



Newsletter

National Sweetener and Ingredient Marketing Assn
National Sugar Broker's Association



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Notes from the President :

With thankfulness and appreciation, the National Sweetener & Ingredient Marketing Association and I wish you and yours a joyous and happy holiday season and a prosperous and successful New Year.

I look forward to 2006 and the opportunity to work with all of you to make our association stronger, more informative, and helpful.

God Bless You All;

Raymond A. Washmera

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http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news_view&newsId=20051025006036&newsLang=en.



October 25, 2005 03:25 PM US Eastern Timezone

Imperial Sugar Company Declares \$0.05 Per Share Regular Quarterly Cash Dividend Payable November 23, 2005

SUGAR LAND, Texas--(BUSINESS WIRE)--Oct. 25, 2005--Imperial Sugar Company (NASDAQ:IPSU) today announced that its Board of Directors declared a regular quarterly cash dividend of \$0.05 per share payable on November 23, 2005 to shareholders of record on November 14, 2005. This quarterly dividend, which continues the regular dividend program that has been in effect since January, 2005, is in addition to the special dividend of \$2.50 per share payable November 11 to shareholders of record November 1, 2005, announced October 17, 2005.

About Imperial Sugar

Imperial Sugar Company is one of the largest processors and marketers of refined sugar in the United States to food manufacturers, retail grocers and foodservice distributors. With packaging and refining facilities across the U.S., the Company markets products nationally under the Imperial(R), Dixie Crystals(R) and Holly(R) brands. For more information about Imperial Sugar, visit www.imperialsugar.com.

Statements regarding future market prices and margins, future energy costs, future operating results, sugarbeet acreage, operating efficiencies, future government and legislative action, future cost savings, future benefit costs, our liquidity and ability to finance our operations, and other statements that are not historical facts contained in this release are forward-looking statements that involve certain risks, uncertainties and assumptions. These include, but are not limited to, market factors, energy costs, the effect of weather and economic conditions, farm and trade policy, our ability to realize planned cost savings, the available supply of sugar, available quantity and quality of sugarbeets, actual or threatened acts of terrorism or armed hostilities, legislative, administrative and judicial actions and other factors detailed in the Company's Securities and Exchange Commission filings. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated.

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<http://www.grandforks.com/mld/grandforks/12997650.htm>

Posted on Wed, Oct. 26, 2005

SUGAR BEET HARVEST: American Crystal's crop smaller than anticipated

32,000 acres in the co-op's Drayton district were lost because of heavy rains

By Rona K. Johnson

Herald Staff Writer

The 2005 American Crystal sugar beet crop is coming in smaller than expected, but high in sugar content compared with the co-op's five year average, according to company spokesman Jeff Schweitzer.

"This crop, I would say, probably isn't as bad as we feared nor as good as we hoped," he said.

Tuesday only a few shareholders still were making deliveries to the company's five factory districts, said spokesman Jeff Schweitzer.

"Our morning report said we are 99.9 percent done," he said.

Crystal's shareholders harvested an average 18.7 tons per acre, compared with the five-year average of 19 to 19.5 tons per acre, according to preliminary estimates. But sugar content averaged 17.7 percent, compared with the five-year average 17.5 percent.

Growers from the co-op's five factory districts are expected to deliver a total of 8.8 million tons of sugar beets from 468,000 acres, Schweitzer said.

"That's below our targeted level of 10 million tons and below last year's performance of 9.4 million tons," he said.

Part of the problem is that Crystal growers harvested fewer acres this year. Growers typically plant about 500,000 acres. Although they strive to harvest the same number, Mother Nature doesn't always cooperate. Last year they harvested 485,000 of those acres, but this year only 468,000.

Most of the losses occurred in the co-op's Drayton, N.D., district, where 32,000 acres were lost to drown-out and root rot caused by heavy rains in May and June.

"We were a little disappointed to lose that acreage but the remainder of the crop did fairly well," Schweitzer said.

While sugar beets in the Drayton district suffered, the crops in the Moorhead and Hillsboro, N.D., factory districts helped to pull up the average, he said.

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Friday, October 28, 2005

Sugar supply remains stable

Consumers with a sweet tooth can relax. They'll get their sugar fix this holiday season without paying a fortune for it, industry representatives insist. U.S. sugar supplies remain stable and retail prices relatively flat despite recent disruptions caused by hurricanes in the Gulf, industry leaders said last week.

Hurricanes Katrina and Rita disrupted sugar cane production in the Gulf Coast, prompting concerns from many end users, including candy manufacturers.

Officials with the American Sugar Alliance acknowledge that a few small buyers have complained about tight supplies and higher sugar prices.

But ASA officials insist that those are isolated cases. "There's enough sugar out there and no additional imports are needed," said Jack Roney, director of economics and policy analysis for the ASA.

"In fact, the vast majority of sugar users purchased their sugar on a contract basis well before the hurricanes at rock bottom prices," Roney said.

But any buyers making purchases on the spot market now are paying much higher prices than a year ago.

Wholesale prices have nearly doubled in the past year – from about 24.5 cents per pound to about 42 cents per pound – according to statistics compiled by Miller and Baking News, a publication that tracks sugar prices for manufacturers.

At least one candy manufacturer in the Chicago area recently curtailed production for a few days, waiting for sugar prices to come down, the Chicago Tribune reported last week.

But retail sugar prices still remain under control, Roney said.

The average sugar price paid by grocery shoppers in September was 43.7 cents per pound, according to the U.S. Department of Agriculture.

That price has remained virtually unchanged for 20 years and fluctuated little despite the recent hurricanes, which limited sugar supplies from Louisiana, Roney said.

Immediately following Katrina, the USDA allowed 500,000 tons of domestic sugar that had been held in reserve to be marketed. The agency also increased the amount of sugar that can be imported.

Those actions have alleviated any short-term supply problems, Roney said.

"America's sugar policy is working as it was designed to," he said. "Prices have remained fair, and there have been no significant product shortages. The response to these disasters proved just how effective our policy is."

Idaho sugar beet growers have benefited from the tighter market and the actions taken by USDA to free up more sugar from reserve stocks.

Boise-based Amalgamated Sugar Co. recently took advantage of USDA's increased marketing allocations by putting previously held-back sugar on the market. That has helped boost returns for the grower-owned company.

Members of the Snake River Sugar Co. co-op, which owns Amalgamated, were told in September that they would receive a supplement payment for the 2004 crop.

The supplemental payment will average about \$1.50 per ton, boosting the total payment for the 2004 crop to about \$36.50 per ton.

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Posted on Mon, Oct. 31, 2005; By Jane Bussey, **THE MIAMI HERALD**

AGRICULTURE: Sugar industry rides the storms with new program

Hurricanes wreaked havoc on sugar cane fields, but consumers have gotten a break so far. Suppliers cite price stability as proof the sugar program works; big users disagree.

Refineries out of service, supplies dwindling after a series of walloping hurricanes -- the situation for sugar sounds a lot like the gasoline scenario that has pushed prices to more than \$3 a gallon.

But American consumers have dodged a drubbing -- so far -- when they go to buy sugar at the supermarket.

The sugar industry is hailing the price stability as a sign of the effectiveness of the government's sugar program -- which allows flexibility in allotting import quotas. The program protects consumers from abrupt price hikes in sugar by smoothing out supply.

TWO PERSPECTIVES

"If our nation's oil policy worked as well as sugar policy does, we wouldn't see those price spikes at the gas pump," said Robert Coker, senior vice president of public affairs at U.S. Sugar.

But big-time sugar users -- candy, cereal and baked goods manufacturers -- insist the supply management isn't working nearly as well as supporters like to crow and that manufacturers are facing higher wholesale sugar prices, which have spiked upwards since Katrina.

Despite the destruction of the Louisiana sugar crop in Hurricane Katrina, which also put the Domino sugar refinery in Chalmette, La., out of service until December, the retail price of sugar -- paid by consumers for bags of sugar at the store -- hovered under 44 cents a pound in September -- little changed over the past 20 years, according to the U.S. Department of Agriculture.

"Here we are months after the initial hurricane and there is no affect on the price for sugar," said Jack Roney, director of economics and policy analysis at the American Sugar Alliance, the industry's lobbying group in Virginia.

"It is a tribute to the stability provided by the U.S. sugar program," Roney said.

Sugar is the only major commodity that doesn't receive direct government subsidies but instead sees prices kept at around 22 cents to 23 cents a pound by setting import quotas on 42 countries. Sugar users would like to do away with the program, insisting that this would allow them to purchase cheaper sugar at the "world price" of 8 cents to 9 cents a pound.

Roughly 80 percent of world sugar is traded at the higher price through quotas and domestic price support, with sugar growers contending that subsidies in Europe and indirect subsidies in Brazil allow other countries to unload their sugar onto world markets below the cost of production.

SUGAR RESERVE

To increase supplies after Katrina, the Department of Agriculture authorized the marketing of 500,000 tons of domestic sugar held in a sugar reserve paid for by the industry. The USDA also increased imports by 600,000 tons. Both measures added around 1.1 million tons of sugar to U.S. supplies.

Sarah F. Thorn, senior director of international trade at the Grocery Manufacturers of America, said the sugar users -- who oppose the U.S. sugar program -- dispute that the program is providing price stability.

"We were in a crisis before Katrina, we were short sugar," said Thorn. ``What our guys are finding is a serious crunch in the market place, they are not getting the sugar that they need."

WHOLESALE PRICE RISES

Industry users, citing Milling & Baking News, a trade publication, say that a pound of sugar at the wholesale level has climbed from 23 cents a pound to 40 cents.

They also warn that consumers will soon face higher prices for candy, cookies and other prepared food.

"It takes a while for any shock to be passed through the system," Thorn said.

But the sugar growers counter that the Milling & Baking News numbers are spot prices, reflecting short-term spikes and not necessarily long-term trends.

Hurricane Wilma will also take its toll on Florida's sugar production, with a smaller sugar harvest in the state expected to contribute to lower U.S. sugar output.

Florida sugar growers are still trying to assess the damage to their own sugar fields after Hurricane Wilma battered the state just days after the 2005-2006 harvest began.

"We had substantial damage to the sugar cane crop," said Judy Sanchez, spokeswoman for U.S. Sugar, headquartered in Clewiston. ``We are trying to get into some of the fields that are flooded. We also had substantial damage to all the mills."

The company said the Clewiston refinery should be operating by this week.

In the past week, sugar futures surged 30 percent to almost 12 cents a pound, up from 9 cents a pound for most of 2004. The price was a 10-year high. Sugar traders said the futures price rise came because of market expectations that Brazil might divert more sweetener to its sugar ethanol production as oil prices also rose. Ethanol is used as an alternative fuel in Brazil.

`SO LOW FOR SO LONG'

Roney said that no one can be sure if price spikes, both for wholesale price paid by the big time users and the low world price, will last. But he said that sugar growers would like to receive higher prices to make up for several years of very low prices. "Producers would like to see prices recover because they have been so low for so long," Roney said. Still, he doubts the U.S. sugar industry is going to see the kind of windfall profits the oil industry is currently earning.

<http://www.startribune.com/stories/535/5702833.html>

November 2, 2005; by John Reinan, **Star Tribune**

Cargill planning to build \$100 million sugar refinery

Cargill Inc. on Tuesday said it plans to build the nation's largest sugar refinery on Louisiana's Gulf Coast, a \$100 million facility that will process about 10 percent of the sugar consumed in the United States.

The project is a joint venture with Louisiana Sugar Cane Products Inc., a cooperative representing more than 700 cane growers that produce about 75 percent of Louisiana's sugar. The state produces roughly a third of the nation's cane sugar supply.

Cargill and the co-op will split the cost and ownership of the refinery 50-50, officials said at a news conference. Construction will start early next year, with production planned to start in 2008.

Officials with the growers' co-op said they welcomed the chance to gain a share of the value added from refining raw sugar.

"There has not been a meaningful opportunity for the growers to participate in the profits derived from refining and marketing sugar," said Mike Daigle, co-op chairman. "We have to move forward and get a bite of the apple."

The refinery will be built at an existing Cargill grain-shipping port in Reserve, La., said Pat Bowe, president of Cargill Sweeteners North America. He said the refinery initially would focus on producing industrial-grade sugar for the food business but could branch out into table-grade sugar.

Cargill has existing marketing alliances with sugar-beet growers in southern Minnesota and Wyoming. Bowe said Cargill's deal with cane growers will be welcomed by the beet farmers.

"There's plenty of opportunity for geographic arbitrage," he said. "They won't be tripping over each other. This will allow us to maximize opportunities for all growers by having a national reach."

With annual revenue of \$71.1 billion, Minnetonka-based Cargill is one of the world's largest agricultural companies.

<http://www.nytimes.com/2005/11/06/international/americas/06prexy.html?hp&ex=1131253200&en=489650fc6af9db18&ei=5094&partner=homepage>

November 6, 2005

Trade Accord Stalled as Americas Meeting Ends

By [LARRY ROHTER](#), The New York Times

MAR DEL PLATA, [Argentina](#), Nov. 5 - A two-day summit meeting of leaders of 34 Western Hemisphere nations attended by President Bush was drawing to a close here on Saturday without a clear agreement on when and how to resume stalled talks aimed at achieving a hemispherewide free trade agreement.

Mr. Bush had hoped to persuade his counterparts from Latin America and the Caribbean to deliver a resounding endorsement of the plan, the Free Trade Area of the Americas. But suspicions of American intentions prevailed in the end, and the final communiqué, originally scheduled to be issued early in the afternoon, seemed likely to fall short of that ambitious goal, if an official declaration were to be made at all.

Because of the deadlock, the negotiations continued Saturday afternoon, three hours past their scheduled close, and forced the cancellation of a final lunch for the leaders. When the group took a 15-minute break, President Bush left for his flight to Brasília. White House officials said he had left to keep to his original timetable, which called for him to meet there on Sunday with the Brazilian president, [Luiz Inácio Lula da Silva](#).

"Reaching a consensus in a body of this size is sometimes a difficult task," a senior administration official said after the president had departed. "We'd like to see the continuation of the free trade talks, and 29 countries have indicated their support for moving ahead."

American presidents of each party have long pushed for a hemispheric free trade zone. [Ronald Reagan](#) talked of a single market extending from [Alaska](#) to Tierra del Fuego; [Bill Clinton](#) formally broached the idea at the First Summit of the Americas in Miami in 1994.

A Free Trade Area of the Americas would be larger than the European Union, though without its free flow of labor and political integration. Benefits for the [United States](#) as the dominant economic power in the hemisphere are obvious: with no more tariffs and other barriers that inhibit entry of American goods and services, American exports to the region would boom.

But momentum has stalled, partly because the United States and Latin America are awaiting the outcome of trade talks at the Doha Round of the World Trade Organization, which will establish certain global rules any regional accord must respect. So the Bush administration has turned to smaller bilateral and regional agreements, like the Central American Free Trade Area, but came here hoping to get a commitment to resuming negotiations early next year.

"The reason why trade is so vital is because, particularly when addressing poverty, grants and loans pale in comparison to the amount of good that can be done as commerce develops at all levels of government, at all levels of society," Mr. Bush told a group of reporters from Latin American publications this week.

But Latin America has never spoken with one voice on free trade. Many layers of doubt and dissent are on display here, and the situation may have been worsened by Washington's insistence on an agreement.

On the left are those, led by [Venezuela's](#) fiery, populist president, [Hugo Chávez](#), who oppose free trade in any form. Mr. Chávez calls the Free Trade Area of the Americas "an annexationist plan" that would stifle or destroy

local industry, roll back social safety nets and labor protections and permanently extend American political domination of the region to the economic realm.

"We have to bury F.T.A.A." because it is the latest manifestation of "an old project of the imperial eagle that from the beginning has wanted to sink its claws" into Latin America, Mr. Chávez said Friday at a rally here of 25,000 people, who chanted anti-Bush and anti-Free Trade Area of the Americas slogans. "It is part of the capitalist model, directed from Washington, that has beaten down our peoples for so long."

In contrast, [Brazil](#) and Argentina, the leaders of the Mercosur bloc, the third-largest trading group in the world, do not oppose the concept of free trade, only Washington's version. The Mercosur group, which includes [Paraguay](#) and [Uruguay](#), was founded in 1991 to eliminate trade barriers among its members, but also aims to achieve political integration. It covers an area with a population of nearly 250 million and produces more than \$1 trillion annually in goods and services.

As large exporters of foodstuffs, Mercosur wants the Bush administration to end billions in subsidies to American agriculture, in return for Latin American concessions on intellectual property rights, financial regulation and market access.

"We are here neither to bury F.T.A.A. nor to resuscitate it," but to see "what are the advantages," Brazil's foreign minister, Celso Amorim, said. "We have no prejudice against trade integration, but we don't want to put something on paper just because it looks nice."

Some other countries with dynamic economies that have free trade pacts with the United States, like [Mexico](#) and [Chile](#), have been trying to ease their neighbors' worries, by emphasizing the benefits of liberalized trade for exports, investment and employment. On Friday, President Vicente Fox of Mexico criticized Argentina's president, Néstor Kirchner, saying he "must do more to save this conference," and suggesting creation of a regional trade accord with 29 members instead of 34, leaving out Mercosur and Venezuela.

"Anyone who blocks an accord like this is certainly looking out for their own interests and not the interests of others," Mr. Fox said.

But President Ricardo Lagos of Chile said the United States needed to be more flexible. "It is very difficult to promote free trade accords when you have this kind of problem, in which the asymmetry favors those who have more and not those who have less," he said.

Brazil, which shares the presidency of the Free Trade Area of the Americas negotiations with the United States, maintains that no hemispheric trade agreement can be meaningful without the participation of its fellow Mercosur partners.

Argentina's stand is complicated by the resentment and mistrust from the economic collapse four years ago. Argentina contends that it was abandoned by the United States in its time of crisis, and that has colored Mr. Kirchner's dealings with the Bush administration.

<http://www.forbes.com/technology/feeds/ap/2005/11/06/ap2320466.html>

Puerto Rico Could Import Refined Sugar

11.06.2005, 04:51 PM

Puerto Rico could import refined sugar from the Dominican Republic to prevent a shortage caused by a drop in production in the United States and Mexico, the island's agriculture secretary said Sunday.

The U.S. Caribbean territory currently buys all its refined sugar from the U.S. and Mexico under the North American Free Trade Agreement, but has received fewer shipments since recent hurricanes damaged sugar refineries along the Gulf of Mexico.

Agriculture Secretary Jose Orlando Fabre insisted the country had adequate supplies of sugar but said he has asked the island's resident commissioner to lobby the U.S. Congress for permission to import an unspecified amount of Dominican sugar "to avoid a real shortage in the future."

Currently, the island must pay a US 16 cents per pound duty on sugar imported from countries other than Mexico or the U.S.

Fabre said the United States has already granted the island a waiver to import some 1,000 tons (907 metric tons) of refined sugar from Guatemala duty free. The shipment arrived last week and is currently being distributed.

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Outsourcing gets closer to home with CAFTA Trade deal creates 'nearsourcing'

By Danna Harman
USA TODAY

MANAGUA, Nicaragua — Touting themselves as the “new Asia,” pro-business and investment organizations across Latin America are talking about the benefits of “nearsourcing.”

It's the same thing as outsourcing — sending jobs to lower-cost locations outside the USA — but closer to home: It's south rather than east, near rather than far. And it's increasingly attractive to U.S. companies.

Latin American leaders are boosting nearsourcing as the region readies for the Jan. 1 start of the Central American Free Trade Agreement, which ends most tariffs on more than \$33 billion in goods traded between the USA and six Central American and Caribbean countries. Those are Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic. U.S. Commerce Secretary Carlos Gutierrez toured Central America last month with executives of 20 leading U.S. companies to promote the pact.

Lured by the ease of working in the same time zone a mere three or four hours' flight from headquarters in the USA, such companies as Dell, Sykes, Sitel, IBM, Procter & Gamble, Western Union, Sara Lee/Hanes, Russell Athletic, VF Corp. and others have been moving business into the region. Workers here are doing everything from reading X-rays to sewing jeans.

According to the United Nations' Economic Commission for Latin America and the Caribbean (ECLAC), Central America received just over \$2 billion in foreign investment last year, up from an average of \$633 million annually the region attracted in the early 1990s.

The number of U.S. jobs — manufacturing and services alike — going to Central and South America is minuscule when compared with those being outsourced to Asia. Forrester Research, an independent technology and market research company, estimates the number of jobs currently outsourced to India ranges from 400,000 to 700,000. But the trend toward Central America is increasing, says Eric Jacobstein, a trade expert at the Inter-American Dialogue in Washington.

“The U.S. private sector will no doubt continue to look to China and India,” Jacobstein says. “This is a phenomenon that cannot be stopped.”

But, he adds, “Geography does matter,” and combined with locked-in trade preferences via CAFTA, greater nearsourcing “is bound to occur. This will certainly help these Latin American countries. It will not have a huge impact, but anything helps, especially when competing with such emerging global giants as China and India.”

And, as India or the Philippines before them, Nicaragua, Panama, El Salvador and Costa Rica, along with South American countries Brazil and Chile, are embracing the trend with business-friendly policies and aggressive marketing.

ProNicaragua, an agency working to attract foreign direct investment to Nicaragua, has, for example, put together a database of English speakers — with more than 4,500 names so far — and is working with the

government to establish programs to upgrade the English skills in the country. This, to fill what Juan Carlos Pereira, executive director of ProNicaragua, estimates will be about 4,000 new call-center jobs in the next three to four years.

“Over 400,000 of our people who fled the conflicts of the 1980s moved to the U.S. and Canada,” Pereira says. “Many, including myself, have now returned to the country with good education and English skills.”

The leader in Central America in terms of attracting new outsourcing service business is Costa Rica, where 24,500 call-center and information technology jobs have been created in the past few years, a number expected to double in the next two years, according to the non-profit Costa Rican Chamber of Information and Communication Technologies. In Latin America as a whole, the number of call-center workstations will hit 730,000 in 2008, up from 336,000 in 2004, according to market researcher Datamonitor.

While India still has a far larger pool of educated English speakers as well as a lower minimum wage base and often better infrastructure, Central Americans say they can still capture a growing share of the market, especially with the passage of CAFTA.

“There is a hunger here for having a job, and a highly motivated group of people,” says Leonel Lacayo, a Nicaraguan who lived 23 years in the USA before returning to Managua and opening the Nicaragua Call Center.

Lacayo has 70 English-speaking employees who make calls to collect debts for clients such as telecom companies, hospitals and credit card companies.

“It would be hard to find people in the U.S. who wanted this job because they have too many other options,” he admits. “But here, the pay (\$400 a month plus incentives) is triple minimum wage.” By January, he says, he expects to expand to 100 operators.

Being English-Spanish bilingual also helps, says Claudia Solano, 25, one of the operators at the call center. Solano's parents fled during the civil war of the '80s and settled in Las Vegas. The family moved back to Managua to care for elderly grandparents three years ago.

Not everyone sees the growth in nearsourcing in a positive light. “We are sorry about this phenomenon,” says Thea Lee, the AFL-CIO's deputy director for public policy. “We are sorry anytime we lose good jobs here in the U.S., and we are also sorry we did not succeed in yielding stronger protections for Central American workers in CAFTA.”

The AFL-CIO lobbied against the trade agreement, which squeaked by with a two-vote margin in the House and a nine-vote margin in the Senate in the summer.

With Its Huge Sugarcane-Based Ethanol Industry, Will Brazil Become the Saudi Arabia of Alternative Fuels?

Date Posted: 11/10/2005

St. Petersburg Times (FL) (KRT) via NewsEdge Corporation : SAO PAULO, Brazil -- When 1,600 of the world's sugar industry elite sat down recently for a black tie dinner, there was plenty to digest.

Besides a five-course meal at Sao Paulo's exclusive Jockey Club, guests were given a glimpse of a brave new sugar-coated world.

As the lights dimmed, a rapid succession of images flashed on a large screen: burning oil wells in Kuwait, the Exxon Valdez oil spill, melting icebergs and traffic-congested cities engulfed in smog. As a late addition, the film-makers threw in footage from New Orleans in the aftermath of Hurricane Katrina.

Before the silent video ended, the screen filled with dawn breaking over green fields of Brazilian sugar cane. The message was clear:

The world needs an alternative, clean-burning source of fuel, and Brazilian sugar farmers are hoping to cash in.

They are in Brazil, where ethanol -- made from sugar -- is used to run car engines. If the car industry adopts ethanol worldwide, Brazil is poised to become the Saudi Arabia of alternative fuel.

What's preventing this is the world's deeply ambivalent attitude toward free trade.

"It makes absolutely no sense that we tax ethanol from Brazil and we don't tax oil from Saudi Arabia," said Anne Korin, an alternative energy advocate at the Center of Energy Security, a private think tank in Washington D.C. "You can't be for free trade sometimes."

While most governments espouse it, politicians fear that opening the door to cheaper foreign products like Brazilian ethanol will wipe out their farmers. Most of the developed world -- the United States, the European Union and Japan -- use protective measures (subsidies, import tariffs and quotas) to shield local farmers. The United States imposes a 54 cent per gallon tariff on Brazilian ethanol, making it uneconomic to import.

Even so, the United States remains firmly committed to free trade, arguing, as President Bush did at a summit in Argentina last week, that reducing commercial barriers creates jobs and prosperity.

"Yes, there are sectors that lose. But the gains exceed the losses," said Keith Collins, chief economist with the United States Department of Agriculture. "Economic analysis shows it's a positive sum game."

But it may only be a matter of time before that is put to the test.

The world's largest producer and exporter of both sugar and ethanol, Brazil has ambitious expansion plans that could challenge U.S. farmers, including Florida's \$700-million sugar industry, which provides 6,500 jobs. Also at risk are Midwest farmers who produce corn, the raw material used in U.S. ethanol production.

"It's a big market," said Eduardo Carvalho, president of Brazil's largest association of sugar growers (UNICA), stretching his arms wide. "That is what we are grasping for."

Roughly the size of Oregon, Sao Paulo is Brazil's wealthiest state, producing 60 percent of the nation's sugar cane. Modern highways bisect a vast sea of sugar cane.

Brazil boasts 320 sugar mills and 800 distilleries, employing 1-million people, according to the industry. Sugar production has doubled in the past 25 years, while costs are half what they are in the United States.

Exports of sugar and ethanol to countries like Russia and Japan are projected to double again in the next five years.

Critics of Brazilian sugar say it enjoys too many unfair advantages: low land prices, cheap labor and decades of generous government subsidies. But those arguments are beginning to wear thin.

Brazil abandoned its subsidies six years ago. The government says working conditions have dramatically improved as sugar owners have modernized their industry to compete on a global scale.

A pall of smoke hangs over the Costa Pinto sugar mill owned by the family-owned COSAN Group, the world's largest sugar and ethanol exporter.

There is perhaps no harder work in all of agriculture. Despite a hot sun, cutters wear metal grill goggles, heavy gloves and body armor to protect themselves from the tough cane stalks, which are only accessible after setting controlled fires.

Hot ash and cane stalks are sent flying as the teams, armed with machetes, set to work, taking occasional water breaks. Traditionally known as "boias frias" (literally "cold meal" in Portuguese), the slave-like labor conditions of cane cutters were for many years a source of shame.

But times have changed. Workers now earn salaries well above the minimum wage, earning between \$270 and \$350 a month.

"Our lunches aren't cold anymore," joked Ronaldo Visentim, 24, showing off a plate-sized Thermos containing his company-provided hot lunch of meat, rice and macaroni.

Analysts can't help but be impressed by Brazil's achievements. But competition from Brazilian sugar could undermine well-paying jobs in the domestic U.S. sugar and ethanol industries, some say.

"We have to make a decision about whether it's worth protecting our own ethanol producers," said Ben Lilliston of the Institute for Agriculture and Trade Policy in Minneapolis, who supports the ethanol tariff.

The U.S. ethanol industry is growing fast and some 147,000 jobs are at stake, worth a whopping \$4.4-billion in household income, according to the Renewable Fuels Association, which represents ethanol producers. Though the United States is the second largest ethanol producer after Brazil, corn is a far less efficient raw material than sugar, making it harder for the United States to compete.

U.S. sugar growers do not produce ethanol (though they are thinking about starting), and say they would not object to lifting the tariff.

They are more concerned by the prospect of imported Brazilian sugar, which sells for less than half the price of American.

Even so, Florida sugar growers say they can survive.

"We are confident we can compete in a true world market if we are all playing by the same rules," said Gaston Cantens, spokesman for Florida Crystals Corp., one of the state's main sugar firms.

Ethanol producers warn that lifting the tariff would be counterproductive in terms of energy independence, one of the pillars of domestic production.

The United States would potentially become dependent on another foreign source of fuel: Brazil.

"I believe in free trade to a certain extent," said Bradley Krohn, president of Enviropuels, which plans to build two ethanol plants in the Tampa area, the first in Florida. "But I believe more importantly that this country needs to improve its energy security. We need an American homegrown fuel."

The future may not be so bleak. As ethanol use catches on, some experts predict demand will satisfy producers in the United States and Brazil. Brazil projects ethanol exports to double in the next five years to 1.3-billion gallons, only a drop in the bucket of U.S. needs.

The 2005 Energy Bill set a U.S. ethanol production goal of 7.5-billion gallons. Buying from our neighbors to the south also makes good political sense at a time of strained relations with South America.

Free trade faces an uphill battle, but there are signs Brazil is winning.

Brazil recently challenged European sugar subsidies -- and won. Last month the World Trade Organization gave the European Union -- the world's second largest sugar exporter -- six months to end its illegal subsidies or face retaliatory sanctions.

Brazil could soon turn its sights on the United States.

U.S. sugar policy is government regulated. While U.S. sugar producers receive no direct subsidies, they are protected by an import quota system on foreign sugar.

In his meeting Sunday with Brazilian President Luiz Inacio Lula da Silva, Bush reiterated his desire to end subsidies. He pledged a "renewed commitment" with Brazil to help eliminate poverty through trade solutions that were fair to both countries.

"Only an ambitious reform agenda in agriculture and manufactured goods and services can ensure that the benefits of free and fair trade are enjoyed by all people in all countries," he said.

Clearly, there is continuing friction on free trade issues with countries like Brazil. The United States wants Brazil to do more to protect intellectual property rights, such as drug patents, and to allow U.S. firms to bid on government contracts.

All sides will meet in Hong Kong next month for crucial WTO talks as part of the so-called Doha Round, supposedly designed to boost development in poor countries.

Brazilian sugar growers are looking forward to the fight, said Carvalho, the association president. "Now we have to prepare ourselves for the battle, because trade is war."

Cuban Foreign Minister's Speech: End the Blockade

Monday, 14 November 2005, 10:47 am

Press Release: Cuban Government

Speech Delivered by Felipe Perez Roque, Minister of Foreign Affairs, on the Subject of Number 18 on the Agenda of the U.N.. General Assembly,

'The Need to Put An End to the Economic, Commercial And Financial Blockade Imposed on Cuba by the United States of America';

November 8, 2005, New York City.

Dear President:

Dear Delegates:

Today is a day of particular importance for the United Nations. By casting a vote for the fourteenth time on the draft resolution presented by Cuba, entitled 'The Need To Put An End To The Economic, Commercial And Financial Blockade Imposed On Cuba By The United States of America', the General Assembly will not only be making a decision regarding a subject that affects Cuba; we will also be voting in favour of the principles and regulations of International Law, against the extraterritorial application of laws and in defense of the human rights of Cubans, Americans and the citizens of the 191 States represented in this Assembly.

It is true that the United States Government has repeatedly ignored the almost unanimous demand of the international community and it is also certain that President Bush will intensify the blockade even more, making it the longest and cruelest of its kind in history. But this doesn't diminish in any way the political, moral, ethical and legal significance of this vote.

Never before has this blockade been applied with the viciousness and brutally seen over the last 18 months. Never before has a Government of the United States so cruelly and mercilessly persecuted the economy and the right of the Cuban people to live a decent and respectable life.

Ever since May 6 2004, when the President of the United States signed his new plan to annex Cuba, there has been an unprecedented and hysterical escalation in the application of new and aggressive measures, including the threat of military force against Cuba and the persecution of citizens and companies from not only Cuba, but also from the United States and the rest of the world.

Due to these measures, in May 2004, the Swiss bank, UBS, was fined 100 million dollars, the largest fine ever to be imposed on a banking institution for having supposedly violated the sanctions against Cuba.

On 30 September 2004, at the height of delirium and absurdity, the so-called Control Regulations on Cuban Assets were intensified and it was established that 'citizens and permanent residents of the United States cannot legally buy products of Cuban origin, including tobacco and alcohol in a third country, even for their own personal use abroad.' The criminal sanctions for these violations are fines of up to one million dollars for corporations and 250 thousand dollars and a maximum of 10 years in jail for citizens. This is the first time ever

that an American is banned from smoking a Cuban cigar or from buying a bottle of the incomparable 'Havana Club' rum, even if they do so as tourists on holiday in another country. Apropos insane acts, this draconian ban should be entered into the Guinness Book of Records.

On October 9, 2004, in an act of aggression without precedent in the history of international financial relations, the Department of State announced the establishment of a 'Persecution Group of Cuban Assets'. The very existence of a group with this name should make the President of the most powerful nation on Earth feel ashamed.

In January 2005, the Office of Foreign Assets Control redefined travel regulations in a way which meant that American citizens were no longer allowed to participate in meetings in Cuba that were sponsored and organised by United Nations agencies based in the United States, unless they had been previously granted permission by the U.S. Government.

In blatant and shameless violation of the international regulations regarding brand names and patents, on February 24th, a legal maneuver was put into force that would rob Cuba of its rights to the Cohiba brand name, one of the most prestigious among all Cuban cigars.

On April 13, 2005, a guilty verdict was reached in the case of the American citizen, Stefan Brodie, the former president of the PUROLITE company, who was accused of having sold ionised resin to Cuba for the purification of the water in Cuban water systems.

On April 29th, President Bush ordered the Treasury Department to hand over 198 million dollars from Cuban funds illegally frozen in banks in the United States in order to settle one of the spurious lawsuits brought against Cuba by the violent and extremist groups that, with total impunity, organize terrorist plots against Cuba from Miami.

In April 2005, in accordance with the Helms-Burton Law, the new directors of the Canadian company, Sheritt, and their families, were denied entry into the United States.

Also in April 2005, the OFAC stepped up its persecution of even religious organizations that have permission to travel to Cuba for reasons related to their activities..

In 2004, the United States Government fined 316 citizens and residents of the United States for having violated the blockade. By October 12, 2005, 537 fines have been imposed.

In 2004, a total of 77 companies, banking institutions and non-governmental organisations from various countries had been fined for having violated the blockade against Cuba; 11 of these were foreign companies or subsidiaries of American companies in Mexico, Canada, Panama, Italy, the United Kingdom, Uruguay and the Bahamas. Another seven companies, including IBERIA, ALITALIA, AIR JAMAICA and DAEWOO were penalised because, according to the U.S. Government, their affiliates in the United States violated the laws of the blockade.

Between January and October 2005, the number of trips made by American citizens to Cuba fell by 55% compared to the same period in 2003, before the new sanctions approved by President Bush were put into force. Direct trips by Cubans residing in the United States have fallen by 49%.

Cultural, sporting, academic, student and scientific exchanges, as well as links between Cubans living on both sides of the Florida Straits, have been especially targeted by the current Administration's policy of aggression against Cuba. It has reached such an extent that uncles, aunts and cousins, etc, are no longer allowed to travel to Cuba since, supposedly, they do not come under the definition of family.

Your Excellencies:

Over these past almost 47 years, the blockade has cost the Cuban people 82 thousand million dollars. No economic or social activity in Cuba escapes the consequences of such figures. There is not a single human right of the Cuban people which is not violated by this blockade.

Because of the blockade, Cuba cannot export any product to the United States. Given the geographical proximity, Cuba could export more than 30 thousand tons of nickel or one million tons of sugar to the United States each year at prices 3 times greater than those currently paid to the island. Also, even if it represented just 1% of the sales of cholesterol reducing medication in the United States, we could be selling 180 million dollars worth of Ateromixol per annum. According to the editors of the Harvard International Review, this is the best anticholesterol drug on the market. Furthermore, Cuba would have exported 30 million dollars worth of Havana Club rum and more than 100 million dollars of tobacco products to the United States last year.

Cuba is only permitted to import agricultural products from the United States, and even this has been affected by extensive and renewed restrictions.

Cuba is not permitted to receive tourists from the United States. If, in 2004, the island had received just 15% of the 11 million American tourists who traveled to the Caribbean, Cuba would have earned more than one thousand million dollars.

According to diverse studies published in the United States, between 2 and 4 million people from the United States would visit Cuba if the blockade were lifted.

As a result of the blockade, Cuba is not allowed to use the U.S. dollar in its transactions with the outside world, nor can we receive credit or carry out deals with American financial institutions, their affiliates or even regional or multilateral institutions. Cuba is the only country in Latin America and the Caribbean that has never, in all these 47 years, received credit from the World Bank, or from the Inter-American Development Bank.

Even if the blockade were just a bilateral issue between Cuba and the United States it would still be a very serious problem for our small country. But it is much more. The blockade is an economic war waged on an international scale with incomparable zeal.

Moreover, the blockade is the extraterritorial application of United States laws against the countries that you are here to represent, your Excellencies, and it is therefore a serious violation of International Law.

Cuba now has two new obstacles to overcome: the impotent imperial arrogance of President Bush, which has taken him to new, unprecedented heights in this insane situation, and the increasing globalisation of the world economy.

Why? Because the United States controls almost half of the world's transnational companies, including 8 of the 10 most important ones. The United States also owns a quarter of direct foreign investment and imports 22% of all merchandise from around the world.

The United States owns 11 of the 14 largest transnational companies in the I.T and communications sector, and absorbs around 80% of world electronic trade. Of the 10 pharmaceutical companies that control the sale of almost half of the world's medicines, 5 are American. Some of these products are not even produced by any other company.

It is for this reason that both investments made by third country companies in the United States and those made by American companies abroad, reduce Cuba's external economic space. Each and every merger or purchase to

be carried out between companies poses, for our country, the often impossible challenge of finding a new supplier or market for our products.

Let us then consider, Your Excellencies, the extraterritorial regulations of the blockade:

The Torricelli Act forbids subsidiaries of American companies in third countries from trading with Cuba.

Part of the equipment and supplies used by Cuban biotechnological research centres, which are now producing even therapeutical vaccines against cancer, was formerly supplied by the Swiss company PHARMACIA. This was bought by the British company AMERSHAM which, in turn, was bought by the American GENERAL ELECTRIC, which then cancelled all contacts with Cuba within a week of the takeover.

When the Brazilian company ORO ROJO was bought out by an American company, it cancelled its sale of tinned meat to Cuba, a product which formed part of the diet of people suffering from AIDS; this had been part of a project organized together with the Global Fund to Fight AIDS, Malaria and Tuberculosis.

These were not, Your Excellencies, arms of mass destruction; these were not drugs or prohibited substances, but meat to be administered to AIDS patients, as part of a UN programme. These sales are persecuted and forbidden, as are the companies which try to have normal trade relations with Cuba; the right of our country and the right of businesses in other countries are being violated.

The CHIRON CORPORATION stopped trading with Cuba after it was fined 168,500 dollars last year because one of its European affiliates exported two children's vaccines to Cuba. These were not nuclear arms or strategic missiles...they were children's vaccines!

On February 7, 2005 the FIRST CARIBBEAN INTERNATIONAL BANK of the Bahamas cancelled its transactions with Cuba due to the threat posed by the Government of the United States. The British bank, BARCLAYS, commented recently that it would do the same out of fear of U.S. sanctions.

The Canadian company, VECO, which operates partially with American capital, had to cancel its planned participation in the development of capacities for fuel storage in Cuba.

As soon as the Danish company, SABROE, was bought by the U.S. company YORK, the operation that was underway to sell refrigeration compressors to Cuba, an integral part in the Cuban plan to distribute soy yogurt to all children aged between 7 and 13, was cancelled.

The blockade also forbids companies from third countries from selling to Cuba goods or services which use American technology or which have more than 10% U.S. content.

It is because of this that, since 2004, the Dutch company, INTERVET, has been banned by the United States government from selling avian vaccines to Cuba, on the grounds that they contain an antigen produced in the United States.

The Mexican company, VAFE S.A. had to cancel the sale to Cuba of a material needed to produce domestic pressure cookers, due to the fact that it contained a raw material from the United States.

In September 2004, the Swiss airline, NOVAIR, cancelled the lease contract with Cubana de Aviacion of an Airbus 330, because it could not receive maintenance owing to the fact that, although the aircraft was made in Europe, it was produced using American technology.

In October 2004, the Japanese company, HITACHI HIGH TECHNOLOGIES CORPORATION, was unable to sell an electronic microscope to a prestigious Cuban hospital for the same reasons.

The blockade prohibits companies from third countries – those which you, honourable delegates, are representing here - from exporting any product or equipment to the United States if it contains any Cuban raw material.

Not one company in the world is allowed to export preserves to the United States if they contain Cuban sugar.

Not one company in the world can export automobiles or any other equipment to the United States without first proving that the metal used to make them does not contain Cuban nickel.

The blockade forbids ships that have taken merchandise to or from Cuba from entering U.S. ports. Not U.S. ships, honourable delegates, but ships from the countries that you represent, may not enter the United States if they have been to a Cuban port. This is in accordance with the Torricelli Act, signed by President Bush senior in 1992.

The blockade imposed by the Helms-Burton Law, prohibits companies from third countries from making investments in Cuba, under the pretext that these are linked to properties that could be claimed by the United States. Because of this, honourable delegates, executives from the Canadian company, SHERRITT, have been penalized, and last year, the Jamaican company, SUPERCLUBS, under this same threat, pulled out of trade with Cuba.

The blockade, Excellencies, violates the constitutional rights of the American people. It prevents them from travelling to Cuba; from experiencing our culture and from having free contact with the Cuban people.

When Cuba today stands before you in this gathering, she does so not just in defense of the rights of the Cuban people, but in the defense of the rights of the American people whom we hold in great esteem and for whom we feel respect and friendship; we in no way hold the American people responsible for our suffering from this unjust and genocidal policy that is being upheld by their government against the Cuban nation.

And we are here today in defense of the rights of the entire international community; it too is being violated by this unilateral and illegal policy.

The blockade affects not only the rights but the economic interests of the United States. According to a study made in June 2005 and published by the Business and Research Centre of the University of Southern Alabama, if the blockade were to be lifted, 100 thousand new jobs would be created and an additional income to the value of 6 thousand million dollars would be generated for the American economy.

Honourable delegates:

Mr. President:

After many years of doing so, we can observe that the U.S. delegation, present here today, has waived its right to participate in the debate that will precede voting. I think it is because they have no ideas, they have no more positions to present. They refuse to do so, not even in defense of their own position in the general debate. They are overwhelmed by what has been said by a couple of dozen delegates earlier on. They are silent, probably, because in the words of President Abraham Lincoln, "you cannot fool all of the people all of the time."

I must say that we understand this decision to be a sort of moral surrender. More than power is required. One requires ethics and moral authority. And moral authority is not achieved by force. It is not won by waging war

or by using weapons. Moral authority is won by exemplary actions, by respecting the rights of others, even of those who are poor and powerless.

I am aware that they are on the agenda after the votes have been tallied, they will speak after I have spoken. Therefore, I am unable to comment on their opinions, but I would like to assure you that, at the moment when the Cuban delegation has the opportunity for rebuttal, we shall challenge every lie and we shall repeat every truth that needs to be heard in this assembly.

Delegates;

Mr. President;

Finally, let me insist that the blockade against Cuba must be lifted. The United States government must end its policy of aggression against Cuba. Our right to self-determination must finally be acknowledged by the United States government.

I repeat with total clarity - the United States Government is creating false illusions with the idea that they can defeat the Cuban Revolution. They disguise their plans; they call it 'transition', but what it really is would be the cruel and bloody annexation of Cuba.

But they are mistaken. They don't realise what courage, spirit of independence and political consciousness the Revolution has implanted in the people of Cuba.

The determination and sense of dignity that has been demonstrated by the five young Cubans, kept as political prisoners in American jails, heroes of the struggle against terrorism, and their families – their wives, mothers, children in Havana who are following this debate and trust in the sense of justice of the delegates present here today - is proof of the unbreakable spirit with which we, the people of Cuba, defend, now and forever, our right to build a more just, supportive and humane society.

In the name of these five heroes, honourable delegates; in the name of the Cuban children and young people, who have spent their lives under the blockade; in the name of the generous, joyful and courageous people living in Cuba who trust in you, because they know that the world has seen the Cubans fight, teach and cure, wherever they are needed, because they know that the world knows that Cubans don't share their left-overs, they share what they have; in the name of the right of Cuba, honourable delegates, which is now also the right of everyone, which is today the right of all of you and of the peoples you represent in this Assembly, I respectfully ask you to vote in favour of the draft resolution 'The Need To Put An End To The Economic, Commercial And Financial Blockade Imposed On Cuba By The United States of America'.

Thank you very much. (applause)

<http://www.duluthsuperior.com/mld/duluthsuperior/news/politics/13164958.htm>

Posted on Mon, Nov. 14, 2005

American Crystal plant in Drayton has unusual problem

Associated Press

DRAYTON, N.D. - Sugar beet processing at the American Crystal Sugar plant in Drayton, North Dakota, has come to a halt because of an unusual circumstance.

Vice President Dave Berg says ground shifting beneath a pump house on the Red River that supplies the plant with water broke pipelines yesterday.

Berg says water pumps are being shipped from Chicago. The company hopes to have temporary repairs made and the plant back in operation today.



NEWS Release

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For immediate release

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Consumers Turning Back to Real Sugar (Sucrose)... ...Safety, Taste, Baking Use, and All Natural Attributes Cited by Consumers

Washington, DC – November 15, 2005 – New sugar deliveries reported by the U.S. Department of Agriculture's Economic Research Service (USDA/ERS) on November 10 indicate consumers are turning back to real sugar. Even though total sweetener consumption increased since the late 1970's, real sugar's portion of the entire market dropped by almost half. After trending downward again from 2001 through 2003 due to the low-carb diet fads, sugar deliveries began trending upward in 2004 by 1.8% and are estimated by USDA/ERS in 2005 to be up 3.8%.

This information – that consumers are turning back to real sugar as their preferred sweetener – is reinforced by a recent survey completed by the Sugar Association indicating that consumers believe sugar is the best when it comes to baking, something they feel safe serving, a type of sweetener they prefer to use and is all natural. When asked the question, "I would like you to rate your agreement with the following sugar attributes using a scale of 1 to 10," consumers ranked "Great baking results" at 8.80; "feel safe serving" at 7.68; "type of sweetener I prefer" at 7.49; and "is all natural" at 7.85.

"Needless to say, we feel consumers have sweetener overload. Unlike twenty years ago when you could count sweetening ingredients on one hand, now there are 26 sweeteners being used in foods in the U.S. today. And consumers are beginning to return to what they feel is proven, safe and all natural – sugar." says Andy Briscoe, President of the Sugar Association. "When consumers find out that sugar has just 15 calories in a teaspoon, they question the value of artificial and other man-made sweeteners in today's marketplace."

Consumers obviously need to be more aware of what is sweetening the foods they and their families eat by reading the food ingredient labels closely. Briscoe says, "Our research shows consumers are able to identify only six sweeteners used in today's foods. Most consumers are totally unaware of the eight polyol sweeteners presently used in foods even though some require a label stating, 'Excessive Consumption May Have a Laxative Effect'."

We are gratified that all natural sugar (sucrose) is increasing in demand by consumers. We believe this is because consumers depend on sugar for reliable baking results and proven safety, and because it is natural. Sugar is the gold standard for taste which makes it the sweetener of choice in a very competitive marketplace. We encourage consumers to read food labels and make sure "sucrose" or "sugar" is listed in the ingredients section.

As the holidays approach, it's important to remember, when consumed in moderation, sugar (sucrose) is and will continue to be part of a balanced diet and healthy lifestyle.

<http://www.latimes.com/business/la-fi-burgerbill15nov15,0,760089.story?coll=la-tot-promo&track=morenews>

'Cheeseburger Bill' Is High on Menu in Washington

Republicans are pushing to ban lawsuits against restaurants over weight and other health issues.

By Molly Selvin
Times Staff Writer

November 15, 2005

Fears that overweight Americans will develop an appetite for litigation drove the House to pass a bill that would bar lawsuits by restaurant customers claiming burgers and French fries made them fat.

"Trial lawyers have said they'd target restaurants the way they've targeted the tobacco industry," National Restaurant Assn. President Steven C. Anderson said.

No such flood of litigation has yet developed. Lawyers who follow the issue know of only one restaurant obesity suit, a 2003 claim by two New York teenagers against McDonald's Corp.

But there are deeper reasons behind the campaign for the so-called cheeseburger bill, legal and industry observers say, including rising liability insurance rates.

Concern in Washington about lawsuits in general also is driving the bill, which cleared the House days before Congress also granted gun makers immunity from injury lawsuits.

Both are part of a larger effort by Republicans to shield certain industries from litigation. The president, for example, submitted a bill to Congress last week that would protect producers and distributors of emergency vaccines from injury suits except in cases of "willful misconduct."

"There is a growing feeling that if this trend continues, every major industry would be immune" from lawsuits, said Jonathan Turley, a George Washington University law professor. A dozen other industries, such as those that make airplanes and weight-reduction products, could make the same arguments raised by gun makers and fast-food restaurants, he said.

The Personal Responsibility in Food Consumption Act, approved last month, would bar "lawsuits seeking to blame individual food and beverage producers for a person's weight gain, obesity" or related health problems.

The Senate is considering a companion bill and President Bush already has promised to sign the legislation. A similar bill stalled last year.

Twenty-one states have passed similar bans. Sacramento lawmakers rejected one such bill this spring, but the proposed federal ban, sponsored by Rep. Ric Keller (R-Fla.), would apply in California and other states without bans in place.

Keller's bill is "a complete waste of time," said Linda Lipsen, a spokeswoman for the Assn. of Trial Lawyers of America. "Of all the problems there are ... this is really ludicrous."

But industry officials point to a handful of suits over artery-clogging trans fats and nutrition labeling as a sign that obesity suits are a risk for restaurants.

These suits parallel rising complaints that fast-food chains are contributing to America's expanding waistlines and health problems. Filmmaker Morgan Spurlock explored the issue in his 2004 documentary "Super Size Me," which chronicled a month during which he ate only McDonald's food.

Bryan Malenius, a spokesman for Keller, said the lawmaker also worried that one high-profile verdict "will open the floodgates to an awful lot of litigation."

"We think the industry would ultimately be successful in these suits," he said. "But we would rather have them not spend millions to defend them."

John F. Banzhaf III, a professor at George Washington University Law School who is working with the plaintiffs' lawyer in the McDonald's obesity suit, said it was the only case that could be affected by the current version of the cheeseburger bill.

A federal appeals court reinstated the New York obesity lawsuit in January, overruling a District Court judge who had thrown out the case. The overweight teens, who said they ate at McDonald's outlets in the Bronx three to five times a week, alleged that the chain failed to disclose that eating fattening foods might have an addictive effect on the brain.

Beyond fears of a wave of costly suits, the ban also reflects restaurants' concern over a recent rise in liability insurance premiums.

Anderson of the National Restaurant Assn. said he was especially worried about the financial pressure those rate hikes presented to the 70% of U.S. eateries he characterized as small businesses.

Several factors, including "the rising tide of lawsuits across the country," have driven up rates, said Claire Wilkinson, a vice president at the Insurance Institute of America, a trade group. But she did not know how much of the increase was attributed to possible obesity suits.

Wilkinson would not predict that rates would fall if the cheeseburger bill became law but noted that "whenever you have curbs on lawsuits, that will definitely have an improving effect on insurance premiums."

Anderson, however, predicted that removing the threat of litigation would free the restaurant industry to "address the root causes of obesity" through public education campaigns.

Some fast-food chains have taken action on their own. Many have introduced more healthful menu items such as salads and fruit. And McDonald's announced last month that it would add nutritional information to the packaging of most of its food items starting next year.

But health advocates are concerned that consumers would see that information only after they had bought their meals. Sen. Tom Harkin (D-Iowa) is pushing eateries to do more.

His bill, pending in the Senate, would require all large chain restaurants to display the nutritional content of food items on the menu or overhead board.

The goal, his spokeswoman said, is to "give consumers the information to make healthy choices."

Banzhaf applauds that effort as "the next logical step," and predicted that restaurants could "virtually immunize themselves from liability" by displaying the items' fat and calorie content.

The Evening Standard (London)

November 22, 2005 Tuesday

THE SWEET STORY OF TATE & LYLE'S UNSUNG SUCCESS

ANTHONY HILTON

THIS is a nail-biting week for Britain's sugar producers. A few months ago the European Union proposed, in effect, that sugar prices should be cut by 39% to remove sufficient of the subsidy to comply with world trading rules. Furious lobbying has ensued and today and tomorrow the relevant ministers of the EU countries meet to hammer out a deal on how the pain will be shared.

The timetable has it that the result will be announced on Thursday and Associated British Foods, owner of British Sugar, and Tate & Lyle should then know what adjustment is expected of them.

It has been a long time coming and both businesses in their different ways have become resigned to their fate - or rather have prepared extensively for life after sugar, ABF by diversifying (it owns Primark, for example), Tate & Lyle by using its technological skills to produce new products from its traditional raw materials of sugar cane and corn. One of these, Splenda, an artificial sweetener derived from sugar, has got the market excited. From nothing two years ago, it now accounts for perhaps a third of the company's value.

Big promises have been made for artificial sweeteners before, but what makes Splenda different is that it is stable at higher temperatures so it can be used in food products. Previous generations of sweeteners have had considerable success in soft drinks - a cold production process - but leave a bitter taste when baked in cakes and suchlike.

Splenda changes that, and significantly more than half its production goes to the food industry. Even then it is not plain sailing. One gram of Splenda replaces 600 grams of sugar - but that means food manufacturers have to find a substitute for the other 599 grams - something to bulk up the product without altering the taste or flavour or adding calories. No doubt an inert edible plastic is being developed for this purpose even as we speak.

Splenda is taking the market by storm, but even more challenging to one's perceptions of what corn (maize) can be used for is Sorona - the product of a joint venture with US chemicals giant DuPont. This is a natural fibre developed from the chemicals in corn but what makes it exceptional is that it has a natural elasticity, plus it takes dye easily yet does not stain.

The Americans developed the fibre but chose Tate & Lyle as a partner because it had the technological skills to process the raw material and deliver it in a form DuPont could spin into yarn. Uses from carpets to clothing are promised and in its different way it could be almost as big a winner as Splenda.

These products provide the glamour but they are backed by a range of starches used in everything from coating paper to make it glossy, to coffee whiteners but what they have in common is that none of them just happened. They are the result of sustained research and development effort over many years. Indeed, it took more than a decade to get regulatory clearance for Splenda. But it does mean that even if the sugar business suffers a heavy blow this week, the company as a whole now has the resilience and product range to go forward in other areas.

In an age when management seems obsessively focused on short-term financial performance, this transformation is a remarkable, long-term and largely unsung business success story.

Sugar Users Call for Increase in Sugar Supplies

WASHINGTON, Nov. 22 /PRNewswire/ -- Citing the tightest sugar supply projections ever reported by the federal government, the companies that use sugar in their products called on the U.S. Department of Agriculture to allow adequate supplies to enter the U.S. market.

"USDA says that by next fall, supplies of sugar will be less than half of the already-low levels of this year," said Larry Graham, president of the National Confectioners Association. "Already, sugar supplies have been severely restricted by hurricane damage to sugarcane crops in two states, delayed sugar beet harvest in other states, serious transportation problems, and the temporary closure of a major sugar refinery."

USDA's World Agricultural Supply and Demand Estimates, published November 10, forecast sugar stocks at just 667,000 tons on September 30, 2006. That would represent only about three weeks' supply. In the 70 years since import quotas were first imposed under the federal Sugar Act, supplies at year's end have never been so low in percentage terms, according to the analytical firm Promar International.

On September 30 of both 2003 and 2004, supplies were equal to more than two months' supply, and on the same date in 2005, more than six weeks' supply.

"USDA is projecting supply levels next September that are even tighter than we've seen recently," Graham said. "Given that sobering assessment, it is troubling to hear some in the sugar industry say that more imports are not needed. Clearly, more imports are needed. It is not in the long-term interest of any part of the sugar industry -- producers, processors, refiners or industrial users -- to have continued market instability of the kind we've experienced in recent months."

USDA has taken several steps in recent months to increase domestic and imported supplies, and those measures have helped the marketplace, said Randy Green, the president of the Sweetener Users Association said. But Green added that continued tight supplies indicate the need for more action.

"The market this year has seen buyers unable to get previously-contracted supplies, transportation tie-ups that have affected both end users and refiners, and desperate scrambling for available supplies," said Green. "USDA responded, and we thank them for that. But now, USDA is again forecasting stock levels that are not adequate for the market's needs."

According to the trade publication Milling & Baking News, the wholesale price of beet sugar in the Midwest was 40-42 cents per pound on November 4. Just a year ago, the price was 23.5 cents per pound, the magazine reported -- a 79% increase in one year. USDA uses Milling & Baking News prices as the basis of its official statistics for refined sugar prices.

Imports cannot automatically enter the U.S. market because the government maintains import quotas. Sugar is one of the few products still subject to quotas.

In a letter to Under Secretary of Agriculture J.B. Penn, sugar users called for an import quota increase of about 1 million tons, consisting of both raw (unrefined) and refined sugar.

Posted on Thu, Nov. 24, 2005

We set the table

Pioneer Press

THANKSGIVING 2005

From turkey to cranberries to wild rice, today's dinner is brought to you by farmers and food companies in Minnesota and Wisconsin. One in five jobs in the region deals with food, making it the second-largest slice of the economy — and the best-tasting.

TURKEY: Minnesota is the nation's No. 1 turkey state, producing 46 million turkeys a year. Two Minnesota companies are the nation's biggest turkey processors: Hormel's Jennie-O Turkey Store and Cargill.

CRANBERRIES: Wisconsin is the nation's No. 1 cranberry producer: 364 million pounds

PEAS: Minnesota is No. 1 in peas for processing: 198 million pounds.

MILK: Wisconsin ranks No. 2 in milk production: 22 billion pounds

SWEET CORN: Minnesota ranks No. 1 in sweet corn for processing: 1.7 billion pounds

GREEN BEANS: Wisconsin ranks No. 1 in green beans for processing: 644 million pounds

WILD RICE: Minnesota ranks No. 2 in wild rice cultivated: 4.7 million pounds

POTATOES: Wisconsin is No. 3 in the nation: 3 billion pounds

CHEESE (for scalloped potatoes): Wisconsin ranks No. 1 in cheese production: 2.3 billion pounds

PIE CRUSTS: Minnesota's General Mills, home of Pillsbury, has the top-selling brands of pie crust.

DINNER ROLLS: Minnesota-grown Pillsbury leads the nation in selling refrigerated rolls.

PICKLES: Minnesota's Gedney is the nation's No. 3 branded pickle maker.

BUTTER: Minnesota-based Land O'Lakes makes the nation's No. 1 brand of butter

FLOUR (for stuffing): Minnesota is the nation's No. 3 flour milling state. Minnesota's Cargill and farm cooperative CHS jointly own the nation's No. 1 flour milling company.

SUGAR (for pies, cranberries): Minnesota ranks No. 1 in sugarbeet production. Minnesota cooperative American Crystal Sugar produces one-sixth of all U.S. sugar.

ICE CREAM: Minnesota ranks No. 5 in ice cream manufactured.

SALT (for turkey): Minnesota-based Cargill is among the world's leading salt producers.

And for our vegetarian friends:

TOFU: Minnesota ranks No. 3 in growing soybeans, tofu's main ingredient.

Market forces

EU deal makes it a sweet day for Tate & Lyle

Saturday November 26, 2005; by Richard Wray, [The Guardian](#)

Tate & Lyle took an uncharacteristic turn in the spotlight yesterday, becoming the day's best performer as investors welcomed the European Union's reduction in sugar subsidies as far less severe than initially feared.

Tate added 40.25p to 567p while **AB Foods**, owner of British Sugar, gained 5p to 843p. EU ministers have agreed to bring down prices by 36% rather than the 39% that was being talked about in June. The change is also taking place over a longer timescale - four years, rather than the two originally expected.

Tate, Europe's largest sugar cane refiner, had feared that the original proposal would wipe out three-quarters of its European profits. The new deal, however, will spread the pain over a longer period and allow Tate to reduce its costs to offset the impact on profits.

Overall, the **FTSE 100** index closed up 12.8 points at 5523.8 but off its recent highs. Shares in **PartyGaming** firmed 3.5p to 108.75p as Lehman Brothers raised its target on the online gambling firm to 116p a share from 100p, while **WPP** rose 11.5p to 577.5p as it backed off bidding for **Aegis**, down 3.25p at 117.75p.

http://www.bakingbusiness.com/daily_enews.asp?ArticleID=76865

November 28, 2005; by Josh Sosland, **Bakingbusiness.com**

Europeans agree on sugar reform

BRUSSELS — Ahead of Doha Round trade talks in Hong Kong next month, European Union agriculture ministers reached political agreement on a reform of the Common Market Organization sugar program.

According to the E.U., the changes will bring the sugar program in line with the rest of the reformed Common Agricultural Policy and will position the E.U. favorably for the World Trade Organization talks in Hong Kong.

Under the reforms, which were slightly changed from preliminary proposals made in June, the guaranteed price for white sugar would be cut by 36% over four years. Farmer would be compensated for, on average, 64.2% of the cut, through a decoupled payment. The reform would result in the abolition of the intervention system after a four-year phase-out and replacement of the intervention price by a reference price.

"I congratulate ministers for their brave and bold decision to reform a sector that nobody has been able or willing to reform in the past," said Mariann Fischer Boel, commissioner for agriculture and rural development.

<http://www.grandforks.com/mld/grandforks/news/state/13312764.htm>

Dec. 02, 2005; The Grand Forks Herald

American Crystal Sugar growers report disappointing year

FARGO, N.D. - Associated Press - Wet weather hurt the growing season for sugar beets and American Crystal Sugar growers may see only a slight increase in their per-ton payment for this year's crop, the company's president says.

"Due to extremely wet conditions in some areas of the (Red River) Valley, our owners were not able to harvest over 32,000 acres of sugar beets, mainly in the big Drayton district that represents about 7 or 8 percent," President and Chief Executive Officer James Horvath said at Crystal's annual meeting Thursday in Fargo.

Horvath said the early forecast for payments to Crystal growers is \$40.50 cents per average ton, up \$1.17 cents from their last payment for the 2004 crop. Energy surpassed labor as the top expense for the co-op this year, Horvath said.

"We've seen price increases on every one of our energy commodities," he said. "Natural gas has been the most significant cost increase. We're looking at over \$20 million worth of cost increases for energy last year versus this year." Horvath said one positive sign is the decline of the low-carb diet trend. He said the rate of sugar consumption is up.

Co-op officials vowed to continue to fight international trade agreements that could flood the United States with sugar from other countries and cripple the domestic sugar industry.

Horvath said that while impact of the Central American Free Trade Agreement has not yet been significant, "new trade deals are our greatest threat in the near term."

Kenny Dahl, a semi-retired Dilworth, Minn., sugar beet farmer who attended Thursday's meeting, said the push for more trade agreements is misguided. "I think it's ridiculous. They don't understand what we do," he said. Dahl said he and other area growers provide a stable supply of efficiently produced sugar.

Rep. Collin Peterson, D-Minn., said the sugar industry's efforts against CAFTA were not wasted.

"I don't think anyone wants to pick a fight with sugar anytime soon," said Peterson, the ranking Democrat on the House Agriculture committee. Peterson also said he is optimistic that Congress will approve disaster aid for farmers in the northern Red River Valley whose crops were hammered by heavy rains this spring.

American Crystal Sugar has 2,900 shareholders who raise sugar beets in the valley the borders North Dakota and Minnesota. The company reported net revenue of \$965 million this year, down from the record \$1 billion in 2004, when a bumper 2003 crop boosted profits. This year's numbers reflect about an average 2004 crop, company officials said.

Wahpeton-based Minn-Dak Farmers Cooperative, which has about 475 shareholders who raise sugar beets, holds its annual meeting next Tuesday in Fargo.



NEWS RELEASE

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Washington, DC 20250-1300 • Voice: (202) 720-4623 • Email: oc.news@usda.gov • Web: <http://www.usda.gov>

Release No. 0525.05 - Contact: Wayne Baggett (202) 720-2032; Ron Lord (202) 720-2916

USDA ANNOUNCES INCREASE IN FY 2006 SUGAR AVAILABILITY

WASHINGTON, Dec. 2, 2005 -- The U.S. Department of Agriculture today announced a further increase in fiscal year (FY) 2006 allowable sugar imports of 450,000 short tons raw value (STRV).

This amount is composed of a 150,000 STRV increase in the global, first-come, first-served FY 2006 tariff rate quota (TRQ) for refined sugar, and a 300,000 STRV increase in the World Trade Organization (WTO) raw sugar TRQ. This action is in response to the sugar market situation resulting from hurricane damage to the cane crop and disruption in refinery activities, delays to beet and cane harvesting, and various transportation dislocations.

With this increase, the FY 2006 WTO raw sugar TRQ is now 1,651,497 STRV. The additional TRQ quantity will be allocated by the U.S. Trade Representative. Entry of this sugar will require certificates for quota eligibility. The 300,000 STRV increase in the WTO raw sugar TRQ will be made in the same manner as has been done in prior increases of this TRQ.

The global refined TRQ, previously established on September 9, 2005 at 82,815 STRV, is now 232,815 STRV. The authority for modification of a quantitative limitation previously established for the sugar TRQs is in the Harmonized Tariff Schedule of the United States, Chapter 17, Additional U.S. Note 5.

To qualify for entry under the refined sugar TRQ, the sucrose content, by weight, in the dry state must have a polarimeter reading of 99.5 degrees or more. Sugar entering under the global refined TRQ must be entered in containers of 120 metric tons or less. It has been determined that tranches are needed to allow for orderly marketing of the refined sugar TRQ. The TRQ will open in four 37,500 STRV tranches on the following dates: December 9, 2005; December 29, 2005; January 10, 2006; and January 24, 2006. Entry of this sugar will not require certificates for quota eligibility.

USDA is reassigning 450,000 STRV of the current cane sugar marketing allotment to imports because the recent hurricanes have significantly reduced the sugar production potential in Louisiana and Florida. USDA will announce revised cane state allotments and sugarcane processor allocations when the company-specific damages are better understood.

USDA has announced in the Federal Register an extension of the period in which refiners licensed under the Refined Sugar Re-Export Program must export refined sugar to offset a corresponding import of raw sugar from 90 days currently to 270 days. This extension for licensed refiners will expire on September 30, 2006. This action should provide additional short-run liquidity to the market.

USDA recognizes that more sugar than the quantity provided for by this action may be needed in this fiscal year to balance the market. USDA will continue to assess domestic refining capacity, domestic production and consumption and the relationship between the Mexican and American sweetener markets as a common market is approached in January 2008, and market developments as it makes these adjustments.



December 08, 2005 05:27 PM US Eastern Timezone

Imperial Sugar Downsizes Corporate Staff

SUGAR LAND, Texas--(BUSINESS WIRE)--Dec. 8, 2005--Imperial Sugar Company (NASDAQ:IPSU) announced today downsizing of its corporate headquarters' staff resulting from changes in its operating activities attributable to the recent sale of its Holly Sugar subsidiary. This action, along with reductions accomplished through attrition over the last several months, results in the elimination of approximately 40 positions or 20% of the corporate headquarters' staff.

Among those individuals who will be leaving the Company are Paul Durlacher, presently executive vice president and chief operating officer, and Art Saxby, vice president - marketing. In addition, the Company announced that Paul Baris, 40, currently director - supply chain logistics, has been appointed a vice president, responsible for the Company's production planning, transportation and warehousing operations.

Commenting on these actions, Robert A. Peiser, Imperial's president and CEO, said: "I want to thank all of the associates who will be leaving the Company for their dedicated service and accomplishments and wish them the best of success in their future endeavors. It is an unfortunate part of any company's life cycle that requires an adjustment in the size of its corporate staff to reflect the economic realities that result from changes in its business structure, but that is certainly the case with Imperial."

About Imperial Sugar

Imperial Sugar Company is one of the largest processors and marketers of refined sugar in the United States to food manufacturers, retail grocers and foodservice distributors. With packaging and refining facilities across the U.S., the Company markets products nationally under the Imperial(R), Dixie Crystals(R), and Holly(R) brands. For more information about Imperial Sugar, visit www.imperialsugar.com.

Statements regarding future market prices and margins, future energy costs, future operating results, operating efficiencies, future government and legislative action, future cost savings, future benefit costs, our liquidity and ability to finance our operations and other statements that are not historical facts contained in this release are forward-looking statements that involve certain risks, uncertainties and assumptions. These include, but are not limited to, market factors, energy costs, the effect of weather and economic conditions, farm and trade policy, our ability to realize planned cost savings, the available supply of sugar, actual or threatened acts of terrorism or armed hostilities, legislative, administrative and judicial actions and other factors detailed in the Company's Securities and Exchange Commission filings. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated.

Contacts

Imperial Sugar Company, Sugar Land
T. Kay Hastings, 281-491-9181

WASDE-429-14; December 09, 2005

SUGAR: Projected U.S. sugar supply for 2005/06 is increased 728,000 short tons, raw value, from last month. Production is increased 146,000 tons, mainly due to higher beet sugar production, based on processors' reports compiled by the Farm Service Agency. Imports are increased 590,000 tons, mostly due to higher tariff rate quota (TRQ) imports. Shortfall in filling the TRQ is increased 15,000 tons. Imports of high-tier sugar from Mexico are increased 130,000 tons while other non-program imports are increased 25,000 tons. Use is unchanged and ending stocks are increased to 1.4 million tons, or 13.4 percent of use.

For 2004/05, revisions to preliminary year-end data from processors result in supply increasing 35,000 tons and use

increasing 43,000 tons. Ending stocks are decreased to 1.35 million tons, or 12.8 percent of use.

WASDE-429-14 - U.S. Sugar Supply and Use 1/

Item	2003/04		2004/05		2005/06 Projections	
					November	December
=====						
	: 1,000 short tons, raw value					
Beginning stocks	: 1,670	1,897	1,355	1,347		
Production 2/	: 8,649	7,877	7,522	7,668		
Beet sugar	: 4,692	4,611	4,356	4,458		
Cane sugar	: 3,957	3,266	3,166	3,210		
Florida	: 2,154	1,693	1,580	1,602		
Hawaii	: 251	258	254	276		
Louisiana	: 1,377	1,157	1,152	1,152		
Texas	: 175	158	180	180		
Imports	: 1,754	2,096	2,180	2,770		
TRQ 3/	: 1,230	1,404	1,705	2,140		
Other program 4/	: 464	500	325	325		
Other 5/	: 60	192	150	305		
Supply, total	: 12,073	11,870	11,057	11,785		
Exports	: 288	259	175	175		
Deliveries	: 9,862	10,215	10,215	10,215		
Food	: 9,678	10,046	10,050	10,050		
Other 6/	: 184	169	165	165		
Miscellaneous 7/	: 26	49	0	0		
Use, total	: 10,176	10,523	10,390	10,390		
Ending stocks	: 1,897	1,347	667	1,395		
Stocks to use ratio	: 18.6	12.8	6.4	13.4		

1/ Fiscal years beginning Oct 1. Includes Puerto Rico. Historical data are from FSA, "Sweetener Market Data" except imports (U.S. Customs Service, Census Bureau). 2/ Production projections for 2005/06 from processor reports compiled by the Farm Service Agency. 3/ Actual arrivals under the tariff rate quota (TRQ) with late entries, early entries, and TRQ overfills assigned to the fiscal year in which they actually arrived. For 2005/06, shortfall is 65,000 tons. 4/ Includes sugar under the re-export and polyhydric alcohol programs. 5/ Includes high-tier and other. 6/ Transfers to sugar-containing products for reexport, and for nonedible alcohol and feed. 7/ Residual statistical discrepancies.

METRIC CONVERSION FACTORS 1 Hectare = 2.4710 Acres 1 Kilogram = 2.20462 Pounds
Metric-Ton Equivalent : = Domestic Unit * Factor
Sugar : = short tons * .907185

Farm Bureau members hear rep defend CAFTA

By CHRIS MOORE
Freelance Writer

ONTARIO, Ore. – Some Malheur County Farm Bureau members took exception when Chris Garza recently spoke to them in favor of the Central America Free Trade Agreement.

Garza, national Farm Bureau director of congressional relations, came to the annual meeting of the organization to explain why the national organization is supporting the agreement.

Garza prefaced his remarks saying, "I'm here to take local Farm Bureau members' questions back to Washington, D.C." He said the American Farm Bureau is one of the top congressional lobbyists, though it represents less than 2 percent of the nation's population.

"We talk to our people and try to get a better understanding of the issues you see in foreign trade. It is very important to Oregon's agriculture," Garza said, pointing out that 25 percent of Oregon's ag receipts come from international trade.

Those exports are predominantly fruits, vegetables, grains and seeds. "Tariffs are what we pay to get into those markets, as we are competing with 147 other countries trying to open those same markets."

Garza pointed out the disparity between American production costs and other nations' lower ag production costs. He said Farm Bureau used its economic analysis team in studies coming to the conclusion that CAFTA is a win-win situation for America's farm producers.

Malheur County farmers Ross Nishihara of Adrian and Louis Wettstein of Ontario, also a Malheur County commissioner, took exception to the proposal on grounds that it would destroy the sugar beet industry in Malheur County and in Idaho.

Both Nishihara and Wettstein said closure of Nyssa's Amalgamated Sugar Refinery has had adverse effects on many of the area's sugar beet growers. They spoke of the labor laws in Oregon and escalating fuel costs and operation costs in the industry.

Wettstein said many farmers are having to abandon the crop that has long provided a stable income. "Many fields weren't even planted this year," he said.

Other economic benefits of the sugar beet crop that Nishihara, Wettstein and several other local farmers mentioned includes employment of laborers who plant and cultivate, harvest and transport the crop, as well as the employment of workers in the manufacturing of sugar and in providing byproducts for animal feed.

Livestock operations rank as the highest income-producing commodity in the county. The sugar factory, they said, provided employment for hundreds in Nyssa.

Garza countered the objections to CAFTA with a statement that the program would only be an \$80 million hit to the U.S. sugar industry. He said he anticipates some backlash, but some safeguards were in place.

Claiming that CAFTA was an effort to even the playing field on tariffs and that "CAFTA countries would pay no tariffs, or at least little, on produce coming into America," he said American products heading back to those countries now have tariffs of 35 to 50 percent added on. CAFTA action would eliminate those tariffs, he said.

In final comments, Garza said international trade is essential to sell American produce over seas. "CAFTA is only one trade agreement, and more are in the works, and Farm Bureau will investigate future pacts with the same attention it gave to CAFTA."

Friday, December 09, 2005; by Pat McCoy, Capital Press
Hurricanes boost sugar sales

ONTARIO, Ore. – It's a sad irony that one region's tragedy often improves profits for growers in another.

That proved true once again this fall in the wake of hurricanes Katrina, Rita and Wilma. The storms devastated the Southern U.S. sugar cane industry, likely setting it back for years. That in turn created a sweetener shortage that increased sales for Southern Idaho and Eastern Oregon's Amalgamated Sugar Co., said Vic Jaro, company spokesman.

The storms combined with low yields in the Midwest left grower-owned Amalgamated the only U.S. company able to move sugar in any volume at times this year, he said. The company even sold a 2 million hundredweight stockpile left over from last year, he said.

"If you ever want a sugar supply in storage, this was the year to have it," Jaro told the Nyssa-Nampa Beet Growers Association here Dec. 5.

The hurricanes illustrate the importance of a dispersed industry, said Steve Martineau, association president. "Between them, sugar and corn provide over 40 different sweeteners to the market. Today, growers own all U.S. sugar processing plants. There is increasing pressure on us to make ethanol from our sugar crops. The national energy supply is seen as more important than sweeteners. Our industry leaders are waging the fight to keep our industry alive," Martineau said.

Hurricane impact on the sugar market also points up why the industry so opposed the Central American Free Trade Agreement, he said.

"We took a lot of heat as an industry over that. Opposing a trade agreement isn't popular. In part because of our opposition, the House vote was delayed. CAFTA passed the House by only one vote, and the Senate by five. The administration had to promise to buy surplus sugar, and trade negotiators are being warned to be cautious about damaging other U.S. industries in future trade negotiations," he said.

The sugar industry is already looking ahead to the new farm bill, Martineau said. There will likely be more attacks on the sugar program, but industry leaders are already working hard to protect it.

Idaho and Eastern Oregon growers harvested one of the top crops on record this fall, said Jaro. Average yields were 30 tons per acre. Sugar averaged 17.5 percent, and over 16.6 million cwt. of sugar is being processed.

"We're extracting 93 percent of the sugar from the crop, a sign of a good quality crop in a model year," he said.

Other speakers at the half-day convention included Corey Ransom, Oregon State University researcher based at the Malheur Experiment Station, who discussed weed control studies.

Those studies found sugar beet yields increased by a ton per acre each time at least 10 percent of the kochia in a field was controlled, he said.

"You can't afford to not control kochia. Every little bit you don't control means lost production," Ransom said.

Other studies found barnyard grasses can also cost growers four to eight tons per acre in sugar beet yields if they are uncontrolled, he said.

Researchers are looking more closely at using growing degree days to time herbicide applications, using the weather instead of a calendar.

"We used micro-rate applications to test this theory this year. There were complications. You can't spray a field on rainy or windy days. We found crop injury decreased as we spread applications out. There will be some injury any time you spray sugar beet fields with an herbicide, but you'll rarely out and kill your crop unless you apply chemicals at outrageously high rates," he said.

Sugar industry's sweet sorrow about to become yours

Refined-sugar users swallowed price hike after Katrina, but expect that to change

December 11, 2005; By KAREN ROBINSON-JACOBS / **The Dallas Morning News**

Enjoy those holiday sweets. The price is likely to rise in the new year.

Lay the blame largely on Hurricane Katrina, which bowled over much of the Gulf Coast's sugar cane crop, shuttered a sugar processing plant, sidelined producers' delivery trucks and raised the cost of fuel.

The result: Prices for refined sugar – used in everything from chocolate to ketchup – have risen 50 percent since mid-August.

Since many vendors set their holiday prices long before the hurricane season, they've had to eat the higher prices their sugar suppliers have charged.

But that benevolence can't last.

"The real problem is coming after the first of the year," said Stan Rothstein, president of Carrollton-based Redstone Foods, a wholesaler of imported and specialty candies. He set his prices for holiday treats back in April.

"I have a whole pile of price increases on my desk that take effect the first of the year."

So far, most food and candy makers have been taking it on the chin.

On Aug. 19, before Hurricane Katrina pounded the sugar-rich gulf region, large users could buy refined beet and cane sugar for up to 28 cents a pound, according to *Milling & Baking News*. By Dec. 2, that price had climbed to 42 cents a pound – the largest mid-year jump since at least 1982, according to Ron Sterk, assistant editor of the trade publication.

Some large buyers locked in the lower prices with long-term contracts earlier in the year. Others were forced to pay spot prices that peaked at 72 cents a pound.

"There were enough that didn't lock in prices that it was pretty panicky for a while," he said. "To avoid running out, they were paying these exorbitant prices."

Mr. Sterk said that so far, grocers have avoided sticking consumers with the increased costs for bags of sugar.

"It was mostly at the bulk and wholesale level," he said.

But he, too, said consumers should get ready for increases in foods made with sugar.

"There was a blip at the end of the year that was eaten by a lot of manufacturers," Mr. Sterk said. "But the prices are still higher, and those will be more likely to be passed on. I think you're going to see them creep up as the new year goes on."

Oh, how we love it

The scramble for sugar reflects America's sweet tooth.

The U.S. scarfs down about 10 million tons of sugar a year between retail, food service and manufacturing uses, according to Jack Roney, director of economics with the American Sugar Alliance in Arlington, Va.

Typically, more than 80 percent of that need – up to 8.5 million tons – is homegrown. Some 40 percent of that comes from Louisiana and Florida, with a smaller amount from Texas. All those states were hit hard by the 2005 hurricanes.

"There's no question that they hit the Louisiana farmers and the Florida farmers pretty hard," Mr. Roney said. "It knocked the cane over and inundated it with water."

He said farmers are still trying to "figure out how to save that crop."

In addition, one of the nation's largest refineries, Domino Foods' plant near New Orleans, sustained heavy damage from Katrina's floods. It is slated to reopen today.

Given the storms and a lower-than-expected yield from Midwest sugar beets, the U.S. Department of Agriculture estimates that sugar production this year will be down to 7.5 million tons. Imports will help pick up the slack.

Beyond the supply crunch, sugar produced here is having a hard time making it to the nation's candy and fruitcake makers.

"FEMA has taken a lot of trucks," said Robert Peiser, president and chief executive of Imperial Sugar Co. in Sugar Land, Texas, which had its Gramercy, La., plant shut for seven days by the storms.

"The shipping patterns this year are unreliable," he said. "Even when we're at full capacity, we've had a hard time shipping as much as we'd like."

Leaner holiday

The situation has left treat makers like Ken Bain in a pickle.

Mr. Bain owns Mary of Puddin Hill in Greenville, Texas, which sells peanut brittle, praline pecan pie, fruitcake bars and other sweets. He does roughly 80 percent of his business during the extended holiday season from September through December.

This year, his search for sucrose turned into a scramble – and an expensive one at that.

"We had to search about four different suppliers before we could find sugar," said Mr. Bain, whose company dates to 1949. "We were fortunate enough to get ours when there were still supplies."

But he said his costs for those supplies rose by 35 percent.

Before the storms, a 50-pound bag of sugar could be had for \$17.40, Mr. Bain said. After Hurricanes Katrina and Rita, that price jumped to \$23.50.

The price hikes hit in October and November. The shop's catalog came out early in the summer.

"Those prices are set, no matter what happens," he said. "It'll mean less profit, of course. It's going to impact the bottom line."

Jerry Davis, Mr. Bain's operations plant manager, noted that the sugar price hike came on top of butter prices that "went through the roof. And pecan prices were high last year," he said, though they've moderated some.

That's not to mention increased shipping and packaging costs, born of hurricane-induced price hikes for petroleum-based products.

Sugar "costs us more, and it always hurts, but the shipping costs and fuel charges are hurting us as much as the commodity prices," Mr. Davis said. "There's a limit to what people are willing to pay" for sweet indulgences.

Suckers for punishment

Next year, vendors will test those limits.

The good news is that the sugar market tends to be cyclical. Mr. Sterk said analysts he's talked with predict wholesale prices will ease to between 35 cents and 37 cents a pound around the first of the year and slip to the "low 30s" during the first six months, as the holiday crunch passes and next year's sugar beet crop comes onto the market.

But with energy prices still high and forecasters predicting another severe hurricane season next year, "nobody's willing to stick their neck out" with predictions for the second half of the year, he said.

Likewise, Mr. Peiser of Imperial noted that even with the Domino plant coming back online, energy and other cost pressures still loom.

"There are some elements of improvement," Mr. Peiser said. "There's somewhat less pressure, but it hasn't been totally relieved."

Even with prices destined to rise, Mr. Rothstein thinks consumers will still bite. "They'll be buying just as much," he said with the confidence of an experienced salesman. "Candy's a very inexpensive gift item. If last year they were paying \$20, and next year they're paying \$22.50, are you going to walk away?"

<http://www.grandforks.com/mld/grandforksherald/13386488.htm>

Mon, Dec. 12, 2005; By Mikkel Pates, **Agweek Staff Writer**

Minn-Dak slogs on past tough crops

Company still strong, sugar cooperative president says

FARGO, N.D. - Minn-Dak Farmers Cooperative would like to catch a break. "What we've had is back-to-back disappointing crops," says David Roche, Minn-Dak president and chief executive officer who spoke at the group's Dec. 6 annual meeting in Fargo, N.D.

In 2004, the crop had good tonnage, which covered "a lot of problems in terms of quality."

In 2005, the same quality problems occurred, but this time with a disappointing yield, affected by excessive moisture in May and June. The beets grew in the month of September, and harvest started Oct. 3. Beets came in at 16.5 percent sugar, which is less than the 17.7 percent average reported by American Crystal Sugar Co. last week.

Minn-Dak is projecting a \$36-per-ton payment for the 2005 beets, which is about equal to the final payment for 2004 crop.

"We have a little bit of contingency built into the budget," Roche acknowledges, but adds, "Some years, we pick up \$4 to \$5 a ton (above the initial projection). We don't see that this year."

The co-op is still financially strong, with a long-term debt-to-equity ratio of 0.47 in fiscal year 2005, which is good, and down from 0.56, 0.63 and 0.74 in the previous three years.

Roche confirmed that Minn-Dak recently purchased two piles of beets from Southern Minnesota Beet Sugar Cooperative of Renville, Minn. "It's a shame to have unused beet slicing capacity in the Red River Valley in the month of March and early April," he says.

He explains that Southern Minnesota Beet wound up with a very strong, 25-ton-per-acre yield. Roche says the marketing allotment goes to the factory that "has the physical history of sugar that's been produced" and that "everything we produce in our factory would be counted toward our history."

The luncheon speaker was Phillip Hayes, media relations director for the American Sugar Alliance in Arlington, Va. Among other things, Hayes gave producers a sneak preview of a new publication, "Dump Market Players," which includes country-by-country summaries of profiles of major sugar exporters - "the people who have done the most to distort the world sugar market."

The 38-page handbook was to be released before the Hong Kong meeting of the World Trade Organization.

The ASA has used LMC, a British commodities firm, to "get down in the weeds and quantify all of these subsidies," particularly for Brazil, Thailand and Columbia.

"Brazil by far is the world's biggest sugar producer, the biggest exporter, and - I would argue - the largest sugar subsidizer," Hayes says. He says Thailand is the third-largest sugar exporters and has "egregious" programs. The handbook contains two pages of indirect subsidies in Columbia. He says the three countries "deem themselves" as "developing" to avoid making reforms.

In a related issue, Hayes says the industry was disappointed on Dec. 2 when the U.S. Department of Agriculture moved to increase quotas of imported sugar to satisfy market demands. He says Louisiana factories that supply 18 percent of U.S. cane sugar were shut down. "There's a lot of refined sugar out there. We didn't think the U.S. announcement - 450,000 tons, including 300,000 tons of refined and 150,000 tons of raw - needed to be made. "We would certainly trust that the USDA would not increase inputs any further," Hayes says.

Hayes says farmers must fight a media battle to survive as an industry, especially heading into the farm bill debate, which is already under way. He quotes surveys and headlines that show the American public sees sugar producers as "sugar barons, who destroy free trade, and fleece the American consumer just to line our own pockets."

<http://www.wdsu.com/news/5519332/detail.html>

Domino Sugar Refinery Reopens In Arabi

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ARABI, La. -- The Domino Sugar Refinery in Arabi, the nation's largest sugar refinery, resumed operations Monday, more than three months after Hurricane Katrina flooded the plant.

Company officials had said last week that the refinery's 270 employees, many of whom are living at the facility in FEMA trailers, worked around the clock to repair storm damage in time for the busy holiday season.

The storm flooded the refinery, one of St. Bernard Parish's largest employers, with as much as 6 feet of water, ruining equipment and sugar in storage.

The first half-ton of sugar produced this week will be donated to the Second Harvest Food Bank of New Orleans.