
Message from Ray Washmera, President;

Hello All: Member of the Month Mike Crowder of Southeast Sales shares some thoughts -

"I just started my 29th year as a 3rd generation in our family food brokerage business. With that said, the last 18 months have been the most interesting I've seen yet. It just amazes me how trying to implement renewable, alternative energy effects everything we touch on a daily basis. While times may be hard, we need to continue our focus of supplying the food ingredients that feed the world. I feel fortunate that the food ingredient business has given me the opportunity to sell for and supply to some of world's most recognized food companies. We've all seen the good times, along with the bad times and we've pulled through it. I believe that we will get through these hard times, maybe taking a little longer than we're used to, but we'll get through it. Our brokerage business began the 1930's, serving the retail, food service, whiskey and industrial food ingredient segments. We currently represent ADM Corn Sweeteners, Carroll Manufacturing & Sales, Four in One, Golden Oval Egg, Groeb Farms, Idaho Pacific, Industrial Commodities, M J distribution and Red Arrow Products."

This month's Chicago luncheon was a rousing success. David Hightower, editor of The Hightower Report and principal of Hartfield Management, Inc., www.futures-research.com was our guest speaker and he was extremely knowledgeable and enlightening. Honestly, the attendees were engrossed with the speech and question and answer period. Afterwards everyone responded saying this luncheon was one of the best yet. Thank you, David.

Your Association strives to keep you as well informed as possible. With the advent of our NSIMA website, we have shown quotes from NYBOT on many commodities. However, due to the recent purchase of NYBOT by ICE, our website will now be showing 2 panels of ICE market quotes, including many of the same commodities and more. Our website is a useful tool. Utilize it and see.

Wishing all the best.



Also in this issue: (Click on the headline below to zoom to the article)

- 03/10 - PetroSun Set to Commence Operations on its Initial Algae-to-Biofuels Farm
- 07/31 - A Dance of Environment and Economics in the Everglades
- 08/02 - Consumers are raising cane over corn sweetener
- 08/04 - United Sugar Price Announcements
- 08/05 - Despite Setbacks, (North Dakota) Crop Still Looking Good
- 08/06 - USDA announces increase in Fiscal 2008 refined sugar TRQ
- 08/07 - Sugar Industry Calls USDA Action Premature
- 08/08 - Imperial Sugar responds to last week's Senate hearing
- 08/08 - Snake River Ethanol plans plant for Nyssa
- 08/10 - Glades port idea fights for balance
- 08/13 - Michigan corn producers can expect record yields
- 08/14 - Idaho sugarbeet crop could be down 40 percent
- 08/15 - Spring weather takes toll on grain harvest
- 08/15 - (North Dakota) Happy to be harvesting
- 08/21 - US Accused of Skirting Farm Bill To Import Refined Sugar
- 08/22 - FDA allows irradiation of some produce
- 08/00 - August Citrus Update

Mar 10, 2008; REUTERS

PetroSun Set to Commence Operations on Its Initial Commercial Algae-to-Biofuels Farm

SCOTTSDALE, AZ, Mar 10 (MARKET WIRE) -- PetroSun, Inc (PINKSHEETS: PSUD) announced today that its initial commercial algae-to-biofuels farm is scheduled to commence operations on April 1, 2008. The farm is located on the Texas Gulf Coast near Harlingen, Texas.

PetroSun Biofuels, Inc., a wholly owned subsidiary of PetroSun, Inc., will operate the 1,100 acre salt water open pond system. There are currently 94 five-acre and 63 ten-acre ponds on the 1,831 acres contained within the algae farm operation. The company will extract the algal oil on-site and transport the raw product via barge, rail or truck to company owned or joint ventured biodiesel refineries. The residual algae biomass will be converted into ethanol or other products.

PetroSun will conduct algae-to-jet fuel and algae-to-bioplastics research And development projects supported by a supply of algal oil produced from this operation. For an aerial view of the farm, please click on the following link, [here](#)

About PetroSun

PetroSun's operations include oil and gas exploration, development and production and algae-to-algal oil alternative fuels production. The oil and gas division is focused on the exploration of the Holbrook Basin of Arizona, the San Juan Basin of New Mexico and Australian based prospects. The Company will continue the development of oil and gas reserves in Louisiana. The alternative fuels division has entered the commercial stage of its algae-to-biofuels production technology. The Company will commence operations on its initial commercial algae farm and algal oil extraction plant near Harlingen, Texas on April 1, 2008. Future farms and extraction plants are planned in Alabama, Arizona, Louisiana, Mexico, Brazil and Australia during 2008. The algal oil product will be provided as feedstock to company owned or joint ventured biodiesel refineries. PetroSun is headquartered in Scottsdale, Arizona with field offices in Shreveport, Louisiana and Opelika, Alabama. For more information about PetroSun visit the company's website at www.petrosuninc.com.

Except historical matter contained herein, matters discussed in this news release are forward-looking statements and are made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect assumptions and involve risks and uncertainties, which may affect the Company's business and prospects and cause actual results to differ materially from these forward-looking statements.

Contact:
Investor Relations
Jim LeCrone
480-425-4291
Email Contact

<http://www.nytimes.com/2008/07/31/us/31sugar.html>

July 31, 2008; By Damien Cave, *The New York Times*

A Dance of Environment and Economics in the Everglades

WEST PALM BEACH, Fla. — When [Florida](#) officials announced a plan last month to save the [Everglades](#) by buying United States Sugar and its 187,000 acres, they knew that the success of their plan could be defined by [Alfonso Fajul](#) and his brother J. Pepe Fajul.

The Fajuls' family-run sugar company, Florida Crystals, owns what the state wants: about 35,000 acres needed to recreate the River of Grass's historic water flow from Lake Okeechobee south to the Everglades.

State officials have said they hope to trade some of United States Sugar's assets for the Fajuls' property, and in their first interview since the deal was announced, the Fajuls said they were "on board" — but with a few caveats.

Their mill and biomass power plant in Okeelanta, which is in the path of the flow way in some draft plans, cannot be moved, they said. And wouldn't it be best, they hinted, to let Florida Crystals use much of the state's new land for sugar, to preserve jobs and produce fuel for their clean-energy projects?

"We really want to be as green as we possibly can be," said Alfonso Fajul, the company's chief executive. But, J. Pepe Fajul added, "You have to have a balance between the environment and economic development. Something has to be done for the humans, too."

Some advocates for the Everglades question the Fajuls' motives, in part because of their well-publicized donations to both political parties and their efforts to protect a federal price-support program for sugar.

But other environmentalists said the family had often been unfairly singled out. They point out that United States Sugar, not Florida Crystals, has historically been the state's largest sugar producer and the worst steward of the land, according to lawsuits filed against the industry.

Since the 1990s, Florida Crystals has also invested heavily in cleaner farming methods and alternative energy. The result is a steady decline in pollutants that Florida Crystals and other local farmers dump in waterways, according to state figures, though phosphorous levels are still above the 10 parts per billion that the Everglades' fragile ecosystem requires.

The Fajuls' company also now runs North America's largest biomass power plant, producing up to 140 megawatts of electricity. And last year, the [University of Florida](#) chose Florida Crystals for a \$20 million pilot project to turn cellulose into liquid ethanol.

Ben Legendre, director of the Sugar Institute at Louisiana State University, said, "Florida Crystals is a leader in the industry with new technology."

David Guest, a lawyer for Earth justice who has tangled frequently with the sugar industry in court, agreed. "The environmental community tends to see sugar as one unitary thing, and it isn't really," Mr. Guest said.

The Fanjuls said their efforts reflected demand for greener products.

“I don’t think we were the only ones who changed,” said J. Pepe Fanjul, the company’s president. “People’s consciousness of the environment in every country in the world, let alone the United States, has changed and developed. We’re all changing as time goes by.”

Since the United States Sugar deal was announced June 24 with a November deadline for closing, the Fanjuls have expanded efforts to show that their environmental and economic efforts are aligned. Company executives have met at least twice with state officials since June. A few weeks ago, the Fanjuls also hired John Wark, a public relations consultant whose clients have included the

Everglades Foundation and the [Environmental Defense Fund](#). At Mr. Wark’s suggestion, reporters from several news organizations have recently been invited to visit the company’s facilities at Okeelanta.

The complex — with a refinery next door to the biomass power plant — still feels mostly sugar-centric. Mountains of raw sugar the size of blizzard snowbanks are churned through the refinery year-round with the help of about 800 unionized workers.

The power plant’s primary job is to keep the refinery running. This is a common scenario for sugar mills, with the difference being that Florida Crystals added new technology in 1995, which increases steam pressure to produce additional energy. It took nearly three years to get the system running. “U.S. Sugar could have done the same thing when they built their new mill,” said Gaston Cantens, a vice president for communications at Florida Crystals, standing over the turbines. “They didn’t.”

Yet there are also signs here that Florida Crystals remains a company in transition, unsure of how green to go. At the distribution center, organic sugar is prominently displayed though Mr. Cantens acknowledged that it was produced on only 5,000 of the company’s 155,000 acres in Palm Beach County. (“We’re expanding it,” he said.)

Some environmentalists are skeptical. “The company has always operated on the principle that its bottom line is most important,” said Alan Farago, executive director of the Everglades Defense Council.

Indeed, Alfonso Fanjul cited the business-minded book “Green to Gold,” by Daniel C. Esty and Andrew S. Winston, as an inspiration, not Marjory Stoneman Douglas’s “The Everglades: Rivers of Grass.” And in a day’s worth of tours and briefings, it became clear that the Fanjuls were at least as interested in getting additional land for profits and jobs as for clean energy.

In emphasizing the economy, they have allies. The most vocal critics of the state’s plan have been United States Sugar workers like K. S. Jones, one of about 1,900 employees who will be unemployed if the state puts United States Sugar out of business in six years, as the current plan proposes.

Last week, in a meeting at United States Sugar’s headquarters in Clewiston, Mr. Jones spoke first. He told state officials that if a similar agro-economy does not replace United States Sugar, the area will be filled with ghost towns. “Any dollar lost hurts a small, rural county,” he said.

One fresh idea, discussed in Clewiston and supported by Florida Crystals, is an “inland intermodal center” that would hold containers for the area’s ports. It could add 32,000 jobs by 2015, according to a state-sponsored study.

But for now, one question looms: How much land should go to the Everglades? Thomas Van Lent, a senior scientist at the Everglades Foundation, has estimated that about 130,000 acres would be needed to supply the Everglades and water treatment areas. If that is accurate, and if all of the unused acquisition went to the Fanjuls in a trade or sale, Florida Crystals could add 57,000 acres to the 155,000 it already owns in Florida.

Mindful of the continuing negotiations, the South Florida Water Management District has repeatedly declined to offer figures of its own. State officials have also not said whether they would seek to shut down Okeelanta in a land swap.

"We cannot respond to conjecture or assumptions at this point about a potential acquisition still under negotiation," Carole Wehle, the district's executive director, said in an e-mail message.

Mr. Van Lent said the state was probably still studying the financial picture.

"This opportunity came out of the blue," he said, "and I don't think anyone has gone through and crunched the numbers on what the lowest cost is, whether it's trading land with the Fanjuls or building on the current U.S. Sugar footprint."

On Tuesday, a federal judge ruled that Florida and the federal [Environmental Protection Agency](#) had failed to enforce the Clean Water Act by extending Everglades clean-up deadlines to 2016 from 2006 through a law the sugar industry had lobbied for.

But whenever the state figures out what it wants, the Fanjuls said they would be ready to dig into the details and try to help.

"We want to be an active participant playing a role in how it should be done," said Alfonso Fanjul. "Our biggest concern," he added, "is that they do things properly, in an orderly way."

<http://www.latimes.com/business/la-fi-soda2-2008aug02,0,3762938.story>

August 2, 2008; By Jerry Hirsch, **Los Angeles Times**

Consumers are raising cane over corn sweetener

The sugar stand-in has an identical calorie count, but some believe it's not a healthy choice.

You can spot Dawn Wynne at the grocery store. She's one of those conscientious label readers busy studying cans, bottles and jars in aisle after aisle.

But it's not calories, sodium or preservatives she is looking for. She is on patrol for high fructose corn syrup; it's an unadvertised part of sauces, cereal, candy and especially soda, and she wants none of it.

The Redondo Beach resident looks for foods sweetened with "pure cane sugar, honey or fruit juice." Wynne believes "they are healthier and break down in the body more easily."

Consumers -- at the grocery store and restaurants -- are increasingly demanding sodas and other products sweetened with sugar, not corn syrup.

The trend is so strong that the Corn Refiners Assn. has launched a major marketing campaign and Internet site, www.sweetsurprise.com, to defend the sweetener. They are battling signs like the one saying, "Get Real! . . . No High Fructose Corn Syrup" that faced the parking lot at the Jamba Juice shop in Seal Beach on Thursday.

High fructose corn syrup has become a favorite target of the health-conscious as an alleged cause of America's obesity boom. A typical 2-liter bottle of soda contains 15 ounces of corn syrup, according to the U.S. Department of Agriculture. Whether it's really at fault is open to debate.

The Corn Refiners Assn. contends that high fructose corn syrup is just as natural as table sugar and honey. Others say it's not natural at all, because it is manufactured through a chemical process and does not occur in nature by itself. The Center for Science in the Public Interest called the corn refiners' campaign "deceptive."

Most medical research says it is the calories, rather than the sweetener, that make a difference to a person's health. And sugar and high fructose corn syrup have identical calorie counts.

"Our message is that people should cut down on both," said CSPI Director Michael Jacobson. Likewise, the American Dental Assn. says sugar is equally bad for teeth regardless of whether it comes from corn or cane.

The Corn Refiners Assn. is reacting to a steady slide in sales of high fructose corn sweetener.

"We have been very concerned about the misunderstanding of our product in the marketplace and want to provide the facts so that consumers can make their choices based on science rather than urban myth. HFCS and sugar are treated by the body the same, they contain the same calories, and nutritionally are no different," said Audrae Erickson, president of the Corn Refiners Assn.

Even so, so many consumers have become wary of corn sweeteners that smaller drink makers such as Hansen, Jones and Thomas Kemper have reformulated their sodas to use cane sugar.

Taco Bell and other fast-food chains have added sugar-sweetened beverages as alternatives to their corn sweetener-laden soft drink menu.

Meanwhile, U.S. sales of Coca-Cola Classic made with corn sweetener fell 5.5% last year, according to the Beverage Industry 2008 Soft Drink Report. Sprite dropped 9.2%, Pepsi-Cola was down 8.9% and Mountain Dew declined 3.1%

The growing popularity of bottled water and other drinks is one reason for the decline of sweet carbonated drinks. But shoppers say drinks made with sugar cane just taste better.

"It has a crisper flavor, not as cloying. I think it is a better-flavored drink," said Charlie Howell, who periodically finds cane-sugar-sweetened Coca-Cola imported from Mexico at the Costco in the Los Feliz neighborhood of Los Angeles.

The shift in consumer taste and uncertainty about high fructose corn sweetener is apparent to John Nese, owner of the Galco's Soda Pop Shop, a 10,000-square-foot soft drink emporium in Highland Park. "Our sales are up 20%."

"There's just a lot more awareness about high fructose corn syrup among the public, and once people taste a soda flavored with cane sugar they like it better," he said.

Nese sells 500 different soft drinks, including cane-sugar Coca-Cola, Dad's root beer and Nesbitt's orange soda, an 80-year-old Los Angeles brand.

His Coke comes from Mexico through a third-party supplier. Mexican bottlers still use cane sugar because the crop is plentiful in Latin America. They also do not have to contend with U.S. trade barriers that drive up the price of cane sugar imports.

Soda makers are also reacting to the trend. Hansen abandoned corn syrup last year, when a third of the calls to its customer service center were from consumers objecting to the sweetener, said Gregg Arends, vice president of marketing for Corona-based Hansen Natural Corp. Natural foods retailers had complained about the same issue for years, and some threatened "to kick Hansen's out," Arends said.

It took the beverage company the better part of a year to make the switch because of the difficulty in reformulating the drinks to maintain the same flavor profiles. It's only been in the last few months that the cane sugar soda has been widely distributed.

Most research about the nation's collective fatness blames calorie intake and couch potato sloth, rather than any sweetener.

Some scientific research points to adverse health effects from fructose, a type of sugar that makes up 55% of the sweetener in soft drinks with corn syrup. Although chemically different, cane sugar is half-fructose.

Whether that extra shot of fructose is any worse than identically caloric soda pop made with cane sugar isn't clear, said Dr. Peter Havel, a UC Davis nutrition expert who is launching a National Institutes of Health study that will look at the effects of fructose.

"This is really an area that needs further study," Havel said.

Still, angst over high fructose corn syrup has taken a toll on the business.

Annual per-capita consumption of the sweetener in the United States peaked at 63.7 pounds in 1999. But it has dropped steadily since then and stood at 56.3 pounds in 2007, 12% off its peak. That's the lowest consumption level since 1994.

Cane sugar consumption also has dropped during the period, but by a smaller 6% and now is at 62.1 pounds.

Beverage makers started the switch to high fructose corn syrup in the 1980s because it's less expensive than sugar, decays less quickly, and is easier to transport and mix into formulas. Even with the recent increase in corn prices, it is still less expensive to use corn syrup than sugar.

The big beverage makers aren't likely to spend money on retooling to go back to sugar, said beverage consultant Tom Pirko.

Some shoppers say they don't want to consume the sweetener but don't have time to worry about it.

"I'm aware that edibles would be healthier -- and probably taste more natural -- without the addition of corn syrup or that high fructose junk," said Michele Mooney of Van Nuys.

"But I don't look for that ingredient when I purchase foods mostly because the labels are too long, the ingredients too numerous, the print too small and the chemicals too frightening."



7401 Metro Blvd
Suite 350
Edina, MN 55439
T.952.896.0131
F.952.896.0400

August 4, 2008

ANNOUNCEMENT
TO OUR INDUSTRIAL CUSTOMERS

Effective immediately, our prices for industrial grade sugar products for the period August 4, 2008 through September 30, 2009 will be based upon the following:

Bulk Extra Fine Granulated

August 4, 2008 – September 30, 2009

Red River Valley	\$45.00 (Bulk Basis)
Clewiston, FL	\$45.00 (Bulk Basis)

Pricing will be quoted per cwt (dry basis), delivered customer location. All orders are subject to confirmation.

These prices are subject to withdrawal without prior notice.

Fuel surcharge as applicable.

Pallet charges are \$8.00 per pallet.

Prices are subject to United Sugars Corporation Standard Terms and Conditions, available from your sales representative.

Normal bag differentials will apply.

Please contact your sales representative for further information.

United Sugars Corporation



7401 Metro Blvd
 Suite 350
 Edina, MN 55439
 T.952.896.0131
 F.952.896.0400

August 22, 2008

ANNOUNCEMENT
TO OUR INDUSTRIAL CUSTOMERS

Effective immediately, our product differentials over Bulk Fine Granulated Sugar will be based upon the following:

	<u>Differential over Bulk Fine Granulated Sugar (\$/cwt)</u>			
	<u>Bulk</u>	<u>Supersacks/Totes</u>	<u>50#</u>	<u>25#</u>
Fine Granulated/EFG	0.00	2.50	3.00	5.00
Bottlers/Canners	NA	NA	3.50	NA
Cordial Grade	NA	7.00	7.50	NA
Bakers Special	NA	4.00	4.50	NA
Fruit Granulated	NA	NA	4.50	NA
6X Powdered	NA	NA	5.00	7.00
10X Powdered	NA	NA	5.60	NA
12X Fondant	NA	NA	5.90	NA
Brown (Light & Dark)	NA	NA	7.00	9.00
National Formulary	NA	3.60	4.10	NA

NA = Please contact your Sales Manager, not generally offered for sale.

Other Charges

Liquid Sugar	\$1.10 per cwt.(dry basis)
Slipsheets	No Charge
Pallets	\$8.00 per pallet
Demurrage on USC Private Railcars	
First five days	No Charge
After five days	\$60 per day
Railcars not properly closed and sealed	\$1200 per car

United Sugars Corporation

August 05, 2008; By Mikkel Pates, Agweek Magazine

Despite Setbacks, Crop Still Looking Good

Planting in the region is going gangbusters. In most of the eastern half of North Dakota, small grains harvest is well under way, according to the most recent government reports.

Small grains conditions declined for the fourth straight week, according to the National Agricultural Statistics Service; however, small grains development in the "milk stage" was ahead of the average pace. Spring wheat was 59 percent turning ripe, compared with 68 percent the previous year and the 57 percent average over the past five years. Some 55 percent was rated good or excellent.

Corn silking was far behind at 18 percent complete, compared with 77 percent last year and a 61 percent average. Some cattle were sold because of poor pasture conditions and difficulty finding hay, even before the U.S. Department of Agriculture announced it wouldn't loosen rules on haying and grazing of Conservation Reserve Program land.

American Crystal Sugar Co. beet producers are seeing another bumper crop, with Roundup Ready beets and a 1X percent reduced acreage from 2007. American Crystal Sugar Co. in its farm shop meetings discussed a 22.7 ton per acre potential crop with 17.9 percent, with samples pulled this coming week.

Here is a summary of the weekly Crop & Pest Report, issued July 30, by the North Dakota State University, followed by reports from farmers in the field:

--Corn growing degree days are 100 to 150 behind average, when a May 1 planting date is assumed. North Dakota locations at Jamestown was 211 GDDs behind and Oakes was 112 GDDs behind average. That's about 5 or 10 "July days," behind.

"Generally, yield is not impacted by slow corn development," Joel Ransom, NDSU Extension agronomist says. "In fact, the lack of extremely hot days this summer has probably been beneficial to the crop as far as yield is concerned," Ransom says. The problem is reaching physiological maturity before a killing frost, and the potential for a difficult harvest and expensive drying.

--Soybean aphid is increasing in the central Red River Valley as of July 28, and were increasing or approaching economic thresholds. Fields in the R1-R3 stages may need to be treated.

--Glyphosate-resistant common ragweed "may have been discovered" in the Red River Valley. A field tour is scheduled Aug. 5 near Mayville. The two-hour is 9:30 a.m. From I-29 take Exit 111 and go: 4 miles west on North Dakota Highway 200; north 2.5 miles on County Road 10 (158 Avenue). Among other things, experts will discuss how to control "potential" glyphosate-resistant ragweed in sugar beet, soybeans and dry edible beans. For weather cancellation information, contact Mohamed Khan, (701) 231-8596 or Kendall Nichols (701) 636-5665.



NEWS RELEASE

United States Department of Agriculture • Office of Communications • 1400 Independence Avenue, SW
Washington, DC 20250-1300 • Voice: (202) 720-4623 • Email: oc.news@usda.gov • Web: <http://www.usda.gov>

Release No. 0210.08

Contact:
See Information Below

USDA ANNOUNCES INCREASE IN FISCAL YEAR (FY) 2008 REFINED SUGAR TARIFF-RATE QUOTA (TRQ)

WASHINGTON - August 6, 2008 The United States is experiencing a tight market for refined sugar due to significantly reduced domestic refining capacity resulting from the February 2008 explosion of a domestic raw cane sugar refinery and a reduction in this coming crop year's sugar beet production. USDA has therefore decided to increase the FY 2008 refined sugar TRQ.

FY 2008 Refined Sugar TRQ Increase

USDA today announces an increase to the FY 2008 refined sugar TRQ of 300,000 STRV. This sugar must be user-quality, white sugar, not for further processing, and have a sucrose content, by weight in the dry state, corresponding to a reading of 99.5 degrees polarity or more.

This addition to the refined sugar TRQ will open on a first-come, first-served basis on August 14, 2008, and may be entered until December 31, 2008. Sugar entering under this additional refined sugar TRQ must be in containers of 120 metric tons or less. The authority for modification of TRQs is the Harmonized Tariff Schedule of the United States, Chapter 17, Additional U.S. note 5. The U.S. Trade Representative will shortly announce country allocations of this TRQ increase.

USDA will continue to closely monitor stocks, consumption, imports, and all sugar market and program variables on an ongoing basis. USDA may need to make additional adjustments to import TRQs and domestic marketing allotments to ensure an adequate supply for the domestic market, avoid forfeitures, and prevent or correct market disruptions.

For further information regarding trade programs, contact Ron Lord, Foreign Agricultural Service, at (202) 720-0638, and for the domestic program, contact Dan Colacicco, FSA, at (202) 720-3451.

<http://www.farmfutures.com/ME2/dirmod.asp?sid=CD26BEDECA4A4946A1283CC7786AEB5A&nm=News&type=news&mod=News&mid=9A02E3B96F2A415ABC72CB5F516B4C10&tier=3&nid=4BB9260069114EA299834D74B20DC333>

8/7/2008; FarmFutures.com

Sugar Industry Calls USDA Action Premature

FY 2008 refined sugar TRQ has been increased.

The USDA has announced an increase in the fiscal year 2008 refined sugar tariff-rate quota of 300,000 short tons raw value. Undersecretary of Agriculture Mark Keenum made the announcement during a teleconference addressing the 25th Annual International Sweeteners Symposium being held in Hawaii. Keenum cited several factors for the increase including the February explosion of a plant in Savannah, Ga. that cut capacity.

Sugar producers at the symposium called the action premature and prompted the American Sugar Alliance to issue a statement on the issue.

"We are unaware of any sugar buyer in this country who is having trouble finding sugar," the statement said. "And, while sugar prices have rebounded in the past couple of months, they are still far below price increases for other commodities. The USDA's actions today cast a cloud over a sugar industry that has been dealing with depressed prices and soaring input costs for some time."

The ASA says the move is a reaction to the forecast of what the sugar market will look like in 14 months, and with the often wildly swinging month to month forecasts from USDA, they feel the announcement is a major market moving action based on unknowns.

"It is understood that there are still uncertainties about U.S. domestic production, U.S. domestic consumption, hurricanes and other risks as well as uncertainties about the actions of Mexico," Keenum acknowledges. "But these actions should compensate for the lost refining capacity and give the market some insurance in case of any unanticipated interruptions."

USDA took similar action in 2006, but their predictions were wrong resulting in a sugar price freefall that according to ASA has taken two years to reverse.

"This action is exactly why Congress wrote the new Farm Bill in a way that would remove speculation from the equation and add certainty to future TRQ announcements by instructing the USDA to wait until we know the size of the U.S. and Mexican crops before increasing imports above traditional levels," ASA said in their statement. "We feel that having taken one premature action, the Department should take a deep breath and wait until unknowns take shape before acting further, as Congress intended."



Imperial Sugar responds to last week's Senate hearing

Posted: Aug 8, 2008 12:56 PM EDT

SAVANNAH, GA(WTOC) - Imperial Sugar has issued the following statement in regards to the Senate hearing last week:

Imperial Sugar Defends Record, Continues to Invest in Safety

Port Wentworth, GA - In response to testimony at a recent Senate hearing and OSHA's allegations in citations filed nearly two weeks ago, Imperial Sugar has begun taking steps to defend its ongoing record of investment and commitment to safety. Under CEO John Sheptor's leadership, Imperial has invested in and improved safety at its facilities. In the six months following the tragedy at its Port Wentworth facility, Imperial has continued this effort by aggressively implementing international best practices to reduce and manage combustible dust, even if OSHA fails to implement a regulatory standard for the remainder of the industry.

Largely for these reasons, Imperial notified OSHA of its intent to contest allegations contained in their citations - especially as they relate to the classification of violations. "OSHA's comments and characterizations do not reflect the facts nor do they reflect this company's commitment to safety," said Sheptor. An administrative law judge will have the opportunity to hear both OSHA's allegations and Imperial's defense to resolve the dispute. Important facts relevant to Imperial's defense include:

- At the time of the February 7, 2008 accident, the Port Wentworth plant's total rate of recordable injuries had steadily reduced by 33% since 2005.
- OSHA's previous inspections of the Port Wentworth facility, conducted in May and June of 2000, resulted in no OSHA citations.
- In fiscal year 2007, the Port Wentworth plant spent over \$1.7 million on safety-related capital improvements to the facility.

In fact, Imperial had proactively taken steps to minimize dust hazards, including responding to OSHA's October 18, 2007 National Emphasis Program on combustible dust. Some of the additional steps specifically targeted toward minimizing workplace hazards even prior to the February 2008 incident included:

- refocusing efforts on housekeeping, including conducting daily walkthroughs with an eye toward both safety and quality;
- focusing on critical and dust-prone production areas with personnel and resources in the areas of safety, quality, operations, maintenance and engineering; and
- purchasing industrial vacuums, recommended in the National Emphasis Program, to clean

dust and minimize airborne disbursement.

Another OSHA allegation unsupported by the facts is the contention Imperial did nothing at its Gramercy facility after the tragedy at Port Wentworth. To the contrary, Imperial promptly undertook a thorough inspection and review of the facility. Vice President of Operation, Graham Graham was directed by CEO Sheptor to personally oversee, identify and resolve any issues found there. Graham was forwarded a March 7, 2008 letter from OSHA advising Imperial to ensure that its Gramercy plant was in compliance with OSHA standards, and it was reiterated to Graham that worker safety was Imperial's top priority. Sheptor directed Graham to periodically report to him on the status of the work being done at Gramercy. Efforts were focused on housekeeping, outside guidance from leading experts was sought and received, and potential hazards were immediately addressed. Imperial has committed \$1.8 million in safety improvements at the Gramercy facility relating to combustible dust and it continues to take substantial steps to ensure a safe workplace, including:

- Retaining the leading experts on combustible dust fire prevention and control, to work with Imperial's inside and outside designers and engineers to ensure the company's facility is designed according to the best international engineering practices as they relate to dust hazards;
- Training all of Port Wentworth employees on combustible dust hazards.
- Developing a process safety system of internal standards at both the Port Wentworth and Gramercy facilities to (1) ensure compliance with applicable safety standards and guidelines; (2) provide guidance on equipment selection, maintenance and operating practices; and (3) include tools on evaluating and controlling hazards. Imperial plans for this process to exceed OSHA standards, and incorporate both NFPA standards and the Europe's ATEX directives.
- Continuing Imperial's internal safety training, audits and efforts at its facilities, including relating to emergency response and hazard control.

Imperial Sugar supports a combustible dust standard, and agrees with the House Report regarding the proposed combustible dust act, concluding that "although there are a variety of existing OSHA standards that inspectors can interpret to apply to combustible dust hazards ... most of the existing standards (e.g., housekeeping and General Duty) do nothing to educate or inform employers about how to prevent combustible dust explosions." Whether or not OSHA decides to implement such a standard, Imperial is moving forward with guidance from outside experts to develop processes and programs that go above and beyond any standards contemplated in the discussions regarding a potential combustible dust standard.

"We respect that it is OSHA's mission to ensure that workplaces are safe and we share that mission. We have done our very best to provide OSHA with any and all information the agency requested through their investigation," said Sheptor. "We strongly disagree, however, with OSHA's conclusions, and we look forward to being able to present the facts showing our commitment to safety, both before the February 7 tragedy and afterwards."

Friday, August 08, 2008; **The Oregonian**

Snake River Ethanol plans plant for Nyssa

Snake River Ethanol plans to build an ethanol plant in Nyssa that would produce about 130 million gallons of ethanol a year. The alternative fuel, which is mixed with gasoline and considered cleaner burning, would be made from Midwest corn and possibly from sugar beets harvested nearby.

Snake River Ethanol would build the plant at an Amalgamated Sugar Co. sugar beet facility shut down in 2005. Amalgamated is the company's primary owner. The Oregon Department of Energy would have to approve the company's application before construction could begin.

http://www.palmbeachpost.com/localnews/content/west/epaper/2008/08/10/a1a_inlandport_0810.html

August 10, 2008; By [PAUL QUINLAN](#), Palm Beach Post

Glades port idea fights for balance

WEST PALM BEACH — Sugar giant Florida Crystals is lobbying to develop an industrial and commercial center about the size of Delray Beach on land it owns south of Lake Okeechobee - right in a proposed pathway for the state's multibillion-dollar Everglades restoration efforts.

Glades leaders and the state Department of Transportation are among the supporters of the so-called inland port, a warehousing and distribution center that would include roads and rails to link seaside ports on Florida's east and west coasts.

The idea has gained momentum as a way to make up for the job losses that would follow the state's proposed \$1.75 billion purchase of U.S. Sugar Corp.

But it's a far different vision for the Glades than the one Gov. Charlie Crist and his water managers articulated in June when they announced the purchase of U.S. Sugar's 187,000 acres. Then, they said the deal would fill the missing link in the state's restoration plans, allowing water to resume its traditional flow south from the lake to the Everglades.

Florida Crystals, owned by the Fanjuls of Palm Beach, says water could flow around an inland port at the company's Okeelanta site along U.S. 27, where it operates a mill, refinery, rail spur and biomass power plant. But environmental activists see the port plan as a betrayal - and a sign that money and politics once again may trump the Everglades.

"You're putting something in there before you've decided what you're going to do with the Everglades," said Drew Martin of the Sierra Club.

Florida Crystals Vice President Danny Martel said the two projects can coexist.

"What we're trying to achieve here is, really, to create a balance between ... economic development

<http://www.mlive.com/newsflash/michigan/index.ssf?/base/business-17/1218657560243830.xml&storylist=michigannews>

8/13/2008; By JAMES PRICHARD, The Associated Press

Mich. corn producers can expect record yields

GRAND RAPIDS, Mich. (AP) — Although corn and sugar beet producers in Michigan can expect record yields in 2008, tart cherry, apple and grape crops are likely to be sharply lower than a year ago, according to the U.S. Department of Agriculture.

Corn production in the state is forecast to be a record 307.8 million bushels, 5 percent higher than the previous high of 293.2 million bushels produced in 1982.

Corn farmers can expect a record yield of 148 bushels per acre, up 24 bushels from 2007, the USDA's National Agricultural Statistics Service in Lansing said Tuesday. The previous record yield of 147 bushels per acre was set two years ago.

Nationally, corn yields are forecast at 155 bushels per acre, up 3.9 percent from last year. If that happens, this year's yield would be the second-highest on record, behind only 2004.

U.S. corn production is expected to be 12.3 billion bushels, down 6 percent from last year.

Betsy Atherton, a spokeswoman for the Corn Marketing Program of Michigan, said Wednesday the weather for growing corn has been nearly ideal to this point in the season.

"We had an excellent planting season," which typically starts around late April, she said. "We got the rain at the perfect time, so farmers got their corn in easily."

Corn harvesting usually starts in September, she said.

Sugar beet growers in Michigan can anticipate a record yield of 24 tons per acre, up 0.6 tons from the record of 23.4 tons per acre set in 2007.

Multiple spring freezes had little effect on the state's field crops but killed many buds on fruit-bearing trees.

Michigan, the nation's largest grower of tart cherries, is expected to produce about 135 million pounds of the fruit in 2008, down 30 percent from last year. U.S. tart cherry production is forecast to be 177.3 million pounds, down 29.6 percent.

The state is expected to produce 540 million pounds of apples in 2008, down 30 percent from last year and down 39 percent from 2006. U.S. apple production is forecast at 9.17 billion pounds, up slightly from 2007 and down 7 percent from two years ago.

Michigan's grape growers are expected to produce 78,000 tons of the fruit, down 22 percent from last year. Nationally, grape production is forecast at 7.2 million tons, up 3 percent from last year and up 13 percent from 2006.

<http://www.theolympian.com/northwest/story/543995.html>

August 14, 2008; *The Olympian*

Idaho sugarbeet crop could be down 40 percent

The amount of sugarbeets being grown in Idaho this year likely will be down 40 percent from last year as farmers switch to more lucrative crops, agriculture officials say.

The U.S. Department of Agriculture said in a report released earlier this week that sugarbeet production in Idaho is expected to be 3.48 million tons, the lowest since 1984.

The report also said the harvested acreage of sugarbeets in Idaho has dropped to its lowest level since 1977 at 117,000 acres.

Brad Early, a USDA statistician, said high prices for wheat, corn and hay have caused Idaho farmers to plant those crops instead.

"Prices have been good for some of the other crops that are grown in Idaho," he said. "Price drives what farmers tend to plant."

In 2006, based on cash receipts, sugarbeets ranked fourth in Idaho, bringing in about \$201 million.

Vic Jaro, president and CEO of Amalgamated Sugar Co., said there have been no layoffs so far at three Idaho plants and a plant in Oregon that process sugarbeets into sugar.

"Highest employment is during the beet-slicing campaign," Jaro told the Idaho Press-Tribune. "We will have shorter campaigns. We will produce less sugar, and we will adjust to that."

He said sugar prices have stayed flat while prices for grains have increased from \$4 a bushel to \$12 a bushel. One factor, he said, is a growing market for corn for ethanol production.

He said he expects sugarbeet production to return to previous levels eventually.

"We are looking ahead to normal operations returning in future years," he said.

Jeff Henry, president of the Idaho Sugarbeet Growers Association, said there should be an adequate supply of sugar for consumers.

"The market is maybe tightening down, but it's probably more about the sugar market worldwide than the local market," he said.

Sugar is a tightly controlled market in the United States, which is a net importer of sugar. The USDA recently announced that, as a precaution, it was increasing imports of refined sugar to avert any shortages that could arise with disruptions in production or refining.

Friday, August 15, 2008; By Cindy Snyder, Ag Weekly

Spring weather takes toll on grain harvest

TWIN FALLS, Idaho - Combines are grinding through small grain fields across the state, but many growers are finding harvest to be a mixed bag.

The real estate adage, "location, location, location," is proving to be the key to whether harvest is average or disappointing.

Dryland areas are suffering yield losses more than irrigated areas, but frost and hail have taken a toll as well. The rapid change from a wintry spring to hot summer weather seems to have caught many fields at flowering, the time when hot temperatures can cause yield loss.

Brad Brown, an extension crop management specialist with the University of Idaho at Parma, has been getting calls from farmers regarding shriveled kernels. In the Treasure Valley, growers who were able to get grain planted early seem to be reaping higher yields than those who battled weather delays. Wheat yields at the UI Parma station are running 150 to 160 bushel per acre, Brown said, but added that early planting is the norm at the station. He's heard that some growers are seeing yields of 100 to 110 bu. per acre, down from their long-term average of 130 bu. per acre.

"Growers would have liked to have done better because prices are still pretty high," Brown said. Yields in south-central Idaho also seem to be down. Stan Gortsema, UI extension educator for Power County, calls it a disappointing year for some growers. Wheat in his area was looking quite good this spring and growers were looking for better yields, but a lack of timely rains coupled with frost, wind and hot temperatures took a toll, even on irrigated land.

Because of the windy spring conditions, some growers got behind irrigating early in the season and had trouble keeping up with crop demand once the hot weather hit.

Eastern Idaho is just getting started on harvesting grain, but yields are down on dry farms.

That's the story in north Idaho also. A frost on July 10 coupled with an extremely dry summer is hurting both yield and quality in some areas. Gary Rehder, manager of the Columbia Grain Elevator in Nez Perce said growers in his area are having a hard time getting grain harvested.

Yields are down by about half of normal, he said. He's seen wheat with a test weight of 55 pounds and soft white wheat coming in with proteins up around 12 to 13 percent.

While wheat yields are disappointing to some growers, the malt barley crop seems to be doing better than some expected given the adverse spring weather. Idaho Agricultural Statistics Service is forecasting a statewide barley yield of 80 bu. per acre, which would be a good average.

Growers haven't really caught up from the late spring. Harvest is running 10 to 14 days behind normal across much of the state. Growers in north Idaho have harvested just 21 percent of the winter wheat crop by Aug. 11; last year they had 70 percent of the crop in the bin by that time compared with the five-year average of 49 percent. Growers in the Magic Valley had harvested 36 percent of the winter wheat crop, below both last year (76 percent) and the long-term average of 71 percent.

Nationwide, harvest is also behind, and there are concerns about the quality of bread wheat in the Midwest because of dry conditions.

<http://www.in-forum.com/articles/index.cfm?id=211436>

August 15, 2008; by Jon Knutson, Fargo, ND Forum

Happy to be harvesting

Dan Spiekermeier was right where he wanted to be Thursday: out in the field harvesting wheat. Now the Sheldon, N.D., farmer needs a week or so of dry weather to finish the job. He also would appreciate warm weather – temperatures in the mid 80s would be best – to help the growth of his slow-to-develop soybeans and corn. “We should have the moisture we need. Now it’s time to get our wheat,” said Spiekermeier, a farmer since 1984.

What promises to be a good wheat harvest in eastern North Dakota and western Minnesota is beginning. Better-than-average yields combined with strong prices should make this a profitable year for area farmers who grow wheat, North Dakota’s most important crop. Wheat is selling for about \$8 per bushel, about \$2.50 more than a year ago.

Potential yields look good, too. According to the U.S. Department of Agriculture: Eighty-three percent of Minnesota’s wheat crop is in good to excellent condition. Most of the state’s wheat is grown in northwestern Minnesota. Forty-eight percent of North Dakota wheat is in good to excellent shape, 52 percent in poor or fair condition.

Wheat didn’t fare well in the western part of the state, which didn’t get enough rain. The crop did much better in eastern North Dakota and western Minnesota, which received more moisture.

Area corn and soybean fields also look good, but on average are about 10 days behind their normal development because of the cool early summer, said John Kringler, Cass County Extension agent. Warm weather would help corn and soybean plants mature, reducing the danger of an early frost, he said. Rains over the past week probably provided enough moisture to carry most corn and soybean fields through the rest of the growing season, Kringler said.

Recent rains also helped the area sugar beet crop, said Jeff Schweitzer, spokesman for Moorhead-based American Crystal Sugar Co. The cooperative expects yields of 22 tons to 23 tons per acre on 422,000 acres, he said. Those yields would be considered average, he said.

Even if the weather cooperates, Spiekermeier won’t finish harvesting corn until well into November. His wheat and soybean fields promise good yields. Some of his corn was hurt by too much rain earlier in the summer.

Spiekermeier hopes to make money at current prices, but rising expenses are a huge worry. Once, he spent \$20 to \$40 per acre on fertilizer for his corn. Now he spends \$150 to \$200 per acre.

Corn prices have also increased – a bushel fetches about \$5, up from about \$2 a few years ago. But because farmers have more invested in their crop, they’re hurt worse if prices fall or yields are poor. The problem looks to be even greater next year as expenses continue to rise.

Wheat will cost about \$7.50 to \$8 per bushel to grow next year, leaving farmers little, if any, profit, at current prices, said Andrew Swenson, North Dakota State University Extension Service family and farm management specialist.

For now, though, Spiekermeier is concentrating on this year’s wheat. His 81-year-father, Tom, helps out during harvest. Dan Spiekermeier said his 77-year-old mother, Connie, mentioned how much her son and husband enjoy harvest. “She said, ‘I can tell you guys are happier when you’re out there,’”

<http://www.cattlenetwork.com/Content.asp?ContentID=246770>

August 21, 2008; -By Bill Tomson; Dow Jones Newswires

US Accused Of Skirting Farm Bill To Import Refined Sugar

WASHINGTON (Dow Jones)--The U.S. government, by opening its borders to more refined sugar imports this month, is dodging a soon-to-be-enacted 2008 farm bill requirement, said a group representing foreign producers.

The U.S. Department of Agriculture should have first tried to meet domestic market shortfalls with raw sugar imports, according to the International Sugar Trade Coalition, Inc. Congress approved the new farm bill earlier this year.

It has "clear rules that if domestic production of raw cane sugar is inadequate, the import quota for raw cane sugar can be increased, but the quota for refined sugar cannot, unless additional imports of raw sugar fail to relieve a domestic sugar shortage," according to the International Sugar Trade Coalition, Inc.

"The USDA action on August 6, which left the raw sugar quota unchanged, ignored these rules." But the 2008 farm bill has not been implemented yet and won't be until October, said USDA officials who asked not to be named in this story. Furthermore, it is only refined sugar that is needed and more raw sugar would only add to the supply problem in the U.S. where refining capacity was weakened this year by the destruction of a major plant in Georgia.

The USDA, on Aug. 6, tripled its fiscal-year 2008 refined sugar tariff rate quota, or TRQ, from 94,251 short tons raw value to 394,251. The action was made less than two months before the end of that fiscal year.

The ISTC complaint, though, is "irrelevant," said one USDA official, because the under the new sugar program under the new farm bill does not become effective until Oct. 1. "We probably have enough raw sugar, but even if we didn't, we've had this constraint on refining capacity because of the plant that blew up in Georgia," the USDA official said. "So getting more raw sugar in - all that does is just exacerbate the strain on refining capacity and probably doesn't increase the production of refined sugar in the short term."

But it's not just the immediate short-term that's being affected by USDA's decision to allow in extra refined sugar imports, Paul Ryberg, ISTC president, told Dow Jones Newswires. Although the Aug. 6 decision by USDA was made for the current sugar marketing year that ends Sept. 30, the extra refined sugar imports can enter the U.S. through the end of December. "If they had just increased this year's (refined) sugar quota which ends Sept. 30, we would not have complained," Ryberg said. "They're very clear about it. They're letting in refined sugar today to meet demand tomorrow." Ryberg's group represents raw sugar exporters in 17 countries such as the Dominican Republic, Ecuador and Panama.

The ISTC, in a letter dated Aug. 19 to USDA Secretary Ed Schafer, charged that "increasing the amount of refined sugar that can enter during October 1-December 31, 2008, without first increasing the raw TRQ for that period above the bound minimum level, USDA has done an end run around the intent of Congress, thereby ... achieving what Congress ... prohibited."

Ryberg acknowledged the destruction of the Georgia refinery, but said reconstruction is well under way and he expects it to be operating again by November or December.

<http://www.washingtonpost.com/wp-dyn/content/article/2008/08/21/AR2008082103547.html>

August 22, 2008; By Jordan Weissmann, Washington Post.com

FDA Allows Irradiation of Some Produce

Food producers can now use radiation to kill bacteria on fresh spinach and iceberg lettuce because of a new [Food and Drug Administration](#) ruling meant to help head off outbreaks of foodborne illness.

This is the first time the agency has allowed produce to be irradiated as a health precaution. Tiny doses of radiation already are used to kill pests on some fruits and vegetables. But the process is most often used on meat -- especially *E. coli* susceptible ground beef -- and some spices. The food is exposed to just enough radiation to kill off most, though not necessarily all, harmful germs. For instance, the process won't rid the produce of foodborne viruses.

"The ruling is basically giving processors, giving those who deal with providing fresh or minimally processed spinach or lettuce to consumers, an additional tool, another technology to reduce the level of microorganisms that are of concern," said Laura Tarantino, director of the FDA's Office of Food Additive Safety.

The decision, effective today, comes nine years after a coalition composed mostly of food industry groups first petitioned the FDA to expand the number of products that could be irradiated. The original petition had sought to make nearly all foods, from processed grains to seafood, approved for the process.

But in 2006, after an *E. coli* outbreak traced back to spinach left hundreds ill and three dead, the petitioners went back to the FDA asking the agency to look specifically at iceberg lettuce and spinach.

The FDA is still examining the other foods listed in the original petition.

Bacteria such as *E. coli* and salmonella can infect produce in a number of ways, including when animal waste makes its way into a farm's water supply, when processing equipment becomes infected or when spread by poor sanitation. Tarantino said that irradiation is not a silver bullet for the problem, and that producers still need sound sanitation practices.

Some health safety organizations questioned the FDA's decision, saying it would give producers a free pass to ignore basic issues.

"Having irradiation of foods provides a disincentive for animal factories and other food production facilities to clean up their act," said Bill Freese, science policy analyst with the [Center for Food Safety](#), a non-profit consumer organization that monitors industrial agricultural practices.

The FDA concluded that irradiating spinach and iceberg lettuce had no toxic effects and did not significantly reduce the nutritional value of the vegetables. While some critics, such as Freese, are skeptical whether irradiation is safe for consumers, most believe the process isn't harmful in the products for which it has been approved.

Food industry representatives praised yesterday's move. "It's a good initial first step for products that have been considered high risk," said Robert Brackett, chief science officer at the [Grocery Manufacturers Association](#). "This is meant as a safety net."

Brackett said his organization was pushing the FDA to enforce better farm sanitation practices, but is hoping that it will add other products to the irradiation list, such as radicchio, romaine lettuce and other greens that are often eaten uncooked.

"There are other products down the line that I think could be thought of as well, such as peppers and tomatoes in light of the salmonella," he said. "But they would have to be evaluated in terms of what the irradiation does to the quality and safety of those products as well."

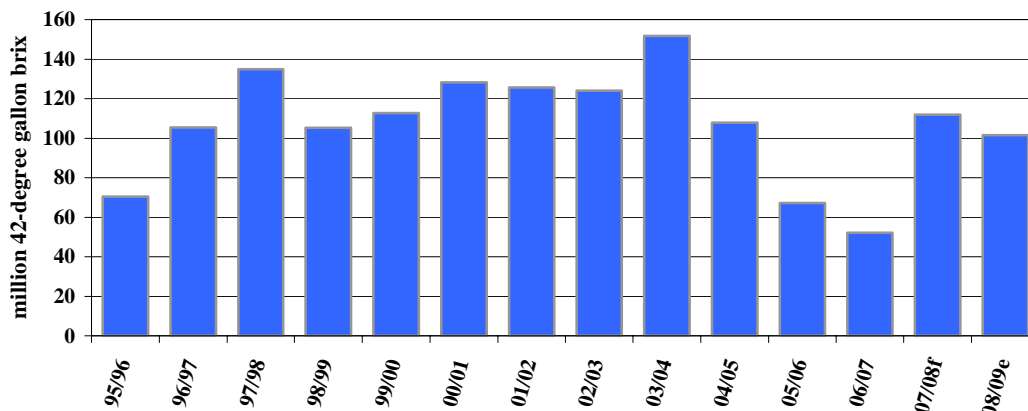


Florida

With the 07/08 harvest complete, growers are preparing for next season, focusing on canker and psyllid control and grove maintenance. Daily showers across the state have benefited growth of foliage and new fruit which are ranging between golf ball and baseball size. Input from early tree strippings showing Early-Mid fruit-per-tree higher in the Central and South growing areas (lower in the West) versus last season, has been trimmed somewhat, while Valencia pieces-per-tree remain down across the state. Industry estimates for total production have scaled back to a range of 150 to 160 million boxes, or a 6 to 12% reduction from last season. The Florida Department of Agriculture's Division of Plant Industry analyzed the impact of greening in the state and estimates that the disease has established itself in 12% to 20% of all citrus trees in Florida. That would account for some of the decline in Valencia production which is produced more heavily in the southern tier where greening is more prevalent.

Even a crop at the low end of estimates will present issues for next season. Closing this season with what we expect to be the highest carry over in three seasons of 110+ million gallons, ending stocks from a 150 million box 2008/09 crop will most likely hold above 100 million gallons. The build in inventory will reduce the amount of Brazilian imports into the U.S., but the volume of juice on hand should be high enough to keep the market under pressure.

FL FCOJ Ending Stocks



Source: FDOC and Wachovia estimates

Private estimates for the 2008/09 season will be out this month. The Steger presentation is scheduled for August 13 and the Dreyfus estimate circulates within a few days of that. Although these reports are directionally indicative of fruit production, traders may be reluctant to put too much weight on these numbers until the USDA bi-annual tree survey, tentatively scheduled for September 19th, confirms that tree counts used in calculating production are on target.

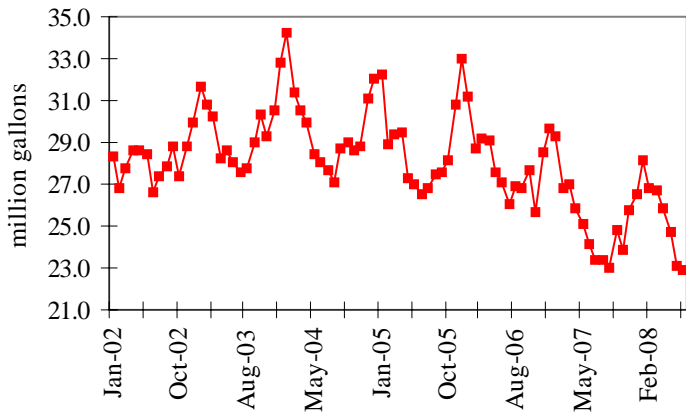
ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

Past performance is no guarantee of future results. This information is obtained from internal and external research sources considered to be reliable but is not necessarily complete and its accuracy is not guaranteed by A. G. Edwards & Sons, Inc. Any opinions expressed are those of the author and are subject to change without notice. Neither the information nor any opinion expressed constitutes a solicitation for the purchase/sale of any futures contracts referred to herein. Futures trading is only for individuals willing to accept a higher level of risk for the opportunity for greater returns. Please note: Futures are not covered by SIPC. 2008 A.G. Edwards is a division of Wachovia Securities, LLC.

August 2008

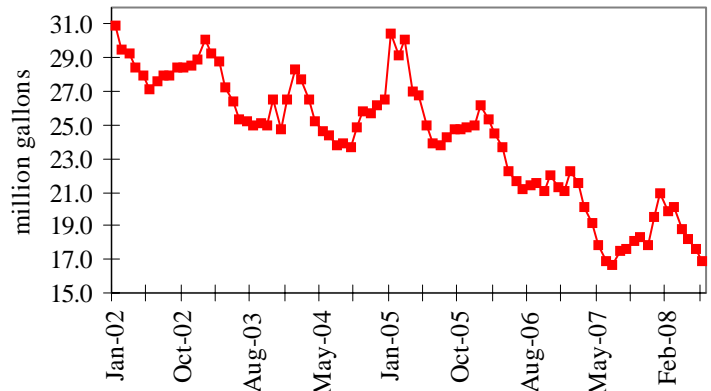
Charts on A. C. Nielsen data depict the current state of the industry, with season-to-date revenues for Total Orange Juice off 1.0% on a 5.3% decline in volume. NFC and Recon sales are back to levels seen last this time last season:

AC Nielsen Monthly Data w/ supercenters
Total sales-NFC



Source: FDOC/EMRD

AC Nielsen Monthly Data w/ supercenters
Total sales-Recon

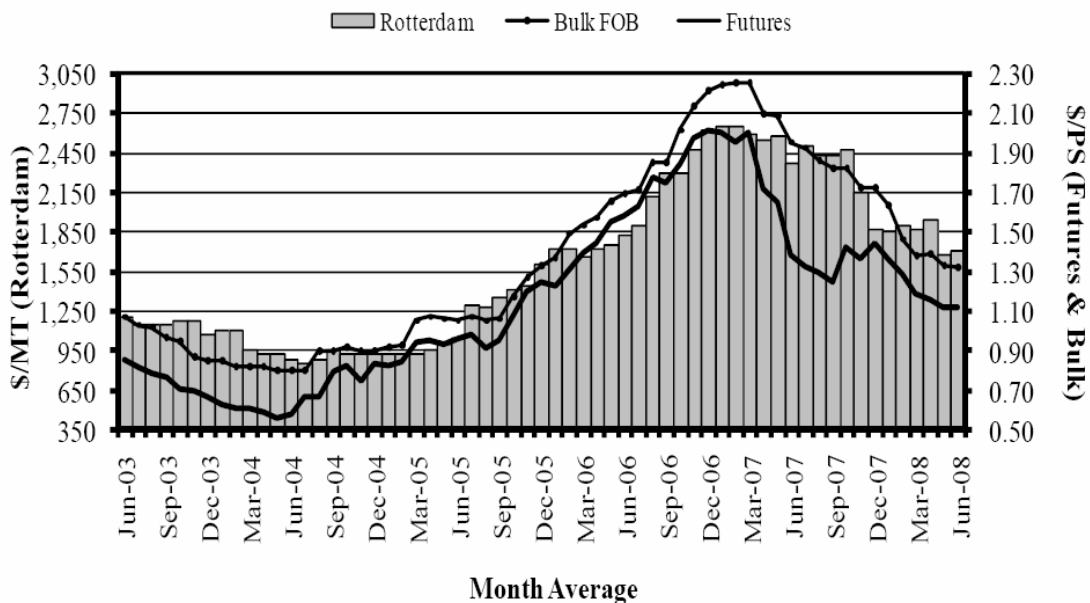


Source: FDOC/EMRD

Brazil

There is little fresh news coming out of Brazil. Harvesting of the crop has been moving slowly as processors wait for better quality juice. The spot market is holding steady for light volumes of fruit being delivered to plants, ranging from \$6.29 to \$7.55 UDS/box and the European price is steady at the \$1,700/ton range.

**FCOJ Futures, Florida Bulk FOB & Rotterdam Monthly Average Prices
June 2003 through June 2008**



SOURCES: ICE (Futures); FCM (Bulk); Foodnews (Rotterdam).

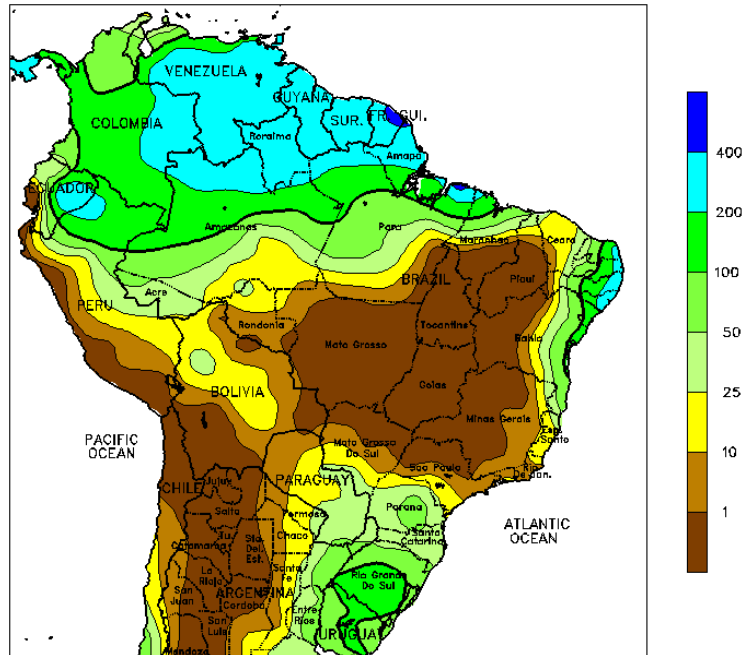
ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

Past performance is no guarantee of future results. This information is obtained from internal and external research sources considered to be reliable but is not necessarily complete and its accuracy is not guaranteed by A. G. Edwards & Sons, Inc. Any opinions expressed are those of the author and are subject to change without notice. Neither the information nor any opinion expressed constitutes a solicitation for the purchase/sale of any futures contracts referred to herein. Futures trading is only for individuals willing to accept a higher level of risk for the opportunity for greater returns. Please note: Futures are not covered by SIPC. 2008 A.G. Edwards is a division of Wachovia Securities, LLC.

Brazil Total Precipitation for July

Weather has been seasonably cool and dry, but will become a factor if some precipitation is not received going into September.

Regarding foreign exchange, the Brazilian real has risen to a nine year high against the U.S. dollar, trading at \$0.64 USD/Real as of Friday, August 1st. Our currency analyst expects Brazil's recent upgrade to investment grade status could lead to further near term currency strength.



Source: CPC, NOAA

Technical

Spec shorts that were forced to cover late June/early July are back in the market, nearly doubling the size of their futures position last week to 10,399 contracts. Spec longs also participated after a few weeks of stagnant activity increasing their position by 15% from the prior week. The selling pressure has pushed prices well beyond expectations, moving stochastics and the RSI into oversold territory (7/8 and 24 respectively). Some traders have been anticipating a correction at some point, but the timing is difficult with less incentive to trade ahead of pre-season crop estimates due out next week.

Weekly FCOJ

Monthly FCOJ



Source: CQG

ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

Past performance is no guarantee of future results. This information is obtained from internal and external research sources considered to be reliable but is not necessarily complete and its accuracy is not guaranteed by A. G. Edwards & Sons, Inc. Any opinions expressed are those of the author and are subject to change without notice. Neither the information nor any opinion expressed constitutes a solicitation for the purchase/sale of any futures contracts referred to herein. Futures trading is only for individuals willing to accept a higher level of risk for the opportunity for greater returns. Please note: Futures are not covered by SIPC. 2008 A.G. Edwards is a division of Wachovia Securities, LLC.

Nearby support and resistance levels are minor, but are all we have to work with at this point in time. Resistance comes in at the weekly high of 1.0480 and the ten-day moving average of 1.0485 while support is at the lower Bollinger Band at .9350 and the next 3rd wave target is at .8695. Longer term, the wave count on the weekly chart signals we are in the final leg of this move, but the recent breakdown is damaging as price action on both the weekly and monthly charts fell back under their long term down trend lines.

Although recent price activity has been negative, technically the market is setting up for a potentially huge move to the upside. Coming into the peak of the tropical storm season and pre-season crop estimates combined with the daily and monthly stochastics working into extremely oversold levels and the weekly stochastics in a sharp down trend, the ground work is being laid for a potentially strong move to the upside with these indicators working in concert.

Weather

The Tropical Meteorological Project released the latest update to their 2008 hurricane forecast, increasing the number of named storms by 2 to a total of 17. Comprising this increase are an addition of one to each the number of hurricanes and intense hurricanes, now forecast at 9 and 5 respectively. The post Aug 1st probability of at least one major hurricane (Cat. 3-5) making landfall on the US East coast including the Florida peninsula is stated at a 43% chance, average for the last century is 31%. Reasons sited for their increase are a very active, early tropical cyclone season in the deep tropics as well as more favorable sea surface temperatures and sea level pressure patterns.

ATLANTIC BASIN SEASONAL HURRICANE FORECAST FOR 2008

Forecast Parameter	Issue Date 12/7/07	Issue Date 6/3/08	Observed Through July - 08	Forecast Activity After Aug - 08	Total Seasonal Forecast
Named Storms	13	15	4	13	17
Hurricanes	7	8	2	7	9
Intense Hurricanes	3	4	1	4	5

Source: Tropical Meteorological Project
Colorado State University

While there were really no real threats to Florida in July, it was very active for being so early in the season. Only three seasons have seen more storms with only six having had three or more storms since 1851. Interesting to note that the three most active years on record are among these six seasons. They were 2005 (28 storms), 1995 (19), and 1933 (21). Of course this does not guarantee another record breaking season, however it does show that certain factors are present which have lent to early season development.

The latest ENSO update gives neutral conditions throughout the equatorial Pacific Ocean with a few lingering La Niña conditions present. There is a slight chance that conditions could switch to El Niño by later this year. Although El Niño does tend to dampen hurricane activity, its late arrival, if at all, will likely have little effect on this year's hurricane season.

ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

Past performance is no guarantee of future results. This information is obtained from internal and external research sources considered to be reliable but is not necessarily complete and its accuracy is not guaranteed by A. G. Edwards & Sons, Inc. Any opinions expressed are those of the author and are subject to change without notice. Neither the information nor any opinion expressed constitutes a solicitation for the purchase/sale of any futures contracts referred to herein. Futures trading is only for individuals willing to accept a higher level of risk for the opportunity for greater returns. Please note: Futures are not covered by SIPC. 2008 A.G. Edwards is a division of Wachovia Securities, LLC.

August 2008

Storms have seemingly been creeping in earlier and earlier each year. Hurricane season officially starts June 1, but previously has rarely gotten into gear before August. However the first named storm of this year, Tropical Storm (TS) Albert, formed on May 31st. In addition, the fourth storm of the six-month season on average does not occur until August 29th. This year, TS Dolly was the fourth to form on July 20th. While we see they are forming earlier, they are also forming later and later in the season. One can recall the December 30th formation of TS Zeta in 2005 which continued to be a storm through January 6, 2006! While this storm was no threat to land, was its late season development a fluke or a trend of things to come? Jay Gulledge, a senior scientist with the Pew Center on Global Climate Change, co-authored a study with other climate scientists finding a five-day increase in season length per decade since 1915.

While the early activity we have seen thus far cannot portend a record breaking season, Jeff Masters from Weatherunderground had this to say, "I definitely think that the activity we have seen so far this year is a harbinger of things to come." And as scientists tend to disagree, Ken Reeves, senior meteorologist at private forecasters Accuweather.com, said one couldn't read too much into the early activity. According to Reeves, while conditions might be ripe now for storms, that could easily change this month.

ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

Past performance is no guarantee of future results. This information is obtained from internal and external research sources considered to be reliable but is not necessarily complete and its accuracy is not guaranteed by A. G. Edwards & Sons, Inc. Any opinions expressed are those of the author and are subject to change without notice. Neither the information nor any opinion expressed constitutes a solicitation for the purchase/sale of any futures contracts referred to herein. Futures trading is only for individuals willing to accept a higher level of risk for the opportunity for greater returns. Please note: Futures are not covered by SIPC. 2008 A.G. Edwards is a division of Wachovia Securities, LLC.