

Commodity Credit Corporation's (CCC's) Determination Granting Growers' Requests for Transfer - October 10, 2003

On September 26, 2003, representatives of South Louisiana Sugar Cooperative (the Cooperative) and John Goode Farm Inc.; Patrick Richards Farms; Blanchard Farms; D& R Blanchard Farms; and Aysen Bros., Inc (Growers) met with the Executive Vice President of the Commodity Credit Corporation (CCC) to discuss the effect of CCC's July 17, 2003 approval of such grower's request to transfer a sugar marketing allocation commensurate with their production history from the Cooperative to other processors. In essence, the Cooperative has asked that CCC reconsider its July 17, 2003 determination. On September 30, 2003, Barry Aysen, President of Aysen Bros., Inc. withdrew his June 5, 2003 request to have allocation moved to Lafourche Sugar Mill. On October 3, 2003 Mr. Aysen asked CCC to rescind the September 30th request. Based upon the information available to CCC, including the information provided at the September 26, 2003, meeting, CCC has determined to deny the Cooperative's request to reverse its July 17, 2003, approval of the growers' transfer requests. The growers meet the statutory conditions necessary for CCC to allow the transfer. However, in allowing these transfers to occur, CCC wishes to make clear that this approval does not affect in any manner private contractual obligations that the Growers may have and that the provisions of section 359f of the Agricultural Adjustment Act of 1938 may not be used to avoid contractual obligations involving the Growers and other parties.

In initially approving the Growers' request, CCC did not pre-empt any existing rights and obligations of the Growers or any other party; similarly, today's determination in no way affects any obligation that may exist in any private contract or agreement between the Growers and any other party. If the Growers have a contractual obligation requiring that they deliver sugarcane to a processor, their action in requesting CCC to allow a transfer of allocation to another processor does not abrogate any obligation under the private contract.

CCC is approving the transfer of the allocations based solely upon the determination that the processor to whom they have delivered sugarcane in the past is no longer functioning and, thus, under the section 359f of the Agricultural Adjustment Act of 1938, the Growers may, at their own initiation, request that CCC transfer allocation to another processor. To the extent the Growers have initiated two separate courses of action that are contradictory, namely (1) entering into private agreements regarding the delivery of sugarcane that they produce to a specified processor and (2) requesting that CCC approve a transfer of allocation to another processor, the Growers must accept responsibility for the consequences of their actions.

While CCC is denying the Cooperative's request for reconsideration of CCC's July 17, 2003 determination, in light of the erroneous assumption of the Growers that CCC's July 17, 2003 determination

preempts other contractual obligations of the Growers, CCC will allow the Growers until October 24, 2003 to weigh the consequences of their requests. Unless notified in writing prior to October 24, 2003, CCC will consider the transfer of the Growers' allocations to the processors designated by the Growers to be final. Except as set forth in the immediately preceding paragraph, CCC will not, under section 359f of the Agricultural Adjustment Act of 1938, accept petitions to transfer sugar cane allocations to a new processor once harvest begins.