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### Sugar mill deal just sweet talk for now

Parties have yet to put something in writing

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Capital bureau

BATON ROUGE -- Although proponents of the \$45 million sugar syrup plant in Lacassine say it will be up and running this fall, Agriculture Commissioner Bob Odom has not yet signed an agreement with the cane farmers in southwest Louisiana who are supposed to buy the mill from the state over time.

A cooperative endeavor agreement would spell out the financial obligations and terms for the state and the Lake Charles Cane Cooperative, a group of about 20 farmers who are going to run the syrup mill. But the state Department of Agriculture and Forestry currently only has an oral agreement with the farmers, according to a letter from the agency in response to a public records request.

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Odom did not respond to requests made to his spokesman about the terms of the oral agreement. During an interview in January, Odom indicated he wanted to have a written document with the farmers by August.

The agreement should have been in hand two years ago when the State Bond Commission approved \$45 million worth of bonds to build the project, said Jim Brandt, president of the Public Affairs Research Council. "They should have had the full knowledge and awareness of what the agreement provides both in terms of the state's commitment and the commitment of the private sector," he said.

The Bond Commission approved Odom's request for the Lacassine project after about 15 minutes of discussion in September 2003. But since then, questions have been raised about the financial feasibility of the project, as well as a larger mill he wants to build in Bunkie. Odom also did not work out any written agreements with the cane farmers in Bunkie before bringing that proposal to the Bond Commission, where it has remained stalled during the past few months.

The Agriculture Department's preliminary financial analysis called for the cooperative to pay the state for the facility in the next 30 years from a portion of the proceeds of the mill. The state actually will pay off the bond debt for the plant using the \$12 million annually that is channeled into the Louisiana Agricultural Finance Authority from slot machine tax revenue earned at horse racing tracks.

The official cooperative endeavor agreement with the state should be ready soon, said Jackie Theriot, the general manager for the new mill hired by the Lake Charles cooperative. A new law requires that all such agreements that spend more than \$1 million of state money should be presented to a legislative budget committee before they are signed. But as that law does not go into effect until next January, it likely won't affect the Lacassine deal.

The Lacassine facility should be completed by the first or second week of October, Theriot said. A board member of the Louisiana Farm Bureau Federation, Theriot consulted on the Lacassine project for Odom and previously ran a sugar mill in St. Martinville.

After some testing of the mill equipment, Theriot said, he hopes the mill can begin processing cane by the middle or end of October. The Lacassine facility will boil the cane into syrup, which will then be shipped by train to mills that will process it into raw sugar.

Theriot said that if the syrup mill isn't ready by the beginning of November that some cane likely will be trucked directly to the raw sugar plants. But because fuel costs are high, the local farmers want to avoid having to do that, he said.

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