U.S. Sugar Stories for Nov. 18 to Nov 24

SFWMD

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| | WAS U.S. SUGAR BID TOO SWEET? | 11/19/2008 | Sun Sentinel, Fort Lauderdale, FL | |
| | New Plan To Buy U.S. Sugar Will Help Environment - And Save Jobs | 11/21/2008 | Town-Crier Newspapers, The | |
| | Farming company offers to buy US Sugar | 11/20/2008 | Tribune, The | |
| | U.S. Sugar explores ethanol option | 11/18/2008 | United Press International (UPI) | |
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## Farming company offers to buy U.S. Sugar

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11/20/2008
Associated Press (AP) - Tallahassee Bureau

CLEWISTON, Fla._A Tennessee-based farming company has made an offer to acquire U.S. Sugar Corp., its third bid to buy the nation's largest producer of cane sugar.

The Lawrence Group announced on Thursday its $300 per share proposal to shareholders of the Clewiston-based company. The previous bids _ in 2005 and 2007 _ were rejected by U.S. Sugar's board of directors without shareholder involvement.

U.S. Sugar earlier this year entered into a deal with the state of Florida to sell much of its land for Everglades restoration. The Lawrence Group says it can achieve the same environmental goal while keeping more of the land, cutting the $1.34 billion price tag for taxpayers and saving jobs.

U.S. Sugar declined immediate comment on the offer.



## A tale of two ethanol companies Coskata's up and Mascoma's down

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11/18/2008
AutoblogGreen.com

A tale of two ethanol companies: Coskata's up and Mascoma's down Posted Nov 18th 2008 at 5:44PM by Sebastian Blanco Filed under: Emerging Technologies , Ethanol , GM Sugar cane photo by 91RS . Licensed under Creative Commons license 2.0 . The two ethanol companies that GM has invested in, Coskata and Mascoma , must be making the automaker proud and frustrated this week, as they have very different news to report. Coskata's got some potentially good news: U.S. Sugar might be the next to try and commercialize the plasma/gassification ethanol production process with a plant in Florida. The Florida plant makes sense for U.S. Sugar because the company can use leftover sugar cane material to make the biofuel and because Florida has set its own ethanol mandate. Coskata already has a pilot plant agreement with the Westinghouse Plasma Center and another commercial partner in ICM . Meanwhile, over at Mascoma, the news is a bit less positive: CNET is reporting that the company is " shedding staff ," which in a small company like Mascoma means between 5 and 10 positions are now history. [Source: Coskata, CNET ] PRESS RELEASE U.S. Sugar to explore building 100 Million gallon

Coskata ethanol facility CLEWISTON, FL - November 17, 2008 -U. S. Sugar Corp. today announced that it has entered into an agreement with Coskata, Inc of Warrenville, IL to explore building a 100 million gallon per year cellulosic ethanol facility in Clewiston, Florida. The facility would be the world's largest second generation ethanol facility. It would convert left-over sugar cane material into ethanol, and would help Florida meet its aggressive second generation ethanol mandate set by Governor Charlie Crist. "We are very excited to be formally negotiating with Coskata to deploy their industry leading conversion technology," said U.S. Sugar's Sr. Vice President of Public Affairs Robert Coker. "We see this technology as a perfect complement to our existing sugar mill, not to mention a win for the environment, the farming community and for our employees. The non-food based ethanol could reduce greenhouse gasses by as much as 96% versus conventional gasoline. U.S. Sugar plans to collect cane leaves from the field versus burning them, as well as utilize excess bagasse from the mill. The Coskata technology, which is able to convert almost any renewable material, is expected to produce fuel ethanol with manufacturing costs of around $1 per gallon. As the State of Florida takes some of the US Sugar lands out of production for the Everglades restoration project, the Coskata technology is flexible enough to also use fast growing energy crops and waste materials to make the environmentally superior fuel. As part of the agreement, U.S. Sugar will be submitting an application to the Florida Energy Office for a financial match to their contribution for early engineering on this project. In addition, US Sugar plans to work with the US Department of Agriculture to secure some of the loan guarantee monies that have been set aside specifically for the production of non-food based biofuels. About U.S. Sugar Founded in 1931, United States Sugar Corporation is one of America's premier privately held agribusiness companies. The Company is the country's largest producer of sugar cane and refined cane sugar and is one of Florida's major producers of oranges and orange juice products. With state-of-the-art technology for both sugar manufacturing and citrus processing, U.S. Sugar practices the most efficient and progressive farming techniques available in the world. In addition to its principal businesses of sugar and citrus, U.S. Sugar also owns a short line railroad, the South Central Florida Express. About Coskata Coskata is a biology-based renewable energy company that is commercializing technology to produce biofuels from a wide variety of feedstocks. Using proprietary microorganisms and transformative bioreactor designs, the company will produce ethanol for under US$1.00 per gallon almost anywhere in the world. Founded in 2006 by leading renewable energy investors and entrepreneurs, including Khosla Ventures, Advanced Technology Ventures, and GreatPoint Ventures, Coskata has compiled a strong IP portfolio of patents, trade secrets, know-how and assembled a first-class team for the development and commercialization of its compelling syngas-to-ethanol process technology. For more information, please visit www.coskata.com . Tags: coskata , ethanol , mascoma Source Permalink Email this Print this  Share Comments ( 0 )

## - U.S. Sugar formalizes effort to stay in business

11/18/2008
Bradenton Herald
REID, ANDY

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U.S. Sugar Corp. announced a deal Monday to try to shift into ethanol production, formalizing an effort to stay in business even after a proposed deal to sell most of its sugar cane land to the state for Everglades restoration.

Florida's largest sugar cane producer entered a deal with Coskata Inc. of Warrenville, Ill. to explore building a 100 million gallon per year ethanol production plant near U.S. Sugar's Clewiston sugar mill.

U.S. Sugar and Coskata plan to ask for a state grant of about $2.5 million for engineering work. U.S. Sugar also intends to seek federal loan guarantees intended to encourage biofuel production.

This comes as U.S. Sugar continues to negotiate the finishing touches on a proposed $1.34 billion deal to sell 181,000 acres to the state to be used to help restore flows of water from Lake Okeechobee to the Everglades.

The deal with Coskata would create a new direction for U.S. Sugar if it sells most of its land to the state, but the ethanol proposal can also "stand on its own" if the Everglades deal falls through, U. S. Sugar Senior Vice President Robert Coker said.

"It's another step in the process of moving forward and looking at options," Coker said.

A final contract for the land deal with the state could be ready as early as this week. The South Florida Water Management District would borrow most of the money for the $1.34 billion deal, with taxpayers in the 16-county region from Orlando to the Keys paying off the debt.

The district's governing board must approve the purchase, with a vote expected in the middle of next month, at the earliest. The Coskata deal calls for using sugar cane leaves, normally burned in the field, and other agricultural leftovers form U.S. Sugar's mill to create environmentally-friendly biofuel.

If the state does buy most of U.S. Sugar's land, property could be leased to supply U.S. Sugar's mill and the proposed ethanol plant. Coskata's technology can also use trash and other waste material to create ethanol. Fast-growing crops other than sugar cane could be used to produce the fuel, according to U.S. Sugar.

## Lawrence Group Makes Offer to Acquire U.S. Sugar for $300 Per Share in Cash

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11/20/2008
Business Wire

Agriculture Writers/Business Editors

NASHVILLE, Tenn.--(BUSINESS WIRE)--November 20, 2008--The Lawrence Group, lead by Gaylon Lawrence, Sr. and son Gaylon Lawrence, Jr., one of the nation's largest owners of farm land, announced a $300 per share acquisition proposal to the shareholders of Clewiston-based U.S. Sugar Corporation. Major U. S. Sugar shareholders include the U.S. Sugar Employee Stock Ownership Plan, Charles Stewart Mott Foundation, Mott Children's Health Center, Flint Community Foundation and Mott family members.

"This deal is a 'win-win' for everyone including the environment, the South Florida Water Management District, shareholders, employees, surrounding communities and citizens of Florida," said Gaylon Lawrence, Jr. "Our offer is far superior to the one management of U.S. Sugar is trying to sell to the state – on several fronts. U.S. Sugar shareholders will receive $300 cash for their shares at closing, which if invested in investment grade corporate bonds, would yield more than $500 by the end of 2016 – without uncertainty."

In a memo to employees dated November 11, 2008, U.S. Sugar management claimed its most recent offer to the South Florida Water Management District would provide shareholders with as much as $365 per share by 2016. In reality, this plan locks them in for eight years, without giving individual shareholders the ability to sell their shares. Finally, it gives no assurances as to what those shares will be worth once the land is transferred to the state.

The Lawrence acquisition proposal, on the other hand, offers shareholders $300 per share, guaranteed. It also assures the employees and surrounding communities that U.S. Sugar will continue operating as a going concern for years to come. This will most certainly preserve jobs and help stabilize home values.

Previously, the Lawrences made bids of $293 per share to buy U. S. Sugar, once in 2005 and again in 2007, but those offers were both rejected by the board of directors without informing the shareholders. This time, the Lawrences are appealing to the shareholders directly with hopes they will recognize the generous $300 per share purchase price while also providing that the company will operate well beyond 2016.

In environmental terms, the Lawrence and state proposals both help accomplish Governor Crist's goal of restoring the north-south hydrology between Lake Okeechobee and the Everglades, with two major differences. First, U.S. Sugar's 181,000-acre land purchase proposal has the state acquiring tens of thousands of acres over and above what the South Florida Water Management requires to meet its goals. The Lawrence proposal will cost taxpayers a fraction of the $1.34 billion price tag. Secondly, it will preserve the jobs of the employees and contribute to the economic vitality of the local communities located south of Lake Okeechobee.

"We are committed to selling the land that the South Florida Water Management District needs to build this worthy project," said Lawrence, Jr. "It is still a complex work-in-progress, one we are fully committed to accomplishing as stewards of the land."

The deal is expected to close in 2009.

About The Lawrence Group: The Lawrence Group is a d/b/a representing the holdings of Gaylon Lawrence, Sr. and Gaylon Lawrence, Jr. The Lawrences have more than 75 years experience operating large farming enterprises. They own and manage one of the largest row crop farming enterprises in the country, including land in Illinois, Missouri, Arkansas, Mississippi and Florida. Florida holdings include one of the state's largest grove ownerships and a packing plant owned and operated by Premier Citrus. In addition, the Lawrences own air conditioning distributorships covering California, Nevada, Utah, Idaho and Florida. They also own five community banks with 15 offices in small towns located in northeast Arkansas, southeast Missouri and Tennessee.

For The Lawrence Group
Boardroom Communications
Todd Templin, 954-370-8999 or 954-290-0810 (Cell)
ttemplin@boardroompr.com

State Keywords: Tennessee
Industry Keywords: Natural Resources; Agriculture; Environment
Source: The Lawrence Group



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## LETTER TO THE EDITOR: Keep America's Dreams Alive

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11/20/2008
Clewiston News

LETTER TO THE EDITOR;
Keep America's dreams alive

I have a sad story to tell you about a sweet dream that have come to an end. Dreams are our hope to secure our country's fu-ture. America gives an equal op-portunity to her citizens to devel-op their ideas for prosperity, and create jobs and wealth for her people. My heart sunk and I cried when Marlene Kouba forwarded the news about shutting down sugar cane operation in Clewis-ton, Florida. Clewiston is a small town like my own town of Powell and it was developed 80 years ago when the country was experienc-ing economic depression.
Clewiston is called America's sweetest town it was born and built by sugar industry. This town is the heartland of the Florida Everglades. The town is located near bottom center of the Florida state surrounded by rich black soil known as muck that would become its wealth. In 1931 indus-trialist Charles Mott transferred Clewiston and the small Southern Sugar Co into U.S. sugar. In past 80 years since time of depression this little sugar Co has been grow-ing and providing jobs and eco-nomic prosperity for the State of Florida. . U.S. sugar has been one of the largest sugar cane co in the United State providing over 1700 jobs and processing 800,000 tons of sugar a year.
The corporation is planning to sell 300 square miles around Clewiston to the state, which is part of the plan to clean the Ev-erglades. Two sugarcane refi n-eries are located in Clewiston (owned by U.S. Sugar Corpora-tion) and South Bay (Okeelanta Corp.). Florida has six mills: two are located in Belle Glade, one in Clewiston, one in South Bay, and two in Pahokee. $2,004,300,000 is generated in the state of Florida each year by the production of sugar and corn sweetener prod-ucts.
Bear in mind that the shrink-ing profi t margins have lead to the closer of 53 sugar beet and cane facilities since 1985. Every one of these old sugar cane and beet facilities were build by early industrialists whom had a dream for America.
Their dream has been profit-able for example sugar indus-try contributes over $10 billion dollars annually to our nation's economy. Sugar producers have been operating their farms with not much of increase in their cost –of- living for past two decades. According to the Bureau of La-bor Statistic for sugar producers, the cost of production has not remained static like their loan rate. Fuel costs have skyrocketed by 177 percent, wages are up 99 percent, and equipment and chemical cost have soared by 64 percent. Thank God that there is a good news for U.S. sugar farmers in the new 2007 Farm Bill, which it was passed and signed to off-set a fraction of sugar producer's higher costs of production and shrinking profi t margins. The Farm Bill has increased the loan rates on raw sugar by fi ve –tenths of one penny per pound, which will be an increase of 2.7 percent. Agriculture has united behind the strong 2007 farm bill to make our nation food supply more secure.
As our nation's sugar cane and beets were being harvested this year the crops looked good and every one were happy but sugar farmers got the worst news. De-spite increasing input cost the sugar price plunged down. Market analysts attribute this price free fall to an August decision by the U.S. Department of Agriculture to import additional subsidized for-eign sugar, a move that the sugar industry called "premature" at that time.
In August at the 25th Inter-national Sweetener Symposium under Secretary Mark Keenum announced that the U.S. Depart-ment of

Agriculture would allow an additional 300,000 tons of re-fi ned sugar imports onto the U.S. market for FY 2008. Sugar produc-ers felt this action was premature, and the American Sugar Alliance issued the following statement: " We are unaware of any sugar buyer in this country who is hav-ing trouble finding sugar. And, while sugar prices have rebound-ed in the past couple of months, they are still far below price in-creases for other commodities. The USDA's actions today cast a cloud over a sugar industry that has been dealing with depressed prices and soaring input costs for some time.
Nobody listen to sugar asso-ciations worming and earlier this month, the USDA changed its estimates and is now forecasting 200,000 tons of additional beets sugar on the market. Many in the industry expect these numbers to grow even more as sugar beets are harvested in the Midwest and Louisiana finishes just its season.
Early industrialists saw the great opportunities to build in-dustries like sugar cane and beet facilities to grow food and provide jobs for small towns. One can see the result of such a dream in our present economic and food sup-ply security. Sweet dream that has provided 372,000 direct and indirect jobs in 42 states and con-tributes $21.1 billion in positive economic activity in America. As citizens of this great nation we have to make our lawmak-ers work for our consumers the subsidized sugar imported to this country will not be cheap once we lose our sugar industries. As American it is our duty to keep our country land of dreams come true for our next generation.
Sincerely, Park and Big horn county Women Involve In Farm Eco-nomic (WIFE) President and National Sugar Chairman Klodette Stroh.

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## DJ US Sugar Corp Mulls New Ethanol Plant With Illinois Co

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11/18/2008
Dow Jones Commodities News Service

Nov 18, 2008 (Dow Jones Commodities News Select via Comtex) -- DOW JONES NEWSWIRES

Florida-based U.S. Sugar Corp. announced Monday it has entered an agreement with Coskata Inc. in Illinois to consider building a 100-million-gallon-per-year cellulosic ethanol facility in Clewiston, Fla.

The plant would convert leftover cane material into ethanol and is planned as the world's biggest, second-generation ethanol operation. Production would help Florida meet an ethanol-use mandate set by Gov. Charlie Crist, U.S. Sugar said.

U.S. Sugar senior vice president Robert Coker said the technology would be a "complement to our existing sugar mill" and "a win for the environment and the farming community."

U.S. Sugar plans to collect cane leaves from fields instead of burning them and to use excess bagasse or cane waste from its mill in production. The Coskata technology is expected to make fuel-grade ethanol at manufacturing costs of about $1 a gallon.

As part of the agreement, U.S. Sugar intends to submit an application to the Florida Energy Office for a financial match to their contribution for early engineering on the project. U.S. Sugar said it plans to work with the U.S. Department of Agriculture to secure loan-guarantee money, set aside for non-food-based biofuels.

Earlier the state of Florida announced that it would take some U. S. Sugar land out of production in years ahead for Everglades restoration.

-By Susan Buchanan, Dow Jones Newswires; 504-371-5461 susan. buchanan@dowjones.com

(END) Dow Jones Newswires

11-18-08 1053ET



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## DJ US Sugar Corp Awaits Formal Buyout Bid From Lawrence Group

11/21/2008
Dow Jones Commodities News Service

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Nov 21, 2008 (Dow Jones Commodities News Select via Comtex) -- DOW JONES NEWSWIRES

U.S. Sugar Corp., Florida cane producers and processors, will consider a buyout bid by The Lawrence Group, a Tennessee-based farming firm, if one is made, the company said this week.

In letters to U.S. Sugar shareholders this week, The Lawrence Group announced a proposal to buy the Clewiston-based company.

Robert Coker, senior vice president at U.S. Sugar Corp., said "no actual offer has been received. Our directors and some of our stockholders have received a letter from The Lawrence Group expressing its interest in acquiring all the stock of U.S. Sugar Corporation."

If a formal bid is made, "our Board of Directors will carefully review it with professional advisors and the company's management team," Coker said. The board intends "to give fully-informed consideration to the potential transaction, consistent with its fiduciary obligations to the interests of the stockholders, and to compare the merits of the proposal with the transaction currently being negotiated with the South Florida Water Management District."

A deal with the state of Florida to sell much of U.S. Sugar's lands for Everglades restoration is close to, but not yet finalized.

Coker said "our directors are continuing to review and evaluate alternatives available to the company and its stockholders, and look forward to an orderly, measured and considered process that will result in a transaction that is in the best interests of the company and its stockholders."

U.S. Sugar's board of directors rejected buyout bids by The Lawrence Group in 2005 and 2007.

-By Susan Buchanan, Dow Jones Newswires; 504-371-5461 susan.buchanan@dowjones.com

(END) Dow Jones Newswires

11-21-08 1055ET



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## U.S. Sugar, Coskata consider Florida ethanol facility

11/18/2008
Energy Current

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CLEWISTON, FLORIDA: U.S. Sugar Corp. has entered into an agreement with renewable energy company Coskata to explore building a 100 million gallon per year cellulosic ethanol facility in Clewiston, Florida. If built, the facility would be the world's largest second generation ethanol facility, converting leftover sugar cane material into ethanol. 'We are very excited to be formally negotiating with Coskata to deploy their industry-leading conversion technology,' said U.S. Sugar Senior Vice President of Public Affairs Robert Coker. 'We see this technology as a perfect complement to our existing sugar mill, not to mention a win for the environment, the farming community and for our employees.' U.S. Sugar plans to collect cane leaves from its field rather than burning them, as well as use excess bagasse, the biomass remaining after sugar cane is crushed, from the mill. Coskata technology is expected to produce fuel ethanol from this material at about US$1 per gallon.

As the State of Florida is taking some U.S. Sugar lands out of production as part of the Everglades restoration project, the Coskata technology is flexible enough to use other fast-growing crops and waste materials to make fuel.

As part of the agreement, U.S. Sugar will submit an application to the Florida Energy Office for a financial match to their contribution for early engineering on the project. U.S. Sugar also plans to work with the U.S. Department of Agriculture to secure loan guarantee money that has been set aside for the production on non-food based biofuels.

## Wetlands purchase hits contamination hurdle

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11/18/2008
Environmental Data Interactive Exchange

A plan to rescue a world-famous stretch of wetlands has hit a hurdle after it was revealed that large swathes of the land have potentially harmful levels of pollution.

Florida state authorities announced a $1.75bn deal to buy up part of the rapidly-shrinking Everglades earlier this year (see related story).

But the body that manages the Everglades restoration and will bankroll the land purchase has been told that more than half of the land the state is set to buy from US Sugar Corp is polluted.

The results of an environmental assessment presented to the South Florida Water Management District showed the soil is contaminated with varying levels of copper, selenium, DDT and other chemicals.

Members of the board heard that approximately 49,000 acres of the land - or 27.5% of that the state will buy - has been assessed by environmental experts as posing a significant risk.

Arsenic was detected at levels above human health standards in more than 6,000 acres of land.

A worst case scenario estimated that US Sugar Corporation would have to pay more than $21m in clean up costs as part of the deal.

Most of the costs would be met by the South Florida Water Management District, however.

Board member Charles Dauray raised concerns about the purchase of the site. 'I don't want to get stuck with a land mine,' he said.

But the organisation's executive director Carol Wehle said the results of the assessment did not contain any surprises.

'They aren't any better or any worse than any other agricultural land we've acquired,' she told the meeting.

More work will be carried out to establish the exact costs of the potential clean up operation.

Read the environmental assessment here.

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## Coskata, U.S. Sugar consider 100 MMgy ethanol plant

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11/20/2008
Ethanol Producer Magazine
Ryan C. Christiansen

Coskata Inc., an ethanol technology company based in Warrenville, Ill., has entered into an agreement with Clewiston, Fla.-based U.S. Sugar Corp., the nations largest producer of cane sugar, to explore building a 100 MMgy cellulosic ethanol plant in Clewiston that would convert 1 million tons of sugarcane trash and bagasse into ethanol annually, according to Wes Bolsen, chief marketing officer and vice president of business development for Coskata.

Bolsen said under the agreement, U.S. Sugar will request a financial match from the Florida Energy Office to help fund engineering for the project and will seek loan guarantees from the USDA. The estimated $400 million ethanol plant could begin production as early as 2012, he added.

Discussions and plans between Coskata and U.S. Sugar had been on hold for several months pending a deal between U.S. Sugar and the state of Florida which would entail the company selling land south of Lake Okeechobee to the state for Everglades restoration. On Nov. 12, U.S. Sugar announced an agreement had been reached to sell 181,000 acres to the state for $1.34 billion and the company would lease-back the land for $50 per acre for a period covering seven crop cycles. Under the agreement, the sugar mill, refinery, citrus processing facilities, railroads, office buildings, equipment and the Gilchrist County citrus nursery will remain the property of U.S. Sugar. The company said a final contract must be considered and approved by the companys board of directors and also the South Florida Water Management District (SFWMD). Approval is expected in early December.

After General Motors Corp. announced in January 2008 that it was making an undisclosed strategic investment in Coskata, the ethanol technology company received numerous calls from parties interested in partnering to produce ethanol, Bolsen said. Coskata has been in discussions with U.S. Sugar since early 2008, according to Bolsen. U.S. Sugars recent agreement with the state of Florida broke everything loose, he said, and laid out a very clear path for Coskata and U.S. Sugar to work together. Bolsen added that Coskata is in discussions with multiple companies to build ethanol plants and expects to make another major announcement before the end of the year.

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## Officials concede little progress on Everglades

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11/19/2008
Florida Keys Keynoter

The first eight years of a two-decade schedule to restore the Everglades and Florida Bay have produced few tangible changes, experts acknowledged Tuesday. Even the term 'restoration' is misleading, federal and state officials said at a daylong workshop in Tavernier.

'It's not the River of Grass anymore, no one should even think that,' said Dennis Duke of the South Florida Restoration Task Force. 'It's a series of managed reservoirs.'

'We're not going to get back the Everglades we once had,' said Duke, noting the actual goals aim to restore the most essential 'defining characteristics' of Everglades ecology.

The best estimate for the physical completion of any project that could directly benefit Florida Bay is 2012, said the experts, speaking to the Florida Keys National Marine Sanctuary Advisory Council.

Even that is contingent upon the outcome of a newly filed lawsuit over plans to improve the Tamiami Trail highway, National Park Service hydrologist Bob Johnson said.

Mike Collins, an Islamorada fishing guide who serves on the South Florida Water Management District, said much of the Everglades restoration plan could be rewritten since Gov. Charlie Crist announced plans to buy 182,000 acres from U.S. Sugar.

'The [Everglades] system doesn't work the way it used to,' Collins said. 'It's a myth that getting more land will make it work. We've found that's not true. The system is on life support, and we're going to have to pump water to storage areas.'

Collins said he has 'very large concerns' about the pending U.S. Sugar deal, specifically the current $1.34 billion cost. The Water Management District has been charged with overseeing the U.S. Sugar acquisition.

'This could leave us with no money for projects,' Collins said. 'We could wind up owning all this sugar land and for 20 or 30 years, there will be nothing but sugar on it. Nothing will have changed.'

He said Everglades advocates 'need to be skeptics on everything that comes down the road, and ask questions about everything that is being done and why.'

While there is agreement on the main Everglades restoration goals to store south-flowing water for dispersal in a more natural design, said Tommy Strowd of the water district staff, 'it could take a number of years' to work out all the issues.'

'It's a simple overview' of the goal, Strowd said, 'but it's not a simple technical problem.'

Panelists outlined five projects (the entire Everglades plan includes 68 projects) expected to help South Florida and the bay:

- The 'de-compartimentalization' of the large Water Conservation Area No. 3, north of the Tamiami Trail, by filling drainage canals and removing levees. 'Now it's very much compartimentalized, and the water delivery is very unnatural,' said Kimberly Taplin of the U.S. Army Corps of Engineers.

- The Biscayne Bay Coastal Wetland Project, to more naturally distribute freshwater reaching the bay, replacing a large drainage canal.

- The Modified Water Deliveries project, underway since 1989, to move water flows in Everglades National Park more to the east.

- The C-111 Canal projects to restore historical flows to Florida Bay.

'We can't do all [the projects] at the same time' because of money and planning issues, Strowd cautioned. 'You can't eat an apple in one bite.'

'What we can do is do is take bite-size pieces, and keep our eye on the larger picture,' he said.

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## Editorial: State Needs Sugar Land

11/22/2008
Ft. Myers News-Press

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U.S. Sugar should follow through on its agreement to sell 181,000 acres south and east of Lake Okeechobee to the state for Everglades Restoration. That deal is fair to shareholders, and in the public interest.

The attempt by a Tennessee-based farming company to acquire the land, if successful, might compromise those restoration plans, including protection of coastal estuaries like Lee County's from the kind of devastation they suffered in 2004 and 2005 from the release of polluted lake water.

The state deal promises a giant leap forward in plans to restore as much as possible of South Florida's ecosystem.

That's because the land - as much of it as necessary - would be used to restore the natural southerly flow of excess lake water in the wet season, and to cleanse and conserve that water. That not only saves the east and west coast estuaries from being dumping grounds for agricultural pollution, it can also rescue Everglades National Park and the Florida Bay/Florida Keys system off the state's southern tip, all imperiled by inadequate or polluted water. It's a fantastic opportunity.

But if the land is sold instead to the Lawrence Group of Nashville, the priority may remain with the commercial production of sugar cane in the Everglades, which is a huge part of the environmental problem to begin with.

We sympathize with the need to preserve jobs in the lake region, but not at the expense of the environment. Economic development based on a healthy ecosystem is far more promising and sustainable than sugar cane farming.

Lawrence says its offer of $588 million is significantly better than the state's $1.34 billion offer because shareholders would be freer under their offer to invest the proceeds of the sale. The state and U.S. Sugar have yet to respond to these claims. The state's offer is hardly a lowball one; one analyst says it's $400 million too high.

Lawrence promises to work with the state on restoration projects. But what good is such a promise if the company's motive for getting involved is to farm the Everglades?

The state has yet to determine how much acreage will be needed for restoration. Estimates range from 95,000 acres to 140,000 or more.

But the state should buy it all, then sell, swap or lease for farming any excess land, once we're sure it's not needed for restoration.

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**LETTER TO THE EDITOR: Keep America's dreams alive**
11/20/2008
Glades County Democrat

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LETTER TO THE EDITOR:
Keep America's dreams alive

I have a sad story to tell you about a sweet dream that have come to an end. Dreams are our hope to secure our country's fu-ture. America gives an equal op-portunity to her citizens to devel-op their ideas for prosperity, and create jobs and wealth for her people. My heart sunk and I cried when Marlene Kouba forwarded the news about shutting down sugar cane operation in Clewis-ton, Florida. Clewiston is a small town like my own town of Powell and it was developed 80 years ago when the country was experienc-ing economic depression.

Clewiston is called America's sweetest town it was born and built by sugar industry. This town is the heartland of the Florida Everglades. The town is located near bottom center of the Florida state surrounded by rich black soil known as muck that would become its wealth. In 1931 indus-trialist Charles Mott transferred Clewiston and the small Southern Sugar Co into U.S. sugar. In past 80 years since time of depression this little sugar Co has been grow-ing and providing jobs and eco-nomic prosperity for the State of Florida. . U.S. sugar has been one of the largest sugar cane co in the United State providing over 1700 jobs and processing 800,000 tons of sugar a year.

The corporation is planning to sell 300 square miles around Clewiston to the state, which is part of the plan to clean the Ev-erglades. Two sugarcane refi n-eries are located in Clewiston (owned by U.S. Sugar Corpora-tion) and South Bay (Okeelanta Corp.). Florida has six mills: two are located in Belle Glade, one in Clewiston, one in South Bay, and two in Pahokee. $2,004,300,000 is generated in the state of Florida each year by the production of sugar and corn sweetener prod-ucts.

Bear in mind that the shrink-ing profi t margins have lead to the closer of 53 sugar beet and cane facilities since 1985. Every one of these old sugar cane and beet facilities were build by early industrialists whom had a dream for America.

Their dream has been profit-able for example sugar indus-try contributes over $10 billion dollars annually to our nation's economy. Sugar producers have been operating their farms with not much of increase in their cost –of- living for past two decades. According to the Bureau of La-bor Statistic for sugar producers, the cost of production has not remained static like their loan rate. Fuel costs have skyrocketed by 177 percent, wages are up 99 percent, and equipment and chemical cost have soared by 64 percent. Thank God that there is a good news for U.S. sugar farmers in the new 2007 Farm Bill, which it was passed and signed to off-set a fraction of sugar producer's higher costs of production and shrinking profit margins. The Farm Bill has increased the loan rates on raw sugar by fi ve –tenths of one penny per pound, which will be an increase of 2.7 percent. Agriculture has united behind the strong 2007 farm bill to make our nation food supply more secure.

As our nation's sugar cane and beets were being harvested this year the crops looked good and every one were happy but sugar farmers got the worst news. De-spite increasing input cost the sugar price plunged down. Market analysts attribute this price free fall to an August decision by the U.S. Department of Agriculture to import additional subsidized for-eign sugar, a move that the sugar industry called ‟premature” at that time.

In Auguest at the 25th Inter-national Sweetener Symposium under Secretary Mark Keenum announced that the U.S. Depart-

ment of Agriculture would allow an additional 300,000 tons of re-fi ned sugar imports onto the U.S. market for FY 2008. Sugar produc-ers felt this action was premature, and the American Sugar Alliance issued the following statement: " We are unaware of any sugar buyer in this country who is hav-ing trouble finding sugar. And, while sugar prices have rebound-ed in the past couple of months, they are still far below price in-creases for other commodities. The USDA's actions today cast a cloud over a sugar industry that has been dealing with depressed prices and soaring input costs for some time.
Nobody listen to sugar asso-ciations worming and earlier this month, the USDA changed its estimates and is now forecasting 200,000 tons of additional beets sugar on the market. Many in the industry expect these numbers to grow even more as sugar beets are harvested in the Midwest and Louisiana finishes just its season.
Early industrialists saw the great opportunities to build in-dustries like sugar cane and beet facilities to grow food and provide jobs for small towns. One can see the result of such a dream in our present economic and food sup-ply security. Sweet dream that has provided 372,000 direct and indirect jobs in 42 states and con-tributes $21.1 billion in positive economic activity in America. As citizens of this great nation we have to make our lawmak-ers work for our consumers the subsidized sugar imported to this country will not be cheap once we lose our sugar industries. As American it is our duty to keep our country land of dreams come true for our next generation.
Sincerely, Park and Big horn county Women Involve In Farm Eco-nomic (WIFE) President and National Sugar Chairman Klodette Stroh.

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## Financial advisors State bid too high for U.S. Sugar buyout

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11/18/2008
Jupiter Courier

The states bid to buy out U.S. Sugar Corp. and make way for Everglades restoration was $400 million too high from the start, according to the findings of outside financial advisors released Tuesday.

Gov. Charlie Crist in June announced a $1.75 billion deal to buy all of U.S. Sugars land, facilities and equipment to restore water flows between Lake Okeechobee and the remaining Everglades.

However, the New York financial firm Duff & Phelps hired to render a 'fairness' opinion on the proposal estimated the combined value of U.S. Sugars land, facilities and equipment at a maximum of $1.3 billion.

Crist last week announced a scaled-down version of the deal that calls for buying most of the land but also allows the company to keep the sugar mill, rail lines and other assets it needs to stay in business. The new $1.34 billion proposal still comes in higher than the 'fair' purchase price suggested by Duff & Phelps.

Just the land is worth $930 million, according to a Nov. 13 letter to the board of the South Florida Water Management District, which decides whether to approve the deal. The 'fairness opinion' is one part of the districts ongoing due diligence that will be considered before a decision is made, the agency said in a statement released Tuesday. 'It is not an appraisal and does not provide a conclusion about the value of the acquisition relative to its public purpose,' the district added.

U.S. Sugar Senior Vice President Robert Coker rejected the firms findings, saying they were based on a review of just one year of U. S. Sugars financial records. 'To put some arbitrary value on the company based on one year ... is completely unwarranted. It was flawed,' Coker said. 'This is a very good deal for the state of Florida [and] it is a good deal for U.S. Sugar.' The state plans to use 181,000 acres of U.S. Sugar land to build reservoirs and treatment areas to store, clean and redirect water to the Everglades.

The district would borrow most of the money for the deal, with taxpayers from Orlando to the Keys paying off the debt. The 'fairness' opinion came in substantially lower than independent appraisals conducted for the district to estimate the value of buying out U.S. Sugars land and assets. Those reports estimated the value of the original deal at $1.7 billion according to Anderson & Carr Inc. of West Palm Beach, and $1.9 billion according to Gillott Appraisal Services of Palm Harbor.

The value of the scaled-down deal, which doesnt include the sugar mill, rail lines and other assets, was estimated at $1.3 billion according to Anderson & Carr, and $1.37 billion according to Sewell, Valentich, Tillis and Associates of Sarasota.

Under the original proposal, the district anticipated getting as much as $600 million in company assets that could have been sold to defray the cost of that $1.75 billion deal.

Duff & Phelps estimated those assets to be worth about $400 million.

The review by Duff & Phelps was based on the complete buyout. It cited land-value estimates in the Anderson & Carr appraisal for the original deal.

The state contends that the value of the land increases under the land-only purchase scenario because its potential uses are no longer limited to agricultural production and other operations tied to U.S. Sugar.

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## New bidder emerges for U.S. Sugar land eyed for 'Glades work

11/20/2008
Jupiter Courier

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A new buyer emerged today for U.S. Sugar Corp's 187,000 acres - creating another bidder for land the state planned to buy for Everglades restoration.

The Lawrence Group, which owns and manages farmland in the South and Midwest, offered to buy U.S. Sugar for $300 per share. The group contends that if properly invested the deal could be worth more than $500 per share for U.S. Sugar's owners by 2016. That compares to $365 per share by 2016 under U.S. Sugar's current proposed deal with the state, according to the Lawrence Group.

The group contends its deal could still provide land for Everglades restoration, but would allow the state to avoid buying farmland it doesn't need and keep the remaining land in agricultural production.

U.S. Sugar Senior Vice President Robert Coker declined comment. Gov. Charlie Crist in June announced the state's $1.75 billion bid for U.S. Sugar and use the company's land to restore water flows from Lake Okeechobee to the Everglades.

This month, Crist announced a scaled-down $1.34 billion proposal for the state to buy 181,000 acres from U.S. Sugar and allow the company to keep its sugar mill, rail lines and other assets needed to stay in business.

After five months of closed-door negotiations, the state and U.S. Sugar were expected to finalize a proposed contract for the deal as early as this week. The deal must still be approved by the South Florida Water Management District. The district plans to borrow most of the money to pay for the land buy, with taxpayers in the region that stretches from Orlando to the Keys paying off the debt.

The Lawrence Group said it previously bid $293 per share to buy U.S. Sugar in 2005 and 2007, but was rejected. This time, the group sent letters detailing its offer directly to U.S. Sugar shareholders. 'This deal is a 'win-win' for everyone including the environment,' Gaylon Lawrence, Jr. said in a written statement released Thursday. 'Our offer is far superior to the one management of U.S. Sugar is trying to sell to the state - on several fronts.'

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## U.S. Sugar May Build

11/18/2008
Ledger - Online, The

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U.S. Sugar Corp. will consider building an ethanol facility in the Everglades, a move that might help the nation's largest producer of cane sugar stay in business. U.S. Sugar and Illinois-based Coskata Inc. announced Monday the agreement to explore construction of the cellulosic ethanol facility in Clewiston. The plant would convert unused sugar cane material into ethanol. If the proposal goes through, it could provide a new source of revenue for U.S. Sugar, which has entered a deal with the State of Florida to sell much of its land for Everglades conservation. The proposed facility would convert cane leaves and other waste into fuel. It is expected to produce 100 million gallons per year, and would be the world's largest second-generation ethanol facility.

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## Adviser U.S. Sugar Gets a Sweet Deal From Taxpayers

11/20/2008
Ledger - Online, The
Craig Pittman

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Workers in the Okeelanta Sugar Refinery, alongside piles of 'scrap' sugar, waiting o be refined, in western Palm Beach County, Fla., August 22, 2008.

St. Petersburg Times

Last Modified: Thursday, November 20, 2008 at 1:50 a.m.

An independent financial adviser hired by the state says the land U.S. Sugar wants to sell for Everglades restoration is worth $930 million - not the $1.3 billion the state announced last week it is willing to pay.

Only if all of U.S. Sugar's holdings are included - 187,000 acres of land, plus a sugar mill, railroad and citrus operation - would the value reach $1.3 billion, according to a Nov. 13 letter from Duff & Phelps, the state's New York financial adviser.

The letter is dated the day after Gov. Charlie Crist unveiled a deal in which the state buys 181,000 acres of U.S. Sugar's land, and nothing else, for $1.34 billion.

The letter from the firm's managing director, Andrew Capitman, was posted Tuesday on the Web site of the South Florida Water Management District, the state agency in charge of the buyout.

Sugar officials scoffed at the Duff & Phelps opinion, which cost the water district more than $1 million. U.S. Sugar vice president Bob Coker dismissed the financial adviser as 'Huey, Dewey & Louie' - Donald Duck's cartoon nephews - and said the firm 'probably shouldn't be licensed to work in Florida.'

He contended the land is so valuable that 'some people think the state is getting the Hope Diamond at cubic zirconia prices.'

He and sugar lobbyist J.M. 'Mac' Stipanovich, who helped negotiate the deal with the state, contended that the letter had been posted on the district's Web site to fuel opposition to the price.

'I suspect it was requested by someone who intends to oppose the buyout,' Stipanovich said.

Sugar farming south of Lake Okeechobee has long been considered a major obstacle to the $10 billion plan for restoring the Everglades. Environmental groups sued to challenge the practice of backpumping farm runoff containing phosphorous, pesticides and other chemicals into the lake.

After a judge ruled for the environmental groups, the water district board voted in August 2007 to end the practice.

The sugar company dispatched Stipanovich and another lobbyist to ask Crist for relief.

Instead, in that November 2007 meeting, he proposed the state buy out the company and all its facilities.

Eight months later, in June, Crist unveiled the result: a tentative deal for a complete buyout that would allow turning the sugar land into a network of marsh treatment areas and reservoirs to clean and store water before sending it south into Everglades National Park.

But in succeeding months, as the Wall Street meltdown jeopardized borrowing that much money, state officials decided they didn't want the sugar mill, railroad or citrus operation.

So Crist announced last week that the state would buy 181,000 acres of the company's land for $1.34 billion.

The revised deal is supposed to be voted on by the Water Management District's governing board next month.

The water board has hired three appraisers to review the price of the land.

In September, district officials also hired Duff & Phelps to review the buyout and provide them with a 'fairness opinion' as to whether the sale represents a fair deal for the taxpayers.

Although the opinion cost the water district more than $1 million, Coker considers it worthless.

'That valuation was done for a business deal that's not currently on the table,' he said.

The Duff & Phelps letter addresses the original deal, not the new one. Two appraisals, done Oct. 25 and Nov. 1 by experts hired by the water district, said the land would be worth $1.3 billion.

Water district spokesman Gabe Margasak said the Duff & Phelps opinion 'is not an appraisal and does not provide a conclusion about the value of the acquisition relative to its public purpose.'

He said the agency 'remains committed to achieving an acquisition that provides the best possible returns for our taxpayers, our communities and America's Everglades.'

## Boat Ramp at Port Hatchineha Opens Today

11/21/2008
Ledger - Online, The
Del Milligan

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Signs have been posted this week at the county boat ramp at Port Hatchineha, announcing that the long-awaited opening will be today.

'It will be open for public use,'' said Don Wilson, director Polk County Leisure Services.

The ramp will open at 5 a.m. today, and boats can launch and load 24 hours a day, seven days a week for no charge.

Wilson said all airboats must have mufflers.

Gennie Glenn has been hired as the caretaker. Park hours are 5 a.m. to 10 p.m.

Wilson said his office is waiting for a report concerning the cleanup of minor fuel contamination around gas tanks, and it is possible the ramp would close temporarily because of any repair work necessary.

Wilson also said rental facilities at the park will be available.

'We'll be opening up the camp sites and apartments for rent just as soon as we get some amendments made to the approaches to the rest rooms,'' he said.

For information on rentals, see the caretaker or call Leisure Services at 863-534-4340.

Changes Proposed forQuota Permits at WMAs

Recommendations for improving the state's quota hunt permitting process at wildlife management areas will be discussed when the Florida Fish and Wildlife Conservation Commission meets in Key West on Dec. 3.

Proposed rule changes to the WMA Quota Hunt Permit Program include permit transferability and guest permits.

The Quota Hunt Stakeholders Working Group has been meeting for the past year to review the current system.

Public input was also heard at meetings around the state.

The objective of the proposals by the working group is to increase the number of hunters, keep them in the sport, and give more hunters a fair shot at getting permits.

The working group's recommendations and findings are online at www.consensus.fsu.edu/FWC/quotahunt.html.

The complete summary of the rule proposals is also online, with a form to comment on, at MyFWC.com/Contact/ContactRulesintro.htm.

If the rules are approved, the Commission will vote on the final proposals at its February meeting in Destin. They would take effect for 2009-2010.

Purchase of U.S. SugarDocuments Are Online

Anyone interested in the documents regarding the state's purchase of U.S. Sugar Corporation lands last week can read them online at the South Florida Water Management District Web site.

The state of Florida purchased 181,000 acres south of Lake Okeechobee from U.S. Sugar for $1.34 billion.

The land is between Okeechobee and the Everglades, a region commonly called the River of Grass.

Documents that include due diligence presentations are online at www.sfwmd.gov/riverofgrass.

Kreh at Fly Fishing Event

Lefty Kreh of St. Petersburg will be one of the instructors at the second annual Renzetti Fly Fishing and Rod Building Fair on Dec. 6 in Titusville. Call 321-267-7705 or check www.renzetti.com.

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## Offer Made For U.S. Sugar

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11/21/2008
Ledger - Online, The

A Tennessee-based farming company made an offer Thursday to acquire U.S. Sugar Corp., its third bid to buy the nation's largest producer of cane sugar.

Related Links:

The Lawrence Group announced its $300 per share proposal to shareholders of the Clewiston-based company. The previous bids in 2005 and 2007 were rejected by U.S. Sugar's board of directors without shareholder involvement.

U.S. Sugar earlier this year entered into a deal with the state of Florida to sell much of its land for Everglades restoration.

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## US Sugar Sees The Future in the Plant Waste: Ethanol

11/18/2008
Miami Herald
Jane Bussey

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CLEWISTON -- Egrets, herons and other birds circle as a sugar harvester rolls slowly through a cane field, slicing the stalks at the base, loading them into transport trucks and then blowing the thrash back onto the ground.

The harvested cane will be milled into raw sugar in a mere seven hours. But someday there may also be value in what is left in the fields.

Judy Sanchez, spokeswoman for Clewiston-based United States Sugar Corp., pointed to the piles of leaves and other plant material blanketing the cane field. ''All that can be used as biomass,'' she said as she watched the birds swoop in to feast on insects churned up in the harvest.

Alternative energy production is a promising new business and one of the compelling reasons for keeping the Clewiston mill and refinery operating under U.S. Sugar's control.

Rather than distilling sugar cane into ethanol, U.S. Sugar is interested in using the estimated one million tons of plant waste generated in sugar production -- the biomass -- to make lower-cost ethanol.

''We believe alternative energy is a very viable alternative for facilities like ours,'' said Robert Coker, senior vice president of public affairs.

U.S. Sugar is already into energy generation. Crushed cane stalk, called bagasse, fuels boilers that create steam to generate the electricity that powers the company's state-of the-art sugar mill and an adjacent refinery.

''We generate 45 megawatts a day,'' Sanchez said. The Clewiston plant uses 30 megawatts, and the rest is sold to Florida Power & Light for its grid.

Generating alternative energy is still in the future for U.S. Sugar, but the company has plenty of ways to come up with biomass. Not only are bagasse and thrash potential sources, but new technology may one day strip the leaves from cane stalks. Currently, the leaves are burned off in controlled fires to make cane easier to harvest.

Most U.S. ethanol is made from corn -- sugar cane is not cost-effective -- but using biomass should bring costs down.

In September, U.S. Sugar said it had been in discussions with a number of firms about alternative energy production and had been ''particularly impressed'' with the Warrenville, Ill., renewable energy company Coskata.

But those discussions were put on hold during the negotiations with the South Florida Water Management District. Now, with a new deal to purchase 181,000 acres of land from U.S. Sugar for Everglades restoration in the works, those talks may resume.

''Having resolution on this allows discussions to move forward between our companies,'' said Wes Bolsen, chief marketing officer at Coskata, which bills itself as a biology-based renewable energy company offering the ''next generation of ethanol'' technology.

It says it can turn biomass, municipal solid waste and other carbon sources into ethanol for less than $1 a gallon. Bolsen said that producing biomass fuel potentially could not only reduce burning in the cane fields but also reduce greenhouse gas and fit into Gov. Charlie Crist's desire to boost Florida's ethanol production.

Congress has mandated the use of ethanol in gasoline and also offers a 51-cent-a-gallon excise-tax credit to refineries for the blended fuel. New rules call for increased production of nonfood-based ethanol.

Some critics have lashed out at the federal mandates for contributing to higher corn prices and interfering with the free market.

However, Coker said that without the corn-based ethanol program, it would have been hard to create a market for alternative fuels. ''It led the way politically,'' he said.

Join the discussion
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## EVERGLADES RESTORATION Sugar land price still $400 million too high, consultant says

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11/19/2008
Miami Herald
Morgan, Curtis

The state already has shaved $400 million off its bid for U.S. Sugar, but an independent financial advisor says another $400 million whack is necessary to reach a fair price for taxpayers.

A one-page summary of a "fairness opinion," produced by an investment banking consultant hired by water managers, undercuts the state's $1.34 billion offer and two separate appraisals by nearly 30 percent.

But Robert Coker, a U.S. Sugar vice president, said the company had no intention of haggling. "The number is set in stone," he said.

The opinion, which the South Florida Water Management District posted online Tuesday, adds yet another big-dollar figure for the agency's governing board to weigh when it meets to discuss the deal Dec. 2. Several members of the board, which must approve the blockbuster land purchase for Everglades restoration, have questioned the price tag.

The district issued an unattributed statement saying such opinions, usually done for corporate mergers, is only one of many assessments the board would consider.

"It is not an appraisal and does not provide a conclusion about the value of the acquisition relative to its public purpose," the statement said.

Coker dismissed the opinion as "irrelevant" because it was produced when the state was considering a $1.75 billion purchase of an ongoing business operation, not just 181,000 acres of company land. Two appraisers put the value of that land, enhanced by potential development of rock mines or suburbs, at $1.3 billion and $1.37 billion.

Duff & Phelps, a New York investment advisor, pegged a fair land price at $930 million. Based on the company's recent earnings and projections, which Coker said included two of the company's worst years, the opinion valued the company's rail operations at $200 million to $240 million and its citrus business at $140 million to $160 million.

Under the proposed deal, U.S. Sugar could lease back and farm almost all the land it is selling, 181,000 acres, at $50 an acre per year, but the company would continue to own and operate its rail, sugar mill and citrus plant. The revised deal includes restrictions that would make almost all the land off-limits to the state for Everglades restoration projects for at seven years.

Kirk Fordham, chief executive officer of the Everglades Foundation, said environmentalists want the land but also "the best possible deal for taxpayers." The lease-back rates and duration have "raised some eyebrows," he said, "but until we can take a look at the entire contract, I want to reserve judgment."



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## Farming firm announces hostile bid for U.S. Sugar Corp.

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11/20/2008
Miami Herald
SALISBURY, SUSAN

A Tennessee-based farming company Thursday announced a hostile bid to buy out U.S. Sugar Corp., potentially throwing an enormous wrench into the state's plans to purchase the sugar giant's farming empire to save the Everglades.

The Lawrence Group, which made two previous offers to purchase Clewiston-based U.S. Sugar, said it has offered to buy the company for $300 per share.

That offer would come to about $588 million -- significantly less than the $1.34 billion that state leaders have suggested paying for U.S. Sugar's 181,000 acres.

But The Lawrence Group argued that its offer would be a better deal for U.S. Sugar's shareholders, giving them a guaranteed price without any of the long-term uncertainties involved in the proposed deal with the state. The private bidder said it is appealing to the shareholders directly.

The Lawrence Group, led by Gaylon Lawrence Sr. and son Gaylon Lawrence Jr., is a Nashville firm that is one of the nation's largest owners of farmland.

'This deal is a `win-win' for everyone, including the environment, the South Florida Water Management District, shareholders, employees, surrounding communities and citizens of Florida," Gaylon Lawrence Jr. said in a statement.

The private buyout offer comes just weeks before Gov. Charlie Crist's water managers may be about to vote on a contract with U. S. Sugar. But it also arrives at a moment when the state's deal is facing considerable flux: For example, water managers aren't sure how much of the land they would actually need to restore the Everglades.

Meanwhile, a recently released analysis by a New York-based financial expert suggests the state's price may be $400 million too high. And U.S. Sugar executives have announced a venture to build one of the world's largest ethanol plants in Clewiston, even after selling all its farmland to the state.

Water managers have said that after the land purchase closes, they would lease back the acreage to U.S. Sugar for six years or more, allowing the company to continue farming while the state gears up its restoration plans. The $1.34 billion proposal would also leave U.S. Sugar with its mill, refinery, rail lines and other industrial infrastructure.

The Lawrences said in a memo to employees dated Nov. 11, U.S. Sugar management claimed its most recent offer to the water district would provide shareholders with as much as $365 per share by 2016.

But in reality, the Lawrence Group argued, the state's plan would lock U.S. Sugar's shareholders in for eight years, without the ability to sell their shares. And it would give no assurances as to what those shares will be worth once the land is transferred to the state, the Lawrences said.

The Lawrences said their acquisition proposal, on the other hand, offers shareholders $300 per share, guaranteed. They said it also assures the employees and surrounding communities that U.S. Sugar will continue operating for years to come, preserving jobs and stabilizing home values.

"Our offer is far superior to the one management of U.S. Sugar is trying to sell to the state -- on several fronts," the Lawrences said in a statement. "U.S. Sugar shareholders will receive $300 cash for their shares at closing, which if invested in investment grade corporate bonds, would yield more than $500 by the end of 2016 -- without uncertainty."

Previously, the Lawrences made bids of $293 per share to buy U. S. Sugar, once in 2005 and again in 2007, but those offers were both rejected by the board of directors.

In environmental terms, the Lawrences said their proposal would aid Crist's goal of restoring the north-south flow between Lake Okeechobee and the Everglades. But they said it would cost taxpayers "a fraction" of the state's $1.34 billion price tag, noting that the proposed 181,000-acre deal could force the state to buy tens of thousands of acres more than the restoration requires.

"We are committed to selling the land that the South Florida

Water Management District needs to build this worthy project," said Lawrence Jr. "It is still a complex work-in-progress, one we are fully committed to accomplishing as stewards of the land."

Water managers have said they would probably need as much as two years to retool their restoration plans to use the land they would acquire from U.S. Sugar. The district has said it could sell the surplus land or swap it with other growers, such as the rival sugar grower Florida Crystals Corp.

Major U.S. Sugar shareholders include the U.S. Sugar Employee Stock Ownership Plan, Charles Stewart Mott Foundation, Mott Children's Health Center, Flint Community Foundation and Mott family members.

The Lawrences have more than 75 years experience operating large farming enterprises. They own and manage one of the largest row crop farming enterprises in the country, including land in Illinois, Missouri, Arkansas, Mississippi and Florida. Florida holdings include one of the state's largest grove ownerships and a packing plant owned and operated by Premier Citrus.

In addition, the Lawrences own air conditioning distributorships covering California, Nevada, Utah, Idaho and Florida. They also own five community banks with 15 offices in small towns located in northeast Arkansas, southeast Missouri and Tennessee.



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## AGRICULTURE Unexpected bidder makes buyout offer for U.S. Sugar

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11/21/2008
Miami Herald
Morgan, Curtis

A Tennessee agricultural concern that has twice made unsuccessful runs at U.S. Sugar is taking a third swing at it, offering an unsolicited buyout offer for the Clewiston company and farm fields the state covets for planned Everglades restoration.

The emergence of a new, unexpected bidder adds yet another complication to the state's proposed purchase of 181,000 acres from Florida's biggest sugar grower, in what would be the largest and most complex conservation land buy in state history.

But it won't necessarily derail it.

The Lawrence Group, a company with a string of farms, packing houses and distribution centers across the nation, said in a statement it was committed to working with water managers on the environmental land deal at a "fraction of the $1.34 billion price tag" the state is considering paying U.S. Sugar.

The Lawrence Group argues that while the overall value of its bid -- $300 per share, or about $600 million -- is smaller than the state offer, it has advantages for U.S. Sugar shareholders, taxpayers and farmworkers fearful of losing jobs.

'This deal is a `win-win' for everyone," Gaylon Lawrence Jr., who runs the company with his father, Gaylon Lawrence Sr., said in a press release. The company did not indicate how much of U.S. Sugar's acreage it would be willing to put on the table.

While water managers have not yet developed a plan for reservoirs and pollution treatment marshes envisioned to supplant the fields, they have said they won't need all the land and intend to sell the rest to recoup costs. Environmentalist have argued that as much 130,000 acres is needed for restoration -- twice some district estimates.

Randy Smith, a spokesman for the district, said water managers met with The Lawrence Group once last month to discuss general Everglades restoration goals and that negotiations were continuing only with U.S. Sugar.

Robert Coker, a U.S. Sugar vice president, said the company had not received any formal offer but that directors and some stockholders had received a letter "expressing its interest" in acquiring all the U.S. Sugar stock.

"Our directors and some of our stockholders have received a letter from The Lawrence Group expressing its interest in acquiring all the stock of U.S. Sugar Corporation," he said.

Coker said the privately held company would request details from Lawrence and review them. U.S. Sugar's board rejected two previous offers from Lawrence of $293 a share in 2005 and 2007, drawing a still-pending lawsuit from workers and retirees who argued that company executives never told them about the offers.

Lawrence spokesman Todd Templin said the new offer was prompted by U.S. Sugar's initial decision to sell all its assets to the state for $1.75 billion. That deal has since been scaled back to land only.

Lawrence argues its deal is better for employee-shareholders because they could pocket $300 now. Under the state offer, U.S. Sugar has told them they would get as much as $365 a share, Lawrence says, but not until 2016 because U.S. Sugar will lease back most of its land and continue farming for seven years or more.

"This is not a hostile bid," Lawrence said in the statement. "U.S. Sugar should appreciate an option that provides the highest possible return to their shareholders. Let the shareholders decide."

## Unexpected bidder makes buyout offer for U.S. Sugar

11/20/2008
Miami Herald - Online
CURTIS MORGAN

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The emergence of a new, unexpected bidder adds yet another complication to the state's proposed purchase of 181,000 acres from Florida's biggest sugar grower, in what would be the largest and most complex conservation land buy in state history.

But it won't necessarily derail it.

In a release announcing the offer, The Lawrence Group, a company with a string of farms, packing houses and distribution centers across the country, said it was committed to working with water managers on the environmental land deal at a ''fraction of the $1.34 billion price tag'' the state is considering paying U.S. Sugar.

The Lawrence Group argues that while the overall value of its bid -- $300 per share, or about $600 million -- is smaller than the state offer, it has advantages for U.S. Sugar shareholders, taxpayers and farm workers fearful of losing jobs. 'This deal is a 'win-win' for everyone,'' Gaylon Lawrence Jr., who runs the company with his father Gaylon Lawrence Sr, said in a press release. The company did not indicate how much of U.S. Sugar's acreage it would be willing to put on the table.

''It is still a complex work-in-progress, one we are fully committed to accomplishing,'' Lawrence Jr. said in the release.

While water managers have not yet developed a plan for reservoirs and pollution treatment marshes envisioned to supplant the fields, they have said won't need all the land and intend to sell the rest to recoup costs. Environmentalist have argued that as much 130,000 acres is needed for restoration -- twice some estimates from the district.

Randy Smith, a spokesman for the district, said water managers met with The Lawrence Group once last month to discuss general Everglades restoration goals and that negotiations were continuing only with U.S. Sugar.

''We have been meeting with various stakeholders, from eco-tourism groups to ethanol concerns,'' Smith said in an e-mail.

Eric Buermann, chairman of the district's governing board, said the new bid would likely complicate deliberations over the pending U.S. Sugar deal. The board, which must approve it, was poised to vote on it as early as next month.

''If you're dating somebody and then you learn that the person is starting to date somebody else, you're kind of concerned,'' Buermann, a Miami lawyer, told The Palm Beach Post. But he added the state also could instead consider buying land from Lawrence.

''If they have a deal and they turn around and give us a deal to buy it cheaper, that would certainly be enticing,'' Buermann told the Post.

Robert Coker, a U.S. Sugar vice president, said the company had not received any formal offer.

''Our directors and some of our stockholders have received a letter from The Lawrence Group expressing its interest in acquiring all the stock of U.S. Sugar Corporation,'' he said.

Coker said the privately held company would request details from Lawrence and review them. U.S. Sugar's board rejected two previous offers from Lawrence of $293 a share in 2005 and 2007, drawing a still-pending lawsuit from workers and retirees who argued that company executives never told them about the offers.

Todd Templin, a spokesman for Lawrence, said the new offer was prompted by U.S. Sugar's initial decision to sell all of its assets to the state for $1.75 billion. That deal has since been scaled back to land only.

Lawrence argues its deal is better for employee-shareholders because they could pocket $300 now. Under the state offer, U.S. Sugar has told them they would get as much as $365 a share, Lawrence says, but not until 2016 because U.S. Sugar will lease back most of its land and continue farming for seven years or more.

''This is not a hostile bid,'' Lawrence said in the statement. ''U.S. Sugar should appreciate an option that provides the highest possible return to their shareholders. Let the shareholders decide.''



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## Lawrence Group adds U.S. Sugar to acquisitions

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11/21/2008
Naples Daily News
Naples Daily News staff report Originally published 11:

The Lawrence Group, one of the nations largest owners of farm land, has made a $300 per share acquisition offer to shareholders of Clewiston-based U.S. Sugar Corp.

U.S. Sugar shareholders include the U.S. Sugar Employee Stock Ownership Plan, Charles Stewart Mott Foundation, Mott Childrens Health Center, Flint Community Foundation and Mott family members. This deal is a win-win for everyone including the environment, the South Florida Water Management District, shareholders, employees, surrounding communities and citizens of Florida, said Gaylon Lawrence Jr., in a news release. Our offer is far superior to the one management of U.S. Sugar is trying to sell to the state _ on several fronts. U.S. Sugar shareholders will receive $300 cash for their shares at closing, which if invested in investment grade corporate bonds, would yield more than $500 by the end of 2016 _ without uncertainty. The Lawrence Group said the acquisition proposal assures the employees and surrounding communities that U.S. Sugar will continue operating as a going concern for years to come. Previously, the group said it made bids of $293 per share to buy U.S. Sugar, once in 2005 and again in 2007, but those offers were both rejected by the board of directors without informing the shareholders. This time, the Lawrences are appealing to the shareholders directly with hopes they will recognize the generous purchase price. The Lawrence and state proposals both help accomplish Governor Crists goal of restoring the north-south hydrology between Lake Okeechobee and the Everglades, with two major differences. One, U.S. Sugars 181,000-acre land purchase proposal has the state acquiring tens of thousands of acres over and above what the South Florida Water Management requires to meet its goals. The Lawrence proposal will cost taxpayers a fraction of the $1.34 billion price tag. Two, it will preserve the jobs of the employees and contribute to the economic vitality of the local communities located south of Lake Okeechobee. We are committed to selling the land that the South Florida Water Management District needs to build this worthy project, said Gaylon Lawrence Jr. It is still a complex work-in-progress, one we are fully committed to accomplishing as stewards of the land. The deal is expected to close in 2009.

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## Editorial Sugar's ever-evolving deal

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11/22/2008
Naples Daily News

This catches us by surprise.

Again and again.

The proposal for the state of Florida to step up its involvement in Everglades Restoration by purchasing a large part of the offending, polluting area takes yet further surprising turns.

The fact that a deal was even in the works surprised us in June. Even elected legislators who serve in and around the Clewiston area were caught off guard by the 300-square-mile, $1.75 billion initiative by Gov. Charlie Crist.

A few weeks later we were surprised to learn of a compromise, for $400 million less, for reduced holdings of U.S. Sugar Corp. and others in that area.

Then came word from U.S. Sugar that the company and a private partner from Illinois propose a biotech fuel plant in Clewiston would produce a gasoline substitute from sugar cane.

Surprised again.

At weeks end we learned of a bid from yet another private firm to buy all of U.S. Sugar outright.

Our questions include:

Is there going to be a bidding war that could backfire on taxpayers?

How is a fuel plant better for the environment air and water than the Big Sugar operations that we have to today?

What does Clewiston have to say?

The answers have to make sense to justify the states continued investor involvement.

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## U.S. Sugar considers ethanol plant idea

11/18/2008
News-Press

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U.S. Sugar Corp. will consider building an ethanol facility in the Everglades, a move that might help the nation's largest producer of cane sugar stay in business.

U.S. Sugar and Illinois-based Coskata Inc. announced Monday the agreement to explore construction of the cellulosic ethanol facility in Clewiston. The plant would convert unused sugar cane material into ethanol that could fuel vehicles.

If the proposal goes through, it could provide a new source of revenue for U.S. Sugar, which has entered a deal with the state to sell much of its land for Everglades conservation.

The move could also help retain jobs in Clewiston and other lake communities. If U.S. Sugar closes, it could mean a loss of 1,700 jobs.

The proposed facility would convert cane leaves and other waste into fuel. It is expected to produce 100 million gallons per year, and would be the world's largest second-generation ethanol facility.

'We are very excited to be formally negotiating with Coskata to deploy their industry-leading conversion technology,' U.S. Sugar vice president Robert Coker said in a statement. 'We see this technology as a perfect complement to our existing sugar mill, not to mention a win for the environment, the farming community and for our employees.'

U.S. Sugar said it will ask the Florida Energy Office to help fund early engineering on the project and will work with the U.S. Department of Agriculture.

The announcement follows last weeks news that the board of the South Florida Water Management District has approved changes to a deal to buy U.S. Sugars land for Everglades restoration.

The state now plans to pay $1.34 billion for land farmed by U.S. Sugar. Thats less than the original price tag of $1.75 billion when it was announced in June.

The lower price comes because the state will not buy the companys mill, railroad or citrus processing plant. The company will keep them and continue production for now. The state plans to use most of the 181,000 acres to help the dying wetlands recover from years of pollution from farming and development.

Coskata, founded in 2006, is a biology-based renewable energy company, according to its Web site. The technology enables the low-cost production of ethanol from a wide variety of material including municipal solid waste and other carbonaceous material. Using proprietary micro-organisms and patented bioreactor designs, the company will produce ethanol for less than $1 per gallon, according to the site.

Coskata debuted on the energy scene in January, when General Motors CEO Rick Wagoner announced at the North American International Auto Show that the auto giant had bought a stake in the new ethanol producer. That alliance is aimed at producing a new generation of ethanol-fueled vehicles.

## US Sugar To Explore Ethanol Venture

11/18/2008
News-Press

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U.S. Sugar Corp. today announced it has entered into an agreement with Coskata Inc. of Warrenville, Ill., to explore building a 100-million-gallon-per-year cellulosic ethanol facility in Clewiston.

According to publicists for the sugar corporation, the facility would be the world's largest second-generation ethanol facility. It would convert left-over sugarcane material into ethanol, and would help Florida meet its aggressive second-generation ethanol mandate set by Florida Gov. Charlie Crist.

“We are very excited to be formally negotiating with Coskata to deploy their industry leading conversion technology,” said Robert Coker, U.S. Sugar senior vice president, public affairs.

“We see this technology as a perfect complement to our existing sugar mill, not to mention a win for the environment, the farming community and for our employees,” Coker said.

The announcement follows last week's news the board of the South Florida Water Management District has approved changes to a deal to buy U.S. Sugar's land for Everglades restoration.

The state now plans to pay $1.34 billion for land farmed by U.S. Sugar. That's less than the original price tag of $1.75 billion when it was announced in June.

The lower price comes because the state will not buy the company's mill, railroad or citrus processing plant. The company will keep them and continue production for now. The state plans to use most of the 181,000 acres to help the dying wetlands recover from years of pollution from farming and development.

U.S. Sugar representatives say the non-food based ethanol could reduce greenhouse gases by as much as 96 percent versus conventional gasoline. U.S. Sugar plans to collect cane leaves from the field versus burning them, as well as utilize excess bagasse from the mill. The Coskata technology, which is able to convert almost any renewable material, is expected to produce fuel ethanol with manufacturing costs of around $1 per gallon. As the state of Florida takes some of the U.S. Sugar lands out of production for the Everglades restoration project, the Coskata technology is flexible enough to also use fast growing energy crops and waste materials to make the environmentally superior fuel.

As part of the agreement, U.S. Sugar will be submitting an application to the Florida Energy Office for a financial match to their contribution for early engineering on this project.

In addition, U.S. Sugar plans to work with the U.S. Department of

Agriculture to secure some of the loan guarantee monies that have been set aside specifically for the production of non-food based biofuels.

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## Editorial: Sugar Deal Can Save Jobs, River

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11/20/2008
News-Press

With Florida's economy reeling and her treasury on a forced diet, modifying the state's purchase of U.S. Sugar Co. property in the Everglades makes sense, environmentally and economically.

But the new plans must give priority to environmental goals while easing the negative economic impacts of the purchase by keeping some of the land in agricultural production.

Of crucial importance is using the purchase to create a southern flow way for excess Lake Okeechobee water. That would mean much less contaminated water dumped into the Caloosahatchee River and Lee County's coastal estuary, as happened in 2004 and 2005.

The purchase renewed hope that the Everglades Restoration plan might actually be realized. Continuing agriculture on part of the state land must not be allowed to dash that hope.

But that said, we have learned this bitter year that jobs that can be saved should be saved.

The changes announced today are expected to reduce the acreage to be bought from 187,000 to 182,500 leaving U.S. Sugar with no crop land but still in possession of its high-tech sugar mill, citrus-processing plant and other industrial assets.

This cuts the state's price to $1.34 billion from the original $1.75 billion, plus interest.

Originally, the company was going to phase out its sugar business in six years. Now it appears agriculture may continue on parts of the property. That could keep the company's 1,700 employees on the payroll and ease the impact on the lake region economy.

There has been talk of other economic development in the region, including construction of an ethanol plant. Ethanol production using sugar and other more efficient raw materials than grain would be a plus all the way around and a good fit with Gov. Charlie Crist's green energy plan.

## Sugar actions challenging

11/24/2008
News-Press
Charles Dauray

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New participants, new information, innumerable opinions and daily changes make keeping track of the potential sale of all or parts of U.S. Sugar Corp. to the South Florida Water Management a challenge.

For decades, conservationists and environmentalists have demanded restoration of the natural Kissimmee River, Lake Okeechobee and Everglades water systems. Since the ill-conceived, man-made "improvements" to nature's design of the water systems decades ago, South Florida has suffered from degradation of native species and destruction of inland and coastal natural systems.

The people of South Florida have demonstrated their commitment to environmental reclamation by investing billions of dollars and supporting legislation aimed at assuring continuous and consistent efforts.

Hundreds of thousands of acres have been purchased not only for preservation but to link them into a connected water flow system that would replicate the previously existing "River of Grass." Gaps in the system created by highways, development, agricultural and recreational use have thwarted the goal of a completely connected system able to reserve and filter water while accommodating the extremes of drought and flood.

A key missing piece has been predominately agricultural use property in the Everglades Agricultural Area, the property owned by U.S. Sugar Corp. and other agricultural interests.

Gov. Charlie Crist, through the South Florida Water Management District, has mandated and incepted negotiations to purchase the acreage necessary to connect Lake Okeechobee to the Everglades, critically important acreage if there is to be a reestablishment of natural water flow to the "River of Grass."

All participants and the taxpayer at large need to step back and view recent activities in light of the primary goal which is to environmentally restore our treasure - the Everglades.

CHARLES DAURAY

Governing Board Member
South Florida Water Management District

## Everglades sugar deal is too sweet, with bitter aftertaste

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11/23/2008
Orlando Sentinel
Thomas, Mike

The Everglades sugar-farm buyout, hailed as one of the monumental environmental achievements in history, is looking more like a Big Sugar bailout.

I should have seen this coming. But I too was mesmerized by the idea of turning 283 square miles of farmland south of Lake Okeechobee into reservoirs and marshes -- creating a Frankenstein version of what the natural Glades once were.

Not that it is a bad idea. It's the only hope for the massive swamp. So I suppose I should be a good environmentalist and be happy with whatever land we get no matter the price.

That is the greenie way of doing business, and has long been exploited by landowners and politicians.

But this deal is so sickly sweet for U.S. Sugar Corp., it leaves quite a bitter aftertaste.

And it raises the question of why we are giving away the farm to the farmers when we should be negotiating from a position of strength.

The Miami Herald recently obtained a company financial report showing that U.S. Sugar has taken on $700 million in debt, much of it to build a new sugar mill.

The company faces increased fuel and fertilizer costs, dropping revenues and a loss this year.

Employee-shareholders also have filed a federal class-action lawsuit over retirement stock payouts.

Meanwhile, the American Sugar Alliance says more than half the sugar factories operating nationally since 1985 have closed. It says the industry "is facing extreme challenges and is vulnerable to further downsizing" because of flat prices and higher costs.

I can't say whether U.S. Sugar is a stressed seller.

Motivated, perhaps?

You'd certainly think the state might be motivated to drive a harder bargain.

The original deal called for a complete buyout of U.S. Sugar's operations for $1.75 billion. Company officials said it had to be everything or no deal.

And then it backed down when that figure was too big to swallow, cutting the price about $400 million in exchange for keeping processing facilities valued at $600 million. This was hailed as a win-win for everybody.

How deal unfolded

Now consider the following timeline:

Sept. 21: The chairman of the South Florida Water Management District, Eric Buermann, said the district hired a New York financial firm to protect taxpayers. The firm, Duff & Phelps, would "scrutinize appraisals, property and all aspects of the transaction and provide an independent report on the value of the acquisition."

Nov. 11: Charlie Crist announced the scaled-down deal for $1.34 billion.

Nov. 13: Duff & Phelps sent a letter to the water district noting that the land is worth about $400 million less than Crist's price.

Nov. 18: The water district issued a statement saying the analysis --by the firm it hired -- "is not an appraisal and does not provide a conclusion about the value of the acquisition relative to its public purpose."

U.S. Sugar called the Duff & Phelps report "irrelevant."

Obviously.

State's justification

The state justifies paying the higher price, because appraisals say some of U.S. Sugar's land could be used for rock mines and urban development, increasing its value. Is there still a demand for far-flung subdivisions?

The deal has another nice sweetener for U.S. Sugar: If the district buys the land, it will lease back much of it to the company for $50 an acre for seven years.

That's because it will take years to figure out where to put the reservoirs and marshes, much less raise the hundreds of millions for construction.

Below market value

That lease price appears to be far below market value. In the past, U.S. Sugar paid $200 an acre to lease nearby land.

And Barbara Miedema, vice president of the Sugar Cane Growers Cooperative of Florida, a group of 47 small growers, says her members would lease farmland for $150 an acre if given the opportunity.

In the bigger picture, the water district will be taking on a huge amount of debt.

Combined with the crumbling state budget and massive federal deficit, it makes you wonder when the Everglades ever will be restored.

The cost for the entire project is $10 billion and growing fast.

As for U.S. Sugar, it banks $1.3 billion and is well-positioned for a profitable future, with eventual plans to delve into ethanol production.

Who wouldn't want in on this bailout?

COLUMN: COMMENTARY



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## New buyer emerges for U.S. Sugar Corp's 187,000 acres

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11/20/2008
Orlando Sentinel - Online
Andy Reid

A new buyer emerged today for U.S. Sugar Corp's 187,000 acres - creating another bidder for land the state planned to buy for Everglades restoration.

The Lawrence Group, which owns and manages farmland in the South and Midwest, offered to buy U.S. Sugar for $300 per share. The group contends that if properly invested the deal could be worth more than $500 per share for U.S. Sugar's owners by 2016. That compares to $365 per share by 2016 under U.S. Sugar's current proposed deal with the state, according to the Lawrence Group. The group contends its deal could still provide land for Everglades restoration, but would allow the state to avoid buying farmland it doesn't need and keep the remaining land in agricultural production. U.S. Sugar Senior Vice President Robert Coker declined comment. in June announced the state's $1.75 billion bid for U.S. Sugar and use the company's land to restore water flows from Lake Okeechobee to the Everglades.

This month, Crist announced a scaled-down $1.34 billion proposal for the state to buy 181,000 acres from U.S. Sugar and allow the company to keep its sugar mill, rail lines and other assets needed to stay in business.

After five months of closed-door negotiations, the state and U.S. Sugar were expected to finalize a proposed contract for the deal as early as this week. The deal must still be approved by the . The district plans to borrow most of the money to pay for the land buy, with taxpayers in the region that stretches from Orlando to the Keys paying off the dept.

The Lawrence Group said it previously bid $293 per share to buy U.S. Sugar in 2005 and 2007, but was rejected. This time, the group sent letters detailing its offer directly to U.S. Sugar shareholders. 'This deal is a 'win-win' for everyone including the environment,' Gaylon Lawrence, Jr. said in a written statement released today. 'Our offer is far superior to the one management of U.S. Sugar is trying to sell to the state - on several fronts.'

## Ag Company's $588 million offer for U. S. Sugar could snarl Everglades plans

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11/21/2008
Palm Beach Post

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Ag company's $588 million offer for U.S. Sugar could snarl Everglades plans
Click-2-Listen
By SUSAN SALISBURY and PAUL QUINLAN

Palm Beach Post Staff Writers

Thursday, November 20, 2008

A Tennessee-based farming company today announced a proposal to buy out U.S. Sugar Corp., potentially throwing an enormous wrench into the state's plans to purchase the sugar giant's farming empire to save the Everglades.

The Lawrence Group, which made two previous offers to purchase Clewiston-based U.S. Sugar, announced today that it has made another offer to buy the company at $300 per share.
That offer would come to about $588 million, significantly less than the $1.34 billion that state leaders have suggested paying for U.S. Sugar's 181,000 acres.

But The Lawrence Group also would take on U.S. Sugar's roughly $700 million debt - making the total value to shareholders roughly equivalent to what the state would pay, one source familiar with the state proposal said.

One big difference between the two offers: The Lawrence Group wants to buy the entire company, while the state's proposed deal is only for the land.

The Lawrence Group argued that it is offering a better bargain for U.S. Sugar's shareholders, giving them a guaranteed price without any of the long-term uncertainties of the proposed deal with state water managers.

As an added benefit, The Lawrence Group said its offer would avoid the economic devastation that the Glades would suffer from a state deal with U.S. Sugar, which employs 1,700 people in an already-struggling farming region.

The Nashville company also pledged to cooperate with the South Florida Water Management District's Everglades restoration efforts, even offering the prospect of "a huge savings to the taxpayers."

Still, the chairman of the district's board said the new offer threatens to complicate his agency's nearly complete deal with U. S. Sugar. Water managers have been expected to vote on a contract as early as mid-December.

"If you're dating somebody and then you learn that the person is starting to date somebody else, you're kind of concerned," said the chairman, Miami lawyer Eric Buermann.

In a statement tonight, U.S. Sugar said it had yet to receive an offer from the group but promised to "carefully review it with its professional advisers and the company's management team."

The Lawrence Group, led by Gaylon Lawrence Sr. and son Gaylon Lawrence Jr., is one of the nation's largest owners of farmland.

U.S. Sugar's board previously rejected $575 million buyout offers from the Lawrences in 2005 and 2007. In January, U.S. Sugar was hit with a class-action suit from attorneys representing about 4,000 current and former employee-shareholders, alleging that the executives should have let them consider the offers.

A spokeswoman for one of U.S. Sugar's smaller competitors, the Sugar Cane Growers Cooperative of Florida, called the Lawrence offer yet another lurch in a proposed deal that has already morphed considerably since Gov. Charlie Crist first announced the state's proposal in June.

"Every day there is a new chapter, and a new twist and new turn," said the spokeswoman, Barbara Miedema.

Even so, Buermann said the water district is not yet tethered to a deal with U.S. Sugar and might have little reason to object to buying the land from The Lawrence Group instead.

"If they have a deal and they turn around and give us a deal to buy it cheaper, that would certainly be enticing," Buermann said.

"Everglades restoration remains one of our highest priorities," the district said in a news release this afternoon, adding that "our interest in acquiring vast swaths of land in the Everglades Agricultural Area for accomplishing those goals has not wavered."

The Lawrence Group said the people and businesses of the Glades would be much better off under its proposal than if the state bought U.S. Sugar's land.

"We believe that the current proposed transaction with the South Florida Water Management District would be devastating for U.S. Sugar, its employees, their families, and all the residents of the communities south of Lake Okeechobee," The Lawrence Group said in a letter Wednesday to U.S. Sugar's board and chairman. It said the fallout would include "skyrocketing unemployment, plummeting property values, an escalating crime rate, a flood of local businesses in bankruptcy, and a decline in the quality of local of school programs."

In a statement to the news media, The Lawrence Group denied it is attempting a hostile takeover. But in the letter to U.S. Sugar, it warned that it is prepared "to take our offer directly to the U.S. Sugar shareholders."

In fact, it has already started.

In a separate letter this week to one major shareholder, the nonprofit Mott Children's Health Center in Michigan, Gaylon Lawrence Jr. denounced U.S. Sugar's current leadership as "a management that is losing money and producing a steady decline in share value." He predicted that the state land deal would mean U.S. Sugar's inevitable doom.

"With the land sold to the South Florida Water Management taken out of production, there is no way the sugar operation can continue," Lawrence wrote.

In contrast, he wrote, the Lawrence proposal would yield $125 million for the children's foundation, which "would support a major enhancement of its charitable programs."

The state's other major sugar grower, West Palm Beach-based Florida Crystals Corp., declined to comment in detail on the Lawrence offer. But Florida Crystals spokesman Gaston Cantens said: "Under the current economic times, the preservation of jobs should be paramount. If we can balance that with Everglades restoration, it's a win-win for everyone."

The Lawrences used similar language.

"This deal is a 'win-win' for everyone including the environment, the South Florida Water Management District, shareholders, employees, surrounding communities and citizens of Florida," said Gaylon Lawrence Jr. in a statement.

The buyout offer comes at a moment when the state's deal is facing considerable flux: For example, water managers aren't sure how much of the land they would actually need to restore the Everglades.

Meanwhile, a recently released analysis by a New York-based financial expert suggests that the state's suggested price may be $400 million too high. And U.S. Sugar executives have announced a venture to build one of the world's largest ethanol plants in Clewiston, even after selling all its farmland to the state.

Water managers have said that after the land purchase closes, they would lease back the acreage to U.S. Sugar for six years or more, allowing the company to continue farming while the state gears up its restoration plans. The $1.34 billion proposal would also leave U.S. Sugar with its mill, refinery, rail lines and other industrial infrastructure.

District leaders have said they might need up to 95,000 acres of the U.S. Sugar property to cleanse and store water while recreating some of the historic flow between Lake Okeechobee and the Everglades. Environmental groups say those projects may require as much as 140,000 acres.

The Lawrence Group said it could save the state money by selling only the land the district needs, without the tens of thousands of extra acres. In a letter to the district this week, the company said its offer "contemplates selling you the land needed to accomplish this worthy undertaking at a huge savings to the taxpayers when compared to the current U.S. Sugar proposal."

On the other hand, it wasn't clear how much land The Lawrence Group would be willing to sell. The company's letter made it clear that unlike U.S. Sugar - which at one point this year contemplated selling itself lock, stock and barrel to the state - The Lawrence Group intends to keep the sugar operation going "for decades to come."

"The reality is that people deserve consideration," the Lawrence letter said, adding that "people and the environment can live side-by-side as long as all parties recognize their responsibilities."

Then come the purported benefits to U.S. Sugar's shareholders, which include the company's employees.

In a memo to employees Nov. 11, U.S. Sugar management said its most recent proposed deal with the water district could "ultimately" provide shareholders with as much as $365 per share by 2016.

But in reality, the Lawrence Group argued, the state's plan would lock U.S. Sugar's shareholders in for eight years, without the ability to sell their shares. And it would give no assurances as to what those shares will be worth once the land is transferred to the state, the Lawrences said.

The Lawrences said their acquisition proposal, on the other hand, offers shareholders $300 per share, guaranteed.

"Our offer is far superior to the one management of U.S. Sugar is trying to sell to the state - on several fronts," the Lawrences said in a statement. "U.S. Sugar shareholders will receive $300 cash for their shares at closing, which if invested in investment grade corporate bonds, would yield more than $500 by the end of 2016 - without uncertainty."

The Lawrences' earlier offers to buy U.S. Sugar proposed paying $293 per share.

Water managers have said they would probably need as much as two years to retool their restoration plans before deciding exactly how to use the land they would acquire from U.S. Sugar. The district could sell the surplus land or swap it with other growers, including Florida Crystals.

U.S. Sugar's employee- and former-employee shareholders own 38 percent of the company. Other shareholders include the Children's Health Center, which owns 22 percent, and the Charles Stewart Mott Foundation, with 19 percent.

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## Price for U.S. Sugar land may be $400 million too much

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11/18/2008
Palm Beach Post - Online
PAUL QUINLAN

The state may be poised to pay more than $400 million too much for U.S. Sugar's farmlands as part of Gov. Charlie Crist's plan to restore the Everglades, based on a preliminary financial opinion made public today.

A financial firm hired to advise the state on whether it was getting a fair price in the landmark land purchase pegged the value of the farmland at $930 million, in a letter last week to the South Florida Water Management District. The district made the letter public today.

Last week, Crist announced that the state had struck a revised deal with the sugar giant in which the state would pay $1.34 billion for about 181,000 of cane fields, nearly all of the company's farmland. The letter from the New York financial firm Duff & Phelps, which the state made public amid ongoing negotiations over the finer points of the deal, outraged U.S. Sugar executives. Vice president Robert Coker blasted it as 'irrelevant' and 'poorly done.' The letter pegs the land's value at $930 million in estimating that a fair price for the entire company - mill, refinery, railroad and all - would be $1.3 billion.

Coker noted that a total buyout of the company, Crist's initial intention, was no longer on the table and that the opinion assumed the state was purchasing an ongoing business. The new, land-only deal rendered the entire estimate moot, he said. 'It's a fairness opinion on a deal that's no longer on the table,' said Coker. 'So it's completely irrelevant in my opinion.' Unlike appraisals that estimated the land's value at $1.3 billion and $1.34 billion, the fairness opinion was based on recent historical financial results and projections. Coker said the results were based on 2007 financials, a year when the company was still reeling from hurricane damage to its crops and investing in its new sugar mill. 'Those people that are out here that oppose this deal - you will probably see them waving this around,' Coker said. The state, he said, 'is paying exactly what the real estate is worth in today's environment.' But the one-page letter says the firm's projections 'provide every benefit of the doubt' regarding U.S. Sugar's ability to return to historic levels of profitability, non-recurring project startup inefficiencies and sustainable levels of sales and operating margins, wrote Duff & Phelps Managing Director Andrew Capitman.

The water district issued a statement that echoed some of Coker's criticism, noting that the valuation was not an appraisal and that it assumed the purchase of an ongoing business. 'These independent opinions are usually completed in association with corporate mergers and acquisitions and are designed to guide the purchase of an ongoing business,' the district said. 'With that in mind, it is not an appraisal and does not provide a conclusion about the value of the acquisition relative to its public purpose.' Appraisals of the entire company released earlier pegged its value at $1.7 and $1.9 billion. Duff & Phelps will make a presentation of its findings Dec. 2 to the district's board, which could vote on a final contract by mid-December.

We'd like your thoughts on this story. I appreciate your willingness to share them. At PalmBeachPost.com, we want to avoid comments that are obscene, hateful, racist or otherwise inappropriate. If you post offensive comments, we will delete them as soon as we can. If you see such comments, please . John Bartosek, Editor, The Palm Beach Post.

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## U.S. Sugar land not worth cost, adviser reports

11/18/2008
Palm Beach Post - Online
PAUL QUINLAN

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The state's proposal to buy U.S. Sugar's farming empire was supposed to contain a safeguard: An outside expert would issue a 'fairness opinion' to tell taxpayers if they were getting a square deal.

The suggestion that came back Tuesday: They're not. In fact, Florida may be poised to pay more than $400 million too much in its proposed $1.34 billion deal for U.S. Sugar Corp.'s farmlands, based on a letter from a state-hired financial adviser.

The findings from the New York-based firm Duff & Phelps showed no signs of derailing the deal, which Gov. Charlie Crist has called essential to rescuing the Everglades.

State water managers have said they could vote on a land-only contract with U.S. Sugar by December, based on appraisals that largely agree with the proposed price.

Andrew Capitman, Duff & Phelps' managing director, estimated in the letter that a 'fair' price would be at or below $1.3 billion, but only if the deal included the entirety of U.S. Sugar's assets: mill, railroad, land and all. For U.S. Sugar's land alone, Capitman said he had a 'comfort level' with a price around $930 million. Under the state's proposed deal, taxpayers would shell out $1.34 billion just for U.S. Sugar's farmland: about 181,000 acres. An earlier proposal for a total buyout of the company, including buildings and equipment, would have come to $1.75 billion.

Capitman lists more than 35 years of experience in corporate finance in the U.S. and abroad. His firm was hired by the South Florida Water Management District, which made his letter public Tuesday.

A U.S. Sugar executive immediately dismissed Capitman's findings. The opinion assumes the state is buying the entire company, argued Robert Coker, U.S. Sugar senior vice president, who said the latest land-only deal makes the estimate moot. 'It's completely irrelevant in my opinion,' Coker said. Water managers noted that state-hired appraisers have valued the entire company at $1.7 billion to $1.9 billion, and the land by itself at $1.3 billion to $1.34 billion. Capitman's report 'is not an appraisal and does not provide a conclusion about the value of the acquisition relative to its public purpose,' the district said in a statement late Tuesday. It said such fairness opinions are used to place a value on ongoing businesses, typically in mergers or acquisitions.

Eric Buermann, water district board chairman, said he will focus more on the appraisals 'because this is now a land purchase.' 'There are no assets,' said Buermann, a Miami lawyer appointed by Crist. 'We're not buying an ongoing business.' In the letter, Capitman said his opinion is based on U.S. Sugar's recent financial performance and projections. For example, while an appraisal might consider the value of land based on what could be built on it, the fairness opinion considers its current use: sugar farming.

Coker said the letter was based on U.S. Sugar's 2007 performance, when it was still investing in its new mill and reeling from hurricane damage to its crops. 'Those people that are out here that oppose this deal - you will probably see them waving this around,' he said. The state, Coker added, 'is paying exactly what the real estate is worth in today's environment.' In contrast, Capitman's one-page letter says the firm's projections 'provide every benefit of the doubt' regarding U.S. Sugar's ability to return to historic profit levels, among other factors.

We'd like your thoughts on this story. I appreciate your willingness to share them. At PalmBeachPost.com, we want to avoid comments that are obscene, hateful, racist or otherwise inappropriate. If you post offensive comments, we will delete them as soon as we can. If you see such comments, please . John Bartosek, Editor, The Palm Beach Post. Nov 18, 2008 7:06 PM | 'Poorly done' because it doesn't represent the inflated value they expected to bilk Floridians for. Why are we paying them for all the harm they have done to the Everglades and Lake O? Subtract from the purchase price the cost of the phosphorous clean up which will go one for years. Big Sugar cares about money only, not local jobs and not the environment. Negotiate in the open as required by law.

*HTML not allowed in comments. Your e-mail address is required.

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## Five from Glades vie for water board seat

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11/22/2008
Palm Beach Post - Online
PAUL QUINLAN

Gov. Charlie Crist hopes to finish filling his roster of South Florida water managers before they vote on the state's $1.34 billion land deal with U.S. Sugar Corp., a spokesman said.

Five Glades-area Republicans are vying for a seat on the board of the South Florida Water Management District, which became open when Malcolm 'Bubba' Wade Jr. resigned in June. Wade, a senior vice president at U.S. Sugar, said he hoped to 'avoid the appearance of a conflict.' Applicants include the co-owner of a Clewiston marina, a member of a notable Glades farming family and a former state lawmaker from LaBelle. Wade's departure left eight board members, all but one of them Crist appointees. The lone holdover from the Jeb Bush era, Keys fishing guide Mike Collins, has been the board's most outspoken skeptic of the deal - especially its financing.

The board will have its first meeting to discuss a proposed contract Dec. 2, with a vote coming in mid-December or later.

Crist spokesman Sterling Ivey said the governor hopes to fill the seat in time for the new member to participate. 'We're definitely aiming to have the seat filled before a vote on the contract,' he said. Five people have filed applications with the governor's office: We'd like your thoughts on this story. I appreciate your willingness to share them. At PalmBeachPost.com, we want to avoid comments that are obscene, hateful, racist or otherwise inappropriate. If you post offensive comments, we will delete them as soon as we can. If you see such comments, please . John Bartosek, Editor, The Palm Beach Post.

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## Reduce price of sugar land

11/23/2008
Palm Beach Post - Online

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Before the board considers the $1.34 billion proposal to buy U.S. Sugar's land for Everglades restoration, the board must renegotiate the price lower and find out whether the seller even would be U.S. Sugar.

Two developments last week made the proposal less certain. A new estimate placed the value of the land at $930 million, or roughly $400 million less. Also, a Tennessee-based conglomerate attempted a hostile takeover of U.S. Sugar. There still is no contract with U.S. Sugar. Yet the water district board is set to discuss the sale in just 22 days. If you as a taxpayer are worried, you have every reason to be.

The lower estimate is a 'fairness opinion,' something usually reserved for sales of private companies to other private companies. It's supposed to be an unbiased evaluation of a company's worth, to protect the shareholders of the buyer. In this case, the water district taxpayers are the shareholders. U.S. Sugar Vice President Robert Coker called the $930 million figure 'completely irrelevant.' In fact, it's very relevant. Water district board Chairman Eric Buermann pointed out in an interview that the district commissioned the estimate when the plan was to buy all of U.S. Sugar, including the company's mill, citrus operation and railroad. Buying just a component of a company - land, in this case - can raise the price of that component. And the district does have two appraisals that value the land at $1.3 billion and $1.37 billion.

But that price is inflated because of something U.S. Sugar did. In April - two months before the state's planned buyout of the company was announced - U.S. Sugar persuaded Palm Beach County to approve rock mining on roughly 7,500 acres of U.S. Sugar land. As this newspaper pointed out, mining could interfere with Everglades restoration, since the land is where water to help the Everglades would have to flow. The company was discussing a sale of that land to the state - a deal that would affect Everglades restoration - and did not disclose that information. In 2006, U.S. Sugar had received approval to lease another 5,400 acres for mining.

You can use the two appraisals to see how much those mining rights raised the land's value. The average cost per acre of sugar land in the appraisals is $5,377. The average cost for mining land is $23,750. Multiply that difference of roughly $18,400 by 13,000 acres and you get almost $239 million. The water district doesn't even intend to use all of U.S. Sugar's 182,000 acres - 150,000 of them in sugar and 32,000 in citrus. But those leases could give U. S. Sugar a $239 million windfall, even though the mining companies don't have permission to start work.

Should the public pay that much extra? What would the water district do with the leases? How can rock mining on that 7,500 acres be compatible with Everglades restoration? Then there's The Lawrence Group, which made the hostile takeover bid for U.S. Sugar and called its proposal 'a win for everyone.' Lawrence claims that it would maintain sugar production indefinitely, thus avoiding the loss of jobs, and sell to the water district only the land needed for Everglades restoration.

For now, though, the water district is dealing with U.S. Sugar, and the district's problem is that it really needs the land. Early plans for massive underground water storage probably won't work, so successful Everglades restoration will require the state having land on which to store water. 'Paying at the high end wouldn't be a deal-breaker for me,' said Mr. Buermann, 'but I don't want to pay something exorbitant. We need be within the realm of reason.' The realm of reason starts at less than $1.34 billion.

We'd like your thoughts on this story. I appreciate your willingness to share them. At PalmBeachPost.com, we want to avoid comments that are obscene, hateful, racist or otherwise inappropriate. If you post offensive comments, we will delete them as soon as we can. If you see such comments, please . | First, a correction to Money Pit's post. The land is not 'polluted' for continued ag use, just if it's converted to public land. The best deal for all parties is the Lawrence deal. Firts, SFWMD gets a guarantee that they can buy whatever land they need once they decide where and when they need it. That's much better than a bunch of debt now for the taxpayers. Second, The stockholders of USSC get immediate cash for their stock instead of waiting 7 years while US Sugar cooks the books and they get less. Why would they stop manipulating the price of their stock now since they've been doing it forever? They can't be trusted by their employees and stockholder and that's a reputation they've richly earned and deserve. Lastly, the Glades communities get assurance of their economic future, hopefully with honorable people. It's hard to believe the Lawrence family could be any worse than the USSC gang. Charles Stewart Mott is probably laying upside down in his grave. | *HTML not allowed in comments. Your e-mail address is required.

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## U.S. Sugar looks to ethanol production

11/18/2008
South Florida Business Journal

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U.S. Sugar Corp. is hoping that the waste it creates during sugar production can one day be used to fuel cars.

The Clewiston-based company said Monday it entered into an agreement with Coskata, a renewable energy company in Warrenville, Ill., to explore building the worlds largest second-generation ethanol facility. The plant would convert leftover sugar cane leaves and sugar-processing waste into up to 100 million gallons of ethanol each year. We are very excited to be formally negotiating with Coskata to deploy their industry leading conversion technology, said Robert Coker, U.S. Sugars senior vice president of public affairs, in a news release. We see this technology as a perfect complement to our existing sugar mill, not to mention a win for the environment, the farming community and for our employees. The announcement comes as U.S. Sugar is negotiating the sale of most of its cane fields to the state for Everglades restoration.

The state is planning to buy 180,000 acres from U.S. Sugar for $1.34 billion. The deal includes a leaseback of land for $50 an acre until 2016. After that, U.S. Sugar essentially would be out of the sugar producing business.

Sara Fain, national co-chairwoman of the Everglades Coalition, said that an ethanol plant, like the buyout plan, poses many questions. For example, she wonders how U.S. Sugar can expect to have enough material to make ethanol if it no longer grows sugar cane after the proposed buyout.

The coalition, an alliance of 49 environmental organizations dedicated to restoring the Everglades, has filed several legal challenges to stop agricultural runoff pollution of the Everglades by sugar cane farms. The state-backed Comprehensive Everglades Restoration Plan is partly an outgrowth of those lawsuits. Obviously, we have to look at alternate sources for energy like biofuel, but it needs to be in harmony with the restoration, Fain said. Coker said the company envisions a regional ethanol facility that could process waste from other farming operations. He said U.S. Sugar will be applying for a startup grant of about $2 million to study the feasibility of the plant and conduct initial engineering design. The cost of the project could reach $400 million. As for the companys sugar processing plant, Coker said it may someday run entirely on foreign sugar because it is well-connected with rail lines to local ports. This year, the plant processed 60,000 tons of foreign sugar out of 700,000 total tons. Over the long haul, the Clewiston refinery and mill will continue to be viable operations, Coker said. Where the supply comes from is going to be a business decision. Compared to petroleum-based gasoline, cellulosic ethanol, which is produced from non-edible parts of plants, could produce 96 percent fewer greenhouse gasses, the company said.

Using the sugar cane waste also eliminates another problem for ethanol food competition. Most Midwestern ethanol is produced from corn.

U.S. Sugar said it plans to collect cane leaves from the field instead of burning them, and to use excess bagasse which is what remains after sugar cane stalks are crushed to extract their juice.

The company said the Coskata technology can convert almost any renewable material and is expected to produce fuel ethanol with manufacturing costs of about $1 a gallon.

U.S. Sugar said it will be submitting an application to the Florida Energy Office for a financial match to its contribution for early engineering on the project. In addition, U.S. Sugar plans to work with the U.S. Department of Agriculture to obtain some of the loan guarantee money that has been set aside specifically for the production of non-food-based biofuels.

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## Nashville firm wants to purchase U.S. Sugar land

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11/20/2008
South Florida Business Journal - Online

The Lawrence Group, a Nashville, Tenn.-based company and one of the nations largest owners of farmland, is offering a $300-a-share acquisition proposal to shareholders of the Clewiston-based sugar company. This deal is a win-win for everyone, including the environment, the South Florida Water Management District, shareholders, employees, surrounding communities and citizens of Florida, Gaylon Lawrence Jr. said in a news release. This isnt the first time the Lawrence Group has made an offer to U.S. Sugar. It made a $293-a-share offer in 2005 and again in 2007. However, the company claims that U.S. Sugar rejected the deal both times. This time, the Lawrences are appealing to the shareholders directly, with hopes they will recognize the generous $300-per-share purchase price, while also providing that the company will operate well beyond 2016, the company said in a news release. Last week, Crist said state had revised its plan to purchase 181,000 acres of land from U.S. Sugar for $1.34 billion. The new deal did not include U.S. Sugars mill, refinery, citrus processing facilities, railroads, office buildings, equipment and some 5,000 acres of land that were in the original deal announced in June.

The Lawrences claim the states offer includes more land than is needed to accomplished the governors goal of restoring the north-south hydrology between Lake Okeechobee and the Everglades. They claim they will sell the land needed for the restoration project to the South Florida Water Management District, while at the same time saving taxpayers money.

Sterling Ivey, a spokesman for the governor, said Crist is confident that the state will move forward with its purchase of the land, but added: 'Whether that takes place through a secondary company or through U.S. Sugar, the end result of restoration is our goal.' Calls to U.S. Sugar were not immediately returned.

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## New ethanol deal could keep U.S. Sugar in business

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11/18/2008
South Florida Sun-Sentinel - Online
Andy Reid

Just five months after declaring a going-out-of-business sale in the name of Everglades restoration, U.S. Sugar Corp. on Monday announced a new bid to shift into ethanol production.

Even as U.S. Sugar nears a $1.34 billion deal to sell most of its sugar cane fields to the state for the restoration, Florida's largest sugar producer also entered into a deal with Coskata Inc. of Warrenville, Ill., to explore building a 100-milliongallon-per-year production plant beside the Clewiston sugar mill.

Gov. Charlie Crist last week scaled down his proposal to completely buy out U.S. Sugar, instead advocating a land-only deal that allows the company to keep its sugar mill, rail line and other assets needed to stay in business.

That opened the door for the ethanol proposal, which also comes with taxpayer strings attached U.S. Sugar wants a $2.5 million state grant to help with the engineering of a new ethanol plant as well as federal loan guarantees for biofuel production. Instead of U.S. Sugar closing down in six years as proposed last summer, the deal with Coskata formalizes a new direction for U.S. Sugar even if the company sells most of its 187,000 acres to the state. 'It's another step in the process of moving forward and looking at options,' U.S. Sugar Senior Vice President Robert Coker said.

The original deal with the state was seen as a boon for the environment providing land to reconnect flows of water between Lake Okeechobee and the Everglades but a potential economic disaster for Glades communities dependent on agricultural jobs.

U.S. Sugar's new land-only deal with the state and the ethanol plant proposal do little to ease those concerns, Clewiston Mayor Mali Chamness said.

Glades residents need guarantees that agriculture lost to

Everglades restoration will be replaced, Chamness said. 'Everglades restoration is important ... but there is common ground that can be found,' Chamness said. The Coskata deal calls for using sugar cane leaves, normally burned in the field, and other agricultural leftovers from the mill to create ethanol.

If the state buys most of U.S. Sugar's land, property could be leased back to supply the mill and the proposed ethanol plant. In addition to sugar cane, fast-growing crops such as switch grass and sorghum could be grown to produce the bio-fuel, said Wes Bolsen, Coskata's chief marketing officer. 'Agriculture will continue to be a very important part of South Florida,' Bolsen said. A final contract for the land deal with the state could be ready as early as this week. The South Florida Water Management District would borrow most of the money for the $1.34 billion deal, with taxpayers from Orlando to the Keys paying the debt.

The district's governing board must approve the purchase, with a vote expected next month.

It would take up to three years to get an ethanol plant designed, built and operating, Bolsen said. U.S. Sugar reports it currently has 1,700 workers. The ethanol shift could create an estimated 1,000 jobs, but that includes jobs at the new plant and other 'indirect jobs' such as the growers producing crops to feed the plant, Bolsen said. There would likely be a consolidation of jobs at the mill and the plant, he said.

Andy Reid can be reached at abreid@SunSentinel.com or 561-228-5504.

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## New buyer emerges for U.S. Sugar Corp's 187,000 acres

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11/20/2008
South Florida Sun-Sentinel - Online
Andy Reid

A new buyer emerged today for U.S. Sugar Corp's 187,000 acres - creating another bidder for land the state planned to buy for Everglades restoration.

The Lawrence Group, which owns and manages farmland in the South and Midwest, offered to buy U.S. Sugar for $300 per share. The group contends that if properly invested the deal could be worth more than $500 per share for U.S. Sugar's owners by 2016. That compares to $365 per share by 2016 under U.S. Sugar's current proposed deal with the state, according to the Lawrence Group. The group contends its deal could still provide land for Everglades restoration, but would allow the state to avoid buying farmland it doesn't need and keep the remaining land in agricultural production. U.S. Sugar Senior Vice President Robert Coker declined comment.

Gov. Charlie Crist in June announced the state's $1.75 billion bid for U.S. Sugar and use the company's land to restore water flows from Lake Okeechobee to the Everglades. This month, Crist announced a scaled-down $1.34 billion proposal for the state to buy 181,000 acres from U.S. Sugar and allow the company to keep its sugar mill, rail lines and other assets needed to stay in business.

After five months of closed-door negotiations, the state and U.S. Sugar were expected to finalize a proposed contract for the deal as early as this week. The deal must still be approved by the South Florida Water Management District. The district plans to borrow most of the money to pay for the land buy, with taxpayers in the region that stretches from Orlando to the Keys paying off the dept.

The Lawrence Group said it previously bid $293 per share to buy U.S. Sugar in 2005 and 2007, but was rejected. This time, the group sent letters detailing its offer directly to U.S. Sugar shareholders. 'This deal is a 'win-win' for everyone including the environment,' Gaylon Lawrence, Jr. said in a written statement released today. 'Our offer is far superior to the one management of U.S. Sugar is trying to sell to the state - on several fronts.'

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## US Sugar Formalizes Effort to Stay in Business After Proposed Land Deal

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11/18/2008
South Florida Sun-Sentinel - West Palm Beach Bureau
Reid, Andy

U.S. Sugar Corp. today announced a deal to try to shift into ethanol production, formalizing an effort to stay in business even after a proposed deal to sell most of its sugar cane land to the state for Everglades restoration.

Florida's largest sugar cane producer entered a deal with Coskata Inc. of Warrenville, Ill. to explore building a 100 million gallon per year ethanol production plant near U.S. Sugar's Clewiston sugar mill.

U.S. Sugar and Coskata plan to ask for a state grant of about $2.5 million for engineering work. U.S. Sugar also intends to seek federal loan guarantees intended to encourage biofuel production.

This comes as U.S. Sugar continues to negotiate the finishing touches on a proposed $1.34 billion deal to sell 181,000 acres to the state to be used to help restore flows of water from Lake Okeechobee to the Everglades.

The deal with Coskata would create a new direction for U.S. Sugar if it sells most of its land to the state, but the ethanol proposal can also "stand on its own" if the Everglades deal falls through, U. S. Sugar Senior Vice President Robert Coker said.

"It's another step in the process of moving forward and looking at options," Coker said.

A final contract for the land deal with the state could be ready as early as this week. The South Florida Water Management District would borrow most of the money for the $1.34 billion deal, with taxpayers in the 16-county region from Orlando to the Keys paying off the debt.

The district's governing board must approve the purchase, with a vote expected in the middle of next month, at the earliest. The Coskata deal calls for using sugar cane leaves, normally burned in the field, and other agricultural leftovers form U.S. Sugar's mill to create environmentally-friendly biofuel.

If the state does buy most of U.S. Sugar's land, property could be leased to supply U.S. Sugar's mill and the proposed ethanol plant. Coskata's technology can also use trash and other waste material to create ethanol. Fast-growing crops other than sugar cane could be used to produce the fuel, according to U.S. Sugar.

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## Advice Lands Like Fly in US Sugar Deal

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11/19/2008
St. Petersburg Times
Pittman, Craig

An independent financial adviser hired by the state says the land U.S. Sugar wants to sell for Everglades restoration is worth $930-million — not the $1.3-billion the state announced last week it is willing to pay.

Only if all of U.S. Sugar's holdings are included — 187,000 acres of land, plus a sugar mill, railroad and citrus operation — would the value reach $1.3-billion, according to a Nov. 13 letter from Duff & Phelps, the state's New York financial adviser.

The letter is dated the day after Gov. Charlie Crist unveiled a deal in which the state buys 181,000 acres of U.S. Sugar's land, and nothing else, for $1.34-billion.

The letter from the firm's managing director, Andrew Capitman, was posted Tuesday on the Web site of the South Florida Water Management District, the state agency in charge of the buyout.

Sugar officials scoffed at the Duff & Phelps opinion, which cost the water district more than $1-million. U.S. Sugar vice president Bob Coker dismissed the financial adviser as "Huey, Dewey & Louie" — Donald Duck's cartoon nephews — and said the firm "probably shouldn't be licensed to work in Florida."

He contended the land is so valuable that "some people think the state is getting the Hope Diamond at cubic zirconia prices."

He and sugar lobbyist J.M. "Mac" Stipanovich, who helped negotiate the deal with the state, contended that the letter had been posted on the district's Web site to fuel opposition to the price.

"I suspect it was requested by someone who intends to oppose the buyout," Stipanovich said.

Sugar farming south of Lake Okeechobee has long been considered a major obstacle to the $10-billion plan for restoring the Everglades. Environmental groups sued to challenge the practice of backpumping farm runoff containing phosphorous, pesticides and other chemicals into the lake. After a judge ruled for the environmental groups, the water district board voted in August 2007 to end the practice.

The sugar company dispatched Stipanovich and another lobbyist to ask Crist for relief. Instead, in that November 2007 meeting, he proposed the state buy out the company and all its facilities. Eight months later, in June, Crist unveiled the result: a tentative deal for a complete buyout that would allow turning the sugar land into a network of marsh treatment areas and reservoirs to clean and store water before sending it south into Everglades National Park.

But in succeeding months, as the Wall Street meltdown jeopardized borrowing that much money, state officials decided they didn't want the sugar mill, railroad or citrus operation.

So Crist announced last week that the state would buy 181,000 acres of the company's land for $1.34-billion. The revised deal is supposed to be voted on by the Water Management District's governing board next month.

The water board has hired three appraisers to review the price of the land. In September, district officials also hired Duff & Phelps to review the buyout and provide them with a "fairness opinion" as to whether the sale represents a fair deal for the taxpayers. Although the opinion cost the water district more than $1-million, Coker considers it worthless.

"That valuation was done for a business deal that's not currently on the table," he said.

The Duff & Phelps letter addresses the original deal, not the new one. Two appraisals, done Oct. 25 and Nov. 1 by experts hired by the water district, said the land would be worth $1.3-billion.

Water district spokesman Gabe Margasak said the Duff & Phelps opinion "is not an appraisal and does not provide a conclusion about the value of the acquisition relative to its public purpose." He said the agency "remains committed to achieving an acquisition that provides the best possible returns for our taxpayers, our communities and America's Everglades."

[Last modified: Nov 19, 2008 02:36 AM]

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## U.S. Sugar gets bid that rivals state's offer

11/20/2008
St. Petersburg Times - Online
Jeff Harrington

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The Lawrence Group, a Nashville company that ranks among the country's largest owners of farmland, has made a bid to trump the state's acquisition of U.S. Sugar Corp.'s vast land holdings.

The all-cash bid of $300 a share translates to about $588-million, far short of the $1.34-billion offered by the state to buy about 181,000 acres of U.S. Sugar land for Everglades restoration. But in an appeal to shareholders, Lawrence Group contended its offer is better than the one from the South Florida Water Management District.

If the $300 per share is placed in investment-grade corporate bonds, it would yield more than $500 per share by 2016, according to the Lawrence Group. Contrast that, the company said, with the state's bid that would lock in shareholders for eight years with the inability to sell shares. Come 2016, the shareholders would receive as much as $365 per share.

Though the state's bid is solely for acreage not including a sugar mill, railroad and citrus operation that is part of U.S. Sugar's business Florida officials had agreed to lease the land back to U.S. Sugar for at least six years as it prepares to transition the land from farming to restoration. Some details of the Lawrence bid were unclear, but the company said it would continue operating U. S. Sugar 'as a going concern for years to come.' However, the Lawrence Group said it is keen on helping Governor Crist's goal of restoring the flow between Lake Okeechobee and the Everglades.

In a letter to South Florida Water Management District dated Wednesday, the company said, 'Our offer contemplates selling you the land needed to accomplish this worthy undertaking at a huge savings to the taxpayers when compared to the current U.S. Sugar proposal.''

Indeed, the current plan by the state involves acquiring tens of thousands of acres beyond what water managers require for restoration, the Lawrence Group said.

The Lawrence Group, headed by Gaylon Lawrence Sr. and son Gaylon Lawrence Jr., made previous attempts to buy U.S. Sugar for $293 a share. Both bids, one in 2005 and again in 2007, were rejected by the company's board.

U.S. Sugar spokesman Robert Coker indicated this morning that it was too soon to comment on the offer.

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## Second suitor woos U.S. Sugar

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11/21/2008
St. Petersburg Times - Online
Jeff Harrington and Craig Pittman

A Nashville company is trying to buy out U.S. Sugar before the state can get its hands on the land, but for far less than what Gov. Charlie Crist is willing to pay.

The Lawrence Group says it would be happy to sell the state whatever land it needs for restoring the Everglades and meanwhile keep on operating U.S. Sugar for years to come.

The offer threw a new wrinkle into negotiations for the state's buyout of the nation's largest sugar company, a process that has already had more twists than a pretzel.

The Lawrence Group, which ranks among the country's largest owners of farmland, announced Thursday that it wants to buy U.S. Sugar by offering shareholders a bid of $300 per share cash. That translates to about $588-million, far less than the $1.34-billion that Crist announced last week that the state is prepared to pay for 181,000 acres of sugar land to use for Everglades restoration.

But in its appeal to the shareholders, the Lawrence Group contended its offer was better than the state's because it's in cash and it's immediate. The state buyout wouldn't happen for at least seven years and could be deferred longer.

Shareholders could put that $300 per share into investment-grade corporate bonds, the company contended, and it would yield more than $500 per share seven years from now. The state's offer would equal only $365 a share by 2016, the company said.

Although the Lawrence Group did not say just how much land it would resell to the state for the Everglades, a letter to state officials said, 'Our offer contemplates selling you the land needed to accomplish this worthy undertaking at a huge savings to the taxpayers when compared to the current U.S. Sugar proposal.' In a carefully worded statement, U.S. Sugar vice president Bob Coker said that, technically, the Lawrence Group hasn't put an actual offer on the table, but simply expressed interest in buying the company. The sugar company's board will now 'request the Lawrence Group to provide specific details to enable it to evaluate the proposal,' he said. State officials were being equally circumspect, even though they have known for a month that the Lawrence Group was interested in beating them at their own game.

The South Florida Water Management District, the state agency in charge of the buyout, met a month ago with Lawrence Group representatives, according to spokesman Gabe Margasak, but the state agency is 'not involved in any discussions between U.S. Sugar and the Lawrence Group.' Sugar farming south of Lake Okeechobee has long been considered a major obstacle to the $10-billion plan for restoring the Everglades. Restoring the long-lost link between the lake and Everglades National Park seemed impossible as long as sugar cane grew there.

Then environmental groups sued to challenge the sugar companies' practice of back-pumping farm runoff containing phosphorus, pesticides and other chemicals into the lake. After a judge ruled for the environmental groups, the water district board voted in August 2007 to end the practice.

U.S. Sugar dispatched lobbyists to ask Crist for help. Instead, he proposed the state buy all the company's assets: 187,000 acres of land, plus its sugar mill, citrus operation and railroad.

When he announced the proposed buyout in June, Crist won raves from environmental groups. But his proposal ran into a wall of criticism from lawmakers concerned about the loss of jobs for the sugar company's 1,700 employees. Meanwhile, the Wall Street meltdown put the squeeze on the state's ability to borrow the $1.75-billion that had been set as the top amount the state would pay.

So last week Crist announced a new deal in which the state would pay $1.34-billion to acquire 181,000 acres, leaving the rest in operation. A day later, though, the state's financial adviser said the land alone is worth only $930-million a judgment that sugar company officials have sharply questioned.

The Lawrence Group has tried before to buy U.S. Sugar. Headed by Gaylon Lawrence Sr. and son Gaylon Lawrence Jr., the company offered U.S. Sugar $293 a share. Both bids, one in 2005 and again in 2007, were rejected by the company's board.

So this time the company went straight to the shareholders with its offer. While its letters lacked some crucial details, the company promised it would continue operating U.S. Sugar 'as a going concern for years to come.'

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## Farming company offers to buy US Sugar

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11/20/2008
Star Tribune - Online

CLEWISTON, Fla. - A Tennessee-based farming company has made an offer to acquire U.S. Sugar Corp., its third bid to buy the nation's largest producer of cane sugar.

The Lawrence Group announced its $300 per share proposal to shareholders of the Clewiston, Fla.-based company Thursday. Previous bids in 2005 and 2007 were rejected by U.S. Sugar's board of directors without shareholder involvement.

U.S. Sugar earlier this year entered into a deal with the state of Florida to sell much of its land for Everglades restoration. The Lawrence Group says it can achieve the same environmental goal while keeping more of the land, cutting the $1.34 billion price tag for taxpayers and saving jobs.

U.S. Sugar declined immediate comment on the offer.

## WAS U.S. SUGAR BID TOO SWEET?

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11/19/2008
Sun Sentinel, Fort Lauderdale, FL

The state's bid to buy out U.S. Sugar Corp. and make way for Everglades restoration was $400 million too high from the start, according to the findings of outside financial advisers released Tuesday.

Gov. Charlie Crist in June announced a $1.75 billion deal to buy all of U.S. Sugar's land, facilities and equipment to restore water flows between Lake Okeechobee and the remaining Everglades.

However, the New York financial firm Duff & Phelps - hired to render a "fairness" opinion on the proposal - estimated the combined value of U.S. Sugar's land, facilities and equipment at a maximum of $1.3 billion.

Crist last week announced a scaled-down version of the deal that calls for buying most of the land but also allows the company to keep the sugar mill, rail lines and other assets it needs to stay in business. The new $1.34 billion proposal still comes in higher than the "fair" purchase price suggested by Duff & Phelps.

Just the land is worth $930 million, according to a Nov. 13 letter to the board of the South Florida Water Management District, which decides whether to approve the deal.

The "fairness opinion" is one part of the district's ongoing due diligence that will be considered before a decision is made, the agency said in a statement released Tuesday.

"It is not an appraisal and does not provide a conclusion about the value of the acquisition relative to its public purpose," the district added.

U.S. Sugar Senior Vice President Robert Coker rejected the firm's findings, saying they were based on a review of just one year of U. S. Sugar's financial records.

"To put some arbitrary value on the company based on one year ... is completely unwarranted. It was flawed," Coker said. "This is a very good deal for the state of Florida [and] it is a good deal for U.S. Sugar."

The state plans to use 181,000 acres of U.S. Sugar land to build reservoirs and treatment areas to store, clean and redirect water to the Everglades.

The district would borrow most of the money for the deal, with taxpayers from Orlando to the Keys paying off the debt.

The "fairness" opinion came in substantially lower than independent appraisals conducted for the district to estimate the value of buying out U.S. Sugar's land and assets.

Those reports estimated the value of the original deal at $1.7 billion according to Anderson & Carr Inc. of West Palm Beach, and

$1.9 billion according to Gillott Appraisal Services of Palm Harbor.

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Inside sugar

Take a look at the history of the sugar cane industry in South Florida through an interactive photo gallery and video report at SunSentinel.com/sugar



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## New Plan To Buy U.S. Sugar Will Help Environment - And Save Jobs

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11/21/2008
Town-Crier Newspapers, The

This week brought possibly good news to the economically depressed Glades communities with the announcement that Florida has renegotiated its deal to purchase U.S. Sugar.

The new deal will cost the state $1.34 billion and includes the purchase of 181,000 acres of U.S. Sugar's land for restoration but will leave the company's infrastructure alone. The previous agreement - which was reached in June but slowly broke down in the face of the nation's growing economic crisis and other financial factors - had a price tag of $1.75 billion and included the company's mill, railroad and citrus processing plant. The original plan would have forced U.S. Sugar to close its operations within six years - a move that would leave roughly 1,700 local workers unemployed.

When the original deal was announced by Gov. Charlie Crist in June, we were hopeful about the environmental benefits but concerned about the loss of jobs. The Glades region would be devastated by such a large-scale layoff of workers. Under the new plan, U.S. Sugar will lease back its land over the next seven years while deciding on its future plans - including the possibility of getting into the biomass energy business or importing raw sugar cane from abroad for processing.

Of course, the plan is not perfect. Critics, including board members of the South Florida Water Management District, have raised concerns that the new price should be lower. They argue that the total cost of the mill, refinery, railroad and other assets is worth approximately $623 million, which when subtracted from the original cost of $1.75 bilion would result in $200 million less than the current $1.34 billion price tag. The SFWMD board will vote on the issue Dec. 2.

Still, the bottom line is that the major concern five months ago was that the deal would sacrifice too many local jobs. While there is no absolute guarantee that U.S. Sugar won't decide later on to sell its operations, there is no reason to believe that's the way the plan will turn out.

The current proposal significantly mitigates economic effects to the Glades community. And it suggests there's a future out there for other business interests. Cellulosic ethanol and biomass are an integral part of our country's energy future, and if has the opportunity to lead in that effort, we support any plan that moves us in that direction.

more . . . Opinions

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## Farming company offers to buy US Sugar

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11/20/2008
Tribune, The

A Tennessee-based farming company has made an offer to acquire U.S. Sugar Corp., its third bid to buy the nation's largest producer of cane sugar.

The Lawrence Group announced its $300 per share proposal to shareholders of the Clewiston, Fla.-based company Thursday. Previous bids in 2005 and 2007 were rejected by U.S. Sugar's board of directors without shareholder involvement.

U.S. Sugar earlier this year entered into a deal with the state of Florida to sell much of its land for Everglades restoration. The Lawrence Group says it can achieve the same environmental goal while keeping more of the land, cutting the $1.34 billion price tag for taxpayers and saving jobs.

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## U.S. Sugar explores ethanol option

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11/18/2008
United Press International (UPI)

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TALLAHASSEE, Fla., Nov. 18 (UPI) -- Florida's proposed buyout of U.S. Sugar Corp. to restore the Everglades has changed as the corporation said it was considering building an ethanol plant.

The proposal to buy U.S. Sugar's entire land holdings, but give the firm time to phase out of business in Florida, has been scaled back to a $1.34 billion deal that allows the company to keep a Clewiston, Fla., sugar mill and its rail line, the South Florida Sun-Sentinel reported Tuesday.

The company is negotiating with Coskata Inc. of Illinois over the possibility of building a 100-million gallon-per-year ethanol production facility.

U.S. Sugar is now pursuing a $2.5 million state grant to help design the plant, the newspaper said.

'It's another step in the process of moving forward and looking at options,' U.S. Sugar Senior Vice President Robert Coker said.

'Everglades restoration is important ... but there is common ground that can be found,' said Clewiston Mayor Mali Chamness.

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## U.S. Sugar to Explore Building 100 Million Gallon Ethanol Facility

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11/18/2008
usagnet

U.S. Sugar Corp. announced that it has entered into an agreement with Coskata, Inc of Warrenville, IL to explore building a 100 million gallon per year cellulosic ethanol facility in Clewiston, Florida. The facility would be the world's largest second generation ethanol facility. It would convert left-over sugar cane material into ethanol, and would help Florida meet its aggressive second generation ethanol mandate set by Governor Charlie Crist.

The non-food based ethanol could reduce greenhouse gasses by as much as 96% versus conventional gasoline. U.S. Sugar plans to collect cane leaves from the field versus burning them, as well as utilize excess bagasse from the mill. The Coskata technology, which is able to convert almost any renewable material, is expected to produce fuel ethanol with manufacturing costs of around $1 per gallon. As the State of Florida takes some of the U. S. Sugar lands out of production for the Everglades restoration project, the Coskata technology is flexible enough to also use fast growing energy crops and waste materials to make the environmentally superior fuel.

As part of the agreement, U.S. Sugar will be submitting an application to the Florida Energy Office for a financial match to their contribution for early engineering on this project. In addition, US Sugar plans to work with the U.S. Department of

Agriculture to secure some of the loan guarantee monies that have been set aside specifically for the production of non-food based biofuels.

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## With US Sugar faces challenges

11/22/2008
Wall Street Journal

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A Tennessee farming company launched an offer to acquire U.S. Sugar Corp., seeking a deal that would also thwart Florida's planned $1.34 billion acquisition of thousands of acres of fragile wetlands in southern part of the state.
In letters to directors, executives and shareholders of U.S. Sugar, the largest grower of sugar cane in the U.S., closely held Lawrence Group disclosed plans to offer $300 a share for the company. However, because U.S. Sugar is also closely held, primarily by descendents of its founder and an employee ownership plan, it wasn't clear exactly how much the Lawrence offer would represent.

If the offer succeeds, it would prevent a landmark transaction by the South Florida Water Management District, which reached a final agreement last week to buy nearly all of U.S. Sugar's property and convert much of it back into a natural waterway as part of an environmental restoration of the Florida Everglades. The 285 square miles of land sit along parts of the "River of Grass," the course of water that naturally flows between Lake Okeechobee, through the Everglades wetlands, and to the ocean. The deal is still pending final approval by the boards of U.S. Sugar and the water management district.
Under the state deal for the land, Florida would immediately acquire most of U.S. Sugar's property, but allow the company to continue growing sugar cane and refining it for seven years. After that time, Florida could begin restoring the land back to its natural state. U.S. Sugar, which retains ownership of its sugar refinery and other infrastructure, would determine then whether to sell the rest of its assets or continue operating without its sugar-cane fields.

Lawrence Group, which operates farms throughout the South and Midwest and citrus groves in Florida, failed in two prior efforts to purchase U.S. Sugar in 2005 and 2007. In a statement, Lawrence said its offer was higher than its previous bid and is "far superior" to the state deal for U.S. Sugar shareholders. But the company declined to provide details of the new offer.

In its letters, the Lawrence Group said that if successful it would attempt to negotiate a new arrangement with Florida officials to achieve the same environmental goals but without selling as much property to the state.

In a statement, U.S. Sugar said it hadn't yet received a formal offer from Lawrence, but that it would consider any transaction in the interest of shareholders. Officials from U.S. Sugar and Lawrence Group declined to comment further.

Write to Paulo Prada at paulo.prada@wsj.com

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## Farming company offers to buy US Sugar

11/20/2008
Washington Post - Online

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