

## ***Interactive comment on “Assessing the economic impacts of drought from the perspective of profit loss rate: a case study of the sugar industry in China” by Y. Wang et al.***

**Anonymous Referee #1**

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This paper describes a model for the estimation of profit loss for sugarcane farmers and sugar companies, depending on yield reduction caused by drought, based on a case study in China. The main innovative aspects of this contribution from my point of view are that a) the increase in sugar price in drought years is analysed and explicitly considered in the model and b) the different impacts of this price development on the losses of the different actors of the sugar industry in the case study (farmers, company) are demonstrated, leading to specific recommendations to include price dynamics in farming contracts. The paper is well written and all parts have an appropriate length and level of detail. I have only very minor comments, which can be found in the

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attached PDF-file. I would therefore recommend to publish this paper in NHESS, after very minor revisions.

Please also note the supplement to this comment:

<http://www.nat-hazards-earth-syst-sci-discuss.net/3/C264/2015/nhessd-3-C264-2015-supplement.pdf>

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