



Newsletter

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



Issue # 6

July 23, 2007

Message from Ray Washmera, President:

Dear Members:

July is quickly becoming history and August is just around the corner. What a week starting Saturday, July 28th, will be!

The IFT starts Saturday and ends on Tuesday, July 31st. The National IFT is an exhibitors' and attendees' dream. It is always well attended and enlightening, offering insights into future food trends, products, and ingredients.

Then Wednesday, August 1, our NSIMA Chicago luncheon is planned. It will be held at Maggiano's Little Italy Restaurant. We are fortunate to have as our guest speaker, Steve Mesenbring from Roquette America, Inc., an established international corn wet milling company. Roquette's focus includes developing unique ingredient and excipient solutions for the food, beverage, nutraceutical and pharmaceutical industries. As Sales Sr. Director for Roquette America, Mr. Mesenbring has responsibility for Roquette's sales in Canada, USA and Mexico. He will be talking about consumer trends toward "healthier indulgence" within the food industry.

Rounding out our expert speakers will be Robert Lindon, Executive Vice President for Connell Co. and Steven Vuilleumier, Senior Vice President for McKeany-Flavell Co, Inc. Mr. Lindon will talk to sugar, its markets, and trends; and Mr. Vuilleumier will cover the corn, corn sweetener, its markets, and trends. A question and answer session will follow allowing for some further inquiry and insights. In all, it should be a meeting with excellent speakers and great content. We look forward to your attendance. Please do bring friends.

Also, our National Sweetener and Ingredient Marketing Association (NSIMA) board will be meeting earlier the same morning at 8:00 am at Maggiano's Little Italy Restaurant. All NSIMA Members are invited to attend. Your ideas, thoughts, and insights about the future purpose and roles of the NSIMA would be welcome and helpful. See you there. (If you are unable to attend and would like to offer your thoughts, please give me a call. I would be happy to present them.)

I thank Bruce Penner and others for their continued support and help. The articles and reports are found, gathered, and collated for your edification. His and their efforts are truly valuable and valued. Thank you. I hope this summer finds you enjoying your time and getting a lot of rest and relaxation., and look forward to seeing you in August (at the luncheon).

Sincerely, Ray Washmera

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Also in this issue (Click on the below links)

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[07/22 - Corn growers may soon have competition for ethanol supply](#)

The National Sweetener and Ingredient Marketing Association  
(The National Sugar Brokers Association)

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June 18, 2007

The NSIMA's annual Chicago luncheon meeting will be held on Wednesday August 1, 2007 beginning at 11:45A.M. Maggiano's Little Italy will again be the restaurant at 240 Oakbrook Center – Oak Brook, IL (directions from Chicago's O'Hare Airport: Take I-294 South to I-88 West to Aurora – Exit Cermak Road / 22nd Street to the Oak Brook mall – Next to Saks Fifth Avenue).

Bob Lindon and Ray Washmera will again give their crop reports and market updates. The guest speaker will be Steve Mesenbring, Sales Sr. Director for Roquette America.

Enclosed is a reservation form along with other useful information concerning the luncheon, and the flyer with all the information you'll need for the Chicago Sugar Trade Association's annual outing which will be held on Thursday August 2, 2007 at Ruffled Feathers Golf Club, Lemont, IL.

We are looking forward to seeing you in Chicago.

Sincerely,

*Neale Smith*

Neale Smith

\*\*\*\*\*Reservation Form\*\*\*\*\*

NSIMA Luncheon  
Wednesday August 1, 2007

Maggiano's Little Italy  
240 Oakbrook Center  
Oakbrook, IL

Time: 11:45A.M.

Reception/Buffer Luncheon.....\$70.00

\$75.00 At The Door

Company:

Attendees:

Make checks payable to:

NSIMA  
3000 Chestnut Avenue  
Suite 100A  
Baltimore, MD 21211

<http://www.kxmb.com/News/130813.asp>

Jun 8 2007 9:03AM (From Don Haney, KFGO) Associated Press

## Flooding hurts southern valley's sugar beet crop

[Wahpeton](#), N.D. (AP) As much as 90 percent of the Minn-Dak Farmers Cooperative [sugar beet](#) crop might be affected by wet conditions and flooding in the southern [Red River Valley](#).

Vice president Tom Knudsen says the situation mirrors 2005 when about seven-thousand acres of beets were abandoned.

He says some acres are bound to be lost this year but how many won't be known for a while.

Knudsen says it's not a great start to the growing season.

[http://www.nytimes.com/2007/06/27/world/asia/27cnd-China.html?\\_r=1&oref=slogin](http://www.nytimes.com/2007/06/27/world/asia/27cnd-China.html?_r=1&oref=slogin)

June 27, 2007; By David Barboza, New York Times

## In Food Safety Crackdown, China Closes 180 Plants

SHANGHAI, June 27 — After weeks of insisting that food here is largely safe, regulators in China said Tuesday that they had recently closed 180 food plants and that inspectors had uncovered more than 23,000 food safety violations.

The nationwide crackdown, which began in December, also found that many small food makers were using industrial chemicals, dyes and other illegal ingredients in making a range of food products, everything from candy to seafood.

The announcement came as part of a sweeping overhaul of this country's food safety regulations in the aftermath of a series of international food scares involving Chinese exports.

The country's exports of contaminated vegetable protein earlier this year triggered one of the largest [pet food recalls](#) in American history.

Tainted food ingredients also leached into American meat and fish supplies, and other problem foods, such as tainted fish, have turned up in Europe and other parts of Asia.

China has strongly denied that its food exports are hazardous and has seemingly retaliated in recent weeks by seizing American and European imports.

Earlier this week, China said it had impounded two shipments of food from the United States because the orange pulp and apricots contained "excessive amounts of bacteria and mould."

And earlier this year, regulators blocked imports of Evian water from France, saying bacteria levels in the water exceeded national standards.

Still, the government has moved aggressively in recent months to enforce the nation's food safety regulations and to crack down on fake and counterfeit foods.

But Tuesday's announcement, which appeared on the web site of the country's top quality watchdog, the General Administration of Quality Supervision, Inspection and Quarantine, has added fuel to concerns about rampant fraud in the food industry here.

Regulators said 33,000 law enforcement officials combed the nation and turned up illegal food making dens, counterfeit bottled water, fake soy sauce, banned food additives and illegal meat processing plants.

"These are not isolated cases," Han Yi, director of the administration's quality control and inspection department told the state-run media.

China Daily, the nation's English language newspaper, said industrial chemicals, including dyes, mineral oils, paraffin wax, formaldehyde and malachite green, had been found in everything from candy, pickles and biscuits to seafood.

Regulators said they also learned that sodium hydroxide and hydrochloric acid were being used to process shark fin and ox tendon.

These industrial chemicals are often toxic or corrosive and can be used in everything from drain cleaners, detergent and fertilizer to surfboard wax.

These types of findings have become all too common in China. For instance, in 2005, officials in south China found a company repackaging food waste and shipping it to 10 other regions. And just last week, officials said a company in Anhui province, not far from Shanghai, was selling a two-year-old rice dumpling mix as fresh, according to the state-controlled media.

Experts here say the problem is that the country's food regulations are not being enforced and small businessmen feel they need to go to extraordinary lengths to make a profit.

Corruption and bribery have also infected the food and drug industry here.

The former head of the nation's food and drug watchdog was recently sentenced to death for accepting bribes and approving the licensing of substandard drugs. And now, a Ministry of Agriculture official is on trial in Beijing for accepting bribes in exchange for endorsing food products.

But not all the problems stem from corruption or malfeasance. A.T. Kearney issued a report this week saying one cause of food safety problems is a lack of cold storage and logistics systems.

The consulting firm said China needs to invest about \$100 billion over the next 10 years to upgrade its logistics and cold storage capabilities and to implement new standards.

In China, the study said, there are only about 30,000 cold storage trucks. In the U.S., there are about 280,000.

"In the entire supply chain there's no common standard or world class standard," said Zhang Bing, who helped prepare the study. "There are a lot of things contributing to the food safety problem. There are companies putting chemicals into food. But there's also a lot of spoilage."

June 30, 2007; by Christian Nordqvist, Editor, Medical News Today

## **Veggie Booty Snack Food Salmonella Contamination Risk, Says FDA**

Consumers must not eat Veggie Booty flavor of snack food, says the FDA. The product, marketed by Robert's American Gourmet, may be contaminated with the *Salmonella* Wandsworth bacteria. The product is sold in a plastic foil bag in 4 ounce, 1 ounce and 1.5 ounce packages.

Consumers are urged to throw away all Robert's American Gourmet brand Veggie Booty. Only this flavor forms part of the FDA warning, all other flavors of snack food marketed by Robert's American Gourmet do **not** form part of this warning (they are OK). As the product is very popular with children, the FDA is asking parents to be extra watchful and immediately seek medical care if any signs of illness are observed.

If you have eaten Veggie Booty and experience any symptoms\* you should contact your doctor or health care provider immediately. All illnesses associated with this product should be reported to state or local authorities.

Since March 2007 there have been 52 reports of illness related to this product in 17 states across the USA - four of them had to be hospitalized. All the illnesses affected children under the age of ten, the majority of them toddlers. When the CDC (Centers for Disease Control and Prevention) informed the FDA of these illnesses, the agency carried out an investigation with state and local health officials.

### **The following states have reported illnesses related to the above-mentioned product:**

|                      |                         |
|----------------------|-------------------------|
| California - 7 cases | Colorado - 5 cases      |
| Connecticut - 1 case | Georgia - 1 case        |
| Indiana - 1 case     | Massachusetts - 3 cases |
| Minnesota - 2 cases  | New Hampshire - 2 cases |
| New Jersey - 2 cases | New York - 13 cases     |
| Oregon - 1 case      | Pennsylvania - 3 cases  |
| Tennessee - 1 case   | Texas - 1 case          |
| Vermont - 3 cases    | Washington - 4 cases    |
| Wisconsin - 2 cases  |                         |

### **\*About Salmonella**

- Usually causes diarrhea, which may be bloody
- The patient usually experiences abdominal cramps
- In most cases the sufferer also has a fever
- Symptoms become evident from 1 to 4 days after exposure to the bacteria
- Infants (babies) and people with poor health and weakened immune systems can experience the added complication of Salmonella entering their bloodstream and causing life-threatening infections

The FDA reports that Robert's American Gourmet, of Sea Cliff, New York, and its contract manufacturer, are cooperating fully with FDA's investigation. The FDA is currently trying to identify the source of the contamination.

[http://www.magicvalley.com/articles/2007/07/01/news/local\\_state/115392.txt](http://www.magicvalley.com/articles/2007/07/01/news/local_state/115392.txt)

2007 07/01; By Matt Christensen and Chris Steinbach, Times-News

## **THE RIPPLE EFFECT: Farmers, industry brace for curtailment**

Well closures could spark regional recession, economist says

TWIN FALLS - When the sun rises Friday, the day state water director Dave Tuthill says he'll order Magic Valley irrigators to stop pumping, farmers could wake with heavy hearts. Those close to the curtailment issue say agriculture will bear the brunt of the fallout if the department cuts water to 16,638 acres of Magic Valley farmland - especially irrigators growing high-value crops such as sugar beets and spuds.

Those crops are already in the ground, and contracts with companies like Amalgamated Sugar and Simplot are signed. Without water, there's no crop. Without a crop, there's no paycheck.

"To lose water for potatoes and sugar beets would be terrible," said Wilson Gray, a University of Idaho Extension economist. "Basically, farmers would get nothing." Gray said curtailment could spur a regional recession.

The Idaho Ground Water Appropriators, a group representing groundwater pumpers, has estimated farmers could lose between \$1,000 and \$1,200 an acre. With 16,638 acres scheduled for curtailment, that's a nearly \$17 million hit - just on the farm.

Food producers are next in line to suffer. Vic Jaro, a spokesman for beet buyer Amalgamated Sugar, said his company hopes that farmers realized the curtailment was coming and moved their high-cash crops to land with access to more senior water rights. It's unclear, though, how many farmers moved crops, and how curtailment might affect this year's sugar beet and potato crops.

### Farm financials

That worries loan providers, who finance farmers contingent on contract payments from the big food producers.

About 30 to 40 percent of the groundwater pumpers facing curtailment are customers at Farmers National Bank, which has offices in Jerome, Twin Falls, Wendell and Buhl. Loans to those customers make up 10 to 15 percent of the bank's portfolio, said John Gibson, vice president and manager of the Farmers National office at 890 Shoshone St. in Twin Falls.

At least for this year, he said, "it's not near as critical as we first thought it was." Tuthill's original order slated 33,000 acres for desiccation, but offers from pumpers - called mitigation plans - have cut that number in half.

Plus, many of the farmers facing curtailment use multiple wells and may have to deal with a call on only one of their wells, Gibson said. Farmers invest more than \$1,000 an acre to put in a potato or beet crop. If farmers lose water, "both of those crops, they're totally gone," He said.

Still, hope is not lost for farmers, who might not have to default on loans if curtailment is put off for another month, Gibson said. That would give farmers time to harvest less valuable wheat and barley crops and divert water to corn, potatoes and beets. If farmers lose their rights, He said, they could stop watering and harvesting hay, let it go dormant and come back to it next year. But that would have a trickle-down effect.

"Hay is a cash crop this year," bringing \$150 to \$160 a ton, Gibson said.

### No doom for dairies

Not growing more hay this year could drive prices even higher, Gibson said, and that would drive up feed prices for dairies. As of Friday, about half of the water rights facing possible curtailment belonged to dairymen. "Nobody is exempt is the bottom line for me," he said. "The dairy industry could be extremely impacted by this."

Tony Kevan, a commercial lender at Magic Valley Bank, 113 Main Ave. W. in Twin Falls, agreed with Gibson. "What concerns me most are the substantial number of farms on the list that are dairymen," he said. To Kevan, curtailment in the middle of a growing season doesn't make sense. A better approach, he said, would be to let producers know they won't have water for next year, beginning Oct. 1. "That way the farmer knows the line in the sand has been drawn," he said.

Dairy concerns, however, may be insignificant. Water director Tuthill has said dairy farmers will likely escape curtailment because of a pending mitigation plan.

### Beyond the farm

Also unlikely to face significant harm are businesses that support farms, including fertilizer and chemical companies. Most farmers have already sprayed their crops for this season, said Scott Collins, a crop supervisor at Simplot Grower Solutions, a fertilizer dealer. He said his business will be OK, "as long as farmers have already paid their bills."

But other companies are still unsure how the curtailment could affect business. At Twin Falls Tractor and Implement Co., Bob Wildman said: "We don't have any idea how (curtailment) might affect us at this point." Implement sales have been steady until now, he said, but that could change if farmers lose their crops.

### Uncertainty and strategy

Essentially, that's what everyone is wondering. Will the curtailment actually happen? That depends on whether mitigation proposals filed Friday - the deadline for escaping shutdown - will pass muster with the state.

Individual farmers also continue to submit mitigation plans, Tuthill said, and IGWA late Friday afternoon filed a plan that offers 10,000 additional acre feet of water. The plan, though, is contingent on Tuthill calling off curtailment altogether instead of again lessening the number of acres affected.

Tuthill will spend Monday and Tuesday crunching numbers and will likely announce his decision Thursday.

If Tuthill rejects the proposal, farmers might break the law and keep the pumps flowing, said Lynn Tominaga, executive director at IGWA. "Will they follow the law or make a commitment to civil disobedience and continue to irrigate?" he said. Tominaga expects at least a few farmers to risk getting caught if their sugar beets or spuds are in jeopardy.

Whatever happens this week, one thing is sure: Farmers will suffer, and the ripple effects will be felt throughout the valley.

Thursday, July 05, 2007; By BRENDAN KIRBY, **Alabama Press-Register**

## Sugar, Splenda in legal fracas

Lawyers for a sugar trade group that alleges unfair advertising practices by the marketers of Splenda have asked for a court order to inspect the plant in McIntosh that makes the artificial sweetener's key ingredient.

U.S. Magistrate Judge William Cassady on Tuesday scheduled an August hearing on the matter in Mobile's federal court.

The request comes as part of a lawsuit that pits The Sugar Association against McNeil-PPC and McNeil Nutritionals LLC. The lawsuit, scheduled for trial in January in a California federal court, accuses McNeil of misleading advertising. The association takes issue with the advertising slogan used by McNeil, "Made from sugar so it tastes like sugar."

The defendants have filed a countersuit claiming The Sugar Association has engaged in unfair competition and product disparagement by launching a public education campaign that McNeil alleges is a "smear campaign" against Splenda.

Specifically, McNeil contends that the group's Web site, [www.truthaboutsplenda.com](http://www.truthaboutsplenda.com), conveys false and "alarmist" information.

London-based Tate & Lyle, which owns the McIntosh chemical plant that makes the Sucralose used in Splenda and employs about 160 people, has refused requests to allow The Sugar Association to examine and videotape the manufacturing process.

"We want to see how they do it. We want to see what they do," said Adam Fox, an attorney for The Sugar Association. "They won't let us see what goes into the manufacture of Sucralose."

Karla Sanchez, an attorney with a New York law firm that represents McNeil, said the company would file an official response. But she said she had just seen the legal documents from last week's court filing in Mobile and could not comment.

This is not the first time McNeil has been accused of violating federal law governing product advertising. In May, the company settled a truth-in-advertising lawsuit brought in the federal court in Philadelphia by the manufacturer of Equal.

Chicago-based Merisant Co. had accused the market-leading artificial sweetener of tricking consumers into thinking the product was healthier and more natural than Equal and other artificial sweeteners. McNeil countered that it simply has a better product backed by superior advertising.

Merisant had sought more than \$200 million in damages.

Lawyers for The Sugar Association originally asked the judge in the California case to order Tate & Lyle to allow the group access to its plant in McIntosh. But the judge told the lawyers that a court in the Southern District of Alabama would have to make that decision.

McNeil complains that the Web site run by The Sugar Association and Qorvis Communications mentions the fact that Splenda contains chlorine. It contends that the Web site misinterprets the nature of Splenda, citing the manufacturing process.

Lawyers for The Sugar Association maintain that they should be able to examine that process as a result.

Fox, the attorney for The Sugar Association, said he is not sure how or even if lawyers will use details about the manufacturing process in court. He said it is part of the normal information-gathering phase of any lawsuit. "A lot of times, you just ask questions because you don't know what the answers are," he said.

Mon Jul 9, 2007 2:38PM EDT By Charles Abbott

## **U.S. House draft allows sugar as ethanol feedstock**

WASHINGTON (Reuters) - U.S. growers would be allowed to sell cane and beet sugar for use in making ethanol under a House Agriculture Committee proposal -- a signal change for a program that treats sugar solely as a food.

Sugar is part of a 111-page proposal for updating U.S. crop subsidies. The package was written at the direction of chairman Collin Peterson, Minnesota Democrat, and is scheduled for committee debate next week.

Support rates for sugar would rise under the proposal, to 18.5 cents per lb of raw cane sugar and 23.5 cents per lb of beet sugar. They now are 18 cents per lb for cane and 22.9 cents a lb for beet sugar.

By law, the government must run the sugar program at no net cost. The program relies on domestic marketing allotments, when needed, to balance the supply of domestic and imported sugar with U.S. consumption. Tariff-rate quotas control imports.

Under the Agriculture Committee text, the Agriculture Department would set marketing allotments "for domestic human consumption" of sugar for the 2008-12 crop years. Sugar sold "for uses other than domestic human consumption" would be excluded from the limits.

The American Sugar Alliance, a trade group for growers, said the committee proposal would make the sugar program "even stronger" with its "long overdue loan rate increase" and the ethanol provision.

USDA would continue to update periodically its estimates of U.S. production, imports and demand so adjustments could be made as needed in the marketing allotments. By August 1 of each year, USDA would make its first estimate of sugar supply and demand.

One provision of the proposed sugar program said if USDA awards surplus sugar as a reward to growers who agree to reduce production of sugarcane and beets that are already planted, the sugar from those fields can only be used as a bioenergy feedstock.

A related measure would allow USDA to purchase raw, refined or in-process sugar from growers and sell it to bioenergy producers if it would help the sugar program operate at no net cost. The provision is part of a "wish list" of projects that may be added to the new farm law.

The purchases would be made only when necessary and USDA would use competitive bidding to get the best prices.

July 10, 2007; By Tom Finnegan, STAR-BULLETIN

# Kauai ethanol plant is planned for 2008

## Gay & Robinson says sugar conversion will save 230 jobs

KAUMAKANI, Kauai - An investment of \$80 million announced yesterday will likely turn Kauai's west side once again into the tassel-filled land of sugar it has been for more than 100 years.

This time, however, sugar plantation officials believe the same crop that their grandparents cultivated will provide a renewable energy source for their grandchildren.

Gay & Robinson announced yesterday that it has secured funding to build both a 12 million-gallon-per-year ethanol plant and a biomass boiler and turbine to produce energy for the plant and for the local electricity company.

The sugar-to-ethanol plant would be the first in the United States, producing more than a quarter of what is currently needed in Hawaii as a gasoline additive, officials with the company said yesterday.

Plans have been in the works to build the ethanol plant for nearly a decade, but delays with permitting and funding have pushed back the project.

With the announcement of the deal, however, the plant is once again scheduled to open next year, Gay & Robinson Treasurer Clem Lum said yesterday.

"Money has always been an issue," he said. - Not anymore.

The \$39 million ethanol plant, to be built in Kaumakani, the heart of the Garden Isle's sugar fields, is expected to use sugar juice and molasses as raw material. It has already received a permit from the state for air pollution, and is in the permitting process at the county level. It is scheduled to produce 12 million gallons of ethanol per year. Current state law requires that gasoline be blended with 10 percent ethanol so as to reduce the state's dependence on foreign oil. But the state has had to import ethanol without a local supplier.

The rest of the funding announced yesterday, Lum said, will go to cultivating more sugar cane lands, building the biomass plant and hiring more staff.

Future business plans call for additional stages of energy production, including biodiesel production, a methane recovery system, the processing of municipal solid waste, hydropower, the conversion of biomass into liquid fuels and solar energy production, company officials said yesterday.

"We're excited to partner with Pacific West Energy and begin transforming G&R from a commodity raw sugar producer to a provider of renewable and alternative energy for Kauai and Hawaii," said Alan Kennett, president of Gay & Robinson, in a news release. Pacific West Energy LLC, a Vancouver, Wash.-based firm, worked to secure the funding for the project and will partner with Gay & Robinson to form Gay & Robinson Ag-Energy LLC. A management team with Pacific West with experience in developing renewable-energy projects worldwide will come to Kauai to help develop the project, officials with both companies said.



### ETHANOL POINTS

**The project:** Now in the permitting stage, it is set to open in mid- to late 2008.

**Production:** 12 million gallons of ethanol made from sugar juice and molasses

**Secondary plans:** A biomass boiler and turbine facility, both to power the ethanol plant and to sell to a local utility company

**Partners:** Pacific West and Gay & Robinson

STAR-BULLETIN

July 10, 2007; **Xinhua Economic News Service**

## China names and shames companies for exporting substandard food products

BEIJING - China's quality supervision authorities have blacklisted 14 companies for planning to export substandard food products and banned them from further exports. The companies was exposed by the General Administration of Quality Supervision, Inspection and Quarantine (GAQSIQ) on its official website, [www.aqsiq.gov](http://www.aqsiq.gov).

"They will be banned from exporting food products," Lin Wei, an official with the administration, said here Tuesday.

The substandard products, which included preserved seafood and fruit, were destined to be exported to Japan, Canada, the United States and the European Union, according to the administration. Some of the products were found to contain additives such as sulphur dioxide in excess of levels set by the importing countries, or were found to be contaminated by harmful bacteria.

Lin said the government had paid great attention to recent health scares caused by substandard food products and great efforts were being made to prevent similar incidents.

In May, China's quality control watchdog confirmed two domestic companies had exported melamine-contaminated wheat gluten and rice protein blamed for the deaths of dogs and cats in the United States.

Investigations showed the two companies had managed to evade quality checks by labeling products as exports that were not subject to quality inspection.

However, Lin said the violation was only an "isolated" case and 99 percent of China's exported food was up to standard. Lin said the government had set up a rigorous quality supervision and inspection system for exported food, which covered all procedures, including planting, processing, distributing and exporting. "Starting from planting and breeding to exporting, all procedures are under close supervision," said Lin, deputy general director of the bureau of safety of exported and imported food under the administration.

Lin said China was open in having cooperation and exchanges with other countries on food safety. "We are fully confident that Chinese products are not only affordable and fine quality, but also healthy and safe," Lin said.

The government has come under great pressure to improve food safety following a series of controversies caused by substandard food, ranging from drug-tainted fish to banned Sudan dye used to color egg yolks red.

A survey showed that about 20 percent of products made in China for domestic consumption failed to meet quality and safety standards in the first half of 2007. The survey, conducted by the GAQSIQ, covered 7,200 different products from 6,362 enterprises, with an emphasis on food, daily commodities and farming machinery and fertilizers. The administration found that 93.1 percent of products made by large enterprises were up to standard -- the figure was 84.2 percent for medium-sized enterprises and 72.9 percent for small enterprises.

Wu Jianping, director of the department of production supervision under the GAQSIQ, said China had about 448,000 food manufacturers, 78.7 percent of which were small factories with fewer than 10 employees. "Food produced by small factories and workshops is one of our top concerns, and the small food workshops are the key targets in our food safety campaign," Wu said. To improve food safety, the government laid out a five-year plan to tighten the supervision of food and drug products and promised to "significantly reduce the number of incidents caused by substandard food or drug products" by 2010. "China will try to reduce the number of small food workshops by half by 2010 so as to effectively curb illegal activities involving shoddy food products," Wu said.

The quality watchdog dealt with 23,000 cases of fake brand and substandard food from December 2006 to May 2007 and 180 food manufacturers were shut down for making substandard food or using inedible materials in production.

11/07/2007; By Stephen Daniells, **FoodNavigator.com**

## Corn syrup, cane sugar affect appetite equally - study

Beverages sweetened with cane sugar or high fructose corn syrup may affect hunger, satiety, or short-term energy intakes, suggests a new study from the US.

The study, published in the *American Journal of Clinical Nutrition*, could help support soft drink firm claims that they have been disproportionately blamed for the current [obesity](#) epidemic.

*"Some companies have made a sincere effort to put sucrose back in soda,"* said senior author of the study, Adam Drewnowski from the University of Washington. *"But there is no direct link between the type of sweetener and obesity. As far as appetite is concerned, cane and corn sugars in beverages are much the same."*

Campaigners against the high fructose corn syrup ingredient point to epidemiological studies that have linked the consumption of [sweetened beverages](#) and obesity, as well as some science that claims that the body processes the syrup differently than other sugars due to the fructose content, leading to greater fat storage.

However, industry associations like the Corn Refiners Association (CRA) have repeatedly claimed there is no scientific evidence to suggest that [HFCS](#) is uniquely responsible for people becoming obese.

The new study was partly financed by the CRA, in association with the National Institute of Dental and Craniofacial Research at the National Institutes of Health, and the American Beverage Association.

The researchers investigated if there was any difference between commercial beverages containing sucrose or HFCS on hunger, satiety, and energy intakes by assigning 37 volunteers (18 women, age range 20 to 29) to consume cola beverages.

The drinks contained the same amount of calories (215 kcal) sweetened with sucrose, 42 per cent HFCS, or 55 per cent HFCS. The drinks were compared to three controls: diet cola (2 kcal), milk containing one per cent fat (215 kcal), and no beverage, and measurements taken at 20-minute intervals after consumption.

*"We found no differences between sucrose- and HFCS-sweetened colas in perceived sweetness, hunger and satiety profiles, or energy intakes at lunch,"* wrote the researchers.

All four of the caloric drinks were found to partially suppress energy intakes at lunch, while the diet drink and no-beverage control did not.

*"In terms of suppressing your appetite, a calorie from high-fructose corn syrup seems to be no different than a calorie from table sugar or a calorie from milk,"* said Monsivais.

The research was welcomed by the CRA. Audra Erickson, CRA president said: *"This new study on sweetened beverages supports previous research showing there is very little difference between high fructose corn syrup and sugar from the perspective of the human body."*

*"High fructose corn syrup has nearly the same composition as sugar and honey - roughly half fructose and half glucose - with each having four calories per gram. So it is not surprising that sugar and high fructose corn syrup affect the appetite in the same way."*

According to figures published by the World Health Organisation (WHO), in the year 2015 some 2.3 bn adults will be overweight and more than 700 million will suffer from obesity, a pathology that is increasingly being seen in children.

Source: *American Journal of Clinical Nutrition*

July 2007, Volume 86, Number 1, Pages 116-123

*"Sugars and satiety: does the type of sweetener make a difference?"*

Authors: P. Monsivais, M.M. Perrigue and A. Drewnowski

## WASDE-448-16; July 12, 2007

SUGAR: Projected 2007/08 U.S. sugar supply is decreased 40,000 tons, raw value, from last month, due to lower beginning stocks more than offsetting higher production. Processor projections compiled by the Farm Service Agency put 2007/08 production at 8.29 million tons, up 37,000 from last month's projection. Sugar use is unchanged.

For 2006/07, estimated shortfall in tariff rate quota imports is increased 25,000 tons. Exports and deliveries to manufacturers for re-export products are increased 25,000 tons each, based on pace to date. These and minor changes in production estimates reduce ending stocks 77,000 tons.

### U.S. Sugar Supply and Use 1/

| Item                        | 2005/06 | 2006/07 | 2007/08 Projection |        |
|-----------------------------|---------|---------|--------------------|--------|
|                             |         | Est.    | June               | July   |
| 1,000 short tons, raw value |         |         |                    |        |
| Beginning stocks            | 1,332   | 1,698   | 1,693              | 1,616  |
| Production 2/               | 7,399   | 8,484   | 8,255              | 8,292  |
| Beet sugar                  | 4,444   | 4,999   | 4,520              | 4,619  |
| Cane sugar                  | 2,955   | 3,485   | 3,735              | 3,673  |
| Florida                     | 1,367   | 1,713   | 1,870              | 1,774  |
| Hawaii                      | 223     | 252     | 229                | 271    |
| Louisiana                   | 1,190   | 1,335   | 1,430              | 1,430  |
| Texas                       | 175     | 185     | 206                | 198    |
| Imports                     | 3,443   | 2,009   | 1,889              | 1,889  |
| TRQ 3/                      | 2,588   | 1,549   | 1,284              | 1,284  |
| Other program 4/            | 349     | 400     | 425                | 425    |
| Other 5/                    | 506     | 60      | 180                | 180    |
| Mexico                      | 420     | 50      | 175                | 175    |
| Total supply                | 12,174  | 12,191  | 11,837             | 11,797 |
| Exports                     | 203     | 400     | 250                | 250    |
| Deliveries                  | 10,341  | 10,175  | 10,170             | 10,170 |
| Food                        | 10,184  | 9,950   | 10,000             | 10,000 |
| Other 6/                    | 157     | 225     | 170                | 170    |
| Miscellaneous 7/            | -68     | 0       | 0                  | 0      |
| Total use                   | 10,476  | 10,575  | 10,420             | 10,420 |
| Ending stocks               | 1,698   | 1,616   | 1,417              | 1,377  |
| Stocks to use ratio         | 16.2    | 15.3    | 13.6               | 13.2   |

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 only U.S. commitments under current trade agreements, minus shortfall of 70,000 tons. The Secretary will establish the actual level of the TRQ at a later date. 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 (10). 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.

The following USDA SPECIAL REPORT is now available:

SUGAR BACKGROUNDER- The sugar title in the 2007 Farm Bill will determine how U.S. sugar policy is to be conducted. Currently, the U.S. sugar program uses domestic marketing allotments, price supports, and tariff-rate quotas to influence the amount of sugar available to the U.S. market. The program's effect has been to support U.S. prices of sugar at levels above world market levels. U.S. sugar users maintain that keeping U.S. sugar prices higher than world levels has made U.S. sugar manufacturers increasingly uncompetitive in domestic and export markets and that a new approach to sugar policy is needed. Also, the U.S. sugar program's effectiveness will be challenged in 2008 when all sweetener trade restrictions with Mexico are removed as part of the North American Free Trade Agreement. This report on the U.S. sugar sector places into context the challenges facing sugar producers, users, and policymakers in the United States, including description and analysis of farm-level production of U.S. sugar crops, cane and beet sugar processing and refining industries, imports and exports of sugar, sugar consumption, and U.S. sugar policy issues likely to be important in the 2007 Farm Bill.

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July 17, 2007; **INTERNATIONAL NEWS**

## **China to Shift Away From Corn in Making Biofuel**

BEIJING - China will shift its dependence from corn to sorghum, cassava and sweet potato plants to make biofuel in the next five years. Part of the government's efforts to develop biofuel without harming general food supply and security, the shift will ensure a healthy supply of corn both as food and fodder. Cassava and sweet potato both are high-yield plants, and though edible, they are not used as staple food. So their use as raw material, as opposed to that of corn, won't create any artificial shortage of food products.

Xiong Bilin, deputy director of the National Development and Reform Commission's (NDRC) industry department, told China Daily that the conversion of the four major ethanol production centres, which have a combined output of 1 million tons, will neither be too complicated nor costly. The four plants, along with the newly approved ones, will use the plants of sorghum, cassava and sweet potato that scientists have recommended as corn substitutes.

The country's efforts to fight global warming will soon get another boost with the largest ethanol production facility getting the green light, said the official with the country's top economic planner. The facility in Hengshui in Hebei Province is expected to yield 300,000 tons of biofuel, mainly from sweet potato, every year.

The authorities are also likely to approve another ethanol-making facility. The unit in Jingmen, Hubei Province, can make 200,000 tons of ethanol from sweet potato plants each year. China National Cereals, Oils and Foodstuffs Corporation (COFCO) will be the major investor in both projects.

China wants to increase ethanol production from 1 million tons a year to 2 million tons in 2010, and 10 million tons by 2020. "Meeting the 2010 target should not be a problem," Xiong said.

The existing four corn-based facilities have already been joined by a cassava-based unit in the Guangxi Zhuang Autonomous Region that can produce 200,000 tons of ethanol a year. COFCO owns the Guangxi facility too, which got authorities' approval last year before going into operation. Considering the rising price of corn and the threat to food security, the State Council, China's cabinet, ordered the biofuel industry to shift from food to non-food material in mid-June.

Xiong, however, stressed that irrespective of the raw material used, the country will continue its shift from fossil fuel to ethanol to save energy and fight climate change. Gas and diesel sold in nine provinces is already mixed with 10 per cent ethanol. Which means the country's dependence on fossil fuel dropped by 1.3 million tons last year.

But the nationwide demand for fuel is more than 50 million tons a year. So a lot more ethanol has to be made if ethanol is to be mixed with fuel throughout the country. "The country will gradually replace petroleum with ethanol as the main fuel for its chemical industry," Xiong said.

The government is considering offering a 5 per cent tax rebate to ethanol producers, and some financial subsidies both to the producers and suppliers. For producers, the subsidy is estimated to be more than 1,000 yuan (US\$132) for every ton of their product.

# **Moneymakers:** Five questions with Pauline McKee

## Sugar Land company is sweet on organic approach

"To make sugar from sugar cane that is organic, we don't use any chemicals whatsoever to extract the sucrose. It's the physical process of cutting the cane and crushing it and squeezing out the juice. It's quite hard for us to keep up with demand, as more and more large companies are turning to organic for ingredients."

**JAMES NIELSEN:** CHRONICLE

As more consumers become concerned about healthy eating and helping poor overseas farmers, they are increasingly reaching for organic and fair-trade foods. Shoppers can now add organic and fair-trade sugar to their organic and certified free-trade coffee thanks to Sugar Land-based Wholesome Sweeteners.

The company works with sugar farm cooperatives in Paraguay, Costa Rica, Brazil, Argentina, Malawi and Mauritius. This year, it is expected to earn \$55 million in sales of sugar, molasses, blue agave sweeteners and other products that are organic or fair-trade certified, or both. About 70 percent of its sales are to industrial food companies that need organic ingredients to label products organic. Its branded products are sold at U.S. grocery stores and are sometimes mentioned by chefs on cooking shows or served at restaurants owned by popular chefs, including Monica Pope of Houston's t'afia.

Pauline McKee, the sweetener company's marketing director, recently spoke with Chronicle reporter Jenalia Moreno about her company, fair trade and organic farming.

**Q:** What is fair trade?

**A:** What it means is that we buy products directly from the farmers, whether it's coffee, tea or, in our case, sugar. They get paid a pre-agreed price, which is significantly above the market value of what they would normally get. ...

The cooperative sells their cane to the mills. We buy the sugar from the mills. What we do is send a premium for the amount of sugar the cooperative has sold to the mill back to the growers.

In Paraguay, South America, recently we sent them \$40,000, and they bought their first-ever tractor with that. At the moment we're giving them some more money in the form of a premium to build a health-care center for the community. That's really what fair trade is about, in essence. It's the farmer getting a fair wage, enabling them to compete with the larger factory farm agriculture and support their local community, keep their kids in school rather than have them working in the fields.

**Q:** How do you know that the mill is paying the farmer a fair wage?

**A:** Because we speak to both the farmer and the mill frequently. And we also have it third-party certified by Transfair USA, and so they check it as well.

With fair trade, it's really important that you have an independent third-party organization to ensure that happens. We pay them a licensing fee, and that's how they can afford to operate. They are a nonprofit organization.

**Q:** What is organic?

**A:** Organic is in essence foods produced without any herbicide, pesticides.

In the case of sugar cane, our sugar cane is not burned, which most sugar cane is, which of course has a bad effect on the topsoil, the fauna and of course the environment with all that carbon monoxide going into the air.

To make sugar from sugar cane that is organic, we don't use any chemicals whatsoever to extract the sucrose. It's the physical process of cutting the cane and crushing it and squeezing out the juice. It's quite hard for us to keep up with demand, as more and more large companies are turning to organic for ingredients.

**Q:** Why are you located in Sugar Land, across from Imperial Sugar?

**A:** Our parent company is a company called Billington's, which is based in the U.K., in Liverpool. Billington's actually purchased Wholesome Sweeteners from Imperial 6 1/2 years ago. Imperial is our minority shareholder. Where else would you base a sugar company in the U.S. other than Sugar Land?

**Q:** Famous chefs use your products. Does that help your sales?

**A:** I think everything helps. I think chefs are great influences here in the U.S. I think a lot of our food trends come from what chefs are doing. They innovate and look for new and interesting ingredients. I think a lot of them are very concerned now about organic and environmental and health and what's better for us, as opposed to just ladling on the heavy cream.

Tuesday, July 17, 2007; by Heather Carlile, Agri News

## **Sugar beet growers seem satisfied with farm bill proposal**

The House Agriculture Committee farm bill's sugar provision would raise sugar's marketing loan rate and ensure most of domestic consumption comes from American growers.

Prior to the House committee's markup meeting, the marketing loan rate for cane sugar is proposed to increase from 18 to 18.5 cents. The loan rate for beet sugar is scheduled for an increase from 22.9 to 23.5 cents.

Mark Olson, a sugar beet grower and chairman of the legislative committee of the Southern Minnesota Beet Sugar Cooperative, said that sugar beet growers are "cautiously optimistic" of the modified sugar program.

"I think we're pretty happy with it," he said. "We're kind of waiting for the chairman's markup to come out in the next couple weeks. Then we'll see what all the details are."

He said the change of the overall allotment quota will save jobs in the industry.

"We would have to continue to close factories if they continue to import sugar," he said. "This would be a way for us to have a little bit of some insurance in that. We would be guaranteed 85 percent of domestic consumption.

Unless consumption dropped really low, that should be enough to keep factories open."

Not everyone is happy with the proposed sugar program. The Sweetener Users Association, which represents people who use sugar such as confectioners, bakers, cereal manufacturers and trade associations for those industries, has issued a statement that they believe the proposed sugar program will waste taxpayers' money.

According to SUA, a study by the economic consulting firm Promar International found that the proposed increases to loan rates would add roughly a penny per pound to the price of sugar, costing American consumers about \$200 million each year.

The study estimates that the proposed bill would cost the government nearly \$2 billion in sugar subsidies over the five-year program. SUA also stated that the program would require the government to sell surplus sugar to ethanol plants at a loss of 49 cents per gallon.

David H. Roche, president and CEO of Minn-Dak Farmers Cooperative in Whapeton, N.D., said that sugar growers believe the cost of their product is reasonable. He pointed out that the sugar program runs with no direct payments from the government and said the industry would like to continue to operate that way.

He explained that sugar is put under a loan and only forfeited to the government at a floor price if the sugar can't be sold in the marketplace.

<http://www.time.com/time/printout/0,8816,1644716,00.html>

Wednesday, Jul. 18, 2007; By Suzanne Gamboa, **TIME.COM**

## **U.S. Does U-Turn on Green Cards**

WASHINGTON (AP) — The government did an about-face Tuesday and announced it is accepting applications for green cards filed by skilled immigrant workers.

Citizenship and Immigration Services, a division of the Homeland Security Department, said in a news release it will accept the applications through Aug. 17. Applications already filed, which the agency planned to reject, also will be accepted.

The decision was good news for skilled immigrants.

"We are pleased and elated. It's very good to see a government agency see it's made a mistake, acknowledge a mistake and fix a mistake," said Crystal Williams, associate director for programs at the American Immigration Lawyers Association.

Every month the State Department announces how many visa numbers are available, which immigrants need to get in line for green cards or visas to enter the U.S. It can take years for some immigrants to get the numbers.

In June, the State Department said all eligible skilled workers could submit applications to become legal residents. But on July 2, it said the 60,000 available visa numbers were no longer available because Citizenship and Immigration Services had suddenly reduced its backlog of green card applications.

The about face resolves an immigration embarrassment that angered members of Congress and outraged workers and employers.

Rep. Zoe Lofgren, D-Calif., had planned to hold a hearing and Sen. Charles Schumer, D-N.Y., fired off a letter to the Homeland Security Department to complain.

The process needs review, CIS Director Emilio Gonzalez said in a statement.

# 11 Food, Drink Firms Restrict Child Ads

NEW YORK (AP) -- Eleven of the nation's biggest food and drink companies will adopt new rules to limit advertising to children under the age of 12, a move that restricts ads for products such as [McDonald's](#) Happy Meals and the use of popular cartoon characters.

The companies, including [Campbell Soup Co.](#), [General Mills Inc.](#) and [PepsiCo Inc.](#), announced their new rules ahead of a Federal Trade Commission hearing Wednesday that steps up pressure on the companies to help curb the growing child obesity problem through more responsible marketing.

While food marketing changes alone will not solve the obesity problem, they will help parents make healthier choices for their children, FTC Chairman Deborah Platt Majoras said in a statement.

She noted that the 11 companies account for about two-thirds of television food ads directed to kids.

The self-imposed rules include pledges by seven companies who will no longer use licensed characters, such as those made popular through movies or TV shows, to advertise online or in print media unless they're promoting their healthier products. Four other companies said they do not advertise at all to children under 12.

Margo Wootan, Nutrition Policy Director at the nonprofit [Center for Science in the Public Interest](#), said the companies are taking a big step forward by pledging to stop marketing their worst junk food to kids on television, radio, print and on the Internet.

"I think this is a very good step forward. It's not the end of the journey but it's a good way down the road," she said.

Since the FTC first publicly raised the issue in 2005, many of the companies have started selling products with better nutrition in mind. The companies hope their self-regulation efforts -- organized through the Council of Better Business Bureaus -- will fend off any new and more restrictive federal regulation.

Parents are happy to see new rules that restrict the use of cartoon characters such Shrek, Dora the Explorer and SpongeBob SquarePants.

"It catches their eye when you're shopping," said Josephine Thomas, a mother of three boys who lives in Manhattan. "As soon as they see a Shrek or Mickey Mouse, they automatically look at that and they don't see what they really need. That's one of the biggest problems when you go shopping."

That's one reason the food companies have said they will now only use licensed characters to advertise their "better for you" products. Companies can still use the characters in their packaging without violating their pledges.

Some companies will use child-friendly cartoons to promote healthier foods. Frozen vegetable mixes in SpongeBob SquarePants packaging will land on store shelves within the month, General Mills spokeswoman Chris Shea said.

The self-imposed rules, which should be fully implemented by the end of 2008, differ widely from company to company.

McDonald's USA said it will advertise only two types of Happy Meal to children younger than 12: one with four Chicken McNuggets, apple dippers with caramel dip and low-fat white milk, or one with a hamburger, apple dippers and milk. They both meet the company-set requirement of less than 600 calories, and no more than 35 percent of calories from fat, 10 percent of calories from saturated fat or 35 percent total sugar by weight.

General Mills, which since 2005 has restricted ads to reduced-calorie products and limited its use of licensed characters, will now only advertise products with no more than 12 grams of sugar when marketing to the under-12 age group.

PepsiCo -- owner of Frito-Lay and Quaker Foods and seller of Pepsi, Tropicana, Aquafina and Gatorade drinks -- said it would only market two products to children: Baked Cheetos Cheese Flavored Snacks and Gatorade. Purchase, N.Y.-based PepsiCo could decide in the future to advertise other products from its Smart Spot line, which meets company-set health standards.

The announcements follow earlier commitments from [Kellogg Co.](#) last month, [Walt Disney Co.](#) last fall and [Kraft Foods Inc.](#) in 2005.

Other participating companies are Cadbury Adams USA LLC, a subsidiary of [Cadbury Schweppes PLC](#); The [Coca-Cola Co.](#); The [Hershey Co.](#); [Unilever](#), maker of SlimFast and Country Crock; and Masterfoods USA, maker of Snickers, M&Ms and Skittles.

Wednesday's promises also include new commitments related to product placement, advertising of food and beverages in schools, and interactive ads online, which are expected to be examined in greater detail by the FTC in coming months.

The agency is expected to survey 44 food and drink companies about how much they spend and what methods they use in ads directed at children, in an effort to bring more attention to the issue.

July 22, 2007; by Philip Brasher, The Des Moines Register

## Corn growers may soon have competition for ethanol supply

Americans may soon be running their cars on sugar, not just corn. A provision in the House farm bill would require the government to buy up surplus sugar and sell it to ethanol producers for conversion into fuel alcohol.

Distillers of rum have long used sugar to make alcohol, of course. And Brazil makes its fuel ethanol from sugar cane. Sugar-based alcohol fuel has not been economical in the United States because of the government's policy of keeping domestic sugar prices far above the world market price.

That could change. Starting next year, Mexico will be allowed under the North American Free Trade Agreement to start exporting its sugar to the United States in unlimited amounts. Because the government controls sugar prices by regulating the amount that can be imported, the U.S. Agriculture Department must limit supplies of domestic sugar or find something to do with the surplus that will be created with the extra Mexican sugar, such as making it into ethanol.

### THE AFTER EFFECT

Guess what U.S. sugar farmers want the government to do?

"If you're allowing in more sugar than our market needs, rather than our farmers paying the price, let's let our government handle it first," said Jack Roney, director of economics and policy analysis for the American Sugar Alliance, which represents growers. "Let's have the government absorb a certain amount of sugar for ethanol."

Corn growers have no reason to complain about the potential competition from sugar as an ethanol feedstock. The reason the Mexican farmers may export some of their sugar to the United States is because soft drink makers in Mexico may stop using sugar and switch to cheaper U.S. corn syrup, economists say. Yes, high fructose corn syrup will be sent to Mexico to displace sugar that will then be shipped to the United States. Taxpayers can then pay for buying surplus sugar and converting it to ethanol.

Agriculture Secretary Mike Johanns doesn't think this makes sense. Because of the U.S. price-support program, the sugar will cost the USDA over 20 cents a pound to buy, far more than ethanol producers will pay for it, he said. "We could end up selling it for a nickel," he said.

### FOOTING THE BILL

Roney said the USDA should be able to sell the sugar to ethanol producers for as much as 10 cents a pound, given current prices for corn and ethanol.

The Bush administration's farm bill proposal relies instead on marketing allotments to control sugar supplies, saving taxpayers about \$1.1 billion over a 10-year period. Under current law, farmers can dump excess sugar on the government at the federal support price. Those forfeitures, if they were to take place, would cost the government about \$1.3 billion, about the same cost as the sugar-to-ethanol program and an increase in sugar price guarantees that also is contained in the farm bill.

It's no surprise that the House Agriculture Committee rejected the administration's proposal in favor of the sugar growers. The committee's chairman, Rep. Collin Peterson, D-Minn., represents one of the nation's major sugar-producing regions.

### ONGOING DEBATE

But his counterpart in the Senate, Tom Harkin, D-Iowa, also is interested in the sugar-to-ethanol plan, said spokeswoman Kate Cyrul.

The ethanol industry has come under criticism for driving up the price of food by increasing the price of corn. Dave Nelson, a Belmond, Iowa, farmer who is a leader in the National Corn Growers Association as well as chairman of Midwest Grain Processors, an ethanol producer, says he welcomes the use of sugar to make the fuel. "We're going to need all kinds of feedstocks in the future for ethanol," he said.

Roney of the sugar growers alliance said the sugar-to-ethanol plan should be seen as a cost of implementing trade agreements that allow sugar imports to increase. "This is a government-created problem of the excess imports, and we're asking the government to take care of that problem and enable our producers to continue to compete," he said.