



Newsletter

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



Issue #3

March 28, 2008

Message from Ray Washmera, President:

Hello Fellow NSIMA Members

Attached are our timely, instructive articles. We hope you will enjoy!

Presently, we are working on our annual New York NSIMA luncheon to be held this year on May 7, 2008. We have the location, the magnificent Union League Club in downtown Manhattan. And we have invited a speaker. Once he accepts we will announce, you will be delighted. Please mark your calendars and plan to attend. It will be worthwhile.

The markets continue tumultuous. Oil, wheat, corn, soybeans, soybean meal, and soybean oil lead the way. Market limits are increasing for corn and soybeans. The funds continue to influence greatly and in their speculative ways. It's been quite a year and it's just March. Imagine what the next 9 months might bring.

To those of you affected by the recent wet weather, please know your fellow members are thinking about your situation and wishing you safe haven.

Sincerely,

Ray Washmera

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NEWS RELEASE

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Release No. 0062.08 - Contact Keith Williams (202)720-4623

Administration Analysis Details Impact on USDA Programs without a New Farm Bill

WASHINGTON, D.C. – Feb 29, 2008 – At the request of senior House and Senate agriculture committee staff, the U.S. Department of Agriculture today provided a detailed document developed from Administration analysis of impacts to current USDA programs - in the absence of enactment of a new farm bill or an extension of the 2002 farm bill past March 15, 2008.

As stated in the USDA analysis, the provisions of the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949, which have been repeatedly suspended by several farm bills, would again become legally effective if a new farm bill is not enacted or Congress fails to extend the 2002 farm bill by March 15, 2008. Often described as a reversion to "permanent law," such a result would "dramatically narrow the universe of producers who receive support, and would do so in a way that most producers will view as irrational," according to the 14 page paper prepared by USDA and approved by the Office of Management and Budget.

For instance, only those wheat producers who happen to have wheat acreage allotments would be eligible for minimum price support of \$7.80 per bushel, as compared to the current price support loan rate of \$2.75. Price support rates for corn would almost double, from \$1.95 to a minimum of \$3.78 per bushel, while the upland cotton price support rate would go from 52 cents per pound to a minimum of \$1.34 per pound. Dairy price support would more than triple from \$9.90 per hundredweight to over \$30. No price support could be offered for sugar or oilseeds.

The 1938 Act is a supply control statute with marketing quota provisions that are applicable when the supplies of wheat and cotton are excessive. For the 2008 crops of these commodities, the Secretary has already announced that these quotas would not be in effect. But, for the 2008 crop of wheat, the 1938 Act still requires the Secretary to establish acreage allotments since these allotments are part of the price support program established for wheat under the 1949 Act. One of the critical factors which the 1938 Act requires the Secretary to take into account when establishing a farm's 2008 wheat allotment is whether or not the farm had an allotment in 1958. Acreage allotments for wheat have not been declared since 1971 and USDA does not possess acreage reports dating back to 1971. Accordingly, it is unclear how USDA could meaningfully translate these historical allotments, while taking into account other required provisions in the 1938 Act, into 2008-crop price support benefits.

The permanent authority for price support to producers of agricultural commodities is provided in the Agricultural Act of 1949. The date when permanent law becomes effective for a commodity is not uniform across commodities. The 1938 Act operates on a marketing year basis, rather than a crop year basis. Price support rates under the 1949 Act, in contrast, are crop year specific.

Commodities

- **Wheat** – To receive price support benefits, producers must have a 2008 acreage allotment and must plant wheat in an amount no greater than the size of the allotment. Only farmers able to produce records of 1958 wheat allotments as well as having wheat plantings in crop years 2005, 2006 and 2007 would be eligible for price support benefits.
- **Sugar and oilseeds (including soybeans)** – Due to the manner in which the 1949 Act has been amended,

price support may not be offered with respect to oilseeds (including soybeans, sunflower seed, and canola, rapeseed, safflower, flaxseed and mustard seed), sugar beets and sugarcane.

- **Cotton, feed grains, honey and rice** – Because marketing quotas are not in effect for the 2008 crop of upland cotton, all upland cotton is eligible for price support as well as all production of 2008 crops of rice, corn, oats, rye, barley and grain sorghum. All production of honey would also receive price support.
- **Dairy** – Price support would be offered with respect to dairy products through government purchase of dairy products.
- **Other commodities** – Price support for other commodities such as peanuts, wool and mohair would be at the discretion of the Secretary of Agriculture.

Other Programs

The mandatory programs that would be most severely impacted would be conservation and trade programs. However, in general, for programs that receive annual appropriations, the impacts would be less severe if new law is not enacted by March 15, 2008.

Conservation

New enrollments in most conservation programs would cease as of March 16, 2008. Producers currently enrolled in both the Conservation Reserve Program (CRP) and the Wetlands Reserve Program (WRP) would continue to receive technical assistance and program payments. Enrollment and payments for the Environmental Quality Incentives Program (EQIP) and the Conservation Security Program (CSP) would continue.

Trade

Mandated funding for certain trade and international development programs would expire on March 16, 2008: export credit guarantees, export credit guarantees for emerging markets, market access, foreign market development cooperator, technical assistance for specialty crops, food for progress, dairy export incentives, and facilities credit guarantees. Authority to finance sales and provide additional international food aid under Public Law 83-480 ("PL 480") would expire. The authority to release assets from the Bill Emerson Humanitarian Trust continues, yet, the authority to replenish the Trust expires. However, McGovern-Dole Food for Education program authority is permanent, using appropriated funding available through September 30, 2008.

Food Stamps and Nutrition

Most child nutrition programs (including school lunch, school breakfast, WIC) are controlled by child nutrition reauthorization, which is on a different schedule from the farm bill and does not expire until the end of FY 2009. Basic functions of providing assistance under the Food Stamp Act will continue in the 50 states and the District of Columbia. However, the authority to provide food assistance to Puerto Rico and American Samoa under the Food Stamp Act would expire at the end of March.

Rural Development

Nearly all of the rural development programs would continue.

FSA Farm Loan Programs

The basic farm loan program activities would continue. However, a number of farmers currently eligible for farm loan program loan guarantees would cease to be eligible because term limits on the number of years for these guarantees would be reinstated without a new farm bill. Beginning farmers and ranchers would no longer benefit from set-asides of direct loan funds.

Crop Insurance

The core insurance activities of the Federal crop insurance program are not affected.

Read the USDA document at www.usda.gov/documents/fbpaper022908.doc

http://ap.google.com/article/ALeqM5jinq-IRpUoRXY_jeSCqw3IhIRbB3AD8V66P5G0

March 3, 2008; By Mike Stobbe, ASSOCIATED PRESS

OSHA to Inspect Dust-Prone Factories

ATLANTA (AP) — Federal inspections will be carried out at hundreds of plants where combustible dust is a workplace hazard, a top safety official said Monday at a sugar refinery where dust is suspected of causing a deadly explosion.

Ed Foulke Jr., head of the Occupational Safety and Health Administration, announced the inspections while visiting the Imperial Sugar refinery in Port Wentworth, where a blast on Feb. 7 killed 12 workers injured dozens more.

OSHA has not completed its investigation of that explosion but is sending letters to 30,000 companies that deal with combustible dust to discuss the dangers, Foulke said in a telephone interview.

A preliminary investigation determined the explosion was caused by airborne sugar dust in a basement area beneath the refinery's three giant storage silos, but what ignited the dust has not yet been determined.

Also Monday, Rep. John Barrow, D-Ga., and Rep. George Miller, D-Calif., chairman of the House Education and Labor Committee, said they will introduce a bill to force OSHA to issue new regulations governing industrial dust. Miller scheduled a hearing on the issue for March 12.

Combustible dust standards were put in effect for the grain industry after a series of explosion in the 1980s, but OSHA declined to act on a 2006 recommendation by the U.S. Chemical Safety Board that similar standards be set up for other industries.

Last month, the United Food and Commercial Workers International Union and the International Brotherhood of Teamsters petitioned OSHA to take that step.

"It's great that they're down there looking at this plant in Georgia after people died and were burned to death," said Robyn Robbins, assistant director of the UFCW's occupational safety and health office. "But what were they doing before this happened? And what are they going to do next?"

Foulke said Monday that more work must be done to determine whether existing standards on ventilation and factory housekeeping can be used to address existing concerns, and to determine how a standard can be crafted so it makes sense for different industries with different types of dust.

Miller and Barrow said Congress should step in because OSHA has failed to act.

"We owe it to the victims and their families to do everything we can to prevent this kind of disaster from ever happening again," said Barrow, of Savannah.

<http://www.fresnobee.com/263/story/445003.html>

03/05/08; By Dennis Pollock, The Fresno Bee

Future of sugar plant up in the air

Growers get an offer to lease Mendota site, with 200 jobs in the balance.

A Spreckels Sugar plant in Mendota will close in August, putting more than 200 people out of work -- unless a group of farmers can save it. The Spreckels plant, a Mendota fixture since it opened in 1966, is one of only two sugar-beet processors in a state that once had 11.

Shrinking sugar-beet acreage prompted the owner of Spreckels, Southern Minnesota Beet Sugar Cooperative, to announce it would stop buying beets from central San Joaquin Valley growers in 2009 and close the plant.

But the cooperative has offered to lease the plant to growers, who hope to keep it operating.

Closing the plant would be yet another blow to the Valley's west side, which has seen other plant closures and cutbacks in recent years. ConAgra cut 230 jobs at its Helm tomato processing plant in late 2006 and De Francesco & Sons, a garlic and onion processor west of Firebaugh, closed in early March 2006, costing 137 jobs.

Also shutting its doors last year was Rock-Tenn, the Kerman box-folding plant. The Georgia-based company blamed restructuring of its various divisions as the reason for closing its Valley operation.

John Dean, regional manager for Spreckels in Mendota, said Wednesday that he's optimistic a deal can be reached with growers. "We think we can arrive at a very generous lease," he said.

His optimism is shared by David Farmer, a Merced County grower who is among those in talks with the processor. "What we're trying to do is stabilize against the erosion of [sugar beet] acres," he said.

Sugar beet acreage has been declining for years. Farmer said sugar beet growers have turned to other more profitable crops, particularly as recent demand for ethanol has driven up prices for corn and wheat.

In 1978, the acreage statewide was 206,186. By 1999, it had shrunk to 180,260 acres. And in 2007, sugar beets were down to 43,244 acres.

Farmer said the growers still have "a lot of hurdles to cross" as they determine what it will involve to operate the plant. They met with plant representatives Wednesday and will do so again next week.

John Richmond, CEO of Southern Minnesota Beet Sugar Cooperative, told employees the news of the closure at a meeting last week, saying beet growers projected too few acres next year for the factory to be profitable, said Bob Stafford, Spreckels district manager in Mendota. "If the growers don't choose to run the facility," he said, "our final crop will be [processed] this summer."

Spreckels will continue to operate its only other plant in California in Brawley, which takes beets from the Imperial Valley. Growers said it's too costly to haul beets by truck from the San Joaquin Valley to that plant.

Curt Rutherford, president of the California Beet Growers Association, said farmers in the Brawley area are seeking to buy that plant. It's common for grower cooperatives to operate processing plants in other states.

Rutherford said San Joaquin Valley farmers will have to move quickly, particularly if they want to retain the trained work force at the Mendota plant.

He said Spreckels' move is not likely to affect prices shoppers pay for sugar.

Rutherford said the market is oversupplied, and there's no shortage, even despite the explosion at a Savannah, Ga., processor of sugar cane last month.

Joe Riofrio, a Mendota City Council member and former mayor, said closure of Spreckels would be "a big blow" to the community that would go beyond plant employees. His brother Rudy Riofrio works at the plant.

"There are all the trucking families, generations of truck drivers who haul the sugar beets, the people who drive the lunch wagons to the plant," Riofrio said. He also said that some Spreckels employees have worked at the plant since it opened.

Riofrio is less optimistic about whether farmers can salvage the operation.

He said there were already signs of efforts to cut costs.

"When families from out here would travel to Fresno shopping, we'd pass those big silos out there, illuminated beautifully," Riofrio said. "Now, it's dark at night. Not like it used to be."



A Change in Command in Cuba: Will Raúl Castro Continue along the Same Road as Brother Fidel?

There were no surprises in Cuba on February 24 when the National Assembly of People's Power decided that Raúl Castro, brother of Fidel, will be the country's new president. It is a post Raúl has occupied on an interim basis for the last 19 months, ever since Fidel had to cede power to him because of health reasons. After 49 years and 55 days in power, 81-year-old Fidel now gives way to Raúl, who headed the only list of candidates presented to the National Assembly for the position of the President of the Council of State, a five-year post. Fidel will continue to be the first secretary of the Communist Party, the only legal party on the island.

General Raúl Castro, 76, is hardly an unknown: He has been at the forefront of the Revolution from the very moment on January 1, 1959, when he and his brother toppled dictator Fulgencio Batista. Ever since, Raúl has been second in command behind brother Fidel in every respect, including political, military and institutional affairs. Until now, he was the first vice-president of the councils of State and Ministers; second secretary of the Communist Party and Minister of the Armed Forces.

Carlos Malamud, head Latin American researcher at the Real Instituto Elcano, says that Raúl, unlike Fidel, "is a pragmatic fellow who likes to work in a team. He likes to organize things and he leaves nothing to improvisation." Malamud adds that when the Cuban Revolution triumphed, Raúl played a very active role consolidating it. "He was always eclipsed by the strong leadership and personality of his brother [Fidel]."

According to Agustín Ulíed, economics professor at ESADE, Raúl Castro cultivates "consensus among his subordinates as well as intense loyalty among his followers, as we've been able to see with his nominations for the members of the Council of State. However, Raúl's most defining characteristic is his efficiency." Ulíed explains that Raúl has played the leading role in the Revolutionary Armed Forces, the [country's] most successful and prestigious institution. The Armed Forces, which have never used repression against the public, is the institution that manages two thirds of the Cuban economy.

Hugo Macías, head of the research center for economics, accounting and administration at the University of Medellín (CIECA) in Colombia, describes the new President's personality: "He is someone who knows every detail of local politics and how they all relate to international affairs. He is the military officer who has been the key to Cuba's self-determination process, which faces pressure from the world's most powerful and interventionist countries."

Rafael Pampillón, professor at the IE [business school], emphasizes that Raúl dominates the apparatus of the party, its military and its security services. "He works a little bit below the surface, in the shadows. He will know how to manage things so they work out." Cubans, he adds, "are aware that a change in their economic system is needed."

No Change in Policy

Experts agree that there is virtually no chance the political system will be opened up in the short run, but it looks like some changes may be in store in the economic realm. “There will be no sort of political liberalization,” says Malamud. “All indications are that there will be none of that.” For Macias, political reform “will be very gradual; it will take several years before a system for direct voting is set up.” For his part, Ulied emphasizes that “Raúl and Fidel have always been very complementary. Ceding power from one to the other is a sign that there is change but within continuity.”

Pampillón believes that the media are insisting too firmly that there won't be any political transition until after Fidel dies. “I agree,” Pampillón says, “but I don't believe this is the moment to emphasize that fact. You have to talk and write about the need for an economic transition so, at least, conditions improve for the Cuban people, who are living through a period of great shortages. The situation is disastrous from the viewpoint of their economy and standard of living.”

On other hand, Ulied notes how economic reforms could wind up leading to political change. “In the most successful transitions of some totalitarian countries, economic reforms have preceded political reforms. However, the speed of the change in this area is generally unpredictable and hard to control.”

Economic Transition?

Ulied believes that so long as Fidel is alive and he presides over Cuba's Communist Party, there won't be any significant changes in the Cuban economy. Given the precarious state in which the Cuban people live, they may dare to reestablish the reforms of 1993-96, and even deepen them to bring growth back to the economy. This period of opening, which involved stimulating private property and foreign investment, was brought to a halt (rather than suspended), only shortly after it was set in motion.

Ulied says that the earlier reform initiative came to an end because of political factors. Going ahead with the reforms would have endangered the transition after Fidel left the scene. “What they wanted was to guarantee that the transition was controlled by the Party. Decentralization of economic decision-making in companies, and the emergence of a dynamic private sector, implied that people might act autonomously and resist control by the Party.” The government also recentralized the economy, a measure that was much more temporary. “It was necessary to control the currency and there was an urgency to increase the money supply in order to deal with obligations stemming from the growing volume of imports.”

At the time, there was a widespread perception that Cuba was moving away from class equality, one of its key revolutionary principles. Cubans with access to the dollar were enjoying higher incomes and becoming a class of consumers. That generated misgivings among those workers who did not have access to the U.S. dollar. “This is something unacceptable from a revolutionary point of view,” says Ulied.

According to Ulied, Raúl was the first person to criticize the market reforms, in March 1996. “He has a reputation for being the hardliner in the system, although we can see some past indications of his favorable position concerning reform; there are some signs that contradict Raúl's pragmatism.” Nevertheless, notes Ulied, the Cuban people are undergoing hard times, and the new President appears to be inclined toward the faction in the debate that favors urgent economic and social reforms. Raúl announced some measures during the speech he made after taking power.

Macias believes that the multiple controls the State imposes on the Cuban economy will continue to diminish gradually. With the change in leadership, “foreign investment will continue to expand, although with a little less regulation by the government. At the same time, they will continue to develop tourism initiatives, and will substantially increase the number of workers in that sector.” Following a process that began 15 years ago, Cuba will slowly continue to build up its labor market and create a much broader market for goods and services, which it will use to manage the slow transition to a capitalist economy. Macias adds that this transformation won’t happen right away. “It will require at least one more generation. Cuba’s young people are the ones who will promote this process of economic and cultural opening.”

The Chinese Model

Pampillón is more optimistic about the speed at which these changes will take place. The new President, he says, “is about to dismantle the system of Socialist planning and the way the country’s economy is currently controlled.” According to Pampillón, Raúl has already said as much on several occasions, and “he has done so with a great deal of courage, challenging the traditional doctrine of the Communist regime a bit.”

Pampillón believes that Cuba will follow the example of China and Vietnam, two one-party Communist countries where there have been no important political changes but where significant economic changes have taken place. “Raúl Castro has visited China, and he knows the country well,” Pampillón says. A number of conditions have to be present to produce the same sort of economic transformation that has taken place in Asia. First, the people who run the country need to have clear goals. “They have to know where they want to go.” Raúl clearly wants to commit to a market economy. On the other hand, Pampillón doesn’t believe that the dictator has to die before the system changes. “In the case of Spain, Franco had to die before a transition could take place, but that wasn’t necessary in Chile. It doesn’t have to happen in every case.”

You also have to meet another pre-condition, Pampillón adds: Foreign companies that operate in Cuba need to feel that any changes that take place will be permanent, which has been the case of China. “They have to be sure that their legal contractual rights are going to be respected when they do business with the [Cuban] government, and that their property rights are respected.” Two other conditions are required for such a change to take place, and they already exist: popular discontent with the economic situation and a favorable international environment.

Ulled doesn’t know which model Cuba will choose for carrying out this transformation. “It is hard to think that Cuba’s current government will start an economic transition like the one carried out by formerly Socialist countries because that would mean discarding 50 years of Socialist revolution over night. Medium term, a viable alternative would be to apply the Socialist model of China and Vietnam. Nevertheless, Fidel Castro never took a positive view of that approach, and those countries [China and Vietnam] differ greatly from Cuba from a structural viewpoint.” Macias agrees that China is not the best example for Cuba to follow. China adopted a market model for its Socialism back in 1989, a decision clearly taken by the Chinese Community Party. “The best example for Cuba to follow is not the strange arrangement that only China has been able to carry out. Cuba will make the transition toward an orthodox market economy in a slow way. It will take [Cuba] a generation to complete.”

The Challenges of the Cuban Economy

It is not easy to make the transition from socialist economy to market economy. Cuba will have to overcome a lot of obstacles. According to Ulled, Cuba’s socialist economy is significantly different from the socialist economies that characterized several countries in Central and Eastern Europe. Cuba’s economic system has been described as a system “that has an extraordinary ability to manage poverty but which fails to generate wealth.” The key challenge of the Cuban economy is to create wealth and economic productivity. “Cuba urgently needs to decentralize the system and create capital, especially domestic capital. It also needs to promote the participation of its people in jump-starting the economy, by transforming its people into active participants in the country’s economic progress.”

The fundamental transformation of the economic system, Ulied adds, “must come from microeconomic reforms. Among other things, these reforms must eliminate current limitations on setting up companies; must enable companies to hire employees; and must begin to deregulate the financial system. They must facilitate the process of buying and selling property; maintain property registries and title guarantees, and develop an effective tax system.”

Pampillón says Fidel’s successor will have to resolve a broad range of problems. These include “the disastrous transportation system; the food supply system; the backward and unproductive agricultural system; the need to incorporate technology and knowledge when creating goods and services; the obsolete industrial sector; unemployment; and inequality between those Cubans who enjoy access to the convertible peso, and those who only have access to the sort of Cuban currency that enables them to buy only a very limited range of products.”

Relations with Latin America and China

With Fidel out of the political scene, how will Cuban relations with the rest of Latin America evolve? Ulied notes that Latin American history of the last 50 years has been dominated by the figure of Castro. The victory of the Cuban revolution had an impact on the entire continent. But at the moment, only Hugo Chávez of Venezuela, Evo Morales of Bolivia and Daniel Ortega of Nicaragua claim Castro as their heritage.

The first thing Raúl did after being named president was to contact Chávez, notes Malamud. “This showed that it is very important [for Cuba] to be concerned about the energy situation. Cuba depends on Chávez for its supply of energy but relations between Cuba and Venezuela might become less friendly. This is something we’ll have to wait and see.” Pampillón also believes that Raúl’s ties with Chávez aren’t as strong as Fidel’s. Although the two presidents are close, they won’t be able to recreate the same level of intensity. Nevertheless, it is very possible that Venezuela’s economic support for Cuba will not change after Fidel Castro’s retirement, says Ulied.

Brazil is the other key player to consider in the relationship between Cuba and Latin America. According to Malamud, Brazilian president Lula visited Cuba only a short while ago. “Apparently, relations are moving along well [between Cuba and Brazil]. The Brazilian president could play a role as a moderator [of Cuba].” Apart from Brazil, other countries -- such as Argentina and Chile -- could facilitate the transition by opening up space for dialogue between the Cuban population and some sectors of the [Cuban political] opposition, Ulied adds.

Officials from China, a country whose support has been essential for Cuba in recent years, have made it clear that despite Fidel’s departure, Beijing “will continue to strengthen its relations and cultivate friendship and cooperation” with Havana. China is Cuba’s second-largest economic partner after only Venezuela, according to the Chinese government. In 2006, bilateral trade between the two countries amounted to \$2 billion. “This enormous country has built a bridge to Cuba by authorizing soft loans that breathed life into the island in these hard times,” says Macias.

Thursday, March 6, 2008 - 2:56 PM EST; **South Florida Business Journal**

Sugar crop hurt by water shortage

A lingering water shortage in the Everglades Agricultural Area impacted the sugar crop, causing it to decline by nearly 7 percent, the Sugar Cane Growers Cooperative of Florida said.

The Belle Glade-based group said grower-members of the cooperative produced about 2.6 million tons of sugar cane during the 128-day harvest season, down from about 2.8 tons in 2006.

This produced 300,157 short tons of raw value sugar, and 16 million gallons of blackstrap molasses. The 2006 crop yielded 323,327 short tons of raw value sugar and 15.9 million gallons of blackstrap molasses.

Sugar yields dropped to 11.3 percent, down from the prior year's 11.48 percent and 2003-2004's high of 11.73 percent.

"Growers were fortunate to receive rainfall at crucial times and the crop in the ground looks pretty good, however we are not out of the woods yet," cooperative President George H. Wedgworth said in a news release. "Lake Okeechobee hit a record low last July and remains at an all-time low for this time of year. We've been operating under severe water restrictions for the last year and are quite concerned about not having adequate irrigation water this spring, as well as for next year's crop."

The cooperative, which has 47 grower-members, provides the services of harvesting, transporting and milling of sugar cane and the marketing of raw sugar and blackstrap molasses.

<http://www.ars.usda.gov/is/pr/2008/080312.htm?pf=1>

March 12, 2008; by Jan Suszkiw, USDA Agricultural Research Magazine

Scientists Turn Cheap Beet Pulp into Value-Added Plastics Ingredient

Sugar beet pulp may help cut the costs of making biodegradable plastic, Agricultural Research Service ([ARS](#)) studies suggest.

The pulp is a fiber-rich byproduct of sucrose extraction procedures used by sugar beet processors. Most of the 40 million tons of U.S. sugar beet pulp generated each year is used as an inexpensive livestock feed or pet-food ingredient. But ARS chemists [Victoria Finkenstadt](#) and [LinShu Liu](#) aim to breathe new economic life into the pulp.

Finkenstadt is with the ARS National Center for Agricultural Utilization Research ([NCAUR](#)) in Peoria, Ill. Liu is with the ARS [Eastern Regional Research Center](#) in Wyndmoor, Pa. Since 2004, they've collaborated on a project to convert sugar beet pulp into a specialized filler material for polylactic-acid-based plastics.

Polylactic acid (PLA) is considered a promising natural alternative to petroleum-based thermoplastics like polypropylene because PLA has comparable tensile strength and other mechanical properties, but is biodegradable. But PLA is costlier because of the complex processes required to derive it from fermented corn sugars, according to Finkenstadt, in NCAUR's [Plant Polymer Research Unit](#).

Working with Liu's team at Wyndmoor, Finkenstadt and her Peoria colleagues showed that glycerol can be used to plasticize the pulp and reshape its particulate matter into tendrils. Early tests have been promising, but showed that the PLA's tensile strength decreased in relation to the amount of sugar beet pulp or plasticizer that was added. To get around the problem, Liu's group plans on chemically modifying the pulp so that its tendrils and the PLA matrix form a stronger bond.

Potential uses for pulp-based PLA composites range from nondurable goods such as water bottles, cups and packaging, to lightweight indoor-construction materials such as wallboard, tabletops and pressed furniture.

<http://www.billingsgazette.net/articles/2008/03/16/news/state/20-beets.txt>

March 16, 2008; By Tom Lutey, The Billings Gazette

Beet farmers are seeking a way out of the sweet life

Sugar is giving John Mahan a headache.

It was once the lucrative fuel for his beet farm. Mahan would plant as many as 1,100 acres of sugar beets and receive a payment of roughly \$1,000 per acre from the local beet cooperative, Western Sugar.

Life was good. The Shepherd farmer was bullish on sugar and bullish on the cooperative, of which he owned 1,100 shares.

But then his operation hit a rough patch. Mahan last year narrowly met his beet obligation to the co-op, which was suddenly threatening him with a \$200,000 fine if he didn't deliver. His mood quickly soured. Now he wants out.

"They want \$380 a share for not growing the beets. This year, I'm looking at damn near \$350,000 in penalties," Mahan said. "I know they need the beets, but when they cannibalize the growers, how long do you think the growers are going to be with them?"

Mahan and other members of the young and profitable co-op are now eyeing the exits in response to Western's effort to collect penalties from those who don't deliver beets. More than 15,000 member shares are posted for sale on the organization's Web site. And last month, disgruntled farmers were circulating petitions to, among other things, buy out members who wanted to bolt, excuse last year's fees and cap the salary of the cooperative's chief executive.

Western Sugar CEO Inder Mathur said last week that all the organization is trying to do is ensure that it has beets for its factories. Western's factory in Billings has a direct impact of \$50 million a year on the local economy. Lately, getting beets has become more difficult as record-high prices for wheat, malt barley and corn test the convictions of some cooperative members.

Mathur said the disgruntled growers are a small minority. The 15,000 shares for sale represent 11 percent of the cooperative. However, concerns that growers wouldn't deliver last year prompted the cooperative to assess penalties for the first time. The co-op board of directors, made up of nine growers, has ruled the subject matter of the petitions inappropriate and rejected all three.

"We really don't want to go down the path of fighting people. This is all about continuing the strength of the cooperative," Mathur said. "You don't really jump in and out of beets. You can't shut a factory down for two years and ask people to come back again."

Other Montana beet growers are feeling the lure of higher-priced commodities. In Sidney on Wednesday, members of the Montana-Dakota Beet Growers Association struck a new agreement with the American Crystal Sugar Co. It appears that the number of sugar beet acres in far Eastern Montana and western North Dakota will be down, said association president Terry Cayko.

"Last year we contracted 35,000 acres, and it will be closer this year to 20,000," Cayko said.

This year's contract with American Crystal was a little later in coming than past contracts. Growers are still waiting for beet seed to be booked. Cayko said several Montana-Dakota growers signed up to grow malt barley rather than wait.

Montana-Dakota members can opt for other crops because they're not part of a cooperative. The association simply works out a contract with privately owned American Crystal, then leaves it to members to come up with acreage to fulfill the deal. That arrangement is different than Western Sugar's, in which members are required to deliver one acre of beets per share held in the organization. Western is also obligated to accept its members' beets.

In past years, few people would have considered getting out of beets. Sugar beets pulled the economic wagon for growers, who planted so-called "cereal crops," such as barley, to give their land a break from beets but never expecting much profit. Sugar profits didn't seem to fluctuate downward as far as grain and corn. Now the beet prices aren't moving upward as high as other regional commodities.

A beet farmer would have to do almost everything right to compete with wheat selling for \$20 a bushel, one grower said. Even then, his profits would be short by comparison.

"No question, people in your valley want to plant grain," said Martin Flaming, a Western Sugar Cooperative member from Ogallala, Neb.

Flaming was one of the growers behind the petitions presented to the co-op board last month. He's concerned that while penalizing growers for not delivering on beets, the cooperative hasn't offered them a way to get out. The \$380-per-acre fine is more than double the \$185-per-share cost to join the cooperative in 2002. With more than 15,000 shares for sale and few buyers, growers are trapped, he said.

"There's no exit strategy in this. There never was," Flaming said. "They've never given us one."

Mahan said he has offered to give away all 1,100 of his shares. To sweeten the deal, he's also offering to give away what's known as reimbursement of "retains." Retains are an additional fee growers have paid into the cooperative since its creation in 2002.

The beet farmers bought the Great Western Sugar operation for \$61 million from Tate & Lyle, a large agricultural company based in the United Kingdom. Farmers wanting in on the deal bought shares based on the number of sugar beet acres each planned to grow for the cooperative. Acre shares were \$185 each. However, in addition to shares, growers were also charged the retain fee, which came out of their beet payments. The money was used to bolster the cooperative's financial health, with the promise that at some point, growers would get their retain money back.

Next year is to be the first year that retain money is expected to be returned to shareholders, Mathur said, which speaks volumes about the financial progress of Western Sugar. In addition, gross beet payouts have climbed considerably from the Tate & Lyle payments of \$750 an acre to a record \$1,028.

Still, Mahan said he isn't interested.

"I'm walking away from over a half-million-dollar investment," he said. "I'm angry. I just want out."

Mahan said he wasn't looking at other crops when the co-op called to warn about the consequences of not planting beets. That isn't to say there wasn't reason for Western Sugar to be concerned. He had no beets in the ground and didn't have enough ground to put them in.

One of the odd things about the co-op is that a farmer buying into the system doesn't have to actually own the land he's pledging to farm. A farmer can buy a one-acre share and he's on the hook for an acre of beets. Buy 1,000 shares, and he's on the hook for a 1,000 acres. Fail to deliver on those 1,000 acres and a farmer faces \$380,000 in penalties.

Mahan now holds 1,050 shares in Western Sugar, though his own beet land holdings are roughly half that amount. For years, he got along by planting crops on borrowed land scattered across Yellowstone County. In some cases, he was farming on land that was a zoning change away from becoming a retail strip or a shiny new subdivision.

You could see his beets planted on odd pieces of land within the city limits, beside the interstate or just west of the row of big-box stores on King Avenue.

Last year, the amount of land Mahan was able to borrow shrank dramatically.

The area around the site cleared for the now-stalled Cabela's development is a good example, Mahan said. "We used to have about 200 acres over there. Cabela's took some. Auto Auction took 50. The Truck Shop took 10. It's just things like that all the time."

The land Mahan had in production was planted with other crops, barley for one. Sugar beets take a toll on the land where they're planted. The white, toothy vegetable draws so many nutrients from the soil that after harvest the land needs a year to recover. Some farmers even suggest two years.

Coming out of the 2006 growing season, much of Mahan's earth was tired of beets. The farmer planted barley instead. Then the co-op called reminding him that there would be a \$200,000 fine if he didn't meet his entire obligation.

Feeling pressured, Mahan did something farmers say is never a good idea: He planted "beets on beets," meaning he reseeded his acres with beets without giving the land a much-needed break.

He didn't just reseed. He planted those beets in land where barley was already growing, ruining his barley crop. The beets coming out of the ground were low in weight and sickly.

"Their attitude is none of it is their fault," Mahan said. "I'm not saying I'm not at fault. Why should they be responsible for me buying more shares than I can keep the ground for?"

"This year I could owe \$350,000. I'm going to plant malt barley and 110 acres of beets. I'm going to tell them come after me if they want their money."

March 17, 2008; By Mark Schwanhausser, Mercury News

Sticker shock: Food prices surge

With food prices climbing far faster than inflation - and many staples rising at double-digit rates - some consumers are starting to ask themselves if they need to tighten their belts, both literally and figuratively.

Flour, **milk** and eggs are each up at least 24 percent for the year ending in February, about 10 times the inflation rate over the same period, according to the Consumer Price Index. Whole wheat bread and cheddar cheese are up 15 percent each. And chugging down a 2-liter bottle of soda will set you back 14 percent more.

Food prices on average have risen less than inflation since 1987 - and just 2.7 percent since 2000. And there was a sigh of relief Friday when the Consumer Price Index showed that increases in the overall cost of food slowed in February.

But economists worry that powerful forces are fueling higher food prices - from the cost of oil and ethanol production to the weak dollar and global demand for food products. And they're not likely to abate anytime soon.

Despite the price relief in February, "it would be hard to see food prices being anything less than 4 percent higher overall for the year," said Ephraim Leibtag, a U.S. Department of Agriculture economist.

That scenario would only compound the financial pressure on consumers as the nation slips closer to recession, layoffs mount, home values slump and banks slow the flow of credit. Rising food prices simply provide Americans with daily reminders that their food dollar isn't stretching as far.

You don't need to tell that to Mary DaRosa. Earning \$17,000 a year as a school crossing guard and from three other part-time jobs, the 49-year-old San Jose woman said she shares a rented mobile home with her daughter and patiently waits for grocery sales. Rather than paying \$4 for a loaf of bread, she buys four loaves when bread is marked down to 99 cents each.

Pointing to a few plastic bags in her shopping cart at a PW Market on Friday, she said, "Today, I spent 30-something dollars - and it will last me three weeks."

But other shoppers are less sensitive to prices. Unloading a shopping cart at PW that was piled high with \$200.92 worth of groceries Friday, Lan Smith, 47, said she had taken little notice of rising food prices until her mother said a few months ago that she'd stopped buying eggs because they were too costly. The topic arose again when Smith and her friends were baking goods for a Second Harvest Food Bank fundraiser before the holidays. Smith said she looked for egg sales at Safeway, while friends hunted for deals at Costco and Longs Drugs.

For Smith, though, rising food prices are mostly an annoyance - especially compared with what it costs to tank up her Jeep these days.

"I don't think anything will keep me from paying for eggs when I'm paying \$3.75 for gas," the San Jose woman said.

Several forces are fueling rising food prices, economists say. Not surprisingly, the main one is the price of oil. But that issue goes back before the recent spike in crude prices, which pushed a barrel of oil above \$110 for the first time last week and is ratcheting up the cost to process food, transport it to distribution centers and stores, and refrigerate or heat it at the grocery.

Part of the inflationary pressure is an unintended consequence of the nation's push to develop alternative fuels, notably ethanol made from corn. Demand for corn was so strong that farmers made a dramatic shift last year to grow corn rather than other crops like soybeans. By the end of the 2006-07 crop year, 19 percent of the harvested corn crop was made into ethanol - a 30 percent increase in just one year. The increased demand for ethanol helped boost the price of a bushel of corn from \$2 in 2005 to \$3.40 in 2007.

The ripple effects were widespread, Leibtag said. For one thing, diverting corn to produce ethanol pushed up the price of corn that ranchers feed to livestock and poultry. But it also shrunk the supply of soybeans and other commodities, pushing prices of those staples up, too.

Then the mortgage meltdown triggered the credit crisis in August. And ever since, the Federal Reserve has been slashing interest rates and pumping money into the markets to lubricate the economy. However, those efforts have only sent the dollar plummeting in value. That made commodities like oil more expensive - adding at least \$25 to the price of a barrel of oil, according to Nick M. Bennenbroek, who heads currency strategy for Wells Fargo Bank in New York. But it also boosted the buying power of developing nations like China, which have bid up the price of agricultural products and food products.

"It's clearly not very good news for an economy that's struggling anyway," Bennenbroek said. "While we believe the dollar is cheap and doesn't have much of a way to go but up, we have delayed the liftoff for the dollar until late 2008."

Mar 19, 2008 (Valley Morning Star - McClatchy-Tribune Information Services via COMTEX)

Sugar warehouse coming soon to Port of Harlingen

HARLINGEN, -- The Rio Grande Valley Sugar Growers will soon have room to store the 20 million pounds of sugar produced each day.

A 60,000-square-foot warehouse that will hold about 27,000 tons of raw sugar will be built at the Port of Harlingen, said Steve Bearden, president and CEO of the sugar cooperative.

A groundbreaking ceremony for the warehouse construction was held Monday at the port.

Bearden said the port will own the warehouse but the sugar co-op will have a 20-year lease for it.

Butch Palmer, port director, said Monday that the project will cost just under \$4 million and should be completed within eight months.

The warehouse will be built on five acres of land, south of the port offices, which the sugar growers will lease for \$2,500 per month based on \$500 per acre, Palmer said.

The co-op will also pay rent on the warehouse building, Palmer said.

They will pay 7.7 percent of the \$4 million project, about \$308,000 total or about \$15,400 annually, for 20 years plus a \$20,000 annual principal payment for 20 years, Palmer said.

"The port is building (the warehouse) for us," Bearden said. "We have been working on this for a number of years."

"They came up with the remedy to our needs," Bearden said. "We had the need for additional warehouse space."

Bearden said the sugar mill currently hauls the raw sugar by the truckload from Santa Rosa to warehouses in Harlingen.

About 160,000 tons, or 6,400 truck loads, of sugar are then moved to the port annually, Bearden said, and then shipped to the Imperial Sugar Company in Gramercy, La., which purchases all the sugar produced at the Santa Rosa mill, Bearden said.

"It is logistically correct to have a warehouse from where we load up (the sugar)," Bearden said.

Palmer said the port warehouse will eliminate the double hauling by the sugar mill to move its product to the port.

Gas expenses will remain about the same, Bearden said, because the cooperative will still need to transport sugar to the port but it will be much more convenient having the warehouse at the port.

The warehouse will create about seven jobs, Bearden said. He expects to hire five additional truck drivers and one or two warehouse laborers.

Bearden said he does not expect the warehouse to increase productivity..

The current warehouse at the Santa Rosa mill holds 68,000 tons of sugar.

Frances Jackson, Palmer's assistant, said the warehouse will not replace the mill but simply be an additional storage facility because the Santa Rosa mill is running out of space to store the sugar it produces.

In previous interviews, Bearden said the mill has processed more than 1.5 million tons of sugar cane annually.

The Rio Grande Valley Sugar Growers is a cooperative owned by 126 Rio Grande Valley farmers.

http://www.bloomberg.com/apps/news?pid=newsarchive&sid=acyXoUBtg3_M#

March 19, 2008; By Heather Smith, Bloomberg.com

Monsanto Loses Appeal of French Ban on Modified Corn

(Bloomberg) -- [Monsanto Co.](#), the world's biggest seed producer, and French farmers lost a bid to have France's highest court overturn a ban on genetically modified corn.

The Conseil d'Etat in Paris today ruled that the Agriculture Ministry had the right to suspend cultivation of an insect-resistant corn seed known in Europe as MON810. A report from the country's High Authority on Genetically Modified Crops said that the corn may harm the environment and wildlife. The ban is permitted "in light of the risk of injury to the environment uncovered by scientific inquiries since its authorization for sale on the market," Judge Jean-Marie Delarue wrote in the 17-page decision.

French farmers planted about 54,360 acres (22,000 hectares) using the altered corn seed last year, according to AGPM, a French corn-growers association. Farmers had planned to expand plantings more than fourfold in 2008, AGPM president [Christophe Terrain](#) said at a March 17 hearing on the matter. That would move France ahead of Spain to make it the largest European grower of Monsanto's modified corn, according to [Jonathan Ramsay](#), a spokesman for St. Louis-based Monsanto.

Ramsay couldn't immediately be reached for comment on the decision. He said earlier today that MON810 was approved in 1998 and has a history of safe use.

"This ban is an illegal ban because it isn't based on science," he said in a telephone interview from Brussels.

Today's decision was on a preliminary request to stall the ban until a hearing on the scientific issues related to the study, the AGPM's lawyer, Louis Bore, said today. That case will be reviewed by a panel of judges at the Conseil d'Etat later this year.

The farmers "haven't bought a lot of seed yet" so the ban, coming ahead of the planting season, shouldn't hurt them too badly, Bore said.

Monsanto tumbled \$8.10 to \$103.98 at 12:55 p.m. in New York Stock Exchange trading. The shares have nearly doubled in the past year.

The modified corn plant that was banned produces *Bacillus thuringiensis*, or Bt, a naturally occurring substance that kills insects when they eat it.

The seed, sold in the U.S. since 1997 under the brand name YieldGard Corn Borer, was planted globally on 50.5 million acres (20.4 million hectares) last year, including 42.4 million acres in the U.S., according to Monsanto. In August, Brazil became the latest country to authorize planting of the seed. It was the South American country's first approval of genetically modified corn.

<http://www.2theadvocate.com/news/business/16885131.html>

Mar 21, 2008; by Ted Griggs, TheAdvocate.com

Sugar firm to start ridding plant of dust

Imperial Sugar will begin Monday to remove potentially combustible dust that forced the Gramercy plant to shut down its powdered sugar operations, Chief Executive Officer and President John Sheptor said Thursday.

The cleanup is expected to take a couple of days, Sheptor said.

Imperial officials and inspectors from the Occupational Safety and Health Administration have been discussing the proper method for removing the dust over the last several days, Sheptor said.

OSHA is reviewing Imperial's proposal, which involves using a large vacuum truck to suck out the dust.

Imperial is based in Sugar Land, Texas. The company's Gramercy plant produces around 250,000 pounds of powdered sugar a day. The powdered sugar production generates around 7 percent of the plant's sales. The plant has 370 workers — 270 are Imperial employees and 100 contractors, Sheptor said.

Six workers — three shifts of two people — work in the powdered sugar section of the plant. Those workers have been temporarily shifted to other areas of the plant.

Sheptor visited the plant Thursday to talk to employees about the company's future and the ongoing OSHA inspection.

Experts have said the Feb. 7 blast at Imperial's Georgia refinery was caused when dust ignited. OSHA has since inspected hundreds of plants where combustible dust could be a problem.

Last week, Imperial shut down its powdered sugar operations after OSHA inspectors took a look at the plant. Edwin G. Foulke Jr., OSHA assistant secretary, described the dust level as thick and an "imminent danger situation."

According to OSHA, oxygen, heat and fuel — in this case, dust — are all that's required to cause a fire. If there is enough dust, the particles can rapidly combust. If the fire is enclosed, in a building, for example, the resulting pressure may cause an explosion.

Sheptor said the dust at the plant is 1/32 of an inch deep. "If you've ever used powdered sugar at home, you know you probably end up with that much on your countertop," Sheptor said. "That's what we're talking about. We're not talking about piles. We're talking about a very fine layer of dust." That level of dust had never before been considered a problem by OSHA or the industry, Sheptor said.

OSHA has been criticized since the Georgia disaster because the agency did not adopt safety rules that the U.S. Chemical Safety and Hazard Investigation Board proposed in 2006.

Sheptor said the company and OSHA are discussing how often the plant should remove the dust, but those details probably won't be worked out until after the initial cleanup. The powdered sugar dust does not remain a hazard after it has been vacuumed, Sheptor said. The sugar can be melted and reprocessed.

March 23, 2008; BillingsGazette.net

And the beets go on in Sidney

FARGO, N.D. - The Montana Dakota Sugarbeet Growers Association has approved a 2008 crop contract with Sidney Sugars Inc., with 59 percent of growers in favor of the deal.

The contract is for one year and largely a rollover from the 2007 contract, said Terry Cayko of Fairview, Mont., the president of the association. Sidney Sugars is a wholly owned subsidiary of American Crystal Sugar Co., based in Moorhead, Minn.

"The biggest 'negativity,' I guess, was the term of the thing," Cayko said. "We only got a one-year contract, and that probably caused quite a few of the 'no' votes."

Tom Astrup, chief operating officer for Sidney Sugars and chief financial officer for American Crystal, said he is happy to get the process complete.

Steve Sing, the general manager at Sidney, said the contract approval is a relief. "The pressure is the same all over," Sing said. "Other crops are good right now, and it puts some pressure on sugar beets." He said while it is good for growers to have cropping options, it is also good to maintain sugar beets, which have a track record of a "good return, year-in and year-out."

Cayko said 194 members voted on contract and approved it 114-80. Normally, contract votes attract 120 to 130 of the 290 eligible voters, he said. In 2005, only a six-vote margin passed the deal that called for three one-year contracts that covered 2005, 2006 and 2007 beet years.

"Hopefully, as soon as the Farm Bill gets done and taken care of, we'll try to get into negotiations as soon as possible, to see if we can get more years added on," Cayko said. "The growers around here will not get fields ready (for beets) in the fall, if we don't have a contract."

Under the contract, the Sidney Sugars growers will be allowed to grow Roundup Ready beets in 2008. Initially, this had been in question. About five of the biotech varieties are approved for the area and are expected to cover about half of the planted acres.

About 35,000 acres were grown for the Sidney plant in 2007. Cayko speculated that, because of the length of the beet contract negotiations, many growers have already taken advantage of high commodity prices and have committed some beet acres to other crops, under contract. Optimistically, I would say maybe 20,000 acres of beets," Cayko said. "We're definitely going to be down acres."

Astrup assured the producers that Crystal has enough sugar to fill its marketing allocations, including any Sidney-related allocation in the event of a short crop.

In the 2007 crop, they produced an average of 23.7 tons of beets per acre, down from 24.6 tons in 2006. The five-year average is about 22.8 tons. Farmers netted about \$43.54 per average ton last year, depending on quality. Growers calculate that the Roundup Ready trait may add \$2 per ton to their bottom line on acres grown with that kind of seed.

Mar 25 2008; by Mary Baxter, BetterFarming.com

First commercial season for biotech beets

A debate boiling in the U.S. about the use of genetically modified sugar beets won't bubble into Ontario, predicts the chair of the province's Sugarbeet Growers' Association. Glen Jack said he hasn't seen any protest on this side of the border regarding the use of the beets.

"None whatsoever," he said today, Tues. Mar. 26.

Created by Monsanto, the sugar beets are engineered to tolerate applications of the company's glyphosate herbicide Roundup Ready. They have already received the green light from federal authorities on both sides of the border. In Canada, the beets were approved in 2005 for use in foods, animal feeds and unconfined planting. But until this year, the variety was still undergoing field tests. The summer ahead marks its first season as a commercial crop.

Jack said he doubts the beet will cause much of a stir on this side of the border because the biotechnology has been around for more than a decade and is commonly used in corn and soybeans. There is no scientific evidence to prove that it is harmful for the public, he said.

A Fall, 2007 newsletter from Michigan Sugar Company, the cooperative to which Ontario's 91 sugar beet growers belong, estimated more than half of the cooperative's total of 150,000 acres of beets will make use of the new variety this year. (Ontario growers annually provide 10,000 acres of the beets and the cooperative's total membership is 1,100). There will be growers on this side of the border who plan to use the biotechnology this season, Jack said.

The variety came under fire in the U.S. earlier in January when The Center for Food Safety, the Sierra Club and two other organic seed groups took issue with the U.S. Department of Agriculture's decision to approve the biotechnology. The groups, which have filed a lawsuit in the U.S. District Court in California, argue there is potential for the beets to cross-pollinate and contaminate not only conventional varieties of the beets but also table beets and organic chard crops. They have also expressed concern that the variety will speed the spread of weeds resistant to conventional herbicides.

In March, the Interfaith Center on Corporate Responsibility, a coalition of nearly 300 faith-based institutional investors, added its voice to the protest and launched a web-

based campaign urging major companies such as McDonald's, Campbell Soup, Kellogg and Kraft Foods to oppose the use of the beets.

"We are concerned as ICCR members that consumers are not getting a choice," said center spokesperson Leslie Lowe during a Mar. 4 news conference.

Michigan Sugar Company representatives presenting at this year's Ontario Sugarbeet Growers Association's annual meeting told those attending it was unlikely the protest would disrupt this year's crops, said the association's administrator, Mary Lynn Lister Santavy.

Last year, in the course of a similar lawsuit, a U.S. federal judge banned the commercial release of alfalfa seed with the same glyphosate-resistant trait.

Jack noted that Michigan Sugar is consumed in the U.S. eastern seaboard and is not directly imported to Canada. Formerly a common crop throughout Canada, sugar beets are now grown for sugar only in Lambton County and Chatham-Kent in Ontario and in Alberta. **BF**

March 26, 2008; By Susan Salisbury, Palm Beach Post

Florida Crystals touts sugar without carbon footprint

WEST PALM BEACH — Going green just got a lot sweeter. Florida Crystals Corp. said Tuesday it will introduce in two to four weeks its Carbonfree brand organic and natural sugar products, a label that indicates the product's carbon footprint was rendered neutral through methods that cut greenhouse gas emissions.

The natural and organic lines join Royal Hawaiian Honey as the only food products in the United States to be certified as "carbon-free" by Carbonfund.org, said Russell Simon, spokesman for the Silver Spring, Md.-based nonprofit.

"This is the next big thing," said Simon, who said Carbonfund.org is working with a number of companies that are going through "life cycle analysis" of their products.

Luis Fernandez, chief financial officer for West Palm Beach-based Florida Crystals and chairman of subsidiary Domino Foods Inc., said the company, which began producing organic sugar 10 years ago, wants its products to be as sustainable and eco-friendly as possible. Florida Crystals' natural sugar line has been produced since 1993.

"Our guess is that this issue is becoming more and more important for all U.S. food companies," Fernandez said Tuesday. "For grocery chains that are interested in sustainability, this will catch their attention."

Typically, companies buy carbon credits to offset carbon footprints. In Florida Crystals' case, the company doesn't have to. Its own western Palm Beach County renewable energy plant, which has produced electricity from sugar cane waste and wood waste for a decade, offsets the carbon produced.

Florida Department of Agriculture spokesman Terry McElroy said the department applauds Florida Crystals' renewable energy production, and added that ideas like this are what the state's farm-to-fuel initiative is all about.

"The company is using its renewable energy to offset carbon output. That's a positive thing," McElroy said.

The certification process took a year and was earned through an assessment performed by Europe's premier carbon-management consultants, the Edinburgh Center for Carbon Management. The entire process needed to produce sugar - including planting, growing, harvesting, milling, packaging and delivery - was examined.

Gary Black, Florida Crystals' marketing director, said the move is expected to increase the brand's profile nationwide and win it more retailers. The trend is already under way in the European Union.

"It is just starting to catch fire in the U.S.," Black said.

Juan Rodriguez, director of education and outreach for Gainesville-based Florida Organic Growers, said that more and more consumers are concerned about the way their food is produced and want to consume more sustainable products.

"I think there will be more and more green products. I think labeling and third-party verification will become more common," Rodriguez said.

Atlanta-based Monarch Beverages, which produces All-Sport drinks, will be introducing a carbon-free energy drink within the next few weeks, said Carbonfund's Simon. Such labeling helps a company communicate its good works directly, he said.

"You don't have to rely on a marketing campaign," Simon said.

<http://blogs.usatoday.com/oped/2008/03/opposing-view-o.html>

Mar 26, 2008; By Edwin G. Foulke Jr., assistant secretary of Labor for Occupational Safety and Health. **USAToday.com**

Opposing view: OSHA rules are rigorous

As the recent tragic loss of lives attests, combustible dust is a serious workplace hazard that demands vigilant employer adherence to OSHA safety standards. OSHA currently has rigorous regulations on the books to address combustible dust and has a vigorous enforcement and outreach program in place to protect employees.

The U.S. Chemical Safety Board has recognized that OSHA's existing standards, if followed by employers, protect their employees from combustible dust hazards. Although this decade has witnessed record-low fatality as well as injury and illness rates, individual lives are not statistics, and any loss of life is reason to strive for even better enforcement and prevention.

To boost compliance with OSHA standards, last fall OSHA initiated a nationwide program to increase inspections in high-risk workplaces.

During one of these inspections at Imperial Sugar's plant in Gramercy, La., OSHA identified serious combustible dust hazards that we believe posed an imminent danger to employees. That portion of the plant was shut down and the dust is being cleaned up, preventing further employee exposure to a possibly fatal hazard. Also, OSHA recently mailed copies of our Safety and Health Information Bulletin on combustible dust to 30,000 managers of facilities having potential combustible dust hazards.

Advocates of a generic combustible dust standard believe that a "one size fits all" approach is the best way to control this hazard. This is not the case. The materials that produce dusts in a variety of industrial settings vary widely in their combustibility, the way they are produced and the severity of the hazard they pose. Moreover, issuing additional combustible dust regulations may not necessarily translate into safer workplaces.

OSHA's strong and rigorous enforcement and education programs have been very effective over the past seven years, which has led to record-low fatality and illness and injury rates. But the only acceptable result is zero fatalities and injuries and, until that degree of employee safety is attained, OSHA will be constantly looking for ways to improve safety and health enforcement and prevention.