



Newsletter

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



Issue # 05

June 29, 2007

Message from Ray Washmera, President;

Hello Members:

I hope this summer is going well for you, enjoying vacations, time off, picnics, etc. It is the season for it. Enjoy! Attached are interesting, informational articles pertinent to our food industries. We believe you will find them beneficial.

We have good news! We have our speaker for the upcoming Chicago luncheon on Wednesday, August 1, at Maggiano's Little Italy Restaurant in Oakbrook, IL. We are pleased to announce Mr. Steve Messenbring will be speaking. Mr. Messenbring is the Sales Senior Director for Roquette Americas, an established, international corn wet miller. It should be a topical, interesting presentation. We are looking forward to it.

Presently, the crops are planted and now the weather is critical. We are all watching with anticipation and hope, hoping for good crops and their harvests. The markets are volatile and curious. Stay tuned. It could/should be fascinating.

Your NSIMA Board looks forward to meeting on August 1st, prior to our luncheon. If you would like to attend, please do. If you have any topics or ideas for us to consider, give us a shout. If not, we look forward to seeing you at the luncheon.

Take care.
Sincerely,

Ray Washmera

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http://www.bakingbusiness.com/news/daily_eneews.asp?ArticleID=85555

May 18, 2007; by Eric Schroeder, Bakingbusiness.com

Hufford named 'Sugar Man of the Year'

NEW YORK CITY — Charles Hufford, former president and chief executive officer of Midwest Agri-Commodities, has been named the 2006 "Sugar Man of the Year."

A veteran of more 40 years in the sugar industry, Mr. Hufford became the 49th recipient of the Dyer Memorial Award, accepting the award on May 10 at the Yale Club in New York City. The award is named after B.W. Dyer & Co., a 104-year-old brokerage company in sweeteners and foods.

Mr. Hufford was recognized for his contributions to the sugar industry, including his role in the development for new markets for sugar beet co-products, primarily beet pulp and molasses.

He was president of Midwest Agri-Commodities for 26 years, growing the company from one owner and one factory to four owners and 13 factories. Today, more than 70% of sugar beets are planted annually by members of Midwest Agri-Commodities.

Sunday, May 20, 2007; By Rick Weiss, Washington Post

Tainted Chinese Imports Common

In Four Months, FDA Refused 298 Shipments

Dried apples preserved with a cancer-causing chemical.

Frozen catfish laden with banned antibiotics.

Scallops and sardines coated with putrefying bacteria.

Mushrooms laced with illegal pesticides.

These were among the 107 food imports from [China](#) that the [Food and Drug Administration](#) detained at U.S. ports just last month, agency documents reveal, along with more than 1,000 shipments of tainted Chinese dietary supplements, toxic Chinese cosmetics and counterfeit Chinese medicines.

For years, U.S. inspection records show, China has flooded the [United States](#) with foods unfit for human consumption. And for years, FDA inspectors have simply returned to Chinese importers the small portion of those products they caught -- many of which turned up at U.S. borders again, making a second or third attempt at entry.

Now the confluence of two events -- the highly publicized contamination of U.S. chicken, pork and fish with tainted Chinese pet food ingredients and this week's resumption of high-level economic and trade talks with China -- has activists and members of Congress demanding that the United States tell China it is fed up.

Dead pets and melamine-tainted food notwithstanding, change will prove difficult, policy experts say, in large part because U.S. companies have become so dependent on the Chinese economy that tighter rules on imports stand to harm the U.S. economy, too.

"So many U.S. companies are directly or indirectly involved in China now, the commercial interest of the United States these days has become to allow imports to come in as quickly and smoothly as possible," said Robert B. Cassidy, a former assistant U.S. trade representative for China and now director of international trade and services for Kelley Drye Collier Shannon, a Washington law firm.

As a result, the United States finds itself "kowtowing to China," Cassidy said, even as that country keeps sending American consumers adulterated and mislabeled foods.

It's not just about cheap imports, added Carol Tucker Foreman, a former assistant secretary of agriculture now at the [Consumer Federation of America](#).

"Our farmers and food processors have drooled for years to be able to sell their food to that massive market," Foreman said. "The Chinese counterfeit. They have a serious piracy problem. But we put up with it because we want to sell to them."

U.S. agricultural exports to China have grown to more than \$5 billion a year-- a fraction of last year's \$232 billion U.S. trade deficit with China but a number that has enormous growth potential, given the Chinese economy's 10 percent growth rate and its billion-plus consumers.

Trading with the largely unregulated Chinese marketplace has its risks, of course, as evidenced by the many lawsuits that U.S. pet food companies now face from angry consumers who say their pets were poisoned by tainted Chinese ingredients. Until recently, however, many companies and even the federal government reckoned that, on average, those risks were worth taking. And for some products they have had little choice, as China has driven competitors out of business with its rock-bottom prices.

But after the pet food scandal, some are recalculating.

"This isn't the first time we've had an incident from a Chinese supplier," said Pat Verduin, a senior vice president at the Grocery Manufacturers Association, a trade group in Washington. "Food safety is integral to brands and to companies. This is not an issue the industry is taking lightly."

New Focus on the Problem

China's less-than-stellar behavior as a food exporter is revealed in stomach-turning detail in FDA "refusal reports" filed by U.S. inspectors: Juices and fruits rejected as "filthy." Prunes tinted with chemical dyes not approved for human consumption. Frozen breaded shrimp preserved with nitrofurans, an antibacterial that can cause cancer. Swordfish rejected as "poisonous."

In the first four months of 2007, FDA inspectors -- who are able to check out less than 1 percent of regulated imports -- refused 298 food shipments from China. By contrast, 56 shipments from [Canada](#) were rejected, even though Canada exports about \$10 billion in FDA-regulated food and agricultural products to the United States -- compared to about \$2 billion from China.

Although China is subject to more inspections because of its poor record, those figures mean that the rejection rate for foods imported from China, on a dollar-for-dollar basis, is more than 25 times that for Canada.

Miao Changxia, of the Chinese Embassy in Washington, said China "attaches great importance" to the pet food debacle. "Investigations were immediately carried out . . . and a host of emergency measures have been taken to ensure the hygiene and safety of exported plant-origin protein products," she said in an e-mail.

But deception by Chinese exporters is not limited to plant products, and some of their most egregiously unfit exports are smuggled into the United States.

Under Agriculture Department rules, countries cannot export meat and poultry products to the United States unless the [USDA](#) certifies that the slaughterhouses and processing plants have food-safety systems equivalent to those here. Much to its frustration, China is not certified to sell any meat to the United States because it has not met that requirement.

But that has not stopped Chinese meat exporters. In the past year, USDA teams have seized hundreds of thousands of pounds of prohibited poultry products from China and other Asian countries, Agriculture Secretary Mike Johanns announced in March. Some were shipped in crates labeled "dried lily flower," "prune slices" and "vegetables," according to news reports. It is unclear how much of the illegal meat slipped in undetected.

Despite those violations, the Chinese government is on track to get permission to legally export its chickens to the United States -- a prospect that has raised concern not only because of fears of bacteria such as salmonella but also because Chinese chickens, if not properly processed, could be a source of avian flu, which public-health authorities fear may be poised to trigger a human pandemic.

Last year, under high-level pressure from China, the USDA passed a rule allowing China to export to the United States chickens that were grown and slaughtered in [North America](#) and then processed in China -- a rule that quickly passed through multiple levels of review and was approved the day before Chinese President Hu Jintao arrived in Washington last April.

Now the rule that China really wants, allowing it to export its own birds to the United States, is in the works, said Richard Raymond, USDA's undersecretary for food safety. Reports in China have repeatedly hinted that only if China gets its way on chicken exports to the United States will [Beijing](#) lift its four-year-old ban on importing U.S. beef. Raymond denies any link.

"It's not being facilitated or accelerated through the system at all," Raymond said of the chicken rule, adding that permission for China to sell poultry to the United States is moving ahead because recent USDA audits found China's poultry slaughterhouses to be equivalent to those here.

Tony Corbo, a lobbyist for Food and Water Watch, a Washington advocacy group, said that finding -- which is not subject to outside review -- is unbelievable, given repeated findings of unsanitary conditions at China's chicken slaughterhouses. Corbo said he has seen some of those audits. "Everyone who has seen them was grossed out," he said.

An Official Response

The Cabinet-level "strategic economic dialogue" with China, which began in September and is scheduled to resume on Wednesday, was described early on as a chance for the United States and China to break a long-standing stalemate on trade issues. When it comes to the safety of imported foods, though, they may highlight the limited leverage that the United States has.

It is not just that food from China is cheap, said William Hubbard, a former associate director of the FDA. For a growing number of important food products, China has become virtually the only source in the world.

China controls 80 percent of the world's production of ascorbic acid, for example, a valuable preservative that is ubiquitous in processed and other foods. Only one producer remains in the United States, Hubbard said.

"That's true of a lot of ingredients," he said, including the wheat gluten that was initially thought to be the cause of the pet deaths. Virtually none of it is made in the United States, because the Chinese sell it for less than it would cost U.S. manufacturers to make it.

So pervasive is the U.S. hunger for cheap imports, experts said, that the executive branch itself has repeatedly rebuffed proposals by agency scientists to impose even modest new safety rules for foreign foods.

"Sometimes guidances can get through, but not regulations," said Caroline Smith DeWaal, food safety director at the [Center for Science in the Public Interest](#), an advocacy group. Guidances, which the FDA defines as "current thinking on a particular subject," are not binding.

Under the Bush administration in particular, DeWaal said, if a proposed regulation does get past agency or department heads, it hits the wall at the [White House Office of Management and Budget](#).

Andrea Wuebker, an OMB spokeswoman, said that the office reviewed 600 proposed rules last year and that it is up to agencies to finalize rules after they are reviewed. She did not tally how many reviews sent agencies' rule-writers back to the drawing board. She noted that some food safety rules have been finalized, including some related to mad cow disease and bioterrorism. Critics point out that the bioterrorism-related regulations were required by an act of Congress.

John C. Bailar III, a [University of Chicago](#) professor emeritus who chaired a 2003 National Academies committee that recommended major changes in the U.S. food safety system -- which have gone largely unheeded -- said he has become increasingly concerned that corporations and the federal government seem willing to put the interests of business "above the public welfare."

"This nation has -- and has had for decades -- a pressing need for a wholly dedicated food safety agency, one that is independent and not concerned with other matters . . . to bring together and extend the bits of food safety activities now scattered over more than a dozen agencies," he said in an e-mail.

Legislation to create such an agency was recently introduced, though many suspect that is too big a challenge politically.

But in the aftermath of the recent food scandals, a growing number of companies and trade groups, including Grocery Manufacturers of America, are speaking in favor of at least a little more protection, starting with a doubling of the FDA's food safety budget.

China is talking tough, too. "Violations of the rules on the use and addition of chemicals or other banned substances will be dealt with severely," said Miao, of the Chinese Embassy.

It is a threat some doubt will be enforced with great vigor, but nonetheless it reveals that China recognizes that the latest scandal has shortened Americans' fuses.

May 21, 2007; by Ana Radelat, Gannett News Service

Farm bill fight on horizon

Sugar program incites candy makers, others to form alliance

WASHINGTON - Louisiana's sugar farmers are calling attention to years of stagnant or declining profits as they seek to improve their fortunes in this year's farm bill.

But dozens of powerful interests, ranging from confectioners like Sara Lee to the National Association of Manufacturers, have organized to stop that effort.

The groups formed the Sugar Policy Alliance last month to try to overhaul the decades-old U.S. Department of Agriculture's sugar program, which they say keeps sugar prices high.

"Current sugar policy costs good jobs for American workers, hampers our export opportunities and hurts consumers while eroding American farmers' long-term competitiveness," said Bill Reinsch, president of the National Foreign Trade policy and member of the alliance.

It's a recurring battle between sugar farmers and candy makers and other food producers that are trying to find ways to lower the price of the sweetener.

To date, the nation's sugar farmers have fended off attacks on their program, thanks to the efforts of lawmakers who represent the sugar cane-growing states of Florida, Louisiana and Texas, and beet sugar-producing regions in the Midwest.

The combatants are gearing up for a rematch this year. Congress began work last week on a new farm bill that would set federal farm policy for the next five years.

Daniel Viator, 62, who grows 2,500 acres of sugar cane near Youngsville, said he'll keenly watch the debate on Capitol Hill.

"It's always a struggle," Viator said.

But Viator and other Louisiana growers hope efforts to change the sugar program will fail once again and the new farm bill will help them meet the growing costs of farming.

"We're to a point now that we've got very little profit to reinvest," Viator said.

Louisiana is the second-largest producer of cane sugar in the United States after Florida. Jim Simon, general manager of the American Sugar Cane League, said sugar production results in \$2 billion in annual revenue to the state.

"As the Louisiana sugar economy goes, so do the economies of all of the towns in the sugar belt," Simon said.

The sugar program at the center of the battle regulates imports by giving other sugar-producing nations quotas on how much sugar they can sell to the United States.

To keep prices stable, the USDA also limits the amount of domestic production with marketing allotments to producers. The USDA also provides market-rate loans, which farmers can forfeit if

there's too much sugar on the market and prices fall below the loan rate, now about 18 cents a pound.

Forfeitures have been very rare, Rep. Charlie Melancon, D-Napoleonville, said.

A co-chair of the 30-member House Sugar Caucus and former president of the American Sugar Cane League, Melancon promises to "get the votes to keep the sugar program together."

He dismisses the argument that U.S. sugar prices are too high and says candy makers and other food manufacturers would pocket any savings lower prices might bring.

"It's not about money; it's about more money," Melancon said. "The commercial users want to be able to pay as little as they can."

Reps. Charles Boustany, R-Lafayette, Rodney Alexander, R-Quitman, Richard Baker, R-Baton Rouge, William Jefferson, D-New Orleans and Bobby Jindal, R-Metairie, are all members of the House Sugar Caucus, which was formed last year to help shape the farm bill.

A similar Senate Sweetener Caucus has been in existence for more than 15 years. Louisiana Sens. Mary Landrieu, a Democrat, and David Vitter, a Republican, are members.

But their opponents have a new argument this year. They say the federal government will be forced to pay about \$1.3 billion over the next 10 years as the North American Free Trade Agreement and other trade pacts allow more foreign sugar into the country, causing U.S. growers to forfeit their crops.

Food manufacturers and their allies want to replace the sugar program with a subsidy program, or reform it so restrictions on the growth of domestic sugar are eliminated and the forfeiture price remains what it is today.

Jack Roney, chief economist for the American Sugar Alliance, said growers also are concerned about the effects an influx of foreign sugar may bring. NAFTA, for instance, will allow Mexico to export sugar to the U.S. beginning next year.

Roney said his organization will lobby Congress to include a provision in the farm bill that would require the federal government to buy up excess imported sugar and use it in "non-food uses" including the making of ethanol, a gasoline alternative.

Simon expects a heated lobbying battle this summer as Congress moves toward a final farm bill.

"But we think we have a good story to tell," Simon said. "Our friends on Capitol Hill realize the sugar program is good for the American people."

The sugar growers have an ally in Rep. Collin Peterson, Democratic head of the House Agriculture Committee whose Minnesota district produces more beet sugar than any other. Sugar users are counting on Sen. Richard Durbin, D-Ill., who counts some of the biggest food manufacturers among his constituents.

The summer's war over the sugar program is expected to cost millions of dollars in fees to lobbyists and political contributions

May 21, 2007; By John Schmeltzer, Chicago Tribune staff reporter

Artificial sweetener to stir up market

NutraSweet, Domino are teaming up on new product line

Chicago-based NutraSweet Co., manufacturer of the artificial sweetener bearing its name, is expected to announce Monday plans to distribute a new line of sweeteners that will compete head to head with Equal and Splenda -- two stalwarts already locked in a fierce battle for market share in the billion-dollar tabletop sweetener market.

NutraSweet said it has formed a joint venture with the manufacturer of Domino sugar, American Sugar Refining Inc., to market the new line of sweetener. It currently is working with Domino to market a light sugar product called Domino Pure D'Lite.

The new line will be marketed under the NutraSweet brand name and carry its familiar swirl logo first introduced in the 1980s when the aspartame sweetener first exploded onto the scene and came into wide use as the main sweetener for the diet soda industry.

NutraSweet executives are expected to officially announce its new entrant in the sweetener market at the National Restaurant Show here, which is being attended by more than 70,000 delegates.

The brand will become the fourth artificial sweetener competing in an already crowded tabletop category in which Splenda has grabbed nearly 60 percent of the U.S. market just seven years after it was introduced in the U.S.

Consumers currently have a choice between Splenda, which is sold in a yellow packet; Equal, which is marketed in a blue package; and Sweet'N Low, which comes in a pink packet. The artificial sweetener in both Equal and NutraSweet, when it is introduced later this summer, is aspartame.

"Our goal is to radically shake up the sweetener market," NutraSweet Chief Executive Craig Petray said in an interview Sunday. He said the company is reacquiring rights to its brand name July 1. "Nobody has done any innovation in the sweetener market in years and years."

Like Equal, NutraSweet is to be sold in a little blue packet that Petray said will be designed so consumers will be able to distinguish it from the Equal sweetener.

The decision is certain to create additional pressure on Chicago-based Merisant Co., which less than two weeks ago won a still-secret settlement with a Johnson & Johnson subsidiary that sells Splenda. Merisant had sued Johnson & Johnson over Splenda's advertising claims. The U.S. market share of Merisant's Equal has plunged to 13.7 percent from roughly 40 percent since Splenda was introduced in 2000.

Both Merisant and the NutraSweet Co. trace their roots to the Monsanto Co. Merisant purchased the rights to sell a tabletop version of aspartame in 2000 from Monsanto, while NutraSweet purchased the manufacturing and wholesale rights to the product. Merisant's lease rights to the NutraSweet brand name end this summer.

Merisant was purchased by an investment consortium led by Pegasus Capital Advisors LP, while NutraSweet was purchased by J.W. Childs Equity Partners.

Petray said that NutraSweet, whose sweeteners are used in more than 5,000 food and beverage products, plans to piggyback on the marketing muscle of Domino to gain access to the food service and retail categories.

But NutraSweet isn't stopping with just a tabletop sweetener. The company has a range of sweetening products that it plans to introduce later this year.

"We have more interesting concepts in the pipeline," he said. "We plan to introduce sweeteners with other functions and better taste profiles."

The alliance with Domino is a natural fit, according to Petray, who said the company's food scientists have been working for years with beverage companies to develop the blends of sweeteners they now use in their products.

Most beverages use two or three sweeteners to achieve the taste the manufacturer is attempting to create, he said.

"Each has a role. If you take two or three together you can increase the upfront taste of sweetness," he said. "We've worked years and years on putting various blends together to improve taste."

Executives at Domino parent American Sugar Refining could not be reached Sunday.

05.21.07, 4:47 PM ET; Associated Press

Soda Makers Watch Corn Syrup Prices Jump

Soft drink manufacturers are paying more for high fructose corn syrup, but major producers like Coca-Cola Co. and Pepsico Inc. will stick with the grain-based sweetener, for now, since it's still cheaper than sugar.

Soda makers and food manufacturers switched from sugar to high fructose corn syrup (HFCS) starting in the late 1970s, especially after sugar prices rocketed in 1980. But this year, HFCS prices have escalated in the U.S. as more corn is diverted to ethanol. Meanwhile, domestic sugar prices have eased from last year's hurricane-related peak, but remain more than double the New York Board of Trade's depressed world-raw futures.

At least one soft-drink company has decided to make the switch from HFCS to sugar. Small, but fast-growing Jones Soda Co., based in Seattle, recently shifted back to sugar, saying expensive HFCS was one of several reasons for its decision. Starting in June, Jones plans to plaster billboards in its key markets with the slogan "Corn is for Cars; Sugar is for Soda."

HFCS 55, used in soft drinks and made of 55 percent fructose and 45 percent glucose or corn syrup, was quoted at 18.9 cents a pound Friday in the Midwest and was over 20 cents a pound in the Northeast, according to Missouri-based magazine Milling and Baking. Midwest beet sugar in comparison sold at 25 cents a pound Friday, while refined cane sugar in the Northeast was 27.45 cents.

Jones Soda decided to return to sugar after learning from surveys that its customers wanted a sugar-based product, said Peter van Stolk, the company's founder and CEO. In March, Jones finished converting all 13 of its soda plants across the country to sugar. Earnings took a hit because of the cost of converting equipment and recipes, but the move will be worth it over the long haul, he said.

"We experienced some bumps during the first quarter as we phased out HFCS to stocks shelves with Jones Pure Cane Soda across our distribution platform," van Stolk said.

Jones continues to offer cane-soda samples in stores, believing consumers can tell the difference between sugar- and HFCS-based products. At retailers where the firm has handed out its soft drinks, weekly sales have grown.

Ron Sterk, assistant editor at Milling and Baking magazine, said it isn't easy for food and beverage plants to switch to sugar because of needed reformulation in recipes and changes in equipment - a process companies went through when they made the decision to go with HFCS 25 years ago. Soda makers and food manufacturers would use mostly liquid, not granular sugar if they were to shift back, Sterk noted.

Craig Ruffolo, vice president at McKeany-Flavell Co., sweetener ingredient marketers in California, said "traditionally HFCS has cost less than sugar in the U.S. and still does. Jones Soda made the switch however, and other companies are in R&D (research and development) and might cross over if the difference in prices makes it economically viable."

Pepsi and Coca-Cola, which together control nearly three-fourths of the nation's soda market, are tight-lipped about whether they might change sweeteners.

Pepsi declined to comment on whether it was considering using sugar in any of its sodas, with a spokesman saying "that would be tipping our hand."

At Coca-Cola, company spokeswoman Diana Garza said "we have no plans to change any of our beverages now."

Ruffolo sees little point in comparing U.S. HFCS prices to Nybot world raw prices, which are hovering at 8.85 cents a pound. "The world raw price is for sugar that has no home domestically or under other nations' import quotas," he said. Sugar prices in many countries, including the U.S. and Mexico, are well above world prices, he noted.

With tens of millions of acres planted to corn, the United States is the lowest-cost producer of HFCS, Ruffolo said. Sweetener price relations vary from country to country, he notes, and sugar is often cheaper than HFCS in European and other nations where beets or cane are grown and corn isn't as heavily cultivated as in the United States.

At a February earnings presentation for Latin American bottlers Coke Femsa, CFO Hector Trevino said the company might need to change its mix of sweeteners in Mexico - using less HFCS because of its cost.

Prices of corn, HFCS and sugar have all strengthened in Mexico in the last year. As the local soft-drink industry grapples with more expensive ingredients, Mexico in January removed a 20 percent tax on sodas made with sweeteners other than sugar. That decision occurred before the U.S., Mexican and Canadian sweetener markets are fully opened under the North American Free Trade Agreement starting in 2008.

May 31, 2007; by Richard Blackwell, **INVESTOR'S EDGE**

Ethanol unit powers SunOpta surge

SunOpta Inc., headquartered in a farmhouse just outside of Toronto, has quietly ridden the wave of interest in "green" living to create one of North America's biggest distributors of organic and natural food.

But the company, which expects to generate about \$750-million (U.S.) in revenue this year, and hopes to be a \$2-billion company by 2012, has another environmental ace in its pocket -- an ethanol-from-cellulose business that has analysts boosting valuations.

SunOpta's key business is producing, packaging and distributing healthy foods, a sector that has blossomed in recent years as consumers look for more organic products, or those grown without artificial preservatives or colouring.

It has built up the business through a long string of acquisitions -- 26 in the past seven years. The product lines range from soy milk to sunflowers to oat fibre to frozen fruits and vegetables.

Vertically integrated, SunOpta buys food from farmers, processes it and sells it to manufacturers, distributors and retailers in Canada and the United States. It also has a big organic food distribution business across Canada.

While SunOpta is a big player in the organic game, it is still tiny compared with the huge conglomerates that control the traditional food business in North America -- companies such as Archer Daniels Midland Co. and Cargill Inc.

There's no point trying to move onto that turf, says chief executive officer Steve Bromley. "We'll leave the conventional stuff to the big boys," he said.

In many cases, organic food growers prefer to deal with a smaller food company, and one that specializes in their kind of product, he said. Unlike the giants, SunOpta is geared to processing relatively small amounts of food.

One key issue facing SunOpta is that demand for natural foods is growing so fast, suppliers can't keep up. That's the reason the company is expanding its global operations beyond North America, Mr. Bromley said, and is now getting supplies from farmers as far afield as Mexico, Argentina, Chile and Japan.

One advantage of this geographic diversity: it spreads the risk that any one crop will be hit with damaging weather.

While analysts who follow SunOpta are enthusiastic about the food business, what has caused them also to sit up and take notice is the company's BioProcess Group, a tiny division that generates less than 1 per cent of its revenue.

The unit owns a proprietary process that transforms waste cellulose into ethanol -- a technology that is getting a lot of attention now that the booming ethanol-from-corn industry is putting pressure on food supplies.

The ethanol business is "a diamond in the rough with the potential to be very, very big" said Robert Gibson, an analyst at Octagon Capital Corp. in Toronto.

Scott Van Winkle, an analyst at Canaccord Adams in Boston, boosted his target price of SunOpta shares to \$14 from \$12.50 after the company said last week it will soon close a \$30-million private placement for its bioprocess group.

Some of that money will be used to develop commercial-scale ethanol production with SunOpta's joint venture partner, GreenField Ethanol Inc. of Toronto.

Mr. Van Winkle said another recent financing for the parent company -- a \$54-million offering of common shares that closed in February -- has helped the balance sheet. "It's typical for a food company to be able to tolerate half of their capitalization in debt, and SunOpta is measurably below that," he said.

Mr. Gibson said his main concern is that SunOpta has not been able to keep its profit growth in line with its rapid increase in revenue.

In 2006, for instance, revenue rose 40 per cent to \$598-million, while profit was down 19 per cent to \$11-million.

The first quarter of 2007 showed a better trend, with revenue up 38 per cent and profit up 28 per cent.

Those revenue numbers will continue to grow, Mr. Bromley said, because the company plans to keep making acquisitions, and it has a potential source of funds if it decides to make a larger purchase. It is considering selling its other division, one that makes industrial abrasives.

While arguably a "green" business, since it recycles waste material to make the grit, the abrasives unit doesn't really fit with the food business, Mr. Bromley said.

Published June 8, 2007; Associated Press

Sugar-substitute deal sours

Equal says Splenda trying to renege

PHILADELPHIA -- Lawyers for Chicago-based Merisant Co., which makes the sugar substitute Equal, have accused rival Splenda of trying to renege on a court settlement that halted a false-advertising trial minutes before the jury was to enter its verdict.

Terms of the May 11 settlement remain confidential, but it was announced after the jury reached a verdict that one juror later said would have awarded Equal "substantial" damages.

Merisant sought more than \$200 million from McNeil Nutritionals LLC, a subsidiary of Johnson & Johnson that markets Splenda on behalf of its manufacturer, Tate & Lyle PLC of London.

The dispute centered on Splenda's advertising slogan "Made from sugar, so it tastes like sugar," which Merisant said confused people into thinking the product was natural.

The 11th-hour settlement called for Splenda to comply within 30 days, according to a motion filed Thursday by Merisant. That June 10 deadline has not yet passed, but Splenda lawyers informed Merisant lawyers Wednesday that they planned to break the agreement, Merisant said.

McNeil asked for three extra months to comply, which would delay any payment until after the scheduled start of a trial in a similar false-advertising suit filed by a group of U.S. sugar manufacturers.

"McNeil's conduct is another effort to misuse the judicial process to its benefit," Merisant lawyers wrote. Merisant asked the federal judge who heard the Philadelphia case to enforce the agreement or enter the jury verdict.

McNeil, which is based in suburban Philadelphia, countercharged that Merisant has breached a confidentiality clause by publicizing the settlement in recent advertisements.

"Merisant's motion is a response to McNeil Nutritionals' request that the terms of the settlement agreement, including those related to confidentiality, be enforced," McNeil said in a statement Thursday.

Merisant denied the accusation, saying in the court motion that mention of the widely publicized deal did not violate an agreement not to disclose terms.

In opening arguments in the five-week trial, McNeil's lawyer argued the company had never tried to present Splenda as anything but an artificial sweetener and suggested that Merisant had filed its lawsuit in 2004 simply because Splenda outsells Equal.

Splenda is used in more than 4,000 products, and at numerous restaurant chains.

It had 60 percent of the artificial-sweetener market last year, according to the research firm Information Resources Inc. Equal, which comes in blue packets and is made with aspartame, and Sweet'n Low, in pink packets and made with saccharin, each held about 14 percent.

6/11/2007; FoodNavigator-USA.com

Obesity concerns prompts sweetener rise – survey

Growing concerns about obesity and type-2 diabetes are driving low-sugar, sugar-free or sugar substituted products, says a new survey from the NPD Group.

The survey reports that about 70 percent of adult Americans want to cut down or avoid [sugar](#) completely, with 40 percent admitting they check food labels regularly for sugar content.

"There's little doubt that Americans right now are increasingly concerned about sugar consumption," said Harry Balzer, vice president of The NPD Group. "But we've been here before; back in the 1980s, nearly 60 percent of Americans expressed concern about the sugar they were consuming, before declining during the early 1990s. I suspect we'll see the same trend during the next 10 years."

According to the NPD Group, 44 percent of American homemakers are extremely or very concerned about serving foods with sugar, with over 50 percent of consumers noting they are aware of and concerned about high fructose corn syrup, one of the most commonly-used [sweeteners](#) today.

As a result, the consumption of foods and beverages that are low-sugar, sugar-free, or contain sugar substitutes is on the rise. In the year ending November 2006, 20 percent of Americans ate a low-sugar/sugar-free/artificially sweetened food item at least once in a two-week period, up six per cent from 14 percent in 2001.

Use of sugar substitutes to sweeten beverages is also increasing, with more than 10 per cent of coffee drinkers using sugar substitutes in 2006 - up from eight percent nine years earlier.

According to the USDA/ERS, sugar consumption has been in decline for almost three decades, reaching a low in 1986 when it dropped by almost 50 percent to just over 40 pounds per person.

Concerns about [obesity](#), based on mounting evidence that the phenomenon is becoming an epidemic, have been a primary consumer incentive to avoid sugar. The disease, which is thought to lead to health conditions such as heart disease and diabetes, currently affects more than 64 percent of the nation's adult population and 16 percent of children.

Rising health concerns in society have seen consumers turn towards sugar free products, and food makers introduce zero-calorie or low-calorie sugar substitutes into their new product formulations.

Indeed, the competitive sweetener industry is enjoying considerable growth above the industry average as consumers turn away from sugar-heavy foods and beverages to 'lite' versions.

According to market analysts Freedonia, the sweetener market is set to grow at around 8.3 per cent year on year until 2008, with sales rising from a small base of \$81m in 1998 to \$189m in 2008.

A recent survey by the International Food Information Council (IFIC) reported that Americans remained concerned about the amount (70 percent in 2007 versus 63 percent in 2006) and the type (58 percent versus 53 percent) of sugar they ate. Overall consumption trends stayed consistent for low-calorie sweeteners, with the exception of aspartame, which suffered a significant decrease in consumption to 31 percent compared to 40 percent in 2006.

Despite these health concerns, "taste" and "price" continued to have the greatest impact on Americans' food-buying decisions. Eighty-eight percent of Americans considered taste to be priority when buying food, while 72 percent believed price was most important and 65 percent put the emphasis on whether the food was healthy.

June 11, 2007; by Ron Sterk, Bakingbusiness.com

USDA reduces 2008 wheat carryover, raises corn

WASHINGTON — The U.S. Department of Agriculture forecast 2008 carryover for wheat smaller than a month earlier, corn larger and soybeans unchanged in its June supply/demand report.

U.S.D.A. projected carryover of wheat on June 1, 2008, at 443 million bus, down 26 million bus from May but up 26 million bus from the revised estimate for 2007 at 417 million bus. Production in 2007 was projected at 2,168 million bus, down 6 million bus from May but up 356 million bus from last year. Total wheat supply in 2007-08 was projected at 2,684 million bus, down 1 million bus from the May forecast but up 181 million bus from 2006-07. Exports in 2007-08 were projected at 1,000 million bus, up 25 million bus from May and up 90 million bus from 2006-07. Total wheat disappearance in 2007-08 was projected at 2,241 million bus, up 25 million bus from the May forecast and up 154 million bus from 2006-07. The average farm price of wheat in 2007-08 was projected at \$4.50@5.10 a bu, up 15c from May and compared with \$4.27 in 2006-07.

U.S. corn carryover on Sept. 1, 2008, was projected at 997 million bus, up 50 million bus from May and up 10 million bus from a year earlier. Corn production for 2007 was projected at 12,460 million bus, unchanged from May and up 18% from 2006. Total use was projected at 12,465 million bus, unchanged from May. Projected exports for 2006-07 were reduced by 50 million bus, resulting in larger beginning stocks for 2007-08.

Carryover of U.S. soybeans on Sept. 1, 2008, was projected at 320 million bus, unchanged from May but down 290 million bus, or 48%, from 610 million bus the previous year

<http://www.emediawire.com/releases/2007/6/emw533483.htm>

CBS News Sunday Morning Airs Segment about Sugar This Sunday, June 17, 2007

[Download this press release as an Adobe PDF document.](#)

The CBS News Sunday Morning segment about sugar is reported by the talented, Emmy Award-winning journalist Susan Spencer and produced by the thorough Jason Sacca.

New York (PRWEB) June 16, 2007 -- Connie Bennett, author of Sugar Shock!, is one of several experts appearing this Sunday, June 17, 2007, on the national show, CBS News Sunday Morning, in an approximately 8-minute segment about sugar. It is the lead story, barring any breaking news.

"This is heartening that a major national TV show such as CBS News Sunday Morning is delving into this extremely important subject and telling people the truth about sugar," says Bennett, a former sugar addict, journalist and certified holistic health counselor.

"Americans need to learn that they're probably getting at least one-quarter to one-third of their calories from refined sugar and processed carbs," adds Bennett, whose book Sugar Shock! has been endorsed by a number of renowned health experts, including frequent "Oprah" guest Dr. Mehmet Oz. "And people should know that consuming so many nutrient-deprived foods and drinks could lead to a host of health-damaging problems, including depression, failing memory, fatigue, headaches, heart disease, cancer, hypoglycemia, type 2 diabetes and premature aging."

Bestselling author Nicholas Perricone, M.D. wrote the foreword for Sugar Shock!, and renowned cardiologist Stephen T. Sinatra, M.D. is the book's contributing author.

The CBS News Sunday Morning segment about sugar is reported by the talented, Emmy Award-winning journalist Susan Spencer and produced by the thorough Jason Sacca.

CBS News Sunday Morning begins at 9 am EST in the New York area and at other times in additional markets throughout the U.S. (See below for a URL to visit to learn where CBS News Sunday Morning can be watched in other parts of the country.)

Other experts interviewed for the segment about sugar on CBS News Sunday Morning include:

- Children's obesity expert David Ludwig, M.D., Ph.D., author of Ending the Food Fight
- Sugar historian Sidney W. Mintz, author of Sweetness and Power: The Place of Sugar in Modern History
- Melanie Miller, vice president of public relations for the Sugar Association

Tune in this Sunday, June 17, at 9 am EST to CBS News Sunday Morning to watch the sugar segment.

Use the URL below to find out where and when CBS News Sunday Morning airs in your market.

<http://www.cbsnews.com/stories/2006/04/17/sunday/main1502683.shtml>

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6/20/2007; By Lorraine Heller, **FoodNavigator-USA.com**

New stevia product enters sweetener aisles as awareness increases

A new stevia sweetener product has made its way into a number of leading US retailers, where its manufacturer claims it is placed side by side with the nation's top sweetener brands, despite its regulatory status as a dietary supplement.

The move, claims manufacturer Sunwin [Stevia](#) International, is a clear indication that the market is ready to embrace a more 'natural' sweetener alternative, as consumers become increasingly concerned about artificial products.

For the time being, the company is focusing on the retail market, but according to Sunwin executive vice president Steven Silbert, the potential of supplying the food and beverage industry has *"not been discounted"* by the firm.

Stevia, derived from the South American plant *stevia rebaudiana*, is said to have up to 300 times the sweetness of sugar. As a sweetener, stevia's taste has a slower onset and longer duration than that of sugar, although some of its extracts may have a bitter or liquorice-like aftertaste at high concentrations.

It is not currently approved in the United States or Europe as a food additive, due to a lack of adequate information on its safety. However, the ingredient is approved as a food additive in around a dozen other countries, including Japan, Brazil and China.

In the US, stevia is approved for use as a dietary supplement. It has so far been available in 'green' stores, where a niche sector of health-aware consumers has traditionally purchased it for its sweetener properties.

But Sunwin now says it has got its product, OnlySweet, onto the shelves of Kroger, Schnucks, Brookshire and Albertsons.

"We're being placed on the shelves of thousands of outlets - we're in the sweetener aisle, sitting right next to the top three sweetener products in the world," said Silbert.

"It is not necessarily a negative that the product is listed as a dietary supplement - we're creating a lot of awareness as to what the product is, and it's already a large achievement to get it into stores alongside the [sweeteners](#)."

OnlySweet, a stevia blend also containing maltodextrin and a proprietary flavoring agent that masks stevia's better aftertaste, only entered the retail market in December last year, but Sunwin has high hopes for its future.

It expects to have its product in 3,000 grocery outlets by July. The firm, which is a subsidiary of a leading stevia manufacturer Sunwin International Nutraceuticals, said it is well positioned for *"accelerated future growth"* due to its ability to produce a consistent supply of premium grade stevia.

Silbert said that although the company's main focus remains retail, it is also meeting with certain manufacturers to explore the possibility of supplying the product as an ingredient for the food and beverage industry.

"It's a potentially big avenue for our product, especially if the status of stevia changes," he said.

Indeed, there have been rumors that the US Food and Drug Administration (FDA) could be petitioned to approve stevia as a food additive.

Public awareness of the ingredient shot up earlier this month, after the *Wall Street Journal* revealed that big players Coca-Cola and Cargill were teaming up to market a stevia sweetener product. Coca-Cola has filed 24 patent applications for the ingredient in the US.

According to the article, the two firms are gathering data on the ingredient in order to apply for FDA approval.

If this is granted, the market for sweeteners could be set for a major shift.

"We believe this is going to shape the sweetener industry," said Silbert. *"Sales of diet sodas are down because people are concerned about things like aspartame and sucralose. They're looking for something more natural."*

"We're seeing an incredibly dynamic set of circumstances in the market," he told FoodNavigator-USA.com.

"We don't use the word 'sweetener' to market our product due to current FDA regulations. But if these change based on what Coke and Cargill are doing, then we'll change our position too."

June 24, 2007; by Phyllis Jacobs Griekspoor, The Wichita Eagle, Kansas

Wheat prices near record levels

Tight stocks and weather problems worldwide have driven demand, and prices, higher

As one of Kansas' uglier wheat harvests progresses, crop prices are pushing record levels.

"We are in unprecedented times," said Arlan Suderman, a Wichita-based market analyst. "World stocks are the tightest they have ever been with demand exceeding production in seven of the last nine years. In order to turn that around, we need to see a record wheat crop in '08."

The need for more acres of wheat next year has spurred a bidding war that has attracted the attention of Wall Street and money has come pouring into the wheat market. On Friday, call options -- an indicator of where the market believes futures prices are headed -- were trading above \$8 a bushel.

"It's been a perfect storm for wheat prices," Suderman said. "We have historically tight stocks combined with drought in Australia, Ukraine and the northern plains of China and all the weather problems here in the Plains. "Goldman Sachs has a report out advising people that the best place to put money short-term is in the wheat market."

Kansas farmers planted about 10.3 million acres of wheat in the fall of 2006, but weather conditions have cut into the anticipated harvest. As of June 1, the USDA estimated the Kansas harvest at 361 million bushels, up about 24 percent from 2006.

Darin Newsom, an analyst with DTN, said this year feels a lot like 1995-96 when prices for wheat climbed above \$7 a bushel and set the current record of \$7.44. But, he said, volatility is likely in the near future with wild swings in store. Cash markets bore out that prediction on Friday, with wheat closing down 17 cents at \$5.70 a bushel in the Kansas City Board of Trade. And December futures for hard red winter wheat fell from \$6.10 to \$5.95.

Corn has been falling steadily as well on expectations of improved weather conditions in the corn belt and a significant increase in acreage. But even with the drop, prices remain significantly higher than they have been in years.

But the trend could change by next weekend. The U.S. Department of Agriculture plantings report is due out Friday and what it shows could trigger strong market reaction. Corn acreage in Kansas was predicted to be 3.7 million acres in the April USDA report, up 10 percent from last year and the highest since 1943. A harvest forecast has not been made.

Across the country, the USDA had estimated an increase of 10 million acres in corn planting.

"If they have increased their acreage estimate and weather looks more promising, corn could get hammered again," Newsom said. "But if the numbers drop, or it doesn't rain and the forecast looks hot and dry, it could go the other direction." Long-term, he said, prices look promising for both corn and wheat.

Suderman agrees. It's an exciting time for agriculture, he said, in spite of the challenges. "Soybean demand is growing globally," he said. "Looking at supply and demand, even if the U.S. demand remains constant, we need another 7 million acres of soybeans in 2008, another 4 to 5 million acres of corn and more wheat acres if we are going to come out of the shortage. Where are those acres going to come from?"

Wheat is the easiest crop to expand around the world, he said, because of its high tolerance for less-than-ideal growing conditions. Corn is the most difficult. "What we can't afford is another bad weather year," he said. "If that happens, things will get really interesting. "It's going to be an interesting summer. It sure keeps my job exciting."

June 28, 2007; By HOMER BRICKEY, **Toledo Blade**

Fremont ethanol plant has twist

One group of growers will benefit from another

FREMONT - A \$109 million ethanol plant planned on the site of a former sugar-beet processing factory in Fremont is unusual in that the owner of a big chunk of the plant will be a cooperative of sugar-beet growers who are, in effect, financing a facility that will benefit corn farmers.

The proposed Ohio Renewable Fuels LLC plant, scheduled to begin production in 2009, is designed to pump out 50 million gallons of the alternative fuel annually, using corn as the raw material.

Although some ethanol is produced from sugar beets, industry experts and the U.S. Department of Agriculture say corn ethanol is more profitable.

The venture is good news for Fremont, especially because it brings new life to a largely unused facility that once employed hundreds. "We're excited about it," Michael Jay, Fremont's economic development director, said yesterday. "We've got [a new tenant for] a facility that's not producing a product like it once did. And they will use a lot of water, which is good for the city, and they will pay taxes."

Officials of Michigan Sugar Co., of Bay City, did not respond to Blade requests for information. The cooperative has nearly 1,300 growers who will own up to 20 percent of the ethanol plant.

These plants make a vehicle-fuel mix of ethanol and petroleum, much of it having 85 percent ethanol and known as E85, which can be used in a variety of cars and sport utility vehicles. It is cheaper than regular gasoline but gets poorer mileage.

Ohio's Department of Development said the Fremont project includes an investment of \$8 million for land and building acquisition and \$79 million for construction, machinery, and equipment. In addition, the agency said, the newly formed firm will invest \$21.7 million in design, administrative, and other costs involved in renovating a 100,000-square-foot facility. It is to have 37 jobs paying an average of \$13 an hour.

The site, which has been used until recently for packaging sugar, has been partially cleared, but more work is needed before construction can begin.

Perhaps the biggest hurdle, though, is financing. The owners plan to finance 80 percent of the costs, or \$87 million, through selling stock to private investors. Michigan Sugar has hired Fagen Inc., of Granite Falls, Minn., as the contractor. Fagen has built dozens of such plants around the country.

Michigan Sugar, which dates to 1906, said it is the largest sugar-beet processor east of the Mississippi River and the nation's fourth largest. It acquired the Fremont plant in the mid-1980s and quit processing sugar in 1996, at which time the plant employed 138 full-time and up to 300 seasonal employees.

The full issue of the June SUGAR AND SWEETENERS OUTLOOK is now available in PDF format. You are able to view this publication at:
<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1386>

A summary in ASCII form was released on May 24, 2007. Acrobat Reader 5.0 or higher is required to view and print this document. To download and get help using the Adobe Acrobat Reader, please go to:
<http://www.adobe.com/products/acrobat/readstep2.html>

The summary for the next issue of SUGAR AND SWEETENERS OUTLOOK will be released on September 20, 2007, with the full report available a week later. This report examines world and U.S. production, consumption, trade, stocks, and prices for beet and cane sugar, and high fructose corn syrup.

To unsubscribe, change the reports you subscribe to, or change your e-mail address, go to:
<http://usda.mannlib.cornell.edu/MannUsda/aboutEmailService.do>

THE KERNEL OF TRUTH ABOUT CORN

After a decade of mundane activity, the price of corn has been soaring; at certain points, the price climbed to record-breaking highs. For example, corn futures on the Chicago Board of Trade have nearly doubled when compared to levels just one year ago. The U.S. government's edict to produce more ethanol sparked these higher prices; in the U.S., corn is the fuel's main ingredient.

Although corn as the source for a biofuel is a relatively recent phenomenon, it has been the sweetener staple – in the form of high fructose corn syrup – for the soft drink industry for the past few decades. The recent escalation of corn prices combined with processing constraints has led to a surge in the price of high fructose corn syrup.

Several manufacturers have made well-publicized moves to sugar as a sweetener during the last year. These companies are selecting sugar as their sweetener because of a preference for its taste, its role as a natural

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TAPPING INTO TECHNOLOGY

Are you a night owl who likes to check on the status of your order at 3 a.m.? Maybe you prefer the streamlined efficiency of submitting an order electronically after only a few keyboard clicks. Then again, your choice may be to let us manage your inventory for you – we'll replenish products according to your prearranged directions. What's the bottom line? We have a number of order management options available for you, and each day our goal is to meet your specific needs.




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THE KERNEL OF TRUTH ABOUT CORN, *Continued*

product and for a unique marketing opportunity in an environment dominated by high fructose corn syrup. Other manufacturers are embracing sugar in response to recent reports that question the health

effects of high fructose corn syrup. It seems unlikely that these moves are made solely because of the relative prices of the two products, but rather have been made for marketing reasons.

Market conditions would have to change more profoundly before traditional soft drink and food manufacturers would make a switch from high fructose corn syrup to sugar. A large shift between the two products would require substantial reinvestment in liquid facilities by the sugar industry, but these could easily and quickly be implemented if the demand base were present. Historically, high fructose corn syrup has cost less than sugar, and in the United States, it still does.

Some estimates indicate that if the price of corn delivered to a high fructose corn syrup user were above \$6 a bushel (for the product, delivery, handling, etc.), then the cost of high fructose corn syrup would approximate the current price of sugar. This could lead manufacturers to consider switching to sugar as the more cost effective alternative. However, manufacturers would be unlikely to shift and the sugar industry unlikely to invest in the necessary infrastructure unless it was expected that corn prices would remain above \$6 per bushel for sustained periods. A temporary spike in the market would not warrant action by either industry.

The U.S. is the leading producer and exporter of corn, and other countries, such as Japan, South Korea and Mexico, have become dependent on our corn exports. With the growing demand for corn at home, it is expected that corn exports will decline. However, U.S. farmers have historically responded to price signals from the marketplace, and that attribute is expected to continue. This year, U.S. farmers will plant an estimated 90 million acres of corn, up from 78 million last year; this year's crop will be the largest planting of corn since World War II. 🏰



SWEETENING THE BAKER'S BOTTOM LINE

High fructose corn syrup has been the sweetener of choice for a large segment of the baking industry for the past several decades. However, current market conditions may encourage bakers to make a different choice to assure the sweetest bottom line.

"We are really the teachers for the wholesale baking trade, and we study the market so we can continue as the leaders in our industry," says Jeff Zeak, pilot plant manager, AIB International (American Institute of Baking International). The impetus of recent work at the AIB has been the shifting role of corn – it is no longer just a food source; corn has evolved into a biofuel.

In the United States, ethanol has become our primary alternative fuel, and corn is the main ingredient in our ethanol. "Recent work at the AIB is based on the premise that the price of corn is rising and will continue to rise as long as corn is being sought after as a biofuel. We completed several evaluations to see if liquid sucrose (invert sugar) could be used in baking as an alternative for high fructose corn syrup," Zeak adds. Ironically, high fructose corn syrup was a less expensive alternative for liquid sucrose over 30 years ago.

Craig Koontz, assistant pilot plant manager, AIB International, and a group of seminar participants recently tested hamburger buns and brown-and-serve rolls. "We used our existing formulas and took out the high fructose corn syrup and used liquid sucrose instead," Zeak explains. "We weren't necessarily looking for a replacement; we wanted to see if there is an

Continued on page 3

SWEETENING THE BAKER'S BOTTOM LINE *Continued*

alternative for high fructose corn syrup. Our goal is to give bakeries a choice.

"We adjusted the formula for the solids – high fructose corn syrup is about 71 percent solids and liquid sucrose is about 76 percent solids. So, we had to balance the amount of moisture we used in the baking. Once we made that adjustment, we produced a comparable product using liquid sucrose: the taste, texture and appearance of the product was the same," Zeak adds.

"We conducted a very informal survey and asked bake plant representatives: 'What do you use at your bakery?' Roughly 75 percent said they use high fructose corn syrup and 25 percent use liquid sucrose. If corn prices continue to rise, I think we'll probably see a switch. People are price driven," he continues. "Our tests confirmed that bakeries will produce similar products by using either liquid sucrose or high fructose corn syrup."

The North American wholesale and retail baking industries founded the American Institute of Baking in 1919 as a technology transfer center for bakers and food processors. Since it was established, the association has expanded beyond North America to serve worldwide segments of the food processing, distribution, foodservice, wholesale and retail industries. AIB International is headquartered in Manhattan, Kansas. 🏰

WHAT'S IN YOUR SWEETENER?

"Do you know what your children are eating?" is the prominent headline that grabs readers' attention on www.TruthAboutSplenda.com, The Sugar Association-sponsored Web site designed to educate consumers on the specifics of the artificial sweetener, Splenda.

Imperial Sugar Company, along with the entire sweetener industry, is keeping tabs on lawsuits against Johnson & Johnson's McNeil Nutritionals, LLC, the manufacturer of Splenda. Splenda's advertising tells consumers that Splenda is "made from sugar, so it tastes like sugar," but the advertising fails to add that Splenda is not natural but rather a chlorinated artificial sweetener.

On May 14 in Philadelphia, Johnson & Johnson settled its lawsuit with Merisant Co., the manufacturer of artificial sweetener Equal. According to www.TruthAboutSpenda.com, "Johnson & Johnson extended their deceptive marketing practices by buying the silence of the jury and settling in *Merisant Co. v. McNeil Nutritionals*."

The Sugar Association, with the support of Imperial Sugar Company, has a similar lawsuit pending against Johnson & Johnson; it is scheduled to go to trial in California in November.

On May 10, the Commercial Court of Paris determined that McNeil Nutritionals' advertising claims violate French consumer protection laws and ordered McNeil to stop its "made from sugar,

so it tastes like sugar" advertising. Authorities in Australia and New Zealand previously reached similar decisions. 🏰





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