



Newsletter

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Message from Ray Washmera, President;

Dear Members: Happy Fall to You !

The leaves are turning. There is a bite in the air. Baseball playoffs are just days away and football is in full throttle. Halloween is just 30 days away and then the holidays. It truly is a great time of year.

Harvest has begun in earnest and our commodities and ingredients are being harvested. Crop yields and their size look substantial. But the markets don't seem to care. The markets are being driven by funds and bio-fuel demands. It looks like a volatile ride. Hang on!

Attached are timely, informative articles shared by our members. Please take a look.

I also must share your NSIMA Board is working actively to offer more value to you, our members. We have had a conference call and multiple person to person calls to discuss and proceed. We know you will appreciate the results and we look forward to developing and offering them in the near future.

Stay tuned, and have a wonderful October.

Ray Washmera

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2007 07/31; by Eric Morath, **The Detroit News**

State's sputtering economy may get jump-start from a biofuel boom

Michigan is on the verge of a biofuel boom -- one that experts and lawmakers say could provide a high-octane kick to the state's economy and put the state at the forefront of efforts to end the nation's addiction to foreign oil.

Two years ago, Michigan had one biofuel plant -- a corn-feed ethanol facility in Caro. Today, it has six operating ethanol and biodiesel facilities and at least 16 more in the works -- including a cutting-edge cellulosic ethanol plant and two proposed biodiesel locations in Detroit.

That growth puts Michigan in the middle of a biofuel industry that has tripled its output since 2000 and is projected to continue its expansion.

Some say Michigan is chasing the same glittery dream as a dozen other states and may find nothing more than fool's gold. Already the primary biofuel, corn-based ethanol is being blamed for rising food prices, and a west Michigan biodiesel plant that uses soybeans to create the alternative fuel recently laid off all but three of its workers when soybean prices made producing the fuel unprofitable.

But Lansing lawmakers, university researchers and industry leaders say the state is poised to play a larger role in biofuels.

Last week Michigan landed a big win. Massachusetts-based Mascoma Corp. announced plans to build a cellulosic ethanol plant in the state by 2009. Cellulosic ethanol, made from plant matter such as woodchips and switch grass, is widely considered the future of biofuel. Such ethanol could be made from cheaper and more abundant sources than corn and, in some eyes, turn ethanol from a small factor to a major player in the world's fuel markets.

"Mascoma's decision to choose Michigan is helping us achieve a key part of our economic plan -- making our state a leader in alternative energy production," Gov. Jennifer Granholm said at the announcement. "This puts Michigan on the leading edge of technology that will create good-paying jobs for Michigan citizens."

Auto heritage influences role

In terms of corn-based ethanol production -- the most popular biofuel today -- Michigan ranks ninth in the country, but far behind big corn states such as Iowa, Illinois and Nebraska. Michigan's 212 million gallons in annual ethanol production capacity is 10 percent of Iowa's capacity.

Several factors however, put Michigan in a good position to take a larger role in the biofuel industry:

- Its automotive heritage gives the biofuel industry willing partners, as well as engineering, manufacturing and logistics talent.
- The state's research universities are tackling shortfalls in fuel technology. Michigan State University received \$125 million in federal funding to establish the Great Lakes Bioenergy Research Center with the University of Wisconsin.

- The state is not tied only to corn-based fuels and is already moving toward cellulosic production.

In fact the state's Michigan Renewable Fuels Commission's June report recommended more state support for research into future biofuels, but said the state should not extend tax credits to attract additional corn-based ethanol plants. The report stated that corn demand for the 12 plants in the pipeline already exceeds the state's 2006 corn crops.

The commission's report outlined how Michigan could lead in the development and production of future biofuels.

"Mascoma is an example of that," said James Croce, CEO of Detroit-based NextEnergy and a member of the commission. "By getting early commercial placements in Michigan you build up an entire supply chain around this technology."

Bob Dinneen, president of the Renewable Fuels Association in Washington, D.C., agrees that Michigan has a good chance to become a leader in biofuels because the state's current ethanol plants have established markets for the fuel, and the state is making strides in the development of cellulosic ethanol.

"Big corn producing states don't necessarily have an advantage because their focus will continue to be on grain," Dinneen said.

He said the growth in recent years of Michigan's biofuels industry has been "pretty phenomenal and that's just the beginning because Michigan has a tremendous amount of cellulosic feed stock as well."

The state's automakers also are playing a big role in moving ethanol from a niche product toward a mainstream fuel.

"The commitment from GM, Ford and Chrysler to make to flexible fuel vehicles has done a tremendous amount to let investors know ethanol is more than just a blend, it can be a primary fuel," he said, referring to the automakers' commitment to have half their fleets capable of using alternative fuels by 2012.

Critics say it's not enough

Despite nearly \$1 billion in recent and planned investment from the biofuel industry, it's far from the silver bullet for the state's economic woes.

The idea that biofuel production will make up for the loss of manufacturing jobs is questionable. Today, the state's six operating biofuel plants employ 178 workers. A biodiesel plant in Bangor, which opened to much fanfare last year, this summer laid off nearly all of its staff because skyrocketing soybean prices added 80 cents to a gallon of biodiesel. The plant now runs at a sixth of its total capacity.

Proponents say biofuels are Earth-friendly because they are renewable and the plants, which are the source of fuel, take carbon dioxide out of the air, but some environmentalists say the products are not as green as they are marketed.

Gayle Miller, legislative director for the Sierra Club of Michigan, said the process of growing and processing corn, for instance, requires much more energy than ethanol produces. She also said biofuel plants may pollute surrounding areas, and land set aside for nature could be turned into farm fields to grow more fuel feed.

Others say biofuels have yet to prove themselves to consumers. E85, a motor fuel made from 85 percent ethanol, sells at 30 cents more per gallon than regular gasoline, despite significant subsidies.

"Gas station owners will sell products their customers want, but we're not seeing that right now for E85," said Mark Griffin, president of the Michigan Petroleum Association, which represents gas station owners. "Customers aren't willing to pay more for a product that doesn't get them as many miles per gallon as gasoline."

State's making right moves

Those in the biofuel industry say Michigan is making the right moves to become a sector leader. Several producers who have or intend to build plants in Michigan said state and local officials were quick to offer assistance both in terms of tax incentives and cutting through regulatory hurdles.

POET LLC, operators of Michigan's first ethanol plant, call that facility "an overwhelming success."

"What most attracted us to the Thumb area was the abundance of corn and access to ethanol markets in Detroit and elsewhere," said Larry Ward, POET vice president for project development. He said his company is working to develop a cellulosic ethanol plant that garners fuel for corn fiber and cobs. Ward added that Michigan could be in the running for a similar site in the future.

With oil prices hitting \$70 a barrel and fears growing about relying on oil from volatile areas of the world, more than ever before biofuels are becoming a mainstream reality, said Bruce Dale, associate director of MSU's Office of Biobased Technologies.

While Dale says the nation may already be nearing limits on corn-based ethanol production, cellulosic ethanol holds the possibility of significantly displacing petroleum-based fuel. Research on how to extract energy from the cell walls of most plants has taken off recently.

As oil prices rise, the viability of technology for making cellulosic ethanol increases, Dale said.

"We have more of alternative at hand than people realize," he said. "This is the beginning of the revolution for how we will fuel ourselves."

2007 08-23 – TruthAboutTrade.org

Biotech Sugar Beets Gaining Approval From Processors

Moorhead, Minn. - Sugar beet seed that has built-in resistance to the popular Roundup herbicide is expected to be in widespread use next year, as governments and sugar processors approve the biotech beets.

In the Red River Valley of North Dakota and Minnesota, American Crystal Sugar Co. has decided to make the jump.

"It's a pretty major step," Crystal President David Berg said. "Here at American Crystal, we believe biotechnology is the current wave that will help feed the world."

The Worland, Wyo.-based Wyoming Sugar Co. planted about one-sixth of its 12,000 acres to Roundup Ready beets this year. Wahpeton, N.D.-based Minn-Dak Farmers Cooperative has announced tentative plans to move to biotech seed.

"It's still not 100%," said Tom Knudsen, a co-op vice president for agriculture. "(But) the reasons for making the decision are still valid. I don't see anything that looks like it could be a cloud on the horizon."

Biotech seed harvest is beginning in Oregon, Knudsen said. Three companies are expected to handle it in 2008, and the Crystal Seed brand also will be available for American Crystal growers. Berg said he expects farmers in the Red River Valley to have enough biotech seed to plant up to half of their acreage.

Farmers who want to use the biotech seed must factor a technology fee of about \$60 per acre into their plans.

"What we're asking our shareholders to do is go in with a good healthy look at their production costs," Berg said. "We have a database of what (farmers) spend, and our numbers say if you're in the middle to lower half in weed control costs, it probably would make sense to use conventional seed and weed control."

Amenia farmer Bill Hejl, president of the Red River Valley Sugarbeet Growers Association, said he expects to get more sugar per acre with biotech beets. "I also think I'll probably spend less on herbicides, maybe less on fertilizer next year, and less on cultivation," he said.

"It's something new, and a lot of sugar beet growers, a lot of my neighbors are very excited, up and down the valley," Hejl said.

Sugar beet yields are particularly susceptible to weed pressure, with some industry experts saying weeds can sap as much as 30% of a crop's yield. Sugar beet fields are the only ones in the Red River Valley where people still are occasionally employed to work up and down the rows, hoeing weeds.

"Field labor will be thing of the past," said Nick Sinner, executive director of the sugar beet group.

Biotech beets also could reduce the need for what is known as "micro rate" herbicide applications. The process involves smaller amounts of chemical applied multiple times, to cut down on injury to the beets. That requires more passes through the field, which burns more fuel and compacts the soil, which then needs cultivation.

"Typically, a farmer might spray three or four times a year, but it can be up to five," Sinner said. "With Roundup Ready (beets), we have more of an opportunity to kill weeds without injury to the beets."

All countries that are major sugar beet markets, including the United States, have approved the Roundup Ready beet variety. The European Union's formal approval is pending, but the European Food Safety Authority said late last year that "no risks to human and animal health were identified in studies."

Molly Cline, senior director of global industry affairs with St. Louis-based Monsanto Co. (MON), which developed Roundup Ready beets, said recently that processor acceptance was the last step to making biotech beets as widespread as genetically modified soybeans, corn and cotton.

"The sugar from genetically modified beets is chemically the same as that grown from traditional beets, leaving no DNA trace from the biotechnology process," Cline said. "As such, it requires no special labeling in North America and in Japan."

August 25, 2007; By Natalie J. Ostgaard, City Editor, **Crookston Daily Times**

Crookston's sugar beets cream of the crop

After nearly a week of pre-pile sugar beet harvesting, the numbers coming in at American Crystal Sugar's Crookston factory district are over the top. In fact, you might say the Crookston district is the cream of the Moorhead-based company's crop this year.

"Crookston's sugar contents are the best in the Valley so far during pre-pile," said Cory Kritzberger, harvest and maintenance supervisor for the Crookston District. "That's very unusual - we usually fall somewhere in the middle."

Yields are currently running in the 18 to 19 ton range, "so we're doing real good in both sugars and tonnage," he added. "We're expecting the final yield to be well into the 20s, much higher than the five-year average."

Kritzberger attributes the Crookston area's phenomenal beet crop primarily to three things: lower disease pressure, farmers planting better varieties of beets and an early planting date, with most of the crop in the ground in April. The prime beet crop growing conditions extend into the East Grand Forks district as well, he noted.

Pre-haul for the Crookston district started Monday, with some of the piling stations already opened and closed until full haul begins the end of next month. The 2007 and 2006 pre-hauls had the earliest starts in recent memory, said Kritzberger. In past years, it typically started the beginning of September.

The early start, combined with the later-than-usual finishing date of last year's processing season, has made for one of the shortest breaks between campaigns in years.

"They stopped processing for the last campaign June 7 and started slicing for this one Aug. 23. That's a very short inter-campaign," said Kritzberger. "But it was still enough time to get all the maintenance done and get the plant ready. Everything should go pretty smoothly."

Full harvest is always tentatively set for the Saturday of or before Oct. 1, he explained, although weather and other conditions could make that date change. If all goes well, this year's full harvest will begin at midnight Sept. 29.

It's too early to tell if, like last year, this year's yield is so good that growers would need to plow under some acres, said Kritzberger. Several crop experts, though, have speculated that an influx of rain, as well as near perfect growing conditions, would be necessary in order for that to happen.

"We're always looking for harvest help," he added. "You can apply at the Express Personnel office in Crookston."

Kritzberger also stressed that motorists should use extra caution while driving on roads traveled by beet trucks and be safe on the roads.

Aug 26, 2007; by Kevin O'Connor.

Rutland VT. Herald

Global swarming

Is climate change bringing the state more bugs?

As state entomologist, Jon Turmel speaks with authority about bugs: "They're just so cool."

But ask him about the new insects arriving with the onset of global warming and he admits they're not so hot.

Turmel points to ticks spreading Lyme disease northward. Mosquitoes flying up with West Nile virus and several forms of encephalitis. Plant-eating pests such as the hemlock woolly adelgid, a tree-munching troublemaker recently discovered in the southeastern corner of the state.

Scientists can report with certainty the appearance of new and more numerous insects statewide. They also note the creatures are coming as the state's average temperatures are rising as a result of global warming.

So is there a connection? Turmel and his Vermont colleagues can't yet say. Entomologists have just begun studying whether climate change is drawing more insects to New England and, as a result, lack definitive proof. That said, they're already voicing suspicions.

"A warming New England region (especially warming winters) will support the introduction and expansion of exotic pests into the region," the government's U.S. Global Change Research Program says in its New England Regional Assessment of the Potential Consequences of Climate Variability and Change.

Experts fear that fighting back may exacerbate the sting. The Union of Concerned Scientists, in its new report "Confronting Climate Change in the U.S. Northeast," says the region annually sprays an estimated 12 million pounds of pesticides.

"Just as with weeds," the group warns, "increasing pest outbreaks and crop damage will quite likely lead to greater use of chemical controls and an increased risk of environmental damage."

What to do? In Vermont, more farmers and foresters are turning to Turmel for guidance.

Bitten by the bug

Turmel, 55, was a student majoring in environmental conservation when he signed up for a course in entomology at the University of New Hampshire in his home state.

"It was a fluke," he says today. "I thought I should know something about the largest group of organisms on the face of the earth. Insects outnumber everything — animals, plants, microbes. They're just fascinating."

Figuratively bitten by the bugs, Turmel went on to earn a bachelor's and master's degree in entomology from UNH. After graduation, he worked three years in the field before he was hired as Vermont's state entomologist 30 years ago. An employee of the Vermont Agency of Agriculture, Food and Markets, he advises farmers about plant-eating pests and monitors disease-carrying insects with

epidemiologists from the Department of Health.

"When I first got here, I thought I would be totally bored in the winter."

Freezing temperatures, he knows, stop bugs cold. But in recent years, the amount and array of pests have risen with the thermometer. Ask Turmel what he has noticed most and he doesn't start with an insect (a critter with a three-segment body, six legs and usually two pairs of wings, he explains) but instead an "ixodid."

That, he says, is the scientific term for a tick.

"Years ago when I would get a sample of a lone star tick, I would say, 'Where did you go down South?' But now they're definitely here."

Same with black-legged ticks, also known as deer ticks. The size of a sesame seed, they lurk in woods, brush and grass before latching onto skin to feed on blood. Increasingly, they're also transmitting Lyme disease, a bacteria-based ailment that can lead to skin rash, fatigue, swollen joints and flu-like symptoms.

Cases of Lyme disease contracted in Vermont rose almost tenfold from seven in 1999 to 62 this past year, the state Health Department says. (The 2007 figure so far is 49.) Although experts suspect the jump is linked to global warming, they can't yet scientifically pinpoint the spread of ticks to any specific cause.

"Could be milder winters and the warming weather, could be we have good deer populations, could be a number of things." Turmel says.

The entomologist has similar questions about a spiraling number of mosquitoes. He points to the *Aedes japonicus*, an Asian species usually found in China, Japan, Korea and Taiwan and first reported in Vermont five years ago. It spreads not only West Nile virus — which causes fever and headaches and, in rare cases, paralysis and death — but also the viral brain infections known as Japanese encephalitis and St. Louis encephalitis.

The state has recorded 299 instances of West Nile virus since the first report in 2000, with 264 in birds (all died) compared with only four in humans (all lived) and the rest in horses and mosquitoes. The state has yet to report West Nile virus this year, although experts caution the season peaks in late summer and runs through October.

Branching out

Mosquitoes and ticks may generate the biggest media buzz, but Turmel says Vermonters should be equally concerned about three particular tree-eating pests.

The first, he says, is the emerald ash borer, an Asian beetle yet unseen in the state that has killed 25 million ash trees in Illinois, Indiana, Maryland, Michigan and Ohio since its discovery in the country five years ago.

"We used to tell people to plant ash because no insect likes it," Turmel says.

But now that Vermonters have placed thousands around homes and sidewalks, the beetle is drilling its way northeast. After Pennsylvania discovered the pest in June, neighboring New York responded by asking out-of-state campers not to import firewood for fear it may be harboring the insect.

"It's just devastating to ash," Turmel says. "It will be the Dutch elm disease of ash. With mosquitoes and ticks, you can put on repellent or take antibiotics. But if the emerald ash borer gets here, there's not much we're going to be able to do."

Scientists still are debating whether the beetle is spreading because of warmer weather. But they agree that climate change is feeding Turmel's second concern, the hemlock woolly adelgid.

The pinhead-sized pest, first found nationally in Virginia in 1951, has moved northward about 20 miles a year, reaching Massachusetts in 1989. Many Vermonters thought their hemlocks were immune, as the adelgid can't survive cold weather. But as average temperatures warm, the insect — which often cocoons in a white, cottony mass on the underside of needles — popped up in Brattleboro and Rockingham earlier this summer.

The state agencies of Agriculture and Natural Resources believe they have contained the problem, in part by cutting and burning one of the infested hemlocks. But Turmel points to ongoing studies by University of Vermont professor Bruce Parker and colleagues at the school's Entomology Research Laboratory, all of whom are investigating how adelgids are affected by cold and heat.

"Temperature is a definite factor in keeping the hemlock woolly adelgid from spreading throughout the state," Turmel says. "We think they're at the northern end of their range, but with warm winters, they could continue to migrate up. Global warming would definitely have an effect on that one."

The third pest on Turmel's list is the Asian long-horned beetle that targets maples. Scientists believe the insect arrived in North America in wood used to ship cargo from China. First reported in New York in 1996, the beetle since has cropped up in Chicago and New Jersey, although not yet in Vermont.

"They don't expand their range very quickly — it is an extremely slow mover," Turmel says. "And of the spots where people have found it, they're managing it quite well."

But in a state known for spring syrup and fall foliage, any bug hungry for maple is considered a threat.

New arrivals

Not every new insect in Vermont is arriving because of climate change. When Turmel began as state entomologist 30 years ago, he saw termites only along the southern border. Today he's receiving reports of them as far north as Williston.

"They can adapt — I think these are adapting."

But Turmel knows the weather is drawing more bugs. His office warns that armyworms currently are eating field corn, hay grass and pasture crops in every county in the state.

"We have some that are here in the natural environment, but the huge influx usually blows up on storms from down South."

Other infestations are rising with the temperature. Turmel is receiving calls this month about the soybean aphid — a native of China and Japan — in Addison and Franklin counties.

"It sucks the juices out of the plant and turns them yellow."

At the University of Vermont, Parker and colleagues continue to spark press coverage for their study

of the hemlock woolly adelgid. At Middlebury College, assistant professor Jeffrey Munroe has been part of a national team that recently found that global warming was changing the types of midges that live in remote mountain lakes, with warmer-water species replacing cooler-water ones.

The Union of Concerned Scientists, an offshoot of the Massachusetts Institute of Technology, fears what else could happen in the Northeast if average temperatures and carbon dioxide levels continue to increase.

"Global warming may also spur the earlier arrival of migratory insects and allow some species to produce more generations within a single season," the union said in a report last month. "Plant-feeding pests may also eat more and cause greater crop damage as rising CO2 lowers the nutritional value of plant tissues."

Specifically, the report warns of fruit pests such as the apple maggot producing more generations as temperatures rise. It also cautions that warmer winters could increase the number of corn earworms and flea beetles that carry Stewart's wilt, a bacterial disease that can ruin crops of sweet and field corn.

"It is reasonable to assume that other insect pests will similarly increase in population and expand in range as the Northeast warms," the report continues.

That could be costly to Vermont's \$3 billion a year agricultural sector: "An increasing number of outbreaks of a wider variety of insects would likely boost pesticide use by farmers in the region," the report says.

But one segment might be spared: "Organic farms, which invest more in labor-intensive pest control, tend to grow a more diverse set of crops that may be less vulnerable to increasing insect pest populations."

In the meantime, Turmel is working with farmers and gardeners as well as exterminators who need help identifying new pests.

"There are millions of insect species," the entomologist says. "I'm still working on the first 100,000."

Even so, he's not looking to see everything. Take fire ants, a pest found in 13 Southern states that can ravage crops, inflict pain on humans and kill birds and small animals.

"Our cold weather is keeping a lot of things away. But if it warms up, fire ants conceivably could move up this far and live. We're such a global economy, it wouldn't be hard for anything to show up here. There are species of insects that I hope I'm long gone before they're here."

Then again, that's what he said about the hemlock woolly adelgid before seeing it this summer.

"When it comes to insects, we're going to win a few battles, but we're never going to win the war. They can fly, they can hide, they can multiply, they can become resistant, they can adapt to any environment. Insects affect our lives in so many ways. That's why with global warming, things that aren't a problem now could be down the road."

Contact Kevin O'Connor at kevin.oconnor@rutlandherald.com.

Florida Crystals Selected for New Ethanol Plant

WEST PALM BEACH, Fla., Aug. 23 /PRNewswire/ -- The University of Florida selected Florida Crystals Corporation's Okeelanta facility as the site to build a cellulosic ethanol research and demonstration plant in Palm Beach County. In a unanimous vote on Tuesday the university selection committee chose Florida Crystals from a list of bidders to construct a cellulosic ethanol plant that will produce 1 million to 2 million gallons of ethanol a year.

This \$20 million project is financed through a state grant to encourage the development of alternative energy resources. Technology developed by UF professors will be used to convert sugarcane bagasse and other biomass into ethanol, a clean energy alternative that protects the quality of our water and air.

"This partnership is an important step in developing reliable, clean energy resources for Florida," said Gaston Cantens, Vice President of Corporate Relations for Florida Crystals. "We are committed to the development of renewable sources of energy. We are excited about this collaborative project with UF and hopeful that it will help our state move forward in expanding renewable energy alternatives and reduce our dependence on foreign oil."

Florida Crystals has gained the expertise and recognition in the area of renewable energy, operating the largest renewable energy power plants in the nation. Fueled by sugarcane and yard trimmings, Florida Crystals generates clean electricity to run its operations as well as power 60,000 homes. Florida Crystals also partnered with Florida International University earlier this year to do additional cellulosic ethanol research.

The Fanjul family's privately-owned Flo-Sun, Incorporated, is headed by Alfonso Fanjul, Chairman and CEO, and J. Pepe Fanjul, Vice Chairman, President and COO. Flo-Sun and its subsidiaries have operations in South Florida, the Dominican Republic, Belgium, Canada, California, New York, Maryland, and Louisiana. Its consolidated operations own 400,000 acres, harvest 10 million tons of sugar cane and refine 4 million tons of sugar each year, own and operate the largest renewable energy biomass power plant in the United States, and farm and market organic sugars and rice. They also have extensive real estate development operations, and own and operate the Casa de Campo Resort in the Dominican Republic. The companies have combined revenues of approximately \$3 billion. Their sugar brands include Florida Crystals(R), Domino(R), C&H(R), Red Path(R) and Jack Frost(R). None of their businesses manufacture alcoholic beverages of any kind.

August 27, 2007; By Sean Mussenden, **Media General News Service**

A bitter battle over sugar in Washington

WASHINGTON - That spoonful of sugar mixed into a morning cup of coffee is one of the sweetest substances on the planet. Yet this summer, it stands at the heart of a bitter, multi-billion dollar battle, pitting politically connected Southern sugar farmers against candy makers in North Carolina and Virginia.

As Congress retools a large package of subsidy programs for U.S. farmers, known as the Farm Bill, lawmakers are set to expand sugar benefits at the behest of politically connected sugar cane farmers in Florida and Louisiana.

The House voted to approve the change last month, and the Senate is set to debate the issue when it returns from vacation next month.

Critics of the program - mostly consumer groups and companies that use sugar - hope Congress will scrap the decades-old program altogether this year. They complain that the sugar program forces U.S. consumers and food companies to pay far more for sugar than competitors in other countries.

"We just want a level playing field. Our competitors in Mexico don't pay near what we do for sugar," said Chris Reid, president of a Piedmont Candy Co., a family owned candy maker in Lexington, N.C. He estimates federal sugar policy costs his company an extra \$750,000 per year.

The Hershey's Chocolate Company, which has a Stuarts Draft plant, refused comment from its Pennsylvania headquarters on the issue, referring any comments to the National Confectioners Association. McKee Foods Corp., which also has a Stuarts Draft plant and makes Little Debbie snack cakes, could not be reached for comment.

For decades, the federal government has paid subsidies to growers of staple crops like corn to ensure a steady domestic supply. The government does not pay direct subsidies to sugar farmers.

To keep U.S. sugar growers afloat, it offers guaranteed loans to sugar producers and restricts imports of cheaper foreign sugar. In doing so, the government essentially sets the base price for sugar, and in most years it trades for far more here than in other countries.

Last month, a pound of raw U.S. sugar cost 22 cents, almost double the world price of 12 cents, according to the U.S. Department of Agriculture.

Historically, the sugar program has cost taxpayers nothing or very little each year - at least directly. Indirectly, though, it forces U.S. consumers to pay higher prices for thousands of products, from candy bars to little packets of the sweet white crystals, amounting to \$1.5 billion a year, according to a report by the Organization for Economic Cooperation and Development.

A growing wave of U.S. factories that make lollipops and chocolate bars have decamped to countries such as Mexico in search of cheaper sweetener over the last decade.

Sugar farmers and their supporters in Congress say those costs are the tradeoff for ensuring a reliable source of sugar produced here. To help sugar farmers, the House voted last month to ease restrictions on the amount of sugar U.S. growers can sell and to raise the price support loan guarantee rate a half cent, to 18.5 cents for raw cane sugar, and 23.5 for refined beet sugar. Economists expect that to drive up sugar prices here.

"It's a very minimal increase," said Phillip Hayes, spokesman for the American Sugar Alliance, a producer advocacy group.

<http://www.kxmb.com/getArticle.asp?ArticleId=156707>

Aug 27 2007 1:04PM; Associated Press

MinnDak Farmers coop predicts sugar yields of 20 tons an acre...

(Gary Rogers, KBMW, [Wahpeton](#)) WAHPETON, N.D. (AP) The Minn-Dak Farmers Cooperative says that if its [sugar beet](#) harvest were to start today, the average yield would be 17.8 tons per acre.

Officials of the Wahpeton company are predicting a higher yield of more than 20 tons an acre by the time the full harvest begins.

Minn-Dak officials say the pre-harvest will start September 12th, with slicing at the factory to start two days later.

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http://www.action3news.com/Global/story.asp?S=6988483&nav=menu550_2

August 27, 2007; Associated Press

Western Sugar completes final sampling

SCOTTSBLUFF, Neb. (AP) - Western Sugar Cooperative has completed the third and final sampling of this year's sugar beet crop, and officials say the results look good from growers.

Jerry Darnell is area ag manager for Western Sugar Cooperative. He says the 2007 crop is pegged at more than 23 tons per acre, with a more than 16% sugar content.

Darnell says that tonage estimate is the highest in the last 12 years, while the sugar projection is slightly behind the average. Darnell says a limited early harvest will begin on Sept 24th, while regular harvest is scheduled for October 6th.

Information from: KNEB-AM, <http://www.kneb.com>

Syngenta takes sugar beet back to the tropics

Syngenta has developed a variety of sugar beet that is suitable for cultivation in tropical climates that is expected to boost output and farmer income, and has initiated two products to develop its use for food and biofuel in India.

Today sugar beet is usually grown in northern climates, whereas sugar cane is better suited to tropical countries like India. Indeed India's sugar cane industry is second in size only to Brazil's, with production of 420.1m metric tonnes in 2005 according to the UN's Food and Agriculture Organisation.

But the agribusiness recognized a need to up sugar production in the face of new demand driven by the food versus fuel debate, growing population and changing eating habits. Its new variety is said to take half as long to grow as sugar cane (five to six months compared to 12 to 14), so farmers can grow two crops in the time it would normally take to grow one and increase their income accordingly.

It is also suitable for saline and poor quality soil that cannot be used for other agricultural purposes. This means that sugar output can be expanded without the need to take over more agricultural land.

The beet variety also uses 30 to 50 per cent less water than sugar cane - an important factor in parts of the world where the resource is in short supply. A spokesperson for Syngenta described it as *"the only beet that can be found next to a sugar cane field"*.

In fact, sugar beet originally came from warmer climates, after Napoleon took it north and varieties became adapted to conditions there. Over the last 200 years it has disappeared from the southern hemisphere.

However the spokesperson said that this historical aspect was not a part of Syngenta's development activities. Rather than returning to a historical variety, the firm developed a new one with the precise characteristics it required by tapping its large, proprietary portfolio of beet varieties and conducting a painstaking breeding process over a 12 year period.

Moreover, he stressed that tropical beet is not proposed as an alternative to sugar cane cultivation, but a complementary product.

Given the demands of growing population and welfare, shifting diet patterns and the need for alternative energy, there is a need to increase sugar output in an environmentally-friendly way and in a way that supports farmers, he said. Specifically, the beet grows in five to six months, compared to 12 to 14 months for sugar cane. This means that

The first harvest has already been brought in, although this was not on a commercial scale, said the spokesperson. Beet earmarked for food use was grown on some 120 acres of land, and this is to be processed at a pilot plant commissioned the Samarth Cooperative Sugar Mill at Ambad, near Jalna, Maharashtra, and set up in cooperation with the Vasantdada Sugar Institute (VSI), an organization dedicated to the development of the sugar industry.

Syngenta is continuing to develop ways for processors to integrate beet processing into their existing cane processes. A large part of the processing is the same as for sugar cane - that is, in both cases the syrup must be squeezed from both beet and cane.

As for the new market of biofuels, Syngenta is working with a company called Harneshwar Agro Products, in which some 12,000 farmers are shareholders, which has built a bio-ethanol production plant for the processing of Syngenta's tropical beet.

He said that there is a possibility of a parallel farmer-owned company for beet destined for the food industry, but the sugar mill system is already much more developed and mature whereas biofuel is a new area.

"It is less developed, so we can play a role in such projects," he said.

Most of the testing has taken place in India, and this is the first country that will see the benefit of commercialization.

According to VSI, the sugar is India's second largest industry (after textiles), with an annual turnover of around Rs 30000. There are more than 550 sugar factories in India, and the industry provides employment for around 0.4m people.

India's minister for food and agriculture Hon Mr Sharah Pawar said: *"The Indian government is highly interested in Syngenta's technological capabilities to support the growth of India's agricultural sector... I am sure the Indian sugar industry will happily work together with Syngenta to further optimize the crop and introduce it to growers across the country."*

Syngenta also plans to make the variety available in other tropical countries, and some tests have been conducted in places like Sudan and Central and South America to ensure it is suitable for conditions there too.

Syngenta, which claims a top three position in the commercial seeds market, reported annual sales of approximately US\$9.1bn in 2006.

August 29, 2007; Reuters

China defends food safety standards to WHO

BEIJING - China has sent a notice to the World Health Organisation defending its food safety standards and sentenced another food and drug watchdog official for bribery, its latest moves to assure the world its exports are up to par.

A series of scandals involving sub-standard Chinese exports ranging from pet food and toothpaste to toys has put increasing pressure on Beijing to clean up its manufacturing sector.

The notice, posted on the Health Ministry's Web site (www.moh.gov.cn) on Wednesday but sent one week ago, said China was willing to cooperate globally to tackle the problem. "The Chinese government is willing to increase information exchange and communication with international society and other countries in line with its attitude of openness and transparency," it said.

The notice detailed the actions and laws China has adopted to ensure food safety, explained the roles of the various watchdog bodies and promised to "strike hard" against illegal behavior by companies.

In its latest move to crack down on lax official enforcement, a court sentenced Zheng Shangjin, former head of the food and drug safety watchdog in the eastern coastal province of Zhejiang, to four years in prison for taking bribes and abuse of power, the official Xinhua news agency reported.

The court showed leniency in the sentence because Zheng surrendered to police and the 680,000 yuan (\$90,000) he had accepted in bribes was recovered, the report said. The sentencing follows the execution in July of Zheng Xiaoyu, former head of the national food and drug safety watchdog, for corruption.

On Tuesday, an appeals court in Beijing upheld the suspended death sentence for Cao Wenzhuang, former head of the drug registration department under the State Food and Drug Administration, the Southern Metropolis Daily said. Cao, who worked under Zheng Xiaoyu for years and was once his secretary, was convicted of dereliction of duty and taking bribes worth over 2.4 million yuan from pharmaceutical companies.

The Health Ministry notice said the quality of farm products was already greatly increasing. "At present, more than 94 percent of vegetables meet chemical residue standards," the notice said.

A spokeswoman for the WHO in Beijing said though it had not requested the Health Ministry's report, it welcomed it. "While there's nothing specifically new in it, it does show that China has recognized it has a challenge and is working to address it," said spokeswoman Joanna Brent. "We're pretty positive about that."

http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news_view&newsId=20070830005511&newsLang=en

August 30, 2007; **BUSINESS WIRE**

Focus on the Beet Sugar Manufacturing Industry In The U.S. Q2 2007

DUBLIN, Ireland--Research and Markets (<http://www.researchandmarkets.com/reports/c67082>) has announced the addition of "Beet Sugar Manufacturing Industry In The U.S. (Q2-2007 Edition)" to their offering.

This industry report focuses upon the Beet Sugar Manufacturing industry. This U.S. industry comprises establishments primarily engaged in manufacturing refined beet sugar from sugarbeets.

This industry report includes 142 pages of the latest market research information on this industry. In addition to the detailed explanations of the provided statistical data, there are 112 charts, 18 tables, and 2 maps to effectively illustrate the content. Use this report as an in-depth analysis of the industry, an industry reference guide, an aid for benchmarking and forecasting, and as a tool for uncovering new business opportunities. The report is considered the most comprehensive research in the market.

The industry's revenue for the year 2006 was approximately \$2,840,000,000. The gross profit was 31.35% at \$890,340,000. There were 28 establishments in this industry that year. Thus, average contribution (or revenue) per establishment annually was \$101,298,000.

There are no import/export data for this industry. For reference, we are using the Sugar Manufacturing industry (NAICS - 31131).

The total import export value for the year 2006 was \$1,912,529,000. There were 120 countries that conducted foreign trade with the U.S. in 2006, 3 fewer than year 2005. The top trading countries were: Mexico, \$527,988,000 (27.61%); Brazil, \$143,184,000 (7.49%); Dominican Republic, \$130,394,000 (6.82%); Guatemala, \$129,073,000 (6.75%); and Philippines, \$102,952,000 (5.38%). Their combined total represents approximately 54% of all imports and exports.

The total import value for the year 2006 was \$1,485,514,000. This represents a 44.6% increase from year 2005. The top importing countries were: Mexico, \$392,262,000 (26.41%); Brazil, \$128,418,000 (8.64%); Dominican Republic, \$122,021,000 (8.21%); Guatemala, \$113,433,000 (7.64%); and Philippines, \$92,395,000 (6.22%). Their combined total represents approximately 57% of import from all countries.

The total export value for the year 2006 was \$296,041,000. This represents a 25.7% increase from year 2005. The top exporting countries were: Mexico, \$114,258,000 (38.60%); Canada, \$43,177,000 (14.58%); Japan, \$42,776,000 (14.45%); United Kingdom, \$11,645,000 (3.93%); and Morocco, \$7,140,000 (2.41%). Their combined total represents approximately 74% of export to all countries. The total U.S. consumption value of this industry for the year was \$2,840,000,000.

For more information visit <http://www.researchandmarkets.com/reports/c67082>.

Research and Markets; Laura Wood, Senior Manager, Fax: +353 1 4100 980, press@researchandmarkets.com

<http://www.signonsandiego.com/news/mexico/20070831-9999-1b31mextruck.html>

August 31, 2007; By Paul M. Krawzak, COPLEY NEWS SERVICE

Thursday would be earliest start date

WASHINGTON – The U.S. Department of Transportation has delayed plans to open the border to long-haul Mexican trucks until at least Thursday, after earlier reports that it could happen over Labor Day weekend.

In a filing yesterday in the Ninth U.S. Circuit Court of Appeals in San Francisco, government attorneys said the agency expects to get the OK from its inspector general on Wednesday that would allow it to begin the controversial cross border trucking experiment.

The agency “anticipates that the program will not begin before Thursday,” the U.S. Justice Department said in its response to a Teamsters union lawsuit that seeks an emergency injunction to block the border opening.

Attorneys for both sides said last night they had no indication of how soon the court might act.

The disclosure marks the first time the agency has publicly given a specific date when the long-delayed program might begin.

The government court filing said that on the first day of the program only two Mexican carriers operating a total of seven trucks will be granted permission to cross the border.

One is Luciano Padilla Martínez, a Tijuana-based company that said it will send five trucks into the United States.

The other firm that would get immediate operating authority is Fernando Páez Treviño, a carrier in Apodaca, Nuevo Leon.

U.S. Transportation Secretary Mary Peters in February announced plans for a one-year pilot program to test the safety of Mexican trucks in the United States. The agency now appears on the verge of commencing the project, in which up to 100 pre-approved Mexican carriers would be able to send hundreds of trucks throughout the United States for the first time since 1982.

American truckers who receive approval from the Mexican government would be able to travel in Mexico for the first time under the program.

The Bush administration is pushing to start the experiment as soon as possible as a step toward a wider opening of the border to commercial traffic, as required in the North American Free Trade Agreement.

Critics, including several trucking and safety organizations and dozens of lawmakers, complain the administration has failed to guarantee the trucks will be safe.

Rep. Duncan Hunter, R-Alpine, blasted the Department of Transportation for “demonstrating complete disregard for the safety of vehicle motorists and the security threat created by granting Mexican truckers unrestricted access into the United States.”

He accused the agency of ignoring congressional requirements.

“We feel like we have met the requirements,” said John H. Hill, who oversees the program as administrator of the Federal Motor Carrier Safety Administration. He added that an upcoming assessment from the inspector general might identify some “issues and concerns” that the agency will have to address.

The pilot program cannot go forward until the inspector general certifies it has met congressional requirements.

Hill said the agency also must file a report with Congress responding to the assessment before it can start.

The inspector general's office has confidentially briefed congressional staff about the upcoming report this week.

One staff member familiar with the briefings said the inspector general had some concerns but they were “not huge issues.”

The lawsuit filed by the Teamsters and a handful of other groups Wednesday alleges the agency has failed to comply with several congressional requirements – including giving U.S. carriers simultaneous access to Mexican highways and marshaling a statistically valid sample of drivers for the project.

The government responded that the project will satisfy all congressional requirements, while requiring Mexican carriers to pass pre-certification inspections and comply with the same requirements as American truck drivers.

In an interview, Hill said no Mexican trucks would be allowed to cross the border until U.S. trucks get the same privilege.

“We will not start it unless Mexico grants authority at the same time” to U.S. truckers, he said.

The agency defended its sample of up to 100 carriers, which it said is one-tenth of the number of Mexican trucking companies that applied to cross the border.

The agency estimated the 100 carriers would send 540 trucks into the United States.

The government said further delays to the program could jeopardize diplomatic and trade relations with Mexico.

Hill said up to 44 Mexican trucks would come into the United States in the first few days of the program. “And by month's end, maybe a total of 174,” he added.

Sweeteners: How the brands measure up

Most nonsugar sweeteners will taste fine in your tea or lemonade. But use some of them for baking a cake, and you could have a real flop. These are the findings of our tests of 13 lower-calorie and no-calorie sweeteners, which we added to drinks and used to bake cookies and cakes, following package directions. We found that no sweetener does it all and that no-calorie products didn't bake as well as lower-calorie sweeteners: In other words, you can't really have your cake and no sugar too.

By far the best "fooler" in the lemonade and baked goods was a brand of fructose, which is the type of sugar found in fruit and honey. When used as directed in recipes for batter cakes, it gave better results than the other sweeteners. But it provided almost as many calories in the recipe as the real thing, and it costs almost five times as much.

In lemonade, most did well, but differences were noticeable. For example, the packets of an aspartame sweetener left no artificial taste, while a sucralose sweetener had an artificial-sweetener flavor and was a little bitter.

Questions linger about possible health effects of two of the oldest sweeteners, saccharin and aspartame (see [Aspartame & Saccharin](#)). The newest sweetener, the herbal product stevia, is labeled a dietary supplement, so it didn't require approval by the Food and Drug Administration. Among our findings:

Cost ranged widely. The price of the equivalent of 2 teaspoons of sugar ranged from 2 cents for Wal-Mart's Great Value Altern to 66 cents for Sweet Simplicity. Two teaspoons of sugar cost a penny.

Some instructions were vague. The Web site for a fructose sweetener said to "use it just like sugar to sweeten hot and cold drinks" and indicated that you can bake with it, though it's sold only in packets, not in bulk. But it didn't include any usage-amounts information. (For that reason, we listed its results only for lemonade.)

Lower-calorie, but not the same. Compared with a piece of the cake we baked with sugar, which had 77 calories, a piece of cake baked with fructose had 72, and with a sugar blend, 51. A piece of our sucralose and sugar blend cake had 38 calories.

Two stand-ins were too many. In a separate test, when we replaced the brown sugar in the recipe for Nestlé Toll House chocolate chip cookies with a sucralose and brown sugar blend, we got a decent soft-baked cookie. But when we replaced both the brown and the white sugars with their sucralose equivalents, the cookies came out dry, with a prominent, lingering artificial flavor.

Baking turns up the heat. Our baking tests turned up major variations in color, texture, taste, and even size of the finished product. Two sugar stand-in blends for baking showed promise, turning out tender, sweet, golden-brown cakes and cookies that could pass as decent substitutes for the real thing. (Both of those products include some real sugar.)

But the cake we made with an aspartame sweetener emerged from the oven looking and tasting like a biscuit--flat, dense, and with no hint of sweetness. The aspartame sweetener cookies came out tender but equally unsweet. The container says in large print, "Measures like sugar." Smaller print near the bottom of the container suggests that the aspartame sweetener can be used for baking but cautions that it, "may become less sweet in some prolonged heating applications."

No such disasters occurred with the lemonade and tea. But our testers could detect at least some artificial-sweetener flavor in most cases.

http://www.in-forum.com/articles/index.cfm?id=176735§ion=Business&forumcomm_check_return&freebie_check&CFID=51361448&CFTOKEN=20332684&jsessionid=883056b10cfa6536633d

August 31, 2007; [Jon Knutson](#), The Fargo, ND Forum

Wheat has good year in region

Fran Leiphon didn't have an easy wheat harvest, but he likes the results. Though cool, cloudy days hampered harvest, the Crary, N.D., farmer was pleased with yields, quality and prices. "It was a good year for wheat," he said.

Most of the region's above-average wheat crop is harvested. Dry, warm weather is needed to get the rest, especially in areas hit with persistent August rain.

Rains in North Dakota's McIntosh County have slowed harvest and hurt the remaining wheat, said Brent Schilling with CHS-South Central Grain in Wishek. "We really need some dry weather so we can finish the wheat," he said. Apart from harvesting problems, farmers in Schilling's area – struck by devastating drought a year ago – are pleased with this year's wheat, he said.

The U.S. Department of Agriculture pegs North Dakota's average spring wheat yield at 39 bushels per acre, up from 31 last year when drought hammered much of the region.

Minnesota's average spring wheat yield is estimated at 50 bushels per acre, up from 47.

The improved yields are magnified by higher prices. Wheat sells at area elevators for about \$6 per bushel, compared with about \$4.25 a year ago. An average acre of North Dakota wheat that grossed about \$130 last year would gross about \$240 this year at current prices. Many farmers sold a portion of their wheat in advance of harvest for much less than \$6.

Wheat yields, though outstanding in much of the region, weren't so good in parts of the Red River Valley, including Cass County. "The wheat was a little disappointing this year," said John Kringler, Cass County Extension agent. Too much early season moisture caused some Cass wheat acres to drown out, and too much heat at a crucial time in the crop's development cut into yields, he said. A midsummer hailstorm that pounded northwestern Cass also hurt, he said.

But corn and soybeans, which were planted later than wheat, look good in most of Cass County, Kringler said.

That's also true in most of the region.

In North Dakota, 95 percent of soybeans and 94 percent of corn are in fair to excellent shape, the USDA says. In Minnesota, 71 percent of soybeans and 83 percent of corn are fair to excellent.

The Minnesota corn and soybean crops were hurt by drought in the central and eastern part of the state.

Doug Holen, a Fergus Falls-based Extension educator, said drought hurt some corn and soybeans in his area. But other fields had more rain and look good, he said.

The early sugar beet harvest is under way at American Crystal Sugar, said spokesman Jeff Schweitzer. The Moorhead-based cooperative estimates average yields of 23 tons or 24 tons per acre, compared with 25 tons last year and the five-year average of 21 tons. Full-scale harvest is scheduled to begin Sept. 29. The cooperative anticipates harvesting 495,000 of the 500,000 planted acres.

9/6/2007; By Charlotte Eyre, FoodNavigator.com

Sugar waste used for food packaging

Bagasse, a previously useless waste product from sugar cane, can now be used to make biodegradable packaging for food products in Thailand, its manufacturers claim.

With governments now concerned that Asia's rapid economic growth is leading to disastrous environmental harm, alternatives to plastic packaging are constantly being sought by food companies in the continent.

The new "bagasse boxes" are made out of agricultural sugar waste, and so decompose after use, claims its Thai manufacturer, the Biodegradable Packaging for Environment company.

The packaging can be used instead of traditional plastic-based packaging, the company said, and so are both safe for human health and environmentally friendly.

According to the newspaper the Bangkok Independent, the company created the packaging because of its breakthrough in developing a binder substance that forces bagasse pulp particles to join together.

The resulting substance is both heat- and water-proof, and has passed US Food and Drugs Administration (FDA) standards, the newspaper said.

The project was funded in part by the Thai National Innovation Agency (NIA), which donated Bt20m to the project as part of a drive to encourage the development of bio-based products across the country.

Over the past five years packaging suppliers have been introducing various forms of biodegradable plastics made from a variety of plants, in the main corn, as a clean alternative to petroleum-based plastics.

Some companies predict that the environmentally-friendly packaging market will grow by about 20 per cent a year, as an alternative to petroleum-based packaging such as the widely-used polyethylene terephthalate (PET).

Bagasse is a fibre product produced from sugarcane waste, often thrown away as uneconomical waste.

However many companies around the world have started to catch on to the idea that Bagasse can make a cheap but efficient way of packaging foods.

Cadbury is possibly the largest company currently using bagasse as part of its ethical concern plans. In India, the company's Induri plant uses it as a renewable fuel to provide steam for manufacturing.

Sep 6, 2007; by Stephanie Antonian Rutherford, The Battle Creek Enquirer

Harvest will be sweet

Months of extreme weather have bruised apple crops throughout Michigan, but local orchard owners said they're still in good shape for the picking season.

April's unexpected deep freeze was the first blow to Michigan's apple crops, nearly wiping out McIntosh apple growth across the state, Denise Yockey, executive director of the DeWitt-based Michigan Apple Committee, said.

"Despite some of the weather, we're actually having a really good year," Yockey said. "Field crops like soybeans and corn do very poorly in high heat and dry weather — but apple trees are so much more deeply rooted that they are able to tap into water reserves held in the ground."

Apples are Michigan's largest fruit crop by volume, making up about 75 percent of all fruit crops. This year, the U.S. Department of Agriculture expects Michigan to harvest 840 million pounds, or 20 million bushels, of apples — up from Michigan's five-year average of 18.4 million bushels.

That's very good considering the weather apple growers faced in 2007, Mark Longstroth, the Michigan State University Extension office's district fruit educator for southwestern Michigan, said.

Michigan's relatively mild and dry winter ended up hurting growers when the unexpected cold snap sent temperatures plummeting, which shocks fruit-bearing trees that have already begun to flourish in temperate weather, Longstroth said.

Longstroth's theory was evident at Gull Meadow Farms in Richland, where, like most orchards across the state, the McIntosh trees are nearly barren.

"Because of the unusually warm weather, the blossoms had started to bloom," said owner Dave Wendzel. "It froze them right up. The McIntoshes are almost nonexistent."

And though long stretches of dry, scorching weather in July and August did some more damage, it didn't have a huge effect on apple crops as a whole.

"Actually, people will notice that the apples this year will be much sweeter," Yockey said. "The heat and limited rainfall is stressful to apple trees. It causes the starches in apples to begin converting to sugars, making a sweeter tasting apple."

But not all news is sweet this year for local growers who rely on pick-your-own business.

According to the Michigan Apple Committee, small family-run farms dominate the Michigan apple industry and 99 percent of Michigan orchards have fewer than 100 acres in apples — so one wiped-out variety can make a big dent for local apple growers.

"The weather hurt us, our McIntoshes are dropping bad," said Milly Harrison, who owns Albion's Harrison Orchard with her son, Gary.

Harrison said while many of her McIntoshes never developed because of a freeze, the ones that did grow fell because of heat-weakened stems.

"But some of our trees, like the Red and Golden Delicious, are about average and doing well," said Harrison, who has spent more than 50 years in the apple business.

Wendzel said while his early-blooming McIntoshes were damaged by cold, his late summer red and golden varieties sustained some damage with recent scorching temperatures.

"Some got a bit sunburned from just day after day of hot sun," Wendzel said. "But overall, they are in good shape. The biggest thing is, the recent rain has caused them to grow faster and they are ready to be picked about 10 days earlier than most."

Wendzel, who has owned the orchard for more than 30 years, estimates about 70 percent of his apple crop was affected. Though it will hurt business on that end, he also has fall revenue coming in from the orchard's shop, pumpkin patches, children's activities and corn maze.

"We're in good shape. In this business, you come to realize that bad weather is the nature of the beast," Wendzel said. "Some years it's great, and some it's bad — but it usually all evens out in the end."

<http://westernfarmpress.com/news/091007-California-ethanol/>

Sep 10, 2007 4:08 PM, By Cary Blake, Western Farm Press Editorial Staff

Imperial County is bull's-eye for potential California ethanol boom

The California gold rush in the mid-1800s drew 300,000 people by covered wagons and sailing ships seeking financial prosperity. Today's renewable fuels boom engulfing the nation resembles a modern day gold rush — one about to mesmerize California again.

The Golden State's bull's-eye for renewable fuels expansion is Imperial County, with a handful of proposed plants in the concept, permit, or construction stage.

While the Midwest remains the nation's epicenter of corn production and corn-based ethanol production, investors — including some California farmers — have aspirations to produce ethanol with locally grown crops like sugarcane.

Imperial County agriculture is a \$1.3 billion industry with livestock, vegetables, melons, hay and pasture as the leading commodities. Under some ethanol ventures, the face of Imperial County agriculture could forever change.

Sugarcane initiative

California Ethanol & Power, LLC (CE&P), Brawley, Calif., plans to develop, finance, build, and operate five sugarcane-to-ethanol plants in Imperial County. CE&P is owned by Batley Farms in Brawley, a management team, and third party investors. Batley Farms would supply the locally-grown cane.

The company has purchased land in an industrial area between El Centro and Brawley for the first plant, and eventually a possible second plant.

"Each plant will use sugarcane grown on 30,000 acres in Imperial County to produce 50 million gallons of fuel-grade ethanol and substantial amounts of commercial grade carbon dioxide annually," said Nora Batley, who serves as CE&P vice-president of Imperial County matters.

At 30,000 cane acres per ethanol plant, that's 150,000 sugarcane acres required for CE&P's five plant build-out.

According to the Imperial County Agricultural Commissioner's office in El Centro, Calif., Imperial has 450,000 acres of irrigated agricultural land, including less than 600 acres of sugarcane currently in the ground. Under CE&P's plan, a third of the county's irrigated land would move into cane production.

"Each CE&P plant would cost about \$150 million and employ over 150 people. The first plant would start production in early 2010," Batley told *Western Farm Press*.

Ethanol would represent just one end product of the plants. Burned field waste and bagasse (sugarcane stalks left over after the juice extraction) could produce up to 50 megawatts of electricity per facility — six megawatts to power the plant and 44 megawatts sold wholesale as renewable energy into the California power grid system, Batley said.

With 50 years of farming experience, William Batley, Jr., Nora's father, grew vegetables on 3,000 to 4,000 acres near Brawley and was the general manager of an alfalfa dehydrating and export sales business. The elder Batley is CE&P's chairman.

"While there's been lots of talk about plants in the Imperial Valley, I have personally invested close to \$3 million in this plan so far," the elder Batley said. "CE&P will produce the ethanol and Batley Farms will supply the sugarcane. Right now we are building one plant, one generating system, and we're in the permit process."

Batley Farms currently has about 10 farmers growing seed cane increases, and has signed five-year contracts with farmers to grow and supply 30,000 acres of cane for the first plant, Batley said.

What is the financial value of growing sugarcane for sugar versus for ethanol?

"It's about twice as much if you grow it for sugar," Batley said. "The world market for sugar is 7 or 8 cents and the federal government kicks in 14 cents to equal a U.S. base price of 21 cents. It's a lot of hoey in my opinion. I don't want any federal subsidy.

"We have figured out a way to produce 1,200 gallons of ethanol from an acre of sugarcane, plus electricity from the bagasse to come out ahead financially. After all costs, the farmer has a \$300 to \$500 per acre profit."

Each CE&P ethanol plant would require 60 to 70 cane growers. While some growers might grow several thousand acres, most would likely start with about 300 acres of production, Batley said.

"We will write a contract, fully finance the cane growing, and guarantee them a profit. We don't ask them to risk any money whatever. It is fully financed and guaranteed. We're not asking any farmer to promise his soul away."

Other Imperial ventures

Several other biofuels ventures in the concept, permit, or construction stage in Imperial County include:

- Cilion, Goshen, Calif. — corn based, 55 million gallons, planning stage, Brawley area.
- Imperial Bioresources LLC — corn, sugar beet/cane based, 58 million gallons, planning stage, Brawley area.
- Imperial Valley Biodiesel — tallow, vegetable oil based, three million gallons, El Centro area.
- Pacific Ethanol, Sacramento, Calif. — corn based, 50 million gallons, under construction, Calipatria.
- USFarms Inc., San Diego, Calif. — corn, 50 million gallons, planning stage, Brawley area.

If the sugarcane ventures are successful, cane production would change the agricultural landscape in Imperial County by replacing other crops in the ground.

Alfalfa is one crop that could get squeezed out. In 2006, 71,663 acres of alfalfa were grown in Imperial County. For putting dollars faster into farmers' pockets, cane could outdistance alfalfa.

"Alfalfa is a three-year crop in the Imperial Valley. About every six weeks a grower has to mow, rake, bale, and sell it. It's a crop that requires a lot of diesel fuel. The farmer's money is tied up until after the sale," Batley said. "Sugarcane is a five-year crop. Once it's harvested and hauled to the plant once a year, the farmer gets paid."

Water concerns

The Imperial Irrigation District (IDD) is the largest irrigation district in the nation with over 3,000 miles of canals and drains. The district delivers up to 3.1 million acre-feet of the IDD's Colorado River entitlement to nearly one-half million irrigated acres. Agriculture utilizes about 97 percent of the water.

The IDD has announced plans to cut back available water to Imperial County in 2008. A water transfer agreement would send water to San Diego and Coachella.

The question is — how could water cutbacks impact large-scale sugarcane production?

If water reductions occurred, Batley said drip-irrigating sugarcane would be an option.

University of California Cooperative Extension Farm Advisor Juan Guerrero, an animal scientist who also conducts plant research in Imperial County, is concerned about the IDD's announcement amid large sugarcane planting intentions.

"Water will be a limited commodity," Guerrero said. "It hasn't been before in Imperial County, but it will now, as it already is in many areas of California. We're waiting on the IDD to announce who gets what. The issue is the availability of water to grow large amounts of sugarcane for ethanol. If you drip irrigate the cane, who is going to pay for the drip system?"

In addition to grain and sugarcane-based ethanol interests in the county, a company is exploring an ethanol operation utilizing cellulosic technology, Guerrero said.

"Can cellulosic be done? Yes, it can. Is it cost effective now? No — however, let the gene jockeys work to find the right enzyme cocktail. Cellulosic is so much more complex than starch. They'll get it done."

Early California ethanol

The first ethanol plant in California to open an 'ethanol spigot' went online in fall 2005 in Goshen. Started by Phoenix Bio Industries, the 30-million gallon a year plant was purchased by Los Angeles, Calif.-based AltraBiofuels Inc. in July 2006.

In fall 2006, Sacramento, Calif.-based Pacific Ethanol opened its first California plant in Madera, cooking up 40 million gallons annually from corn. The company also has a plant under construction at the Port of Stockton, San Joaquin County.

Other planned plants

AltraBiofuels plans to build a "cellulosic R&D" facility in Visalia, Calif. The company offered no further information.

Cilion is constructing a 55 million gallon, corn-based plant in Keyes, Calif., plus a proposed plant (corn) in the permit process in Famosa, Calif.

Under construction in Pixley, Calif., is a 55 million gallon corn-to-ethanol plant by Calgren Renewable Fuels.

September 10, 2007; By Marc H. Morial, President/ CEO, National Urban League

Congress must not forget Urban America in 2007 Farm Bill

The nation's capital leads the nation in childhood obesity, according to a recent U.S. Department of Health and Human Services survey. This fact comes as no surprise to the National Urban League. We studied D.C.'s 8th Ward, where more than one-third of residents live in poverty and more than one-third of its children are obese.

The neighborhood is a classic food desert. Saturated with fast food outlets, it doesn't offer a single full-size chain supermarket, and the three small grocery stores that do business there offer outdated meat and tired-looking produce. Fast food and convenience stores make up 81 percent of food resources. The Food Research and Action Center, a D.C.-based nonprofit working to eradicate hunger in the United States, has even given the neighborhood a grade of "D" for community food security.

Communities such as Ward 8 are one reason why this country is paying over \$100 billion a year in obesity-related health costs. Urban League affiliates are attempting to combat obesity by teaching people about healthy eating habits and the need to limit pro-cessed foods laden with fat and sodium. These efforts, however, are fruitless, without places to buy healthy food from.

As 8th Ward residents struggled to find a decent apple or a non-wilted bunch of collard greens, only one mile away the U.S. House of Representatives was writing its 2007 Farm Bill, the nation's most vital piece of food legislation. Calls for reform in farm-support programs and significant increases in nutrition and conservation spending made little progress. While the House included new programs and increased spending for existing ones, their size and scale simply do not measure up to the scope of the problem.

Over 300 doctors and other health professionals asked Congress to write a farm bill that will improve access to healthy foods, such as fresh fruits and vegetables, and help to build the infrastructure to get healthy foods to low-income communities.

At the NUL's annual conference, our affiliate CEOs called upon the House Agriculture Committee to authorize \$30 million in funding for the U.S. Department of Agriculture's Community Food Projects program, which helps low-income neighborhoods develop innovative solutions to food problems.

Did Congress listen? With 35 million Americans classified by the USDA as food insecure, the House passed a bill that made only marginal improvements to the Food

Stamp Program, the nation's most important defense against hunger. It increased the minimum monthly allotment from \$10 per person-where it has been now for over 30 years-to a stingy \$18.

Did Congress take significant steps to increase the availability of healthy food? Yes and no. It did authorize increased funding for distribution of fresh fruits and vegetables to the nation's schools over current levels but by only enough to reach two percent of all schools participating in the National School Lunch Program. This hardly represents progress when childhood obesity has reached epidemic proportions.

Did Congress address the issue of food desertification? The House passed legislation directing federal agencies to "study" the problem but failed to authorize funding for the Community Food Projects, a program that has helped neighborhoods address food deserts for the past 10 years.

Congress has also made little progress in reforming a system of commodity food production that rewards the overproduction of crops, adding unnecessary pounds to our waistlines.

Since 1985 the actual price of fruits and vegetables has risen 40 percent, while the price of sugar and fats has fallen as much as 14 percent. These disparities in the cost of healthy and unhealthy food reflect U.S. farm policies that give nearly nothing to fruit and vegetable producers but pass along the lion's share of public support to commodity crop farmers.

Let there be no mistake about it-urban America wants farmers to succeed. We have watched with delight as 4,500 farmers markets have blossomed nationwide. As those farmers have brought their abundance to urban consumers, we have brought our demand for healthy locally grown food. The synergy between city and country has never been so robust and the market opportunities so immense. That is why our farm policies must do more to strengthen the viability of local and regional farming to help meet the surging demand.

Underserved communities cannot be denied access to the same healthy and affordable food that is available to more affluent Americans. With good food and farm policies, we can realistically expect that our future generations will be free of the dietary challenges that now confront them.

We urge the U.S. Congress to take into account urban America's concerns before sending a final version of the farm bill to the president's desk - for the sake of Ward 8 and other communities facing serious health problems and limited access to healthy foods

Tuesday, September 11, 2007 By Kathie Smith, **The Toledo Blade**

Apples turn up the heat - Making sense of the market

Apples - let me count the ways that I love thee. Crispy, crunchy, juicy, bright red for eating, Golden Delicious for mellow-sweet, Granny Smith or old-fashioned Golden Grimes for pies, up-and-comers of crispy sweet Gala and the zingy Pink Lady, the darling of today's orchard Honey Crisp, and the multi-purpose McIntosh. Throw in a Jonathan or a sweet-firm Fuji, the baker's favorite of Rome or New York State's Empire plus an old-fashioned Winesap later in the season. It all adds up to delicious and refreshing. Apples can be eaten raw or cooked. When used in baked goods, apples are an all-American food. But this season I've discovered the economics of the apple. Here's the skinny:

Three trends in the U.S. apple industry stand out, according to Jim Cranney, vice president of the U.S. Apple Association in Vienna, Va.

Around 2000, a lot of apple tree acreage was taken out of production in response to economic circumstances: these include the Asian currency crisis in 1997 leading to a worldwide recession in 1998, consolidation of food retailing industry, and increased cheaper apple concentrate imports from China.

"But now, newer varieties have peaked consumer interest: Gala, Fuji, Cameo, Pink Lady, Honey Crisp, and Granny Smith are all excellent quality," said Mr. Cranney in a phone interview. "There's greater demand because of the new varieties."

A second trend is the popularity of fresh sliced apples that food service companies use especially in quick service restaurants. Even local supermarkets are selling sliced apples. The sliced apples stay fresh and white when dipped in a natural compound of ascorbic acid or Vitamin C, he said. The packaged sliced apples last on the shelf three weeks if refrigerated and carefully handled. Check the Use-By dates.

While the 2007 crop forecast is down, there are still plenty of apples. "The total U.S. crop is 212.5 million bushels which is 10 percent lower than 2006 and 6 percent lower than the five-year averages," said Mr. Cranney.

Washington State is the largest producer with 50 to 60 percent of the U.S. crop and it's crop is down 11 percent from 2006. "There's no particular reason. It's part of the cyclical variation. When apples came into bloom this year, they were not as prolific."

2007 crop

An early spring frost Easter weekend affected a lot of the apple trees in the southern growing region which were in full bloom, according to Mr. Cranney. The blossoms froze throughout southern Ohio, Indiana, and Illinois and even as far south as Georgia. "But there's still plenty of apples to go around," he said. "The year 2006 was one of the best crops for apple growers."

While there are reports of a smaller Ohio apple crop due to that Easter weekend weather, "All our varieties came back after that Easter freeze," said Jeff MacQueen of MacQueen's Orchard who expect 90,000 bushels again this year. "We have 85 percent of a full crop. Out of that 85 percent, there may be a few more that are used for cider due to the frost. It was cold enough affect the color of the skin but not enough to damage the apple." There will be a good supply of cider, which they'll begin making around Sept. 18 once they get a good blend of apples. Once they start picking the McIntosh and Jonathan, then there's a sweet and sour to mix.

Michigan expects an average crop in terms of quantity, according to Denise Yockey, executive director of the Michigan Apple Committee in DeWitt, Mich. "The rain has been good for the size. The flavor will be outstanding." The hot summer allowed the starches in the Michigan apples to covert to sugars early. "We got a littler earlier start this year. Our cool nights bring out the acids that counterbalance the sugar to enhance the flavor profile," she said in a phone interview. Michigan did lose some McIntosh because of the weather.

The New York Apple Association predicts an outstanding crop of very good size and quality due to ideal pollination conditions this spring and good growing weather since.

September 12, 2007; by Bob Moser, **The Advertiser.com**

Lacassine group targets sugar mill purchase **Syrup mill owners to add St. James site**

Owners of the sugar cane syrup mill in Lacassine are preparing to buy a recently closed sugar mill in St. James.

Andino Energy, a Colombian company that shares ownership of the Lacassine mill with a co-op of Lake Charles sugar cane farmers, made the highest offer for St. James Sugar Mill after its co-op decided to close earlier this year.

Andino Energy's goals for St. James is the big question now. If purchased, will Andino dismantle it for spare parts to use in Lacassine or another site? Or will they run the St. James mill to make syrup instead of sugar, shipping the syrup over to a future ethanol mill planned in Lacassine?

Randal Johnson, spokesman for Andino Energy, declined to comment Tuesday about the company's plans, hinting though that there's "economic and industrial potentials there." "Right now, I don't know if we need to reveal what we'd be doing (at St. James)," he said.

If purchased, St. James will be the latest addition to Andino Energy's portfolio of Louisiana agribusiness, anchored by the Lacassine syrup mill where an ethanol mill will be built this January.

Andino bought Iberia Sugars Mill last year, which was closed, and has made offers for another sugar mill in Jeanerette in the past.

Approval for the sale on St. James' end may come in the next few weeks, Johnson said. The South Louisiana Sugars Cooperative, the USDA and a bank in Colorado specializing in agribusiness all have to approve the purchase.

The Lacassine mill initially was state-built, financed in 2003 with Department of Agriculture and Forestry funds that came from state gambling revenue.

It opened in fall 2006, a year late because of Hurricane Rita. It was sold last fall to the Lake Charles Cane Cooperative farmers group. They brought on a partner in Andino Energy, with Andino holding 80 percent ownership and the co-op 20 percent.

The syrup mill was promoted by Agriculture Commissioner Bob Odom specifically for an ethanol mill to be built beside it, turning the syrup or molasses into biofuel.

The new owners' deal with the state requires follow-through on this ethanol mill, which they're doing. Louisiana Green Fuels, the first sugar cane-based ethanol mill in the U.S., should begin construction in January and be running by the 2008 fall harvest.

Even if the deal for St. James were finished before harvest starts in October, Andino Energy probably couldn't run the sugar mill this year. Cane farmers in that region signed contracts with other mills when they heard St. James was closing

<http://www.rttnews.com/sp/todaystop.asp?date=09/12/2007&item=24&vid=0>

Corn Crop Set To Produce Record 13.3 Billion Bushels

9/12/2007; Early in 2007, it was reported that U.S. farmers planted the largest corn crop since the 1944 harvest. Producers planted over 12 million more acres of corn in 2007 than last year, bringing the total acres dedicated to corn to a whopping 90.86 million. At the outset of the season experts predicted that the U.S. corn crop would equal a record 12.34 billion bushels.

As the record amount of corn is set to pop, questions have arisen regarding America's 2007 Farm Bill. The bill has been criticized for favoring commodities over fruits and vegetables, which leads to hard-to-find healthy options in urban environments.

Since the season began, farmers have been faced with late spring and early summer freezes, floods, droughts and storms, but even with the poor weather conditions the United States Department of Agriculture is calling for a record 13.3 billion bushels as of mid-September, up 254 million from the prior month.

The forecast yield of 155.8 bushels per acre would be the second highest ever, but 4.6 bushels per acre below the 2004 record. Total corn supplies are projected at a record 14.5 billion bushels, up 259 million from last month. With record amount of bushels expected, yet corn is still commanding more than \$3 per bushel due to ethanol demand. The mix of higher prices and huge supplies are leading states to record profit. Oklahoma is expected to see its first ever \$100 million-plus corn crop. Corn prices have come down from highs of \$4.30 per bushel, but are still well above the \$2.45 per bushel it fetched a few years ago.

As the corn crop continues to grow, questions about farm subsidies arise. The current bill is set to expire with the 2007 crop, and the U.S. government is discussing the next one. In years past, consumers have paid little attention to the bill, but links between health, obesity and how America's food is grown have cast light on the previously unnoticed legislation.

Senator Max Baucus (D-MT) is proposing agricultural tax credits, bonds and a trust fund to give up to \$10 billion in aid to U.S. farmers over the next five years. The Baucus plan also includes tax credit bonds for projects such as increasing rural tele-medicine programs and broadband access, among other economic development initiatives.

The House has already passed its version of the five-year farm bill, with an additional \$6.2 billion in programs to be paid for by a tax on certain multinational companies with U.S. subsidiaries. The House-approved farm legislation, which includes \$35 billion in crop subsidies for farmers, also contains production incentives that would benefit some of the world's biggest food companies, including Tyson Foods Inc. (TSN) and Archer Daniels Midland Co. (ADM).

Over 300 doctors and health professionals had asked Congress to write a farm bill that will improve access to health foods, i.e. fruits and vegetables, and help build infrastructure to get healthy foods to low-income areas. The improvements to the Food Stamp Program increased the minimum monthly allotment from \$10 per person per month to \$18.

Meanwhile, the actual price of fruits and vegetables has risen 40% since 1985, while the price of sugar and fats has fallen about 14%, reflecting the U.S. farm policies that give money to rice, cotton, corn, sugars and wheat and nearly nothing to fruit and vegetable producers.

Critics of the bill, including Marc Morial, President and CEO of National Urban League, have urged Congress to take into account urban America's concerns and limited access to healthy foods.

WASDE-450-16; September 12, 2007

SUGAR: Projected 2007/08 U.S. sugar supply is increased 414,000 short tons, raw value, from last month, with higher beginning stocks, production, and imports. Production is increased 50,000 tons, based on processors' projections compiled by the Farm Service Agency. Imports are increased 220,000 tons, accounting for 70,000 tons of refined specialty sugar tariff rate quota (TRQ) announced in August and 150,000 tons of non-program imports due to higher production and beginning stocks in Mexico. Use is unchanged.

U.S. Sugar Supply and Use 1/

Item	: 2007/08 Projection			
	: 2005/06	: 2006/07	: August	: September
	: Est.			
: 1,000 short tons, raw value				
Beginning stocks	: 1,332	1,698	1,628	1,772
Production 2/	: 7,399	8,494	8,291	8,341
Beet sugar	: 4,444	5,029	4,621	4,657
Cane sugar	: 2,955	3,465	3,670	3,684
Florida	: 1,367	1,713	1,774	1,774
Hawaii	: 223	237	268	282
Louisiana	: 1,190	1,335	1,430	1,430
Texas	: 175	180	198	198
Imports	: 3,443	2,090	1,889	2,109
TRQ 3/	: 2,588	1,630	1,284	1,354
Other program 4/	: 349	400	425	425
Other 5/	: 506	60	180	330
Mexico	: 420	60	175	325
Total supply	: 12,174	12,282	11,808	12,222
Exports	: 203	435	250	250
Deliveries	: 10,341	10,075	10,170	10,170
Food	: 10,184	9,850	10,000	10,000
Other 6/	: 157	225	170	170
Miscellaneous 7/	: -68	0	0	0
Total use	: 10,476	10,510	10,420	10,420
Ending stocks	: 1,698	1,772	1,388	1,802
Stocks to use ratio	: 16.2	16.9	13.3	17.3

1/ Fiscal years beginning Oct 1. Includes Puerto Rico. Historical data are from FSA, "Sweetener Market Data" except imports (U.S. Customs Service, Census Bureau). 2/ Production projections for 2007/08 are processor projections compiled by the Farm Service Agency. 3/ Actual arrivals under the tariff rate quota (TRQ) with late entries, early entries, and TRQ overfills assigned to the fiscal year in which they actually arrived. For 2007/08, includes shortfall of 70,000 tons. 4/ Includes sugar under the re-export and polyhydric alcohol programs. 5/ Does not include Mexico TRQ imports. For 2005/06, other high-tier (30) and other (56). For 2006/07, other high-tier (0) and other (0). For 2007/08, other high-tier (0) and other (5). 6/ Transfers to sugar-containing products for reexport, and for nonedible alcohol and feed. 7/ Includes SMD miscellaneous uses and the difference between SMD imports and WASDE imports.

September 14, 2007; by Nicole Gerring, **Bay City Times Herald**

Sugar beet farmers see fuel option

Growers hope crops could be gas alternative

Brothers Mike and Mark Noll will begin harvesting next week from their sugar beet fields in Fremont Township.

When the work begins, the large beets with their starchy white centers will be hauled to the Michigan Sugar Company plant in Croswell where they will be converted into granulated sugar and sold under brand names such as Pioneer and Big Chief.

"Considering how dry it is, it seems we're going to have a good crop this year," Mike Noll said. "It looks pretty promising."

The granulated sugar beets generally wind up on store and kitchen shelves, but if a provision of the federal farm bill passes in the Senate, some of the sugar eventually could end up in gas tanks.

The provision would authorize the U.S. government to buy surplus sugar and sell it to ethanol producers, where it would be mixed with corn and converted into ethanol, an alternative fuel that is increasingly under demand to power cars, trucks and other machines.

The renewal of the farm bill, which pertains to many crops grown in the United States, passed in the House in July and is being debated by the U.S. Senate Agriculture Committee.

If the sugar beet measure, which was introduced in the house by Rep. Collin Peterson, D-Minnesota, passes, it could be a big boost for local farmers.

Sanilac County farmers, such as Mike and Mark Noll, harvest a large portion of the state's sugar beets. According to the U.S. Department of Agriculture, Sanilac County farmers harvested 20,100 acres of sugar beets for a yield of 24.8 tons in 2006. The yield was the largest in the state, and the county ranked third in the number of acres harvested. Only Huron and Tuscola counties harvested more sugar beets.

The Department of Agriculture could not provide numbers for St. Clair County.

Driving forces

There are a few factors driving the sugar beet provision of the farm bill.

One factor is that the Mexican sugar exporters no longer will face tariffs in 2008 as part of the North American Free Trade Agreement. Another factor is there's a growing demand for corn, soy and other crops that can be used to produce biofuels, which provide an alternative to the expensive, limited supplies of foreign oil.

Sugar beet yields are expected to be slightly less than last year, but beets remain a viable crop, said Mike Noll, who with his brother farms 185 acres of sugar beets.

Although farmers in the past have opposed opening the sugar market to many foreign competitors, opening the market to Mexican sugar won't necessarily cause a surplus of U.S. sugar.

"They're having some major quality issues with their sugar in Mexico," said Keith Kalso, agricultural manager at the Michigan Sugar Company's Croswell plant. "That may be a little stumbling block for them."

Kalso said many farms in Europe sell their sugar beets to ethanol plants. In Brazil and in many European countries, sugar, rather than corn, is the principle feed stock used in ethanol production.

"Sugar would be a fantastic feed source for an ethanol plant," he said. "Sugar would ferment so much easier than non-sugar type plants. It would be more expensive to use than corn."

Marty Lewis, a sugar beet farmer in Clyde Township, is on the Michigan Sugar Company board of directors and helped advocate for the sugar beet provision of the farm bill.

"We may be kind of welcoming it. The price in Mexico right now is higher than the price in Michigan," he said.

That could change, Lewis said.

"It may wind up that that will be a two-way street over time. If the price is higher in Mexico, sugar may go that way."

Looking ahead

Farmers aren't counting on the fact that selling sugar to make ethanol will happen or will even help them.

Growing sugar beets is labor intensive, and the amount of beets farmers are allowed to grow is established in a contract with the Michigan Sugar Company. The government sets the amount produced by farmers who belong to the cooperative. Beets are a biannual crop because it takes a year to cultivate the seeds and another year for the plants to grow.

"In order to justify (growing more), the price would have to be more attractive," said Mike Noll, who also makes money off his farm's corn, soybeans, wheat and beef and dairy cattle. "One of the downfalls to what we do is we don't get to set our own price."

Sugar prices aren't subsidized.

The government's sugar program props up prices through price guarantees and import quotas. The government also sets the loan rate for sugar companies.

"That's the only thing the government does that helps our industry," Kalso, the agricultural manager at the Croswell sugar plant, said. "They don't subsidize at all. There are no subsidies whatsoever."

The drive for alternative fuels is a hot issue now, but Lewis, emphasizing the tentative nature of the 2007 farm bill, said he's already lived through one round of discussions and debates over alternative energy and its potential impact on sugar beet farmers.

"Back when Jimmy Carter was president, we received a grant to experiment with ethanol production at the Croswell plant," he said. "Ronald Reagan came in and was opposed to those sorts of things. The (company) decided not to go ahead because they knew the Reagan administration was going to be opposed and didn't want to fight an uphill battle from then on."

During the 1970s oil shortage, "the same things happened that (are) happening now," Lewis said. "After that, the embargo ended, and they forgot all about those things until the last three or four years. We've got to become self sufficient and get the imports of energy down."

September 15, 2007 – 11:38 AM; Associated Press

Crystal Sugar might have farmers destroy some beets

MOORHEAD, Minn. -- An increase in potential yields has American Crystal Sugar Co. considering destroying some healthy sugar beets this fall and planting a smaller crop next spring.

Plowing under some beets could help the company avoid processing losses in the spring, with accompanying bad smells and disposal costs, said David Berg, the cooperative's president.

A final decision on whether to have farmers destroy up to 15 percent of the beet crop in the field is expected by mid-October. The full-scale harvest of about 495,000 acres starts Sept. 29.

This year's average beet yield is projected to be around 25 tons per acre, which is on par with the 2006 crop at 25.4 tons. Five years ago, the average was around 20 tons per acre.

Farmers also might be asked to cut acres by up to 15 percent next year, because of the trend in recent years of large yields, Berg said. A decision is not expected until early next year.

"We'll crunch ... a lot of numbers, come up with a recommendation, discuss it with the board and come up with a decision," Berg said.

The decision on whether to destroy beets will be made after officials balance the beet pile storage capacity with the production capacity of Crystal's five factories in the Red River Valley.

Too many beets could lead to some beets spoiling before they are processed, creating odors and disposal costs. Crystal spokesman Jeff Schweitzer said the factories have been pushed to their limits on production. Last year, Crystal farmers were asked to plow under 8 percent of the crop.

Crystal also is approaching its annual market allocation under federal farm law. The company must calculate whether it makes more economic sense to leave the beets in the field or to process them and store any excess sugar for future years, when production might fall short of the market allocation.

September 15, 2007 - 3:24PM; [By Ed Sealover](#), THE GAZETTE

Cities would get farmers' water with Super Ditch

The equation is as simple as two H's plus an O: Growing urban areas like Colorado Springs and northern El Paso County need more water and farmers, who use 85 percent of the state's water, are about the only people who can supply it.

But after big Front Range water districts dried up some 60,000 acres of southeastern Colorado farmland in the 1970s and 1980s by buying agricultural water rights, even cash-strapped farmers have been loath to give up claims to the lifeblood of their land.

Government leaders have taken a defensive posture against any more "buy-and-dries," and some have even worked to keep Colorado Springs and Aurora from using water to which they have rights.

It is somewhat peculiar, then, to see the Lower Arkansas Valley Water Conservancy District, which includes much of the once-fertile dust bowls, work feverishly on a program that would send water north to places like the Springs and Monument.

But this time, farmers would get to keep both cash and the water rights.

Under the plan known as Super Ditch, farmers could keep part of their fields dry each year, rotate unplanted areas annually and lease out the portion of their water allotment that they would have poured upon the fallowed land. Property owners from throughout the southeastern part of the state would pool their water into eight ditches and would contract yearly allotments to cities or water authorities needing more.

Lower Arkansas officials, who are leading the effort, hope to have enough infrastructure and contracts together to apply for change-of-use permits in water court by early next year. If so, it could lead to the first such ditch company in Colorado and could establish a new symbiotic relationship between formerly antagonistic urban and rural interests.

"Basically, we're creating a new crop: water," said Peter Nichols, water attorney for the Lower Arkansas. "The shareholders would realize the appreciating value of water."

Farmers now own the water rights or lease the water from canal companies. But as many have retired, fled the agriculture business or found water to be more profitable than sugar beets or alfalfa, they've been faced with the hard choice of selling rights and essentially ending the life of their farms, or struggling along.

Selling rights not only caps the value that the farmers can receive for water at current prices but breaks up communities, said Matt Heimerich, a Crowley County commissioner and farmer. When farms go out of business, farm-supply stores go out of business, schools lose property-tax revenues and government services of all types get neglected, he said.

Nichols proposed the idea that the farmers who agree to become a part of Super Ditch allow 25 percent of their land to lie fallow annually. In return, proponents say, they will get guaranteed income in lieu of the uncertainties that come with growing and harvesting crops on that land.

Without the pressure of having to make every inch of land produce, some farmers could start growing more experimental cash crops, which would require an investment in the farm businesses in the community, Colorado Farm Bureau President Alan Foutz said. They also would be likely to spend more money on restaurants or entertainment, also an economic boost.

The demand for water would be highest in dry years when cities must replenish their reservoirs. Those same

dry years are when farmers would benefit most by allowing some land to lie fallow, Lower Arkansas general manager Jay Winner said.

Some water companies, like Colorado Springs Utilities, are unlikely to need water from the ditch every year but could purchase when it sees shortages, utilities water manager Gary Bostrom said. Colorado Springs Utilities has a water supply expected to cover city growth at least through 2040.

But regions like northern El Paso County, which subsist mainly on nonrenewable groundwater, could look to Super Ditch to not just supplement their current water supply, but to replace it. Gary Barber, manager of the Pikes Peak Regional Water Authority, which serves most of the northern area, said his group may be able to end its long search for a permanent water source if Super Ditch could construct a pipeline to get the water to the area.

“We have a demand, they have a supply,” Barber said. “It could be very, very important.” Though Super Ditch would be the first major project of its kind in the state, small-scale fallowing and water leasing already has occurred. The High Line Canal Company contracted with Aurora, which has long been seen as an enemy of the southeastern area, and both sides have reported benefits.

A more relevant comparison might be to Palo Verde Irrigation District in Southern California, which began a program in 2004 in which farmers can sign up to fallow as much as 25 percent of their land a year while metro areas declare a year in advance how much water they will buy.

Ed Smith, general manager of the irrigation district, said land value has increased and farmers’ incomes have become more stable.

Most Super Ditch planners say the biggest downside is likely to be a hit on migrant farmers and other laborers who won’t be as needed without as much farmland in production. But Smith noted that laws aimed at illegal immigrants already have made such help scarcer in his region, and southeastern Colorado leaders have indicated similar concerns about the labor pool.

One practical problem could be the question of permanency of the water supply for cities and counties that need it every year. Alan Hamel, executive director of the Pueblo Board of Water Works, said he has asked Lower Arkansas officials to clear up that concern, possibly by agreeing to long-term contracts.

Most importantly, proponents say, the loss of irrigated farmland that has marked the area for seven decades could slow to a trickle if economic pressure is taken out of the picture.

The number of Colorado farms recorded by the National Agricultural Statistics Service has fallen nearly in half, from 60,500 in 1936 to 30,700 in 2006. Meanwhile, a Statewide Water Supply Initiative completed in 2004 predicted that nearly 500,000 acres of farmland could be dried up by 2030 if the current rate of water transfer from agricultural to municipal use continues.

Some opponents of the idea will likely surface as Lower Arkansas leaders get closer to requesting the change-of-use decrees that will allow the project to go forward.

For now, though, the longtime rivalry over water between Front Range cities and rural farmers might be close to becoming a friendship.

“In the world of today, in all honesty, it’s probably as close as you’re going to get to a win-win,” said Heimerich. “If I can keep the ground from blowing away and not damaging my neighbors, and someone will pay me several thousand dollars an acre to do that ... why wouldn’t I do that?”

September 18, 2007; by Jeff Gelski, **Foodbusinessnews.net**

F.D.A. stays alert on stevia in foods

WASHINGTON — The Food and Drug Administration recently took action on the use of the natural sweetener stevia in food and beverage products. One instance involved a warning letter and the other a revision on an import alert. The F.D.A. allows the use of stevia (*Stevia rebaudiuna*) in supplements but not in foods or beverages.

The F.D.A. on Aug. 17 issued a warning letter to The Hain Celestial Group, Inc. for using stevia in an iced tea mix, although Hain Celestial reports the matter has been resolved. Hain Celestial, Boulder, Colo., had listed its Celestial Seasonings Zingers to Go Tangerine Orange Wave Herb Tea as a herbal supplement, but the F.D.A. disagreed. Stevia was on the ingredient list.

In a letter dated Aug. 17, Joseph R. Baca, director of the F.D.A.'s Office of Compliance Center for Food Safety and Applied Nutrition, said, "Notwithstanding your use of the term 'herbal supplement' to identify the product and your use of a supplement facts label for nutrition labeling, your Zingers Tangerine Orange Tea is subject to regulation as a conventional food and not a dietary supplement."

The F.D.A. added, "Any substance intentionally added to a conventional food, such as a powdered drink mix product, must be in accordance with a food additive regulation approving the substance for that use, unless the substance is generally recognized as safe (GRAS) . . ."

Celestial Seasonings worked directly with the F.D.A. to modify its packaging, said Dr. Gerry Amantea, Ph.D., vice-president, technical services for Hain Celestial.

"The F.D.A. asked that Zingers to Go packaging more prominently display the word 'supplement,'" Dr. Amantea said. "Celestial Seasonings is making the requested label change and has been advised by the F.D.A. that the matter has been resolved."

On Sept. 12, the F.D.A. revised an import alert on the automatic detention of stevia leaves, extract of stevia leaves and food containing stevia. The Sept. 12 revision listed specific companies and products identified for automatic detention. They included the Japanese companies of JA Beverage Saga Co., Ltd. for its alfalfa drink; Kuroda Shokuhin Co., Inc. (pickled relish); Miyazaki Nosan K.K. (pickled radish); Nozaki Tsukemo Co., Ltd. (salted radish); and Shinshin Shokuryo Kogyo Co., Ltd. (salted radish): Also on the list were the Republic of Korea's Mammos Confectionary Co. (biscuits) and Brazil's Natural Corporation Do Brazil Industria & Comercio, Ltd. (fruit and vegetable concentrate).

Extracted from the leaves of the stevia plant, stevia has been used in foods and beverages in Asia and South America for years. It has no calories and is 250 to 300 times as sweet as sugar.

Cargill, Minneapolis, and The Coca-Cola Co., Atlanta, earlier this year announced they will work together to develop and market rebiana, a sweetener produced from stevia extract, worldwide. They hope to meet regulatory requirements to make rebiana GRAS in foods and beverages in the United States.

In its letter to Hain Celestial, the F.D.A. said, "While F.D.A. has received inquiries and petitions for the use of stevia or stevia extracts in food, data and information necessary to support the safe use have been lacking. In fact, literature reports have raised safety concerns about the use of stevia, including concerns about control of blood sugar, and effects on the reproductive, cardiovascular and renal systems."

Approved by the World Agricultural Outlook Board

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USDA ESTABLISHES 2008 FISCAL YEAR TARIFF RATE QUOTA AND OVERALL ALLOTMENT QUANTITY

On August 10, 2007, the U.S. Department of Agriculture (USDA) established the FY 2008 raw sugar tariff-rate quota (TRQ) at 1,231,497 short tons, raw value (STRV), the U.S. minimum access commitment level under the World Trade Organization (WTO). The USDA also announced that raw sugar TRQ imports would not be subject to shipping patterns. The justification was that the raw sugar TRQ level was lower than previous years.

The USDA established the FY 2008 refined sugar TRQ at 94,251 STRV for which the sucrose content, by weight, in the dry state, must have a polarimeter reading of 99.5 degrees or more. This includes the United States minimum access commitment under the WTO (24,251 STRV) and an additional specialty sugar amount of 70,000 STRV to accommodate a rapidly expanding organic food sector. Included within the WTO refined sugar TRQ is a minimum specialty sugar TRQ of 1,825 STRV.

On August 10, 2007, the USDA announced the FY 2008 overall allotment quantity (OAQ). The OAQ was established at 8.450 million STRV. In its announcement, the USDA noted that the projected ending stocks-to-use ratio in the August 2007 WORLD AGRICULTURE SUPPLY AND DEMAND ESTIMATES (WASDE) was 13.3 percent, a rate below the traditional range for the U.S. sugar market. According to the provisions of the 2002 Farm Act, the OAQ was allocated to the beet and cane sectors as follows:

- + Beet sugar: 4,592,575 STRV
- + Cane sugar: 3,857,425 STRV

The cane sugar allocation exceeded projected cane sugar production in the August 2007 WASDE by 187,000 STRV. However, given production and cane stockholding uncertainties before the start of the 2008 fiscal year, the USDA officially projected a surplus cane allotment at only 70,000 STRV. This amount was reassigned to imports. The USDA promised to make appropriate adjustments to the OAQ, as well as the TRQ, during the year to ensure an adequate supply of sugar for the domestic market, and to avoid sugar loan forfeitures and to prevent market disruptions.

On September 12, 2007, the USDA released its latest supply and use estimates for FY 2007 and projections for FY 2008 in the WASDE report. FY 2008 sugar production is projected at 8.342 million STRV, a decrease of about 152,000 STRV from FY 2007. Beet sugar is forecast at 4.657 million STRV (371,000 STRV, or 7.4 percent, lower than FY 2007), and cane sugar is forecast at 3.684 million STRV (219,000 STRV, or 6.3 percent, higher than FY 2007).

The USDA projects that TRQ imports in FY 2008 will equal 1.354 million STRV. Raw sugar TRQ shortfall is projected at 70,000 STRV, implying raw sugar TRQ entries of 1.161 million STRV. Sugar imports under the Dominican Republic and Central Free Trade Agreement (DR/CAFTA) are projected at 98,590 STRV. Adding in the amount of the refined sugar TRQ brings the total to the 1.354 million STRV projection.

Other program sugar imports outside the sugar TRQ for FY 2008 are projected to total 425,000 STRV. Other USDA import programs include the Refined Sugar Re-export Program, the Sugar-Containing Products Program, and the Polyhydric Alcohol Program. Sugar from imported syrups is projected at 5,000 STRV. High-tier tariff sugar imports, mostly from Mexico, are projected at 325,000 STRV.

The USDA estimates FY 2007 sugar deliveries for food and beverage use at 9.850 million STRV and FY 2008 deliveries at 10.000 million STRV. Ending stocks are projected as the difference between total supply and total use. For FY 2007, ending stocks are estimated at 1.772 million STRV, implying an ending stocks-to-use ratio of 16.9 percent. Ending stocks for FY 2007 are the beginning stocks for FY 2008. Ending stocks for FY 2008 are projected at 1.803 million STRV, implying an ending stocks-to-use ratio of 17.3 percent.

Sept. 22, 2007; by Vasanth Sridharan, The Dallas Morning News

Even as sugar market with Mexico opens, prices may not drop

Sep. 22--Local candy makers and bakers are hoping to see the price of sugar go down when trade barriers on Mexican sugar are lifted next year -- but even if the market opens, prices may not drop.

Stan Rothstein, owner of Redstone Foods Inc., a Carrollton candy company, said that the increasing price of sugar is putting more and more of a strain on his business -- especially as the prices of other ingredients continue to rise. He hopes that next year the prices will go down. "I think that's a wonderful thing for us," he said about the opening of the markets between Mexico and the U.S. under the North American Free Trade Agreement. "We pay more for sugar than anybody else in the world."

Since the beginning of this decade, raw sugar prices have been creeping upward, but refined prices have gone up much more sharply -- about 12 cents a pound since 2000, or more than 50 percent. Most of the increase came after Hurricanes Katrina and Rita hit Louisiana, one of the largest sugar producers in the country.

The wholesale price of refined sugar was 33.10 cents per pound in 2006. And candy makers, bakeries and other sugar users buy refined sugar, rather than raw.

Josh De Leon, co-owner of The Cake Lady, a bakery in Richardson, said sugar prices make up about a quarter to a third of his cost.

"We probably use about 200 pounds of powdered sugar every day," he said. He said that he's raised his prices since the hurricanes to cover increasing sugar costs. He said he would welcome any decrease in the price of sugar.

But the merging of the Mexican and U.S. markets may actually have very little effect on the price of sugar. Mexico has its own price protection in place for sugar, and it trades at prices that are very close to American prices, said Dr. Parr Rosson, director of the Center for North American Studies for the Texas A&M University system. In fact, the price of Mexican raw sugar has been higher than American raw sugar since the late 1990s.

Also, the opening of the markets has been happening since NAFTA was enacted in 1994, albeit little by little.