my presidential message begins with a recanting of the past it is the opportunities of the future that I wish to address and to recognize and accentuate the perseverance and resiliency of our industry and the people at the heart of it.

During the 2007 / 2008 crop only 4 mills operated in Florida and processed approximately 14 million tons of cane from roughly 400,000 acres to yield over 1.54 million tons of 96-pol sugar. This year's harvest continued to show signs of recovery from the lingering effects of the hurricanes of 2004 and 2005 in spite of the persistent drought that has gripped the state since early 2007. This harvest unfortunately saw the loss of the Bryant mill, which closed at the end of the 2006 / 2007 crop with a distinguished career as one of the world's most efficient mills. Then in October of 2007 United States Sugar Corporation announced the completion of their "Breakthrough" project and began operations of the world's largest

fully integrated sugarcane mill and refinery. This crop was difficult for most of the Florida mills. We experienced several rain events coupled with unusually warm weather. However with excellent teamwork and dedication several of the mills were finished by late March, with the Clewiston mill scheduled to finish by mid-May.

Today as it has many times in the past our industry stands on the threshold of new and daunting challenges. Many things loom in our future some good and some not so good. Population growth and urban sprawl is in constant competition with agriculture for land and water resources. More and more agricultural land in Florida is being earmarked for water storage in order to sustain the state's explosive growth rate, while at the same time urban development continues to encroach upon our cane lands. The catastrophic burst of the housing bubble has provided a temporary reprieve, but this will be short lived. Once housing prices rebound and inventory is reduced land prices for urban development will rise and once again compete with agricultural revenues. On January 1, 2008 NAFTA opened the borders between the United States and Mexico. Although not much traffic of sugar has occurred to date, future developments may change that. Early in 2008 the industry saw the loss of the Savannah refinery with tragic loss of life. This event is bound to have a pronounced effect on our business.

"Biofuels" and "Renewable Energy" are the new buzz words we frequently hear with a promise of new technologies to wean us from oil dependency. Large amounts of capital investments and other resources are being dedicated to these efforts. It is still too early to predict where all of this will lead and we must proceed with caution. It has been clearly shown that the shift of agricultural resources from food to fuel will have repercussions with the potential to generate high prices and shortages of basic food supplies.

These developments are all important to our industry and many will alter the way we conduct our business, but our immediate challenge is to remain focused on our core businesses and develop methods to improve them. Our efforts must be concentrated on projects to improve efficiency and profitability. With the onset of vertical integration and co-generation the industry has basically exhausted

the mitigating factors, which directly improve economies of scale. Computer applications and automation have slowly worked their way into our everyday lives and improved our productivity. We need to seek new ways to apply these tools to our processes and improve our economic efficiency if we are to survive in today's market. With escalating oil prices all aspects of our jobs are becoming more costly. Fertilizer costs have risen by 45% and so have cutbacks on the allotments for irrigation water. Research must continue to find cane varieties that are environmentally friendly, requiring less water and fertilizer while providing increased yields and disease resistance. Another issue we face today is the task of providing continuing education and training for the technologists that will take our industry through the 21st century. ASSCT has a mandate to promote this effort and to assist in providing the educational and technological needs of our industry by means of scholarships and through direct association with our colleges and universities.

In closing I leave you with a challenge. At present, our society is faced with reduced participation and membership. There is even the question of whether we have enough interest and support to continue holding this joint event. My view on this issue is very clear. The American Society of Sugar Cane Technologists has been an integral part of my 33 years in the industry and I owe a debt of gratitude to the many members who have mentored me, and others like me throughout our careers. This society is a viable part of our industry and we must keep it so. Thank you very much for your attention, I wish you a great time amongst friends and may God bless you all.