

AMERICAN SOCIETY OF SUGAR CANE TECHNOLOGISTS

Annual Joint Meeting - June 2006

President's Message - Florida Division

Stephen J. Clarke

On behalf of the Florida Division of the American Society of Sugar Cane Technologists, I am very happy to welcome everyone to the Tradewinds Resort in St. Petersburg Beach. We have had our joint meeting at this location on many occasions and I am sure that we will enjoy our time here, both in the technical sessions and on the beach.

The Presidential message is perhaps a "state of the industry" message, though, since the ASSCT is an organization of technologists, we should focus on technical and production issues, whatever they are and whatever the causes of the good and bad consequences for the industry. This has not been the best of years for either Florida or Louisiana and I will leave comments on the latter to Freddie Martin. The previous crop (2004/5) was also below expectations for essentially the same reasons of very adverse weather conditions. In the two previous seasons (2002/3 and 2003/4) about 18 million tons of cane were processed to yield over 2 million tons of raw sugar (at 96 pol). These high production rates resulted in marketing allocation issues but did show what the Florida cane industry is capable of producing. In 2004/5, 14.5 million tons of cane yielded 1.65 million tons of sugar and in the crop just completed the industry processed 12.8 million tons of cane to yield 1.34 million tons of sugar. Hurricane Wilma hit after the crop had started. Not only were yields down, both in the field and in the factory, but operating costs were significantly higher and extensive damage, especially to warehouses, made operations more complex. I am sure everyone involved has their own stories to tell and many of them will be told at this meeting. Earlier this year we had two freezes, both fairly mild, and we will have to wait and see what their impact will be. Hopefully, for the 2006/7 crop the weather conditions will be less traumatic.

After the initial shock of Wilma, the first reaction was not despair but determination to get operations back up and running again. Adverse conditions can bring out the best in people and the organizations or companies they work for. Leadership was critical and within weeks the mills were running again and the crop was completed. Weather conditions are only one aspect of what the industry has to face and changing business conditions have resulted in significant changes to the industry.

Unhappily, the Atlantic Sugar Association mill did not operate last crop and will not run again. On the other hand, the United States Sugar Corporation is consolidating, expanding and modernizing operations at the Clewiston facility and the next crop is

expected to be the last for the Bryant mill. Florida Crystals Corporation is expanding its power generating capacity and continuing the drive towards modernization and operating efficiency. All companies are exploring new technologies for sugar production and this is a time for confidence that the industry has a good future, though it may well be quite different to what could have been predicted only a few years ago. The industry must remain optimistic and the changes at Clewiston are an example of this. It will be different – many of the traditional challenges will remain, some will fade away and new challenges or opportunities will arise.

There is a welcome and changing perception of the industry, as a leader in responsible development with a gentle impact on the environment and the potential to contribute to sustainable energy development. There has been much publicity about the Brazilian ethanol program and corn-based ethanol. As responsible sugar producers, we have an obligation to consider the potential for ethanol here. However, many of the local conditions are very different than found in Brazil and the mid-West and, although some of the technology may be applicable, we must be very deliberate in assessing the commercial, environmental and regulatory issues of a cane to ethanol program.

I would like to close with a few comments on the ASSCT itself, especially the Florida division. The reduction in the number of operating factories seems to resulting in a reduction in the technological core of the industry and active membership of the ASSCT may be difficult to maintain at past levels. We must change the perception that the ASSCT is an organization for a few technologically minded people and demonstrate its relevance to the productivity and wellbeing of the industry as a whole.