NSIMA NATIONAL SWEETENER & INGREDIENT MARKETING ASSN

Newsletter

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

N.S.B.A. 100th 1903-ANNIVERSARY-2003

Issue # 8 November 30, 2006

~~~~~~

Message from Ray Washmera, President;

Hello Members
It's November. Mother Nature is working her wonders. The leaves are turning and winter is just around the bend. It's a beautiful time of year unless...you are in the food commodity business.

Commodities have been very difficult. Between fund activity, lost acreage, more acreage, poor harvests, good harvests, etc., the markets have certainly been challenging. Pricing mirrors those challenges. They have been volatile and that volatility doesn't appear to be waning. Enclosed are articles culled from multiple sources which will give you some thoughts and insight. We hope they help!

Our NSIMA website is about done and is now ready for your input. Within the month, we will be allowing you access and asking you to populate your personal information site. Once accomplished, we will go "public" with our official NSIMA website. This is terrific news! I would like to thank OhioMedia, Bruce Penner, Neale and Chip Smith for all their hard work.
Congrats Guys, it would not have been done without your tremendous work and diligence. You will also notice the New York Board of Trade (NYBOT) has allowed us to post their information on our site. We thank them for that as well.

2006 has been a challenging year. 2007 appears to be even more demanding.
Your Association stands ready to help where it can. Give us your thoughts and ideas and we will do our best.

Ray

~~~~~~

Also in this issue: (Check out the attachments)

September 29, 2006; By Douglas Crowl, Daily Times-Call

We got the beets

Despite decline from booming past, sugar still a vital crop

WINDSOR — Randy Schwalm walked through his sugar beet field, looking over rows of the leafy plants whose roots are the white starchy beets used to make sugar.

The third-generation farmer kicked a few of the plants, looking for the best specimen. Finally, he crouched like a catcher preparing for a pitch, grabbed a plant and yanked the beet from its earthly womb.

"There we go," he said. "That's what a beet should look like."

Schwalm's paternal oversight of his beet field is natural. Though he grows other crops on the 500-acre farm south of Windsor, the 120 acres of sugar beets are his lifeblood crop.

Beets cost more to produce, but they pay more per acre than anything else he has in the ground.

"This is the crop my family enjoys to grow," Schwalm said, recalling how his family comes out to help each harvest season; this year's beet harvest begins in about a month.

"It's a family thing," he said. "If you check, a lot of other families are the same way."

This year, 400 Colorado sugar beet farmers planted 38,300 acres, forecast to produce 881,000 tons of beets, according to the U.S. Department of Agriculture. The industry generates $92 million in gross revenue in Colorado, according to Western Sugar Cooperative.

Still, sugar beets constitute a fraction of the state's crops, last year producing 0.6 percent of the state's total agricultural receipts, according to the U.S. Department of Agriculture.

Livestock is king in Colorado, with 74.2 percent of the receipts; among crops, corn leads the way at 4.9 percent.

But beets are still important.

"It's not in the top five, but it's a major," said Steve Anderson, deputy director of the USDA's National Agricultural Statistics Service in Colorado.

Most farmers in the state, he said, are clustered in the north and east, where sugar beets still have an impact on the economy.

Still, the beet industry is only a shadow of its former self. In 1930, the industry's benchmark year, farmers grew 3,312 tons of the roots on 232,000 acres, according to the USDA.

Rich sugar beet past

Today, the fossils of the once-booming sugar beet industry can be seen scattered around the countryside.

Partly abandoned sugar mills, many crumbling with time, are found in many northern Colorado towns, including Longmont, Loveland, Fort Collins, Johnstown and Windsor.

Less obvious are the old beet dumps and scales, where crops were weighed and then hauled away by train. Those trains traveled on 86 miles of track, 50 miles of which are still in use.

"It was the biggest industry in all of northern Colorado by a long ways," local historian and author Ken Jessen said.

Tens of thousands of people likely took home paychecks related to sugar beet crops, including workers in factories, on railroads and in the fields, he said.

In 1900, nobody in northern Colorado grew sugar beets. By the summer of 1905, nearly every farmer had them in the ground, and several towns had built mills to process them. "This happened, you might say, overnight," Jessen said.

Only 80 years before, French scientists, under Napoleon Bonaparte, had perfected the process of transforming beets into sugar, in response to England's blockade of sugar cane into much of Europe.

Around 1900, the Great Western Sugar Co. in Denver identified northern Colorado as a prime place to grow beets and build mills to transform the starchy roots into white gold.

The company offered to build sugar mills if towns would provide the land. Irrigation systems were already in place to water the crops.

An influx of immigrants followed, many planting their roots along the Front Range.

One ethnic group that came to work the beet fields was the Volgadeutsche, ethnic Germans from Russia, of which Schwalm is a descendent.

In the 1760s, Catherine the Great invited Germans to farm in Russia, promising not to draft the men into the army and to let the immigrants keep their German heritage. The promise of a better life lured many to the Volga River area.

The promises was broken in the late 1800s, sparking thousands to immigrate to the United States. Many were coaxed to Colorado by Great Western recruiters offering free train tickets and good jobs.

Schwalm’s grandfather came through Canada to Sterling and eventually closer to the Front Range to work the beet fields before acquiring his own land.

Japanese, Italians, Russians and Mexicans also came to northern Colorado and established communities.

Decline and sustain

Drought and urbanization caused the sugar beet industry’s slow and steady decline, said Kent Wimmer, director of shareholder administration for Western Sugar Cooperative.

Great Western eventually became Western Sugar, now a farmer-owned co-op with 1,427 shareholders from Colorado, Nebraska, Wyoming and Montana.

The intense drought years of 2001 and 2002 dealt the latest major blow to the industry, Wimmer said. It reduced sugar beet yields enough to close a mill in Greeley.

That left Fort Morgan’s sugar mill as the last in Colorado. In the 1960s, Great Western operated 18 mills, Wimmer said.

But with modern technology’s ability to break down beets’ starches, one mill can produce at least half the sugar those 18 mills produced, Wimmer said.

Still, fewer farmers are cashing in.

It takes 30 inches of moisture to grow a 20-ton crop of sugar beets. However, Colorado averages 15 to 18 inches in the growing season, making beet farmers dependent on irrigation.

"Water is just a huge key to our success," Wimmer emphasized. "It’s a great asset when you have ample water. You turn this area into a cornucopia."

Without it, beets simply won’t grow, as many farmers along the South Platte learned this summer when the state cut off their wells due to drought conditions. About 50 to 60 beet growers will have diminished yields this fall as a result, Wimmer said.

Despite the setback, Colorado is expected to grow more beets this year than last because of ample water in other parts of the state, he said.

"But if you are one of the 50 to 60 growers, it’s a hell of an impact," Wimmer said. "But we are looking at a good crop in its entirety."

In fact, the 881,000 tons of beets projected for harvest this fall mark a continued rebound from 2002. That year, growers formed a co-op and took over Western Sugar, which Wimmer said will help keep the industry stable.

It’s a trend that agricultural producers are being encouraged to follow, he noted.

"We have a very optimistic future," Wimmer said. "We have a strong cooperative base across the four states."

http://www.billingsgazette.net/articles/2006/10/01/news/state/35-foes.txt

Published on Sunday, October 01, 2006.

Senate foes differ subtly on approach to farm bill

By JIM GRANSBERY Of The Billings Gazette Staff

Montana's largest natural resource industry is agriculture, which is inextricably tied to the nation's farm policy blueprint written every five years.

What is written into the 2007 Farm Bill - if it is written at all - is crucial to every farmer and rancher in the state, if for no other reason than they and their bankers will know what to plan for through 2012.

But because the Doha round of trade negotiations collapsed, with virtually no chance of resurrection, some believe that Congress should extend current law for a year or two until the international trade community agrees on agricultural policies that lead to a new World Trade Organization treaty.

The Doha round is the World Trade Organization's effort to bring agriculture commodities and products under the international umbrella. It has floundered for five years, and the talks were suspended indefinitely in July.

The Bush administration wants a new farm bill passed in 2007.

"A new bill may be worse than the one we've got," said Jon Tester, the Democratic candidate for the U.S. Senate. "But the safety net does not work now."

Sen. Conrad Burns, R-Mont., who seeks his fourth six-year term in the Senate, concedes that in Congress "there is not a lot of spirit for going it alone."

"There is a thought out there to extend it or tweak it" until the

international community agrees on agricultural trade, Burns said. He agrees that the so-called safety net of price supports, payments and crop insurance is not working for Montana grain farmers.

The candidates' views of U.S. ag policy are nuanced by their experiences from the wheat fields to the Senate Appropriations subcommittee on Agriculture, Rural Development and Related Agencies. One of the men will get to vote on the 2007 Farm Bill.

Both concede that commodity groups not now included in the farm bill - fruit and vegetable producers - are clamoring to be covered by the next version. That will make the subsidy pie, with decreased funding, thinner for all.

Last year, the U.S government spent more than $20 billion on farm subsidies mainly for corn, soybeans, rice, cotton and wheat. The European Union spent at least twice that amount.

Montana farmers and ranchers in 2004 had total cash receipts of $2.52 billion from crops and livestock; of that, $282 million, or 11.2 percent, was from government payments, according to the Montana Agricultural Statistics Service. The totals for 2005 will be released in October.

Tester said any reduction in subsidies must be accompanied by real market competition so farmers can recover the true cost of production from the marketplace.

"This is critical," he said. "They must end the agribusiness subsidies."

For Burns, market competition is also an issue, but he is more focused on getting the Packers and Stockyards Act enforced so livestock producers will have true price discovery when selling their animals.

As guiding principles for the Farm Bill, Tester said it must be flexible, provide a safety net for all, allow for crop diversity without penalty and have a forceful energy component.

Burns said energy is his first concern along with reform of the Conservation Reserve Program, a safety net that helps Montana producers, and better risk-management programs, including a possible permanent disaster program.

Tester said farm law should be flexible enough to give farmers the opportunity "to try a dryland apple orchard if they want." That is not possible now, he said. The same is true for diversity of crops, he said. Most grain farmers in Montana raise wheat or barley. Alternate crops that might prove beneficial should be allowed into the program, he said.

Rather than higher loan prices, Tester would like a better crop-insurance program, which has been rendered minimal because of continuing drought.

"You have three losses in a row, there's no coverage," he said.

Burns wants a regional crop insurance program tailored to crops, areas and conditions.

Burns noted that the current safety net of direct payments, counter-cyclical payments and loan deficiency payments leaves Montana wheat and barley producers at a disadvantage because they generally receive only direct payments. He said the farm bill needs to be restructured so that all program crops benefit. Tester agrees.

In addition to better crop insurance coverage, Burns said the farm-policy debate should explore a permanent disaster program funded through the regular budget process.

Reforming the Conservation Reserve Program must be considered, Burns said.

Montana has about 3.4 million acres in CRP out of about 34 million nationally. In 2007 and 2008, contracts on more than 1 million acres in Montana will expire. A CRP contract normally calls for putting marginal cropland into grass for 10 years in return for an annual payment per acre.

Burns advocates that CRP be restricted to a 25 percent per farm limit rather than the 25 percent per county requirement now. Also, the payment per acre should be reduced so that it does not compete with leasing costs for those who wish to rent cropland, especially young farmers trying to get started.

Tester said CRP has been hard on rural community economies and young farmers, but he sees CRP as part of an alternative-energy component for ethanol.

Energy for farmers and by farmers for the rest of the country is high on the issues list for both men.

The law must encourage the growth of oilseed crops in the rotation, Tester said.

"Whatever works for that region," he said. Biofuels and lubricants are part of the mix, too.

While most ethanol is produced from corn, ethanol from cellulose would be plentiful from CRP acres that have

10 years' grass growth, he said.

Renewable fuels "are no silver bullet," Burns said, but he said they can play a major role in reducing dependence on foreign oil.

Other agriculture issues in this campaign are:

Country-of-origin labeling: This was part of the 2002 Farm Bill, but the meat-packing industry's supporters in Congress and the U.S. Department of Agriculture have prevented it from being funded or put into effect. Tester wants it funded because consumers want it and it is the law. The measure would require red meat to be identified as to what country the animal was born and raised in. Burns blames the packers for delaying the effective date, now set for the fall of 2008. He blames the House for doing the bidding of the packers. "Funding is not the problem," he said. However, the House Agriculture Appropriations subcommittee had denied funding for USDA to complete its guidelines for beef and pork labeling.

Individual animal identification: In the wake of the problems with bovine spongiform encephalopathy - better known as mad cow disease - USDA is working on a national plan to register individual identification for food animals. Burns said he prefers using the Montana Beef Network model developed at Montana State University in Bozeman. The Montana Beef Network program is voluntary and involves ear tags, electronic readers and computer databanks rather than a hot iron brand, which has been used for identification for 150 years in the West. Tester said if labeling were implemented there is no need for individual animal identification, which is too costly for the producers.

Imports and exports of cattle and beef: Cattle and beef coming from Canada must be from animals 30 months old or younger. Tester said the U.S. border should be closed to Canadian imports or at the very least restricted to 20 months or younger as the Japanese have demand for U.S. exports to Japan.

Burns said the restrictions on Canadian cattle and beef should be held at 30 months. He said the Japanese imposition of a 20-month limit on U.S. exports is an example of "politics trumping science, but they set the rules where they want."

Sugar program: The food-processing industry and candy makers have put forward a proposal for a new sugar program in which farmers would get direct subsidies, replacing the program that now includes price supports, marketing allotments and quotas for foreign imports.

The program does not cost the taxpayers anything, except in rare instances when processors forfeit sugar to the government when market prices dip below the federal loan price. The proposal would require an additional $1.3 billion in annual farm program payments to sugar producers.

Burns and Tester both support the current law.

http://www.nytimes.com/2006/10/01/nyregion/thecity/01domi.html?_r=1&oref=slogin

Where Sugar Once Ruled, a Face-Off Over the Future

Published: October 1, 2006; By JAKE MOONEY

The bright yellow Domino Sugar sign next to the Williamsburg Bridge is among the most distinctive features of the Brooklyn waterfront. Now, the sign may point the way to the borough's next big historic preservation fight.

Last month, the Waterfront Preservation Alliance of Greenpoint and Williamsburg formally asked the city's Landmarks Preservation Commission to consider the old sugar factory for landmark status.

A plan for a project combining market-rate and low-income housing at the site is being drafted by the partnership that bought the property shortly after the factory closed in 2004. It consists of the Community Preservation Corporation, a nonprofit organization, and Isaac Katan, a private developer.

The preservationists, supported by the local City Council member, David Yassky, want any development to conform with the factory, a hulking brick Romanesque Revival structure that dates to the late 19th century and recalls an era when New York was the nation's leading sugar producer. Mr. Yassky angered local preservationists last year by helping to override the landmark designation of a nearby warehouse. The Domino plant, he said, is more significant. "It's an icon," he said. "It's a landmark in the popular sense of the word. When I talk to people in Queens or Manhattan about that part of my district, I say it's right by the Domino Sugar factory, and they know where that is."

Ironically, Alice Rich, a member of the waterfront alliance, said her group's efforts had benefited from the rapid development that followed the comprehensive rezoning of the local waterfront in May 2005. "People," she said, "can see what's disappearing."

The developers, who have yet to unveil concrete plans, warn that too much preservation could jeopardize their project and the construction in the area of low-income housing.

"We certainly support preservation," said Lloyd Kaplan, a spokesman for the property's owners. But he added, "Our priority is affordable housing, and we want to achieve a balanced plan."

The Rev. Jim O'Shea, president of Churches United for Fair Housing, made a similar point. "If you look at it in human terms," he said, "how many families do you want to knock out of housing in the community, at what price, and what are you preserving?"

There may be room for compromise. Mary Habstritt, president of the Roebling chapter of the national Society for Industrial Archeology, said that she would like to see more kept intact than just the distinctive Domino sign. Some of the old factory's equipment, if preserved, could tell the story of the refining industry that once thrived along the waterfront, she said.

But she, along with Mr. Yassky and Ms. Rich, says that preservation and housing are not incompatible. "There have been lots of industrial buildings put to other uses, including residential," Ms. Habstritt said. "It just demands creativity and openmindedness."

http://www.greeleytrib.com/article/20061003/NEWS/110030086

Celebrating the sugar beet in Mead

October 3, 2006; by Bill Jackson, GreeleyTribune.com

MEAD -- The lowly sugar beet is being celebrated in a big way in southwestern Weld County.

The Mead Area Chamber of Commerce is presenting a day-long event to commemorate the place of sugar beets in the area economy and history Oct. 14. The event is scheduled from 10 a.m.-6 p.m.

The idea of the festivities came from Butch Sekich, a local developer and one of the directors of the Mead chamber.

"The sugar beet made this area what it is today. From back in the early days when area farmers found they could profitably grow beets to this day; sugar beets have been a primary crop here," Sekich said.

Sugar beets are one of the biennial plants of the chenopodiaceous genus Beta, and are used to produce table sugar as well as many other byproducts.

Many farmers still raise them as their main cash crop, and many of the area's irrigation canals are employed and were created for sugar beet production.

In this year of water controversy that has limited the amount of available irrigation water, harvests are expected to be well below normal.

But in spite of those predicted lower yields, the Sugar Beet Festival will go on, with contests utilizing the vegetable itself and a kids carnival put on by area schools which will offer much family fun.

There will be several varieties of foods, a beer garden and a root beer garden for the kids.

There will be plenty of events and exhibits to keep young and old busy and entertained all day, including a farm toy auction by a professional farm auctioneer.

Any profits made are being donated to area charities.

Harvest tours will present actual sugar beet processing and there will be hay rides, pony rides, midway games and many thought provoking exhibits and vendors to entertain all.

http://www.newsday.com/news/local/wire/newyork/ny-bc-ny--diet-schoolsnacks1006oct06,0,949863.story?coll=ny-region-apnewyork

Too much sugar: Clinton deal restricts school snack foods

October 6, 2006, 5:00 AM EDT; By KAREN MATTHEWS, Associated Press

NEW YORK -- Snacks sold in schools will have to cut the fat, sugar and salt under the latest crackdown on junk food won by former President Clinton.

Just five months after a similar agreement to cut down on sodas in schools, Clinton and the American Heart Association announced a deal Friday with several major food companies to make school snacks healthier _ the latest assault on the nation's childhood obesity epidemic.
"By working with schools and industry to implement these guidelines, we are helping to give parents peace of mind that their kids will be able to make healthier choices at school," said Dr. Raymond Gibbons, president of the heart association.

The agreement with Kraft, Mars, Campbell, Dannon and PepsiCo sets guidelines for fat, sugar, sodium and calories for snack foods sold in school vending machines, stores and snack bars. Those companies make everything from M&M's, yogurt and granola bars to Frito-Lay potato chips, Snickers bars and canned soups.

Under the guidelines, most foods won't be permitted to derive more than 35 percent of their calories from fat and more than 10 percent from saturated fat. There will be a limit of 35 percent for sugar content by weight.

An example of a snack that would be banned is a Snickers bar, which has 280 calories, 130 of them from fat _ nearly half. The candy bar has 30 grams of sugar out of 58.7 total grams _ more than half.

Gibbons said Thursday that the guidelines are based on the recommendations of leading scientists "as to what we should be doing to provide more nutritious foods for our kids."

Charles Nicolas, a spokesman for PepsiCo, which owns Frito-Lay and Quaker, said Frito-Lay already has products that meet the guidelines, like baked potato chips and reduced-sugar chewy bars.

"We're going to change a few recipes so that more snacks meet those guidelines as well," he said.

Clinton's William J. Clinton Foundation teamed up with the heart association to form the Alliance for a Healthier Generation in 2005. The alliance was formed with the goal of reversing the trend toward childhood obesity, which has been blamed for an increase in early-onset diabetes and other ills.

In May, the alliance announced an agreement with beverage industry leaders to sell only water, unsweetened juice and low-fat and non-fat milk in elementary and middle schools. Diet sodas and sports drinks are still being sold in high schools.

Officials said that agreement covered 87 percent of the soft drink market in public and private schools.

Bob Harrison, executive director of the alliance, said the snack-food industry is not as concentrated as the beverage industry, so the reach of this agreement will not be as wide as the earlier one.

But he said the five companies participating in the new agreement are market leaders and their influence will be felt.

"We think this is a very significant first step toward providing healthier snacking options for kids in schools," he said.

http://www.mantecabulletin.com/articles/2006/10/10/news/news3.txt

Spreckels Sugar warehouse retro look for offices

By DENNIS WYATT, Managing editor of the Manteca (Calif.) Bulletin

History is about to get a bit sweeter at Spreckels Park.

City Hall is now processing plans for AKF Development's two-story, 4,000-square-foot replica of the original 1916 Spreckels Sugar warehouse on Historical Plaza Way next to the four pseudo sugar silos behind the Chevron station. AKF partners Mike Atherton, Bing Kirk, and Bill Filios will use the building as headquarters for their various enterprises. Placer Title will be the other tenant.

The lobby will contain various artifacts salvaged from the sugar factory that was erected in 1916, a year before Manteca incorporated as a city. Among them is the dedication plaque.

The elevator will be lined with historical photos including the implosion on March 15, 1997 when 10,000 people watched as the four, 15-story concrete sugar silos came tumbling down.

The AKF partners are hoping their decision to invest in architectural touches to provide a reminder of a big part of Manteca's history will serve as a continuing tribute to the generations of sugar workers who literally helped build Manteca.

The building itself will have a red brick veneer just like the old factory along with banks of nine-pane windows.

The landscaping directly behind the building will be done in such a manner to block views of the Chevron station and car wash.

The office building is designed to dovetail into the existing $200,000 Spreckels Historical Plaza that the partners erected as part of the development agreement for the 362-acre multi-use project on the former sugar site.

The site has massive drainage pipes standing on end that have been painted white. They are designed to represent the four sugar silos. Brick salvaged from the original warehouse is incorporated into flower beds and the walks within the plaza.

Major areas of building activity in Manteca in 2006 through Sept. 30 includes:

- 295 single family residential permits for $56.09 million.
- 182 permits for swimming pools and spas valued at $6.7 million.
- two warehouse permits valued at $6.1 million.
- 12 commercial building permits for $11.7 million.
- 383 residential reroofing permits for $2.7 million.
- two restaurant permits for $1.2 million
- 77 permits for residential remodel and additions valued at $1.3 million.
- one church building permit for $2.6 million

A record $191.1 million worth of private sector construction was reached in 2002 before dropping to $172.4 million in 2003. The 2004 total hit $140.2 million while the 2005 total reached $170.1 million.

http://www.crookstontimes.com/articles/2006/10/10/news/7news3.txt

Too many sugarbeets:

Crystal's contingency plan in effect

By The Crookston Daily Times Staff
Published: Tuesday, October 10, 2006 1:33 PM CDT

With sugarbeet harvest in full swing and excellent yields being reported, the contingency plan to reduce harvested acres is currently in effect at the full 10 percent level as determined last month, according to American Crystal Sugar. This applies to all five factories in the district.

Whether or not the plan is implemented to its fullest remains to be seen, however. Company officials announced they would look more at the situation once harvest is about 80 percent complete, which should occur later this week. Some reduction in harvested acres is likely this season.

Colder temperatures are forecasted for this week, but there has not yet been a frost shutdown and with proper farming practices one can be prevented.

All drivers are advised to use extra caution on the roads during beet harvest.

---

http://www.mlive.com/news/sanews/index.ssf?/base/news-20/1160821308285420.xml&coll=9

Sugar plant fire extinguished quickly

Saturday, October 14, 2006
THE SAGINAW NEWS

The cause of a fire inside a defunct Carrollton Township sugar beet plant remained unclear, but a company official said the Friday flames likely damaged little.

Firefighters entered the Michigan Sugar Co. plant, 341 Sugar, about 5:30 p.m. and reported the fire started from a circuit breaker, said Herb Wilson, vice president of operations.

He said preliminary indications suggested the fire caused only minor damage that was reparable within hours.

The sprawling plant ceased operations in 2005, costing more than 150 employees their jobs, but still is used for warehousing and shipping, Wilson said.

Carrollton, Kochville and Zilwaukee firefighters aided in the incident. Wilson said no one was inside when the fire started, and no one was hurt.

http://www.miami.com/mld/miamiherald/business/special_packages/business_monday/15756478.htm

Posted on Mon, Oct. 16, 2006; BY SUSAN SALISBURY, The Palm Beach Post

This year's sugar cane harvest to be better than last year's

The U.S. Department of Agriculture is forecasting Florida's sugar production to come in at 1.73 million tons, up from 1.36 million tons last season.

With Florida's sugar cane harvest now underway, a sweet molasses-like aroma permeates the morning air near Clewiston.

The Florida sugar industry is hoping for a better season than last year, when Hurricane Wilma battered the crop Oct. 25. That followed a year in which hurricanes Frances and Jeanne each took their toll on the cane.

The U.S. Department of Agriculture is forecasting Florida's sugar production to come in at 1.73 million tons, up from 1.36 million tons in the 2005-06 season, but lower than the 2 million-plus tons of the pre-hurricane seasons.

''We're expecting a better crop. It's still not back to normal levels,'' said U.S. Sugar spokeswoman Judy Sanchez.

FLORIDA IS NO. 1

Florida produces more sugar from cane than any other state, and in a normal year, supplies 25 percent of the nation's sugar. Most of the industry's 400,000 acres lie in Palm Beach County, with some in Martin, Glades and Hendry.

Farm-level cash receipts from sugar cane totaled $432 million in 2005, according to the Florida Department of Agriculture. That's 5 percent of Florida agriculture's total cash receipts of $7.8 billion.

Clewiston-based U.S. Sugar Corp. began its harvest Oct. 5 and plans to harvest cane 24 hours a day, seven days a week through March. West Palm Beach-based Florida Crystals Corp. expects to start harvesting Tuesday. By early November, the Sugar Cane Growers Cooperative of Belle Glade will join them.

Dennis Wedgworth, president of 10,000-acre Wedgworth Farms in Belle Glade and a member of the cooperative, said cane growth is better this year than the past two years. ''We expect a marginally better crop than last year,'' he said. ``It will take a few years to get out of the damaged cane.''

The harvesting of each field is done according to a schedule that has to change sometimes because of wind or rain. But overall, Florida's wet summers and dry winters make it the perfect place to grow cane.

''We sprayed this field with ripener six weeks ago,'' Cervera said as mechanical harvesting equipment felled row after row of cane stalks.

PICTURESQUE SCENE

Nearby, hundreds of cattle egrets swooped down and devoured whatever insects were lurking in the freshly turned muck. The scene may be picturesque, but skilled workers carry out each aspect of the harvest.

It begins with fire -- workers light blazes along the cane rows to rid the field of debris. Tanker trucks holding as much as 2,000 gallons of water are on hand in case the fire gets out of control.

''There's no sugar in the leaves, only in the stalks,'' Cervera explained as he watched the mechanized sugar cane harvesters cut the green tops off the 10-foot-tall cane. The equipment cuts the stalks into 1-foot lengths, then a conveyor belt shoots them into a wagon.

Seven hours later, the cane began arriving at the company's Bryant Mill at Canal Point to be ground and processed into raw sugar. It's the last season the Bryant Mill, in operation since 1963, will be used. The closing was announced three years ago and the building, property and equipment are for sale, Sanchez said.

U.S. Sugar's Clewiston mill is undergoing a multimillion-dollar upgrade and expansion that will make it one of the largest and most automated mills in the world. Its cane-crushing line, capable of handling 26,000 tons of cane a day, will be the second-largest in the world, Sanchez said.

Most of the 200 jobs at the Bryant Mill will be eliminated when the shutdown occurs at the end of this season, she said.

EFFECTS OF NAFTA

Sanchez said the new mill was needed for the company to remain competitive in the face of the North American Free Trade Agreement's scheduled 2008 opening of totally free trade with Mexico, a substantial sugar producer.

''Our goal is to be a lower-cost producer than Mexico by 2008,'' she said. ``With our new facility, we will be.''

http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=104&STORY=/www/story/10-20-2006/0004455830&EDATE=

California Court Rules in Favor of SPLENDA(R) Sweeteners in Lawsuit Against Sugar Association

FORT WASHINGTON, Pa., Oct. 20 /PRNewswire/ -- The U.S. District Court (Central District) of California yesterday denied the Sugar Association's motion to dismiss the lawsuit brought by McNeil Nutritionals, LLC, on behalf of its SPLENDA(R) Sweeteners products.

The lawsuit, which will be heard by the District Court, charges the Sugar Association and several of its member companies with false advertising designed to mislead consumers about the safety and taste of SPLENDA(R) Sweeteners. According to the suit, the Sugar Association has been seeking to boost sales of sugar by spreading false and misleading information about SPLENDA(R) Sweeteners via the internet and through other public relations channels.

The lawsuit states the multi-million dollar competitive campaign by the Sugar Association on behalf the Sugar Companies intends to cause material commercial injury to SPLENDA(R) Sweeteners.

SPLENDA(R) Brand Sweetener (sucralose), the sweetening ingredient in all SPLENDA(R) Sweeteners, is made through a patented, multi-step process that starts with sugar and converts it to a no calorie, non-carbohydrate sweetener. The result is an exceptionally stable sweetener that tastes like sugar, but without sugar's calories. Recent clinical data suggests that SPLENDA(R) No Calorie Sweetener can be a helpful tool for children and families to use as part of a program to reduce calories and increase physical activity, in order to prevent additional weight gain in overweight children.

SPLENDA(R) Sweeteners have been used safely by millions of consumers in all population groups worldwide, including pregnant women, children and individuals with diabetes. SPLENDA(R) Brand Sweetener (sucralose) was first sold more than 13 years ago and is now permitted for use in over 80 countries.

About SPLENDA(R) Brand Sweetener

SPLENDA(R) Sweeteners are marketed by McNeil Nutritionals, LLC. SPLENDA(R) Brand Sweetener is used in more than 4,000 products of major food brands worldwide. You can find out more about SPLENDA(R) Sweeteners or get recipes and tips on cooking and baking with the brand by logging on to http://www.splenda.com or call 1-800-7-SPLENDA (1-800-777-5363).

About McNeil Nutritionals, LLC

McNeil Nutritionals, LLC, is a marketer of innovative nutritional products. The company's mission is to give people the ability to actively manage their own health. McNeil Nutritionals, LLC, markets SPLENDA(R) No Calorie Sweetener, SPLENDA(R) Sugar Blend, SPLENDA(R) Brown Sugar Blend, VIACTIV(R) Calcium Soft Chews, VIACTIV(R) Multi-Vitamin Soft Chews, LACTAID(R) Milk and Dietary Supplements, and BENECOL(R) Spreads. McNeil Nutritionals, LLC, is headquartered in Fort Washington, PA.

CONTACT: Michael J. Beckerich, McNeil Nutritionals, LLC, 1-215-273-4761

SOURCE McNeil Nutritionals, LLC

October 19, 2006 Thursday 5:43 AM GMT

Mexico Rejects BioTech Corn

MEXICO CITY (AFX) - Mexico this week barred Monsanto Co. and other biotechnology companies from planting genetically engineered corn, rekindling fierce debate in that country over the technology.
Environmentalists said the government's decision will help prevent biotech corn from contaminating native varieties in Mexico, the birthplace of corn and still a storehouse of genetically valuable native species.

But the decision, announced late Monday by Mexico's Agriculture Department, angered some biotech supporters that said it would limit access to plants that could reduce pesticide and herbicide use and have other advantages for local farmers. Columnist Sergio Sarmiento, writing in the newspaper Reforma on Wednesday, called it 'cowardly.'

Genetically modified corn 'is already in use in many parts of the world and it has enormous benefits, both in terms of the environment and production, given that it reduces pesticide use,' Sarmiento wrote.

Even environmentalists don't think Monday's decision is the last word.

'This is temporary, because there is so much pressure from the multinationals,' said Gustavo Ampugnani of Greenpeace Mexico. 'They are going to put a lot of pressure on the incoming administration' of president-elect Felipe Calderon, who takes office Dec. 1.

Monday's decision turned down all seven requests filed by companies including St. Louis-based Monsanto, Wilmington, Del.-based DuPont Co.'s **Pioneer Hi-Bred** International Inc. subsidiary, and others.

'We were surprised by this decision,' said Eduardo Perez Pico, director of technological development at Monsanto's Mexico subsidiary, which had applied to start experimental fields in the northern states of Sinaloa, Sonora, and Tamaulipas.

'These are not centers of origin or biodiversity of corn,' Perez Pico said, referring to the areas where corn ancestor plants or primitive varieties grow naturally.

Under current law, such areas are off-limits to biotech planting, in part to protect the genetic traits of those ancestor varieties in case their traits are needed for hybridization efforts in the future.

In areas of Mexico where corn is determined to be a non-native or non-original crop, 'there is the possibility of a permit being granted for the first phases of experimental projects,' said Pedro Mata, of Mexico's food safety agency.

Mata said Monday's ruling hinged on an ongoing debate over whether any area of Mexican can be designated as a non-origin region for corn.

'The researchers and experts are still discussing it, and there are some controversies,' Mata said. There is no deadline for drawing up the map of 'safe' areas.

Mexico imposed a moratorium on the planting of genetically modified crops in 1998, but in 2005, President Vicente Fox signed a bill that set out a framework for approving such planting in the future.

Farmers in Mexico first bred corn some 6,000 to 8,000 years ago. The country is home to at least 59 species of maize, from the protein-rich variety used to make tortilla chips to a softer **grain** mashed for use in tamales.

A study in the Sierra de Juarez region in the southern state of Oaxaca found evidence of transgenic corn contamination in 2000 from corn that was apparently imported for food use. The study was published and then retracted by the science journal Nature.

Another study by Mexican and U.S. researchers in 2004 found no trace of genetically altered corn in crops in the same area four years later.

http://www.magicvalley.com/articles/2006/10/22/news_localstate/news_local_state.3.txt

Harvest heads into final weeks for area farmers

By Jennifer Sandmann, Times-News writer

BURLEY — Local fields and roads are under siege by farm trucks as the Mini-Cassia area heads into the final weeks of harvest.

Wheat has long since been harvested, spud digging is wrapping up and the fourth cutting of alfalfa is basically done. The sugar beet harvest will conclude in the first weeks of November.

The 2006 growing season provided enough irrigation water and (for the most part) cooperative weather. Those factors helped produce what agricultural specialists say is looking to be an average year in terms of crop yield and quality for the area's two most valuable crops — sugar beets and potatoes.

Growers in Cassia and Minidoka counties — along with other farms in counties to the east — planted 117,000 acres of sugar beets this year, up from 5 percent last year, said John Schorr, agricultural district manager for Amalgamated Sugar Co. in Paul. Yields are looking good, but it's too early to say what the harvest will ultimately produce. Early sugar content looks to be about average, he said.

County-by-county numbers of potatoes planted are not yet available. However, statewide Idaho farmers planted 330,000 acres of spuds this year, says the U.S. Department of Agriculture. That's up 1.5 percent from 325,000 acres planted in 2005.

Locally, the potato crop is yielding about 400 pounds per acre, which is about average, said Dale Baker, agricultural extension agent with University of Idaho Cooperative Extension in Rupert.

"Quality I think is going to be average or better," he said.

Despite favorable conditions for the potato fungus late blight, the two-county area hasn't had any reports of it this year, Baker said.

A good spell of hot, dry weather in late summer helped, along with good farm management, he said.

Idaho produces the most potatoes in the nation and ranks third in sugar beet production. Wheat and alfalfa remain vital to the state's agricultural diversification. Idaho ranks fourth in alfalfa production and seventh in wheat production.

Jennifer Sandmann can be reached at local_mcnews@hotmail.com.

Cash crops - Figures are for 2005, the latest available

Cassia County Acres harvested Farm revenue

Sugar beets 30,500 $30 million
Potatoes 30,000 $64 million
Wheat 85,700 $30 million
Alfalfa 56,800 $32.5 million

Minidoka County Acres harvested farm revenue

Sugar beets 42,400 $40 million
Potatoes 21,100 $46.5 million
Wheat 35,200 $12.5 million
Alfalfa 27,400 $18 million

(Source: University of Idaho Cooperative Extension and USDA National Agricultural Statistics Service) http://www.crookstontimes.com/articles/2006/10/25/news/21news4.txt

American Crystal says 8 percent decision is final

By The Crookston Times Staff

Under American Crystal Sugar Company's Contingency Plan to Reduce Harvested Acres, on Oct. 17 all shareholders were previously asked to reserve 8 percent of their acres for possible destruction. The company's board of directors met on Tuesday and determined that the Contingency Plan to Reduce Harvested Acres will be final at the 8 percent level.

As soon as piling stations complete their harvest the company's agriculture staff will contact shareholders and begin the process of measurement and verification of the acres left in the field. This process should begin within the next few days in most areas and will likely take a week to complete. American Crystal is asking shareholders to not destroy acres until they have received written authorization from the company's agriculture staff.

American Crystal began with the potential to harvest 507,000 acres of sugarbeets. The cooperative recognized in August that the implementation of leaving beets in the field could become necessary as crop samples indicated the potential for a materially above average crop, which could exceed its processing capacity.

To facilitate processing as many tons as practical, the company began operating four factories on Aug. 23, and another on Aug. 29, several weeks earlier than normal, and plans to run them longer than normal to about May 31, 2007.

As of Tuesday morning, American Crystal's harvest was about 99 percent complete. Stockpile harvest has been stalled and started numerous times since it began September 30, due to heat, rain, and frost shut downs. Currently, the crop is predicted to yield about 25 tons per acre, which is well above American Crystal's historical five-year average of 19 tons per acre. Sugar content is estimated to exceed 18 percent, which is also above the company's historical five-year average of 17.8 percent.

American Crystal fully realizes that not harvesting the entire sugarbeet crop seems to be unthinkable particularly as other commodities in the multi-state region have been adversely affected by drought. However, the economics of the situation dictate it is more prudent to leave a portion of the sugarbeet crop in the field than to incur harvest and storage costs of those beets and then pay to discard them in the spring.

American Crystal Sugar Company is an agricultural cooperative owned by nearly 2,900 shareholder entities in the Red River Valley (northwestern Minnesota and eastern North Dakota) involved in the growing and processing of sugarbeets. American Crystal employs about 1,700 full- and part-time employees and is the largest beet sugar producer in the United States. American Crystal operates sugar factories at East Grand Forks, Crookston, and Moorhead, Minn.; Drayton and Hillsboro, N.D.; and Sidney, Mont., under the name Sidney Sugars Incorporated. American Crystal's corporate headquarters and technical services facilities are located in Moorhead.

http://www.capitalpress.info/main.asp?SectionID=67&SubSectionID=617&ArticleID=28249&TM=41313.49

October 27, 2006; by Dave Wilkins, **Capital Press Staff Writer**

Growers sweet on bio-tech beets

Roundup Ready crop looks good, say south-central Idaho growers

EDEN, Idaho - Farmers who grew Roundup Ready sugar beets for the first time this year are believers.

"They look damn good," Mike Gott said Oct. 19, the first day of harvest on his field of Roundup Ready beets near Eden.

Gott and three other farmers in south-central Idaho grew Roundup Ready beets this year in the first demonstration project of its kind.

Early indications point to yields that will be well above average, but exact figures on tonnage and sugar content won't be available until after harvest and processing are completed.

"We're really very, very pleased with the Roundup Ready beets we grew," Rupert, Idaho, farmer Duane Grant said.

Grant finished harvest of his Roundup Ready field the third week of October, and yields were easily exceeding his conventional fields.

"The Roundup Ready field is beating any other field that we've had to date," he said Oct. 24.

The Roundup Ready beets stayed healthy right though May and June when the use of traditionally applied herbicides often damage beets, Grant said.

"They just continued to put on size and weight," he said.

Nearly 300 acres of Roundup Ready beets grown on four farms will be stored in potato cellars and processed on the last day of the campaign, Amalgamated Sugar Co. officials said.

The Roundup Ready beets were grown right next to the same-sized fields of conventional beets.

The difference was noticeable.

Except for seed skips or places where a cultivator took out some plants, there was hardly a weed to be seen in the Roundup Ready side of the fields, said Stacey Camp, manager of agricultural services for the sugar company.

Growers are already asking for "first dibs" on Roundup Ready seed for next year, he said.

"It was a good demonstration for people to get a feel for it, to get some experience," Camp said.

Roundup Ready sugar beets have built-in tolerance to Monsanto's popular glyphosate herbicide.

Farmers in the demonstration project made two Roundup applications to the Roundup Ready side of their fields.

On the conventional side, they made three or four regular herbicide applications, including one pre-emergent application.

Seed companies are working on developing enough Roundup Ready seed so it can be commercially available in another two or three years.

Growers will be required to pay technology fees on top of normal seed costs to use Roundup Ready sugar beets, but growers involved in the demonstration project believe it will be worth it.

The savings in field work alone could be "huge," Grant said.

Planting Roundup Ready beets behind a small grain crop could allow growers to eliminate plowing, rotor-harrowing and cultivation altogether, he said.

"It will make raising sugar beets easy," Grant said. "I don't see any reason why we couldn't go to minimum-till or no-till behind small grains."

Still, Roundup Ready sugar beets won't be a panacea, he said.

"The Roundup has to be applied correctly and at the right time," he said.

Grant expects that consumers will be accepting of sugar produced from Roundup Ready beets.

It's the same technology already in use in Roundup Ready corn and soybeans.

"We expect it to be accepted into the market just as corn and soybeans are," he said.

Roundup Ready sugar beets have already received regulatory approval for production and for food and feed uses in the United States and Canada.

The Southern Idaho demonstration project is a joint effort by Monsanto, the Beet Sugar Development Foundation and Amalgamated to demonstrate the viability of Roundup Ready technology in sugar beets.

http://www.bakingbusiness.com/newsfinder.asp?Action=UserDisplayFullDocument&orgId=535&docId=l:525291793&topicId=14401&start=3&topics=single

October 30, 2006; by Angela Mettler, **American News**, Aberdeen, S.D.

Prices rally for corn, wheat, soybeans:

Situation unusual for harvest, expert says

Oct. 30--Prices per bushel for corn, wheat and soybeans have increased in the past month, but corn and wheat prices have seen the largest rally. "It's really pretty unusual to see this kind of rally or any kind of price rally going into or during harvest," said Alan May, marketing specialist for South Dakota State University Cooperative Extension Service.

The Chicago Board of Trade on Sept. 15 priced corn at $2.41 per bushel, wheat at $3.92 per bushel and soy beans at $5.49 per bushel. On Oct. 27, corn was $3.12 per bushel, wheat was $5.05 and soybeans were $6.06.

Matt Groeblinghoff, scale operator at Wheat Growers in Aberdeen, said this year's increased prices have caused more producers than usual to sell their corn. "At this elevator we're getting more corn this year than we did last year, and there was more crop last year," he said.

The U.S. Department of Agriculture's monthly crop production report, released in mid-October, predicted that 10.9 billion bushels of corn would be harvested this year. Last year, 11.1 billion total bushels were harvested. The record of 11.8 billion bushels was harvested in 2004.

Ethanol: May said high demand for corn has created the recent price rally. "Ethanol is without question the biggest contributor to that," Groeblinghoff said. Groeblinghoff and Mike Nickolas, grain marketing manager for North Central Farmers Elevator in Ipswich, said the vast majority of the corn their facilities receive goes to the Heartland Grain Fuels ethanol plant in Aberdeen.

Bill Paulsen, general manager of Heartland Grain Fuels, said the plant processes 3.3 million bushels of corn per year. Once the plant expands, it will process an additional 15 million bushels of corn per year. Paulsen said if the price of corn is low, it can affect how much corn the plant processes. "We try to do all we can to minimize the impact of that," he said.

Keith Collins, chief economist for the U.S. Department of Agriculture, said less than 5 percent of corn was used for ethanol 10 years ago. In 2000, it was 6 percent; last year, 14 percent; and for 2006, nearly 20 percent -- more than 2 billion bushels.

Effects of drought: May said this summer's Midwestern drought had somewhat of an effect on corn yield, but more of an effect on wheat. He said increased wheat prices are due to a very low supply, both domestically and worldwide. "Wheat harvest was months ago, but wheat prices are in a price range we rarely see," he said.

Drought conditions only made the low wheat supply worse, he said.

Nickolas said the drought's effects have been evident at North Central Farmers Elevator. "We're out in the midst of the drought area, so our volume is considerably less than last year," he said.

Jerry Cope, transportation manager for South Dakota Wheat Growers in Aberdeen, said Wheat Growers has seen only 65 percent to 70 percent of its normal wheat intake this year. Wheat in South Dakota is normally shipped to flour mills on the eastern seaboard, he said.

In contrast, the world has seen record-setting supplies of soybeans, May said, but prices are still increasing.

"The soybean market has been getting a fair amount of support from the corn and wheat market," he said.

Despite that, Groeblinghoff said the amount of soybeans that came in to Wheat Growers so far this year was 50 percent to 60 percent of last year's amount. "The beans I think a lot of guys are sitting on," he said.

May said prices for all three crops might continue to increase in the first quarter or half of 2007. "I always tell people, 'Never argue with a (price) rally,'" he said.

---

http://www.wndu.com/news/mommo/102006/mommo_53549.php

Posted: 10/31/2006 04:45 pm

Dental study shows chocolate can help prevent cavities

Dental researchers say there is compounds in chocolate that ward off cavity causing bacteria.

A bucket of Halloween candy may be a dentist's worst nightmare but a new study shows chocolate may actually be good for you.

Dental researchers say there are compounds in chocolate that ward off cavity causing bacteria.

William Yann, DDS, a pediatric dentist says "The claim can be made that there are foods that fight cavities. Chocolate among those, cheese, some sugar alcohol and Xylitol in chewing gum."

Experts stress chocolate is still candy and moderation is the key.

Another plus for chocolate is that it does not stay on teeth as long as stickier treats.

Sugar-free gum is another good choice.

Many brands contain ingredients that have been proven to reduce cavity causing bacteria.

Sugar firms blast Odom mill plan

It pits government against private business, they say

Wednesday, November 01, 2006; **By Robert Travis Scott, Capital bureau**

BATON ROUGE -- Most sugar producers in Louisiana are opposed to Agriculture Commissioner Bob Odom's latest plan for a $135 million state-supported sugar syrup mill in Bunkie, which they say is a risky financial endeavor that puts government in competition with private business.

As Odom seeks to revive a mill initiative that was shot down by the State Bond Commission last year, he is again driving a wedge between members of the state's sugar industry, with a number of mill operators, sugar marketers and consultants against his plan.

Their concern about the elaborate Bunkie project is heightened by the fact that Odom's first state-built sugar mill in Lacassine, scheduled to begin processing cane Monday, is an unproven business model that already is a year late starting operations.

"We had hoped, like everyone else, that it had fallen into File 13," Lonnie Champagne, general manager of Louisiana Sugar Cane Products Inc., said of the Bunkie mill. The marketing group represents mills that sell about two-thirds of the raw sugar produced in Louisiana.

"We recognize the power of the commissioner . . . but we've got to do what's right," said Champagne, who like a number of others in the industry expressed concern about the possible consequences of speaking out against Odom's plans for Bunkie.

Odom did not return a call Tuesday.

Scarce details

Backed by central Louisiana cane farmers and the unremitting support of state Senate President Donald Hines, D-Bunkie, Odom is asking the Bond Commission to approve his plan to sell $135 million in bonds to finance the Bunkie mill. Half the bonds would be backed by the state and the other half by private investors, whom Odom has declined to identify. Details of the proposed arrangement are scarce.

In 2005, while Odom was building a $45 million sugar mill in Lacassine, he proposed an $85 million bond sale for a sugar syrup mill in Bunkie. Like the Lacassine facility, it would have been backed by any profits from the mill and secured with a portion of $12 million in annual tax revenue from slot machines at horse racetracks. The state still owns the Lacassine plant, but the plan for Odom's mills is to turn over both facilities to local farmers or private companies, who would then be responsible for paying the debt.

The new mills would not be allowed to refine cane into raw sugar, because federal allotments for sugar production already are held by other mills. The plan is for the new mills to make crude syrup for further refining at traditional mills.

Money-loser?

Without the new mills, farmers in the regions around Lacassine and Bunkie must ship their cane to mills 100 or more miles away, a growing expense. With the new mills, those farmers would save transportation costs because syrup would require fewer loads than cane.

An independent consultant hired by the state reported last year that the Bunkie mill would be a money-losing operation. Using their influence on the Bond Commission, Gov. Kathleen Blanco and her commissioner of administration, Jerry Luke LeBlanc, halted the plan but said they would reconsider if private investors were willing to make a proposal.

Now Odom is back with a fresh feasibility study for a Bunkie mill by the engineering company CH2M Hill Lockwood Greene. Using certain assumptions about future crop yields, sugar prices and technology, it provides a six-year outlook showing that the mill would be successful even with the heavy burden of debt.

"It should be noted that under no circumstance, other than some catastrophic event preventing operation or raw product delivery, should this plant operate with a negative cash flow," the study says.

The projections assume no inflation in plant expenses over time. The study does not explain why the Bunkie mill year after year would not experience higher overhead from rising payrolls, insurance premiums, materials expense and accommodations for new government regulations, among the many inflationary costs familiar to most manufacturing plants. If the consultant's projected operating expenses increased by just 3 percent annually, the mill would be in the red in about three years.

Plan may go sour

The study cautions that plant costs could be higher than predicted depending on the infrastructure needed for water treatment and environmental mitigation.

The study also assumes payments of interest expense but not principal on the debt. A spokesman for the engineering company was unable to answer questions Tuesday.

"The majority of the sugar industry in Louisiana is against this proposal," said David Stewart, chief executive of the Alma Plantation sugar mill in Lakeland. "I think it's a bad investment. The state does not need another sugar cane processing facility."

Like several other mill operators, Stewart predicted that if the Bunkie project is built, at least two private mills will close. Six private mills in Louisiana have closed in the past six years.

Cane producers and industry consultants critical of the Bunkie project say they fear it will be saved from ruin once it falls on hard times by upgrading to a raw sugar refinery and taking over sugar production allotments from other mills.

"We barely have enough allotment now," said Mike Daigle, president of the marketing group and chief executive of the Lula-Westfield LLC mills.

'Just not profitable'

The farmers in the Bunkie area definitely need a break of some kind for their rising transportation costs, but the Bunkie syrup project is "just not profitable," Daigle said.

Ronald Guillot, head of the St. Mary Sugar Coop Inc. in Jeanerette, said supporters of the Bunkie mill needed a favorable feasibility study and "they kept looking around until they found someone who would say it'll work."

Bunkie's critics point to what they say are fundamental economic flaws in the proposal. Because Louisiana's sugar production is set by federal allotments, which help support sugar prices for farmers, additional manufacturing capacity cannot result in greater sugar production for the state. While a new plant might be more efficient than an old plant, the Bunkie mill adds a giant middleman to the process of making and selling sugar in Louisiana.

"It's hard to insert another layer of business in our model," Champagne said.

Sugar mill power supplies are another troubling economic issue. To run boilers and make their own electricity, mills burn cane material called bagasse shredded off in the manufacturing process. The mills that receive the syrup from Bunkie will not be getting the bagasse from that cane, and so will have to buy natural gas or some other fuel to make up for the bagasse kept by the syrup mill.

Only one mill invited

The sugar mill company M.A. Patout & Son Ltd. has been supportive of Odom and his Lacassine and Bunkie projects. The firm's Enterprise Factory in Patoutville is slated to get the Lacassine syrup and another Patout mill is expected to get the Bunkie syrup. Patout's general manager, Craig Caillier, did not return calls over the past week.

Several Louisiana sugar producers expressed concern that mills other than Patout were not invited to the negotiating table when Odom was hashing out who would receive the sugar. Odom has not revealed the financial terms between Lacassine and the Patout Enterprise mill, and a manager for the Lacassine plant said Tuesday those terms are still being worked out.

As general manager of Cajun Sugar Cooperative Inc. in New Iberia, which processes cane from the Bunkie region, Tommy Thibodeaux said he wants to see the new proposal. But Odom has not given him any information about it.

"No phone calls or anything from the Department of Agriculture," said Thibodeaux, who said he doesn't know whether it will prove to be economical for mills to accept the Bunkie syrup. "We kind of wish Lacassine could run a year so we could see what happens.

http://www.allheadlinenews.com/articles/7005375367

Chocolate Beats Brussels Sprouts And Green Tea In Health Test?

November 1, 2006 8:00 p.m. EST

Matthew Borghese - All Headline News Staff Writer

New York, NY (AHN) - How healthy is chocolate? Recent evidence says the sweet candy may be better for you than you think.

According to a study, chocolate has more health-promoting plant flavonoids than broccoli or Brussels sprouts, while dark chocolate has even more antioxidants than green tea, red wine and blueberries.

Curiosity experts Kathy Wollard and Debra Solomon, authors of "How Come? Planet Earth" say, chocolate, after all, comes from a plant, the cacao plant, so it's not surprising that it's full of flavonoids, chemicals found in fruits and veggies that have positive effects on everything from blood vessels, heart and brain to exercise - endurance and longevity.

Plant flavonoids also help keep arteries cholesterol-free and reduce inflammation. In addition to protecting our arteries, chocolate simply makes us feel good. It contains a number of chemicals thought to raise mood, and even inhaling the smell of chocolate seems to reduce theta-wave activity in the brain, inducing a sense of relaxation.

http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006-11-02T204801Z_01_N02412781_RTRIDST_0_FOOD-SUGAR-USA.XML&rpc=66&type=qcna

US sugar industry files complaint over Splenda ads

Thu Nov 2, 2006 3:48pm ET

By Peter Kaplan

WASHINGTON, Nov 2 (Reuters) - U.S. sugar farmers and processors on Thursday accused the seller of Splenda artificial sweetener of false advertising and asked regulators to investigate.

A trade group representing the sugar industry sent a letter to the U.S. Federal Trade Commission saying McNeil Nutritionals, a unit of Johnson & Johnson (JNJ.N: Quote, Profile, Research), was misleading consumers by claiming its product is "made from sugar so it tastes like sugar."

"The evidence strongly suggests that McNeil's Splenda advertising campaign is designed to confuse consumers," the Sugar Association said in its complaint to the FTC.

The complaint filed with the FTC is the latest move in a long-running battle between the two sides that is still pending in federal court. McNeil has accused the association of trying to boost sugar sales by spreading false and misleading information about the safety and taste of Splenda.

"Splenda is not a natural product. It is not cultivated or grown and it does not occur in nature," the Sugar Association said in its complaint to the agency.

An FTC spokesman confirmed that the agency had received the letter but declined further comment. Under U.S. law, the agency can sue to ban advertising it deems false or deceptive.

Tate & Lyle Plc (TATE.L: Quote, Profile, Research) makes Splenda's key ingredient, sucralose, a chemically altered version of sugar that replaces naturally found hydrogen and oxygen with chlorine.

Splenda has been sold in the United States since 1998.

McNeil issued a statement on Thursday saying the industry's claims were a "baseless" attack designed to hurt Splenda's reputation.

"The company will continue to ensure its advertising represents the products in an accurate and informative manner and complies with applicable advertising rules in the countries where Splenda brand products are marketed," McNeil said.

Earlier this year a consumer advocacy group filed a petition with the U.S. Food and Drug Administration asking that agency to withdraw its approval of Splenda pending further investigation of possible side effects that Citizens for Health described as stomach pains and other digestion problems.

http://www.mlive.com/news/bctimes/index.ssf?/base/news-8/1162638902102240.xml&coll=4

Saturday, November 04, 2006; By RYAN J. STANTON, **BAY CITY TIMES**

100-year-old Michigan Sugar shows the public how it gets the job done

Michigan Sugar Co. celebrated its 100th anniversary on Friday by opening the doors of its Monitor Township sugar plant to the community.

Before the weekend is finished, company officials estimate they'll have given tours to more than 800 people, showing exactly how they turn beets into sweets.

As one visitor pointed out, a lot goes in to making sure you have sugar in your morning coffee.

Inside the three-story factory at 2600 S. Euclid Ave., workers are scarce and massive machines do most of the work. The complexity of the sugar extraction process would put Willy Wonka's chocolate factory to shame.

Michigan Sugar expects to have its longest beet campaign ever this year, lasting from Sept. 14 through March 17 - partly thanks to record crop yields from its grower-owners.

Plant foremen Bob Mix and Jeff Jacobs led a tour group on Friday, explaining that the factory is designed to run nonstop. The machines will produce 2.2 million pounds of pure sugar every 24 hours during this year's campaign.

"That's why they call it a campaign - you start, you keep marching and get it done," Mix says.

A third-floor office window offers a scenic view of the largest beet piling grounds in the United States. It's here that growers unload their sugar beets - some are loaded on trucks, others piled in 85-ton rail cars.

The dirt-covered beets soon make their way into the factory by an elevator and flume system. They're later washed and sent to the "slicer hopper."

In the laboratory, hourly samples are checked to analyze performance of the entire sugar manufacturing process.

In a nearby control room, nearly all of Michigan Sugar's operations - slicing, diffusion, purification, filtration, evaporation, crystallization - are controlled by computers operated by workers.

In the factory, five German-made beet slicers dice up to 375 tons of beets per hour. The 52 knives on each slicer cut crops into fine slices, which are then weighed and sent to the mixer.

"If they're not sliced right, we suffer, have high pulp loss, and it affects our efficiency," Mix says.

Those fine slices are actually called "cossettes," and they're mixed with juice and sent through a 100-foot-tall diffusion tower. Here, sugar is extracted, pulp moves out and raw juice is pumped into a series of purification tanks.

After filtration, a much thinner juice is ready to go through an evaporation process. Concentrated juices from the evaporators are crystallized after they're boiled in a vacuum pan, a type of pressure cooker. The sugar crystals are then mixed with a syrup and pass through a centrifuge to separate granulated crystals.

The white sugar crystals then pass through a dryer and a cooler before they're packaged in sizes ranging from two to 2,000 pounds. The sugar will end up getting bagged under the well-known Pioneer and Big Chief labels - as well as generic-brand labels for Wal-Mart, Meijer, Dollar General and Spartan Stores.

Other loads of the same sugar are stored on-site in football-stadium-sized warehouses. Also, two of the company's silos each hold 60 million pounds of sugar, and another holds 50 million pounds, Mix says.

"Harvest is still in full swing," Mark S. Flegenheimer told a crowd of dignitaries during Friday's celebration to mark Michigan Sugar's historic 100-year milestone.

Flegenheimer, the company's president and chief executive officer, told the crowd how six independent sugar companies merged to form Michigan Sugar in 1906.

The company has since grown into a much larger company, a cooperative owned by about 1,300 sugar beet growers, employing 1,700 seasonal and 450 year-round employees at its factories in Monitor Township, Caro, Sebewaing and Croswell, and at its three packaging and distribution facilities.

"Businesses don't survive by chance for over 100 years," Flegenheimer said. "Many groups have played an integral part in making this a reality."

Thomas Zimmer, a grower-owner and the company's chairman of the board, said the growers, who are tending to 175,000 acres of sugar beets this year, are proud to be the owners of the company as it enters the next century.

"One-hundred years is truly a milestone for any company to be in business," he said. "I see no reason that we won't be back in 100 years to celebrate the 200th anniversary."

http://www.bakingbusiness.com/feature_stories.asp?ArticleID=82081

November 8, 2006; by Ron Sterk, **Bakingbusiness.com**

Ethanol demand rises

The surge in demand for ethanol in the United States and the world, coupled with agriculture's desire to meet that need, whether with corn in the U.S. or sugar in Brazil, has begun to change the look of food and feed production, and raised agronomic, economic and ethical questions, but is here to stay, proponents strongly agree.

Ethanol production in the United States will exceed 5 billion gallons from 105 plants this year, up 20% from 2005 and more than three times 2000 production of 1.6 billion gallons from 54 plants, according to data from the Renewable Fuels Association (R.F.A.). The feedstock for the vast majority of that ethanol will come from 2,150 million bus of corn, 20% of the 2006 crop, according to U.S. Department of Agriculture forecasts. Corn use for ethanol is up 62% from 1,323 million bus in 2005, and up from 627 million bus in 2000.

The most noticeable result of increased corn use for ethanol has been stronger demand and higher corn prices. The National Corn Growers Association (N.C.G.A.) has estimated demand for corn to produce ethanol has added 5@10c a bu to the price farmers receive. Chicago Board of Trade December corn futures prices closed at $3.32½ a bu on Oct. 27, up nearly 70% from $1.97 a year ago. Ethanol demand has played a significant part in the price strength.

Meanwhile, the corn demand has sparked a debate about growing grain for fuel instead of for food or feed, with potential for inflating food costs. It has raised agronomic concerns, such as increased acres for corn at the expense of area for other crops, the impact of massive amounts of byproducts on other feed demand and prices, as well as water availability and saturation of ethanol plants in corn surplus areas.

Other major hurdles include needed cooperation between agriculture, energy, automobile and distribution industries. But perhaps the biggest questions involve the sustainability and profitability of ethanol production without subsidies and whether any amount of ethanol will really reduce this country's dependence on foreign oil.

Farmers and ethanol producers have seen several promising demand scenarios since the early 1980s, only to have them fizzle out when crude oil, gasoline or diesel supplies return to "normal" levels and prices drop.

Renewable fuel proponents contend that the current upswing in interest is different, not because of $3-plus a gallon gasoline or near $80 a barrel crude oil seen earlier this year, which admittedly sparked interest, but because the U.S. government, from the president on down, is behind the move.

Broad government support seen

The Energy Policy Act of 2005 was credited with "putting teeth" into the burgeoning ethanol industry. The Act established a Renewable Fuel Standard (R.F.S.) of 4 billion gallons in 2006 increasing incrementally to 7.5 billion gallons by 2012, along with several other renewable fuel friendly provisions. The 4 billion gallon R.F.S. for 2006 will in fact be exceeded. The Act also locked in a subsidy of 51c per gallon through 2010 for ethanol producers, set a 54c per gallon duty on ethanol imports and provided up to $2 billion in guaranteed loans for alternative energy projects.

Twenty-five states have banned methyl tertiary butyl ether (M.T.B.E.), the anti-knocking but ground water-polluting additive, giving ethanol use a shot in the arm. A 10% ethanol mixture was used to replace M.T.B.E. in most states, with the added benefit of boosting the octane rating of the blended gasoline.

The U.S. government's support was evident at the Advancing Renewable Energy conference in St. Louis in October at which the secretaries of Agriculture and Energy as well as President George W. Bush all were featured speakers.

"It's true that America has headed down this road before," U.S. Department of Agriculture Secretary Mike Johanns told nearly 1,500 gathered in St. Louis. "But we are not living in the past. Today we have more reasons to support renewable energy and more reasons to believe it will succeed."

Mr. Johanns said the benefits of renewable energy are more recognized and appreciated by Americans today, new technology is available, and market investment has been greater.

"The market is ready to embrace these fuels," he said.

At another meeting later in October, Mr. Johanns said production of renewable fuels would be the centerpiece of the 2007 farm bill, making energy the focus of farm policy for the first time ever. While he was not specific about what that would entail, he did say the government could use tax credits and loans to encourage production of ethanol from other materials than corn.

Keith Collins, chief economist of the U.S.D.A., shed light on the policy shift at the Agriculture Department.

"In the past, U.S.D.A.'s research priorities were food and fiber," he told the St. Louis conference. "Today, they are food, fiber and energy."

The Department of Energy (D.O.E.) earlier this year earmarked $160 million in cost-shared funds to build three biorefineries. At the St. Louis conference, Energy Secretary Samuel Bodman said the D.O.E. was putting up another $250 million over five years to fund basic research to develop wide-scale and cost-effective biofuels.

Further evidence of the broad government interest was the 26 Senate bills and 48 House bills introduced in the 109th Congress (2005-06) relating to renewable fuels and energy security.

Fuel versus food debate continues

As demand for corn to make ethanol has surged, some have sounded the alarm that it could be at the expense of food production. Lester Brown, executive director of the Washington-based Earth Policy Institute, recently was quoted as saying the global rush to alternative fuels made from food crops is likely to increase hunger in the poorest countries.

"The risk is that rising grain prices in low-income countries that import a lot of their grain could lead to food riots and political instability on a scale we've not seen before," Mr. Brown said, according to The Record Kitchener Waterloo, Ont.

Earlier this year, Cargill chief executive officer Warren Staley referred to a "hierarchy of value for agricultural land use: food first, then feed and last fuel." Cargill, Minneapolis, in partnership or joint ventures, is a major ethanol producer in the U.S.

Patricia Woertz, president and c.e.o. of Decatur, Ill.-based Archer Daniels Midland Co., the country's largest ethanol producer, cited at the St. Louis conference forecasts that by the middle of the century, food demand will double, energy from traditional sources will be insufficient to meet global demand and refining capacity will be unable to meet motor fuel demand.

"We know that some are predicting an eventual conflict between these needs and are advocating a hierarchical approach to their fulfillment," Ms. Woertz said. "We believe a more holistic approach is more fruitful."

While acknowledging there could be price volatility and market disruptions typical of emerging and growing industries in the short term, she said she believed in the long term it was best to view "development of this industry as an opportunity to produce more food and more fuel and potentially at even better prices for consumers."

The N.C.G.A. called the argument that corn used for fuel will take away from food markets "patently false, as U.S. producers will continue to adequately supply all markets with high quality corn." The N.C.G.A. noted that only about 5% of total corn use goes for food and that demand has been flat for 15 years. Of course the largest use of corn is as animal feed, an indirect food use.

Technology will boost corn output

The N.C.G.A. said its 15x15x15 strategy, which calls for a 15 billion bus corn crop producing 15 billion gallons of ethanol by 2015 would be sufficient to meet fuel, food, feed and export demand. The N.C.G.A. noted that based on historical trends, corn yields are projected to hit 162 bus an acre by 2010 and 173 bus an acre by 2015, and that new hybrid technology will further accelerate the yield curve. Using the 173 bus per acre yield by 2015, planted area would need to be about 90 million acres, up 19 million acres, or 27%, from 71 million acres this year. While the acreage increase appears significant, the highest acreage on record was 75 million acres in 1985, and there is sufficient area available in the Conservation Reserve Program to make up the difference, industry sources said.

How many acres would be taken from other crops, of course, is a question of concern for much of the industry. Farmers typically respond with planted area based on crop prices and returns from year to year, making such forecasts difficult.

The U.S. corn crop was forecast by the U.S.D.A. at 10,905 million bus with a yield of 153.5 bus an acre this year.

Robert Fraley, executive vice-president and chief technology officer for the Monsanto Co., St. Louis, said at the St. Louis conference corn yields have doubled every 25 to 30 years, making yields of 300 bus an acre in 25 years a reasonable goal. Because all corn genes have been sequenced, the plant breeding process has become more efficient, doubling the rate of improvements, he said. Traits influencing yields, drought tolerance, fertilizer use and pest resistance may be more easily isolated and improved, he said. He cited recent tests where drought tolerant varieties had 8% to 10% increased production in dryland conditions.

Further, technology will allow plant breeders to "redesign" corn to increase starch content, the raw material for ethanol, or other parts to improve feed or food content, Mr. Fraley said.

Such gains through technology could, by 2030, result in ethanol production of 50 billion gallons, or 25% of projected gasoline use, based on a corn crop of 25 billion bus from 90 million acres, Mr. Fraley said.

While ethanol is meeting the increase in demand for gasoline, the general consensus is that the U.S. corn crop alone will never come close to replacing dependence on foreign oil. With nearly 60% of U.S. crude oil imported, 2006 ethanol production on an energy basis will equal only 1.5% of imports, Mr. Collins said. Although the amount of gasoline ethanol has replaced since 1996 is up six-fold, it still is projected to be only 3.5% of gasoline demand in 2006, he said, and energy demand is expected to increase by 30% by 2030.

Cellulosic ethanol seen as fuel of future

As dramatic as the rise in corn-based ethanol production has been, it's likely just an interim step to sourcing ethanol from other products, especially high-cellulose material, such as corn stalks, wood, switch grass, etc., that has few other uses and often is considered waste. So-called cellulosic ethanol was hailed as the fuel of the future at the St. Louis conference largely because of its ample and low cost supply, especially outside traditional corn growing areas. Further, the 2005 Energy Policy Act contained several incentives to encourage cellulosic ethanol production, including 250 million gallons be used to meet R.F.S. requirements by 2013, and loan guarantees for construction of processing plants.

Cellulosic ethanol already may be produced. The R.F.A. cited a project in Ottawa that produces more than a million gallons of ethanol annually from wheat, oats and barley straw. But costs, especially higher fixed

costs related to plant construction, currently make commercial production unfeasible. The D.O.E. said it costs about $2.20 to produce a gallon of cellulosic ethanol, twice that of the $1.10 a gallon to make corn-based ethanol. Significant research and development are under way to bring costs of cellulosic ethanol production down.

Does that spell a short or limited life of corn-based ethanol facilities? Not according to Bert Farrish, chief executive officer of Everton Energy, Wichita, Kas., who sees cellulosic ethanol at least five years away, while corn is viable now.

"Both types of ethanol production will coexist," he said.

"Cellulosic ethanol now appears to be the best biofuel alternative for reducing crude oil imports, but making it commercially feasible on a wide scale is a formidable challenge," Mr. Collins said. "We are working with D.O.E., and we are shifting priorities toward cellulosic ethanol."

In fact, President Bush initially challenged the industry to make cellulosic ethanol commercially viable by 2012 in his State of the Union address in January.

In addition to genetic changes in corn and work with cellulose material, plant breeders globally are developing crops with traits aimed at energy fuel production.

In Japan, which currently does not produce ethanol because it does not have excess farm products, high-biomass sugar cane has been developed and is being tested in Okinawa, according to a press report.

Plant ownership, size is changing

Another difference in the current surge in interest has been the rate of corporate investment in ethanol production facilities compared with locally-owned or farmer-owned plants. The sharp rise in crude oil and fuel prices earlier this year, and the resulting surge in ethanol prices and profits for producers, spurred nearly insatiable investment in ethanol production facilities.

Of the 106 ethanol biorefineries now in operation with an annual capacity of 5,081 million gallons, 49 plants with capacity of 1,834 million gallons, or 36%, are locally owned, according to data from the R.F.A. Of the 46 new plants under construction and seven expanding with new production capacity of 3,658 million gallons, only five new plants and six expanding plants, with new capacity of 501 million gallons, or 14%, are local. When the new and expanding plants are on line, bringing total annual production to 8,739 million gallons, 27% will be from locally-owned plants.

ADM is by far the largest ethanol producer in the U.S. with seven plants producing 1,070 million gallons, or 21%, of existing capacity. A distant second is VeraSun Energy Corp., Aurora, S.D., with three plants that will produce 340 million gallons once expansion is completed. Just a few of the other "non-local" players in ethanol production include ASAlliances Biofuels, L.L.C., Albion, Neb., three plants under construction with capacity of 300 million gallons; U.S. BioEnergy Corp., 245 million gallons at three plants; Hawkeye Renewables, L.L.C., 220 million gallons at two plants; and Tate & Lyle, 172 million gallons at two plants.

Further, 19 of the plants under construction will have annual production capacity of 100 million gallons or more. By contrast, most existing locally-owned plants have capacity of 50 million gallons or less.

Although prices for crude oil have declined and hovered around $60 a barrel, and average gasoline prices have declined to near $2.20 a gallon, interest remains strong in ethanol production.

"I doubt we will see the returns seen earlier this year," Mr. Farrish said. Returns went from "extraordinary" to "very good," he said.

"The industry will continue to grow," Mr. Farrish said. "Biofuels have a good future."

Profitability mainly depends on the price of corn and crude oil. While estimates vary, the crude oil prices of $30 and above, with corn prices of $3 and below, generally give ethanol producers favorable margins.

Everton Energy represents another trend in the industry in that it is building a plant in north central Kansas, well outside the corn surplus Corn Belt, closer to where usage of the fuel and the key byproduct, distillers dried grains (D.D.G.S.), occurs. As ethanol plants saturate the corn-rich Midwest, more companies are opting to build plants in corn-deficit areas, such as Texas, Colorado and New Mexico, where corn might have been shipped in for livestock feed, as well as in East coast and West coast states.

The move of ethanol plants out of the Corn Belt closer to major cattle feeding areas in the Southwest should ease concerns about the significant increase in D.D.G.S. output. An estimated 9 million tonnes of D.D.G.S. were produced by ethanol plants in 2005, with up to 14 million tonnes projected by 2012. Since the nutrient make-up of D.D.G.S. is most favorable to ruminants, 75% to 80% of the current supply is fed to cattle, with the rest to hogs and poultry. Some contend excessive D.D.G.S. supply actually could be a limiting factor to ethanol production. But others see D.D.G.S. simply replacing corn as the primary feed for cattle. Plus, research is under way to adjust the nutrient make-up of D.D.G.S., making its use broader. Another unknown is the effect of large amounts of D.D.G.S. on demand of other feeds, such as millfeed or soybean meal.

Help needed from other industries

While cooperation within the agricultural industry, and between government agencies appears to be blossoming, work between industry sectors might not go as smoothly if the lukewarm reception received by American Petroleum Institute president and c.e.o. Red Cavaney at the St. Louis conference is any indication. He acknowledged that ethanol and other renewable fuels will play an important part in meeting U.S. energy challenges, that ethanol "is here to stay," and that it is "absolutely essential that ethanol and the entire biofuels industry become strong, vital and self-sufficient."

Mr. Cavaney noted the oil and natural gas industries' record of reliable supply and delivery of fuel products to consumers.

"We do not want to be a party to any 'over-promise and under-perform' commitment," he told the group. "All of us have to be realistic in our expectations and pronouncements about the relative merits of various alternative energy sources."

He said the petroleum industry was concerned about exclusive focus on E-85, a blended fuel containing 85% ethanol and 15% gasoline. He also noted that the price of ethanol exceeded the price of regular gasoline on a volume basis in 28 of the past 33 months and that ethanol had only about 70% of the energy per unit of volume as gasoline.

"We believe allowing market forces and consumer preferences to determine where and how ethanol is consumed is the most effective and least costly way to integrate ethanol into the nation's transportation fuels pool," Mr. Cavaney said.

For the most part, at least until now, the petroleum industry's use of ethanol or other biofuels has been forced by the government. In addition to the M.T.B.E. ban in 25 states, four states — Hawaii, Minnesota, Montana and Washington — have passed laws requiring a minimum amount of ethanol-blended fuels, while several more states are considering similar legislation.

Ethanol currently is included in 40% of the nation's gasoline supply, and 100% of the gasoline in California and New York, said Bob Dinneen, president and chief executive officer of the R.F.A.

Energy companies now are partnering with others and getting involved in the renewable fuels business. Chevron Corp., for example, earlier this year said it was investing in a 100-million-gallon per year biodiesel facility in Galveston, Texas. The company said in October that its subsidiary Chevron Energy Solutions was working with Ethanex Energy, Inc., in planning for development of highly efficient ethanol production plants. There are several other cooperative research and production efforts.

Distribution of ethanol is a major concern since it generally is not transported through existing pipelines because it absorbs water and other impurities that collect in the pipes but are not affected by petroleum-based products. Plus, pipelines, which are by far the most cost-efficient method for shipping large-volume liquids, do not serve the key Midwest ethanol production area. Current distribution depends on trucks, barges and railroads with few alternatives short term.

Senators Tom Harkin of Iowa and Richard Lugar of Indiana have introduced bill (S. 4003) to study the feasibility of building one or more dedicated pipelines to deliver ethanol from the Midwest to the East and West. The bill currently is in committee.

Another key player needed to sustain a higher level of renewable fuel is the automobile industry, which in the U.S. has considerable financial problems. About six million flex-fuel capable cars are on the road in the U.S., but very few of them actually use E85 fuel (85% ethanol and 15% gasoline), in part because the fuel is available at only 971 gas stations, mainly in Corn Belt states, out of 169,000 gas stations nationwide.

Although U.S. automakers, and to a lesser extent Japanese car manufacturers, are increasing production of flex-fuel cars, the transition will be slow because a car’s average "life" is 15 years.

Brazil leads in ethanol use, exports

The U.S. and Brazil are by far the world’s largest ethanol producers, but Brazil, just behind the U.S. in production, appears to have taken the lead in ethanol and biodiesel use and is the largest ethanol exporter. In 2005 the two countries each produced more than 4 billion gallons of ethanol, or nearly 70% of the world’s output of 12.15 billion gallons. China is a distant third with 1 billion gallons but is increasing output as it experiences rapid growth in energy consumption and automobile numbers. In Europe, where ethanol is sourced mostly from material other than corn, biodiesel production actually has taken the lead.

Brazil’s rootstock for ethanol is sugar cane, not corn as in the U.S. About half of Brazil’s cane crop will be channeled into ethanol production this year. Just as increased demand from the energy sector has boosted corn prices in the U.S., so has demand for sugar cane for ethanol affected prices in Brazil, which is the world’s largest sugar cane grower. Because of the large amount of cane sugar exported, there was impact on world sugar markets earlier this year, but prices have since subsided as larger cane crops in several countries eased concerns about short supplies.

Perhaps even more significant is the example Brazil sets in the use of ethanol, as well as biodiesel. Brazil has mandated up to 25% of its gasoline come from ethanol and leads the world in use of flex-fuel cars, which may run on 100% ethanol fuel there. The gasoline ethanol requirement was reduced to 20% earlier this year because of tight sugar supplies, but last week was raised to 23%, effective Nov. 20, as sugar supply improved.

In the U.S. a massive amount of seemingly unrelated, and some competitive, forces need to come together to effectively dent dependence on foreign oil. Farmers and agricultural-related industry already have responded to economic incentives and seen good returns. Now cooperation and investment is need from auto companies to produce vehicles that may use the new fuels, distribution companies to deliver it and oil companies to sell it. Finally, consumer acceptance hangs over the entire process.

Agriculture Secretary Johanns, exuding determination that the move to renewable fuels was sustainable, said at the St. Louis conference, "The resources are available, the market interest is apparent, the government is dedicated, and the technology is quickly evolving. This time we will not look back."

WASDE-440-16 - November 09, 2006

SUGAR: Projected 2006/07 U.S. sugar supply is increased 115,000 short tons, raw value, from last month, due to higher beginning stocks and production. Production is increased 62,000 tons, based on processor estimates compiled by the Farm Service Agency. Sugar use is unchanged.

For 2005/06, supply is decreased 34,000 tons based on final data from processors. Total deliveries and exports are decreased 29,000 tons from last month. Ending stocks are 1.761 million tons, up 53,000 from last month's estimate.

WASDE-440-16 U.S. Sugar Supply and Use 1/

Item	2004/05	2005/06 Estimate	2006/07 Projection October	2006/07 Projection November
	1,000 short tons, raw value			
Beginning stocks	1,897	1,332	1,708	1,761
Production 2/	7,877	7,399	8,456	8,518
Beet sugar	4,611	4,444	4,890	4,901
Cane sugar	3,266	2,955	3,566	3,617
Florida	1,693	1,367	1,736	1,736
Hawaii	258	223	267	263
Louisiana	1,157	1,190	1,365	1,420
Texas	158	175	198	198
Imports	2,100	3,443	2,206	2,206
TRQ 3/	1,408	2,588	1,821	1,821
Other program 4/	500	349	325	325
Other 5/	192	506	60	60
Supply, total	11,874	12,174	12,370	12,485
Exports	259	203	200	200
Deliveries	10,188	10,326	10,415	10,415
Food	10,019	10,169	10,250	10,250
Other 6/	169	157	165	165
Miscellaneous 7/	95	-116	0	0
Use, total	10,542	10,413	10,615	10,615
Ending stocks	1,332	1,761	1,755	1,870
Stocks to use ratio	12.6	16.9	16.5	17.6

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/ Projections for 2006/07 are based on processors' submissions 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 2006/07, includes shortfall of 75,000 tons. 4/ Includes sugar under the re-export and polyhydric alcohol programs. 5/ For 2005/06, high-tier (450) and other (56). For 2006/07, high-tier (50) and other (10). 6/ Transfers to sugar-containing products for reexport, and for nonedible alcohol and feed. 7/ Residual statistical discrepancies.

http://www.billingsgazette.net/articles/2006/11/11/news/local/25-beets.txt

A million-dollar loss: Rain, snow, cold hinder sugar beet harvest

400,000 tons of beets remain unharvested

By JIM GRANSBERY, The Billings Gazette

A pall of fog covered the Yellowstone River valley Friday morning, a metaphor for the sugar beet industry that has suffered unusually wet weather and freezing temperatures, damaging a record crop this year. Thousands of tons of beets are still in the ground, partially frozen in fields so wet and sloppy that heavy equipment cannot enter. The loss could be millions of dollars, although some of it may be covered by crop insurance. In an effort to quickly process frost-damaged beets that got out of the ground, and before they deteriorate beyond salvage, the refineries in Billings and Lovell, Wyo., are taking frost-hit beets for processing.

"Everything west of Billings is going to Lovell and everything east of Billings is coming here," said Tony Zitterkopf, agriculture manager for the Western Sugar Cooperative. He oversees the crops for both Billings and Lovell. Heavy rains since mid-September and four nights of temperatures in the teens and single digits have left almost 400,000 tons of beets in jeopardy, Zitterkopf said.

"The prospects get dimmer every day," said Kelly Brester, who farms near Laurel. "There is so little drying weather in November." Brester had 215 acres in sugar beets this year. He has 95 acres unharvested. "We got an inch of rain and wet snow yesterday and last night," he said Friday. "I've had 8 inches of rain here" since mid-September, he said. "It's unprecedented. I have water standing in one field like I had been irrigating." Brester had only six days of harvest in October. Whether he will get a shot at getting the remaining beets dug, Brester said, "boy, I just don't know."

He said some farmers carry crop insurance, others do not. Options ranging from 50 percent to 85 percent coverage are available, but the higher levels of coverage are expensive, he said. "It's tough," Brester said. "We have worked hard and it has cost more to get it out."

Out on the east end of the Billings factory growing area, Greg Lackman, of Hysham, said he and his brother have 300 acres out of 880 remaining to be dug. Not wasting the down time, Lackman was in Sidney where his daughter was playing Friday in a volleyball tournament. "I decided to leave the beets and do the important stuff," he said. It is no doubt that this is the most difficult harvest since he began farming in 1980, he said.

Lackman, president of the Mountain States Beet Growers Association, which represents the farmers, said his fields have been muddy since Sept. 18. At his place, only about 25 acres are frozen, he said. He carries crop insurance, he said, noting that about half the members of the association carry it. In the Hysham growing area, about 90 percent carry federal crop insurance, which he described as a good program.

Farther down the Yellowstone River in the Sidney area, Kerry Rasmussen, an agronomist with Sidney Sugars, said the crop was 97 percent harvested before being hit by a freeze. The frosted beets were dug and went directly to the factory. "The harvest ended today," Rasmussen said Friday. "Luckily we were further along." Sidney Sugars farmers harvested about 38,000 acres of beets, with an average of 24.8 tons per acre, he said.

At Worland, Wyo., the crop got nipped with some frost, said Cal Jones, CEO of Worland Sugar Co. "We were close enough to being done with harvest that the last ones (frosted beets) are getting into the factory," he said.

Worland farmers harvested just fewer than 16,000 acres, he said.

Before harvest, Zitterkopf said, the Billings factory growers were looking at a record yield of 29 tons per acre compared with an average of 24 to 25 tons/acre. He estimated Thursday that 355,000 tons for the Billings factory remained in the ground, while the Lovell factory had maybe 30,000 to 40,000 tons waiting to be harvested. "This is a very serious situation," he said. "The beets are frozen and the cold each night drove the frost damage further into the root." Just like meat from the freezer, "when the beet thaws, you'd better use it," he said.

Beets harvested under normal conditions are placed in large piles strategically located in the farming areas. The exterior of the piles freeze, keeping the interior cool but not frozen before being processed at the factory by the end of February.

The problem now, Zitterkopf said, is that individual beets are frozen and if they thaw out, will deteriorate to the point where they cannot be processed. "They cannot be stored very long," he said.

Nighttime temperatures last week went into the teens. On Halloween, it went to 9 degrees. That was Zitterkopf's fear two weeks ago. The two factories are "pacing delivery" from farmers so the beets that get out of the ground "don't deteriorate very much before hitting the factory." These beets are processing well, he said. Zitterkopf said no beets had been plowed under yet.

Weather forecasts call for daytime temperatures of 54 degrees today, 45 Sunday and 40 Monday. Nighttime temps will range from 29 to 21 degrees. Snow and cold - 18 degrees at night - are forecast for Tuesday.

Sugar sour when it comes to U.S. ethanol production

Tuesday, November 14, 2006

By Stephanie Corbin; Agri News staff writer

BLOOMINGTON, Minn. -- No ethanol plant in the United States makes the fuel from sucrose.

Dave Malmskog, director of economic analysis at American Crystal Sugar Company, spoke at the recent Farmer Cooperatives Conference about the economics of making ethanol from sucrose.

The problem of using sucrose to make ethanol in the United States is the feedstock cost, Malmskog said. Corn costs about $3 per bushel, which makes three gallons of ethanol. Raw sugar costs $21 per hundredweight, which makes about 6.77 gallons. At that price, ethanol from corn costs $1 per gallon compared to $3.10 per gallon for ethanol from raw sugar.

"This pretty much sums up what I have to say about sucrose ethanol," Malmskog said of the cost difference. "Ethanol made from U.S. sugar: Not economically viable."

The economics of sucrose ethanol were investigated because of Brazil's practice of making ethanol from raw sugar from cane.

"Brazil produces sugar at a much, much lower cost than the U.S. and virtually any other country in the world," Malmskog said. "They're very, very heavily supported by their government."

Brazil makes sugar at a third to fourth of the cost of other countries.

"We're about average," Malmskog said of the cost of making sugar in the United States. "Brazil is the 800-pound gorilla in the sugar world."

Even with an integrated sucrose/ethanol facility, the cost analysis only works if the mill currently is underutilized, he said. In the United States, most factories run at almost 100 percent capacity.

Residue disposal costs from the beets could offset the operating cost savings from adding an ethanol facility to the sucrose factory, Malmskog said. Ethanol also uses a lot of water, which beets produce. The downside, though, is that water from the beets would need to be purified.

Malmskog said sucrose ethanol isn't economically viable under current prices and credits. Hawaii is the exception because gas prices are about $1 higher there than on the mainland.

The U.S. sugar industry would consider a program that compliments current sugar for food structure and allows subsidized imports to be used for ethanol.

http://www.signonsandiego.com/news/mexico/20061116-0658-food-mexico-sugar.html

Workers strike for pay at all Mexican sugar mills

November 16, 2006

MEXICO CITY – Workers at Mexico's 58 sugar mills went on strike Thursday to pressure mill owners for payment of pensions and better wages, a union source said.

The source, who asked not to be named, said there was no date set for talks with the mill owners.

The strike comes just weeks before the official start of the 2006/07 harvest and affects 45,000 workers.

The union is asking for a 15 percent pay rise, but said the main reason for the strike is to persuade mill owners to respect a labor contract clause requiring pensions be paid to workers over the age of 60 with more than 35 years on the job. The union said 3,000 workers who qualify for the pension have not received payments.

Mexican cane workers see the 2006/07 sugar crop at 5.3 million-5.5 million tons. The government has forecast a bumper crop of 5.8 million tons, the same as the record set in 2004/05.

The U.S. Department of Agriculture also sees a big Mexican crop of 5.75 million tons raw value.

The last sugar mill strike in Mexico was in 2000, the union said.

StarTribune.com | MINNEAPOLIS - ST. PAUL, MINNESOTA

November 17, 2006 – 9:39 PM

Sugar beets: Drought's threat shriveled

The dry spell came and went, but in Minnesota it was not nearly as destructive as it first seemed. Next year, however, might be a different story.

Matt McKinney, Star Tribune

So whatever became of the drought of 2006?

Late-season rains saved some farmers, especially across southern Minnesota, but farmers in a few northern Minnesota counties drove into the fields this fall after the driest summer on record. The result? Sugar beet farmers are reporting a record harvest. Forecasts for the state's corn harvest say it will be the second-largest crop on record. The Minnesota soybean forecast expects 2 percent more this year than last, with an estimated yield of 43 bushels per acre, the second-highest on record.

And fall potatoes will have the second-highest yield ever as well.

Not bad for a season in which much of the central and northern half of the state fell under drought conditions beginning in late June.

"When we were up there in July and August things looked very bleak," said Perry Aasness, state deputy commissioner for agriculture.

For some crops, the difference was in the plant itself: Sugar beet roots tapped 6 feet into the soil and fed off water stored from last year's rains. Some corn and soybean farmers were saved by late-season rains, and all farmers were helped by genetically improved seeds that are sturdier and more capable of fighting off drought than seeds of a generation ago. The dry summer also cut the spread of yield-sapping diseases.

"We were all surprised, every agronomist and extension educator I've talked to, that the state has come out as well as it did," said Mark Seeley, University of Minnesota climatologist. "The geneticists and the plant breeders would love to take credit for it and justifiably so, and I think there's been a lot of improvement in the genes of the crops we grow.

"But I also think it's a stamp of approval on the value of stored soil moisture."

Not all farmers fared well, said Gene Hugoson, state agriculture commissioner, but the drought "impacted a lot smaller number of farmers than what we were looking at three months ago."

Some of the worst-hit farmers included cattle ranchers who had to sell their herds because they ran out of feed. Hay and alfalfa fields were lower than usual, and that remains a concern, Aasness said.

Some drought relief was made available late in the growing season, when 39 counties were declared a federal agriculture disaster area. The declaration opens some federal assistance to farmers, including emergency low-interest federal loans.

The declaration comes as Congress continues to press for agriculture disaster assistance for flooding and crop damage in 2005, along with whatever assistance is deemed necessary this year. Rep. Collin Peterson, who will chair the House Agriculture Committee for the next session of Congress, told reporters he was hopeful that some relief measures would be passed before the end of this year.

Next year could be difficult: The soil in central and northern Minnesota lost too much moisture this year to provide insurance against another dry summer, Seeley said.

The sugar beet made one of the best stories of this year's harvest.

The state recorded 11.9 million tons, a 27 percent rise over last year and a 17 percent improvement on the record harvest of 2003. Farmers produced more sugar beets per acre than last year as well, 25.1 tons compared with 20.4 last year.

The harvest was so strong that the 3,000-member American Crystal Sugar Co. told its growers to plow 8 percent of their crops back into the ground -- otherwise they would have too many beets to process by next spring.

The farmers were anxious because about 70 percent of the co-op's fields used a seed developed for resistance to a sugar beet disease known as rhizomania. The seed has not historically produced sugar beets with high yields of sugar, but even there, the sugar beet crops performed well, benefitting from long stretches of sunny weather, said Nick Sinner, executive director of the Red River Valley Sugarbeet Growers Association.

"There was a lot of sunshine this year, and sunshine makes sugar," he said.

"They had a phenomenal year for growth," said Mohamed Khan, an extension sugar beet specialist with North Dakota State University. "They had an excellent stand, they had very little disease. However, there was enough subsoil moisture to carry the crop through. Sugar beet roots can go down six feet very easily. Other crops like wheat and corn can go down two feet and that's it."

Corn farmers who survived the drought of 2006 have been rewarded with high prices this fall, the result of a tightening market for corn driven by the demands for ethanol. Corn futures closed at $3.70½ cents a bushel for March delivery in trading Friday, a ten-year high.

"I think the notable thing this year is the prices are so good," said Hugoson, the agriculture commissioner. "There's a lot of happy farmers right now."

http://www.capitalpress.info/main.asp?SectionID=67&SubSectionID=619&ArticleID=28697&TM=62799.04

11/17/2006 6:00:00 AM Dave Wilkins, Capital Press

Sugar industry gets a boost

Sugar-state congressman takes ag panel helm

The sugar industry will get a strong supporter in the new chairman of the House Agriculture Committee under a Democrat-controlled Congress.

Rep. Collin Peterson of Minnesota, the ranking Democrat on the panel, is slated to take the helm with Democrats regaining control of both houses of Congress in last week's mid-term elections.

Peterson's district in western Minnesota is in the heart of the nation's largest sugar beet production area. The district encompasses nearly 500,000 acres of sugar beets and four sugar refineries.

"There's no doubt that Collin Peterson has been a strong supporter of the sugar program," said Mark Duffin, executive director of the Idaho Sugarbeet Growers Association.

"He knows our industry well," Duffin said. "We have a good working relationship with him."

Minnesota is the nation's largest sugar beet producer. Idaho and North Dakota have jockeyed back and forth in recent years for second and third place.

The sugar industry has enjoyed good bipartisan support in Congress, industry leaders said.

While sugar beet growers celebrate Peterson's rise to chairman, they had no bone to pick with current chairman Rep. Bob Goodlatte, R-Va.

"It's nothing against Chairman Goodlatte, but there are no sugar beets grown in Virginia," said Luther Markwart, executive vice president of the American Sugarbeet Growers Association.

Having a sugar-state congressman leading the House ag panel "bodes well for us," Markwart said. "That's important."

It's especially important as Congress begins to write a new farm bill next year.

"Well, obviously sugar is going to be taken care of, or we're not going to have a farm bill and the sugar guys are very happy," Peterson told USAgNet.com after the Nov. 7 election.

While Peterson has been a strong supporter of the sugar program, he's not a proponent of using sugar beets to make ethanol.

A U.S. Department of Agriculture study released in July suggested that ethanol produced from sugar wouldn't be cost-effective. It would take 5 tons of sugar cane or 4 tons of sugar beets to produce the same amount of ethanol made from one ton of corn.

"To make sugar competitive in U.S. ethanol production, we would have to dismantle the current sugar program, which would drive our growers out of business, or offer big subsidies to reduce the price of sugar," Peterson said in a statement after the USDA report was released.

Neither of those options would have much support in Congress or rural America, he said.

Dave Wilkins is based in Twin Falls, Idaho. His e-mail address is dwilkins@capitalpress.com.

http://www.in-forum.com/ap/index.cfm?page=view&id=D8LLJ6MO0&forumcomm_check_return

Monday, November 27, 2006; **The Associated Press**

Farmers' yeast venture makes lots of dough

WAHPETON, N.D. - A yeast company started by sugar beet farmers 16 years ago has risen to success.

Minn-Dak Yeast Co., a subsidiary of Minn-Dak Farmers Cooperative, has grown to 20 employees. It produced more than 25 million pounds of yeast last year.

The yeast plant was started to add value to sugar beet molasses, a co-product of sugar beet processing, said David Roche, Minn-Dak president and chief executive.

"The yeast industry is a fairly small industry dominated by a small number of large companies," he said. "I think it's safe to say that Minn-Dak Yeast is one of the smallest yeast companies in the country."

The plant manufactures baker's compressed yeast, not the retail yeast that consumers can buy in a grocery store.

"A good share of our sales goes into the frozen dough industry; frozen dough being the dinner rolls that you might buy or dough in pizza," Roche said.

Baker's yeast has a a fairly high degree of moisture, which makes it a dense and heavy product that does not lend itself to being shipped long distances. Roche said the company's market is primarily in the Midwest.

However, Minn-Dak Yeast Co. recently announced an alliance with Mississippi-based USA Yeast. "It gives us the ability to enhance our supply capabilities with our customers," Roche said.

Unlike the sugar processing business, which is seasonal, the yeast plant operates year round. In addition to the caked yeast, it makes crumbled yeast, which is packaged in a bag, and cream yeast, a liquid form that is shipped in tanker trucks.

Roche said the company also is considering getting into the specialty yeast market. "Yeast has found a spot in some of the ... products that you can find in health and nutrition stores," he said.

http://www.nola.com/news/t-p/frontpage/index.ssf?/base/news-7/11648738148010.xml&coll=1

Bunkie sugar mill vote today

Blanco says decision is up to top aide

Thursday, November 30, 2006; **By Robert Travis Scott**

BATON ROUGE -- Gov. Kathleen Blanco said Wednesday that she will rely on the judgment of her economic development chief to determine whether the state should support a controversial $135 million sugar syrup mill in Bunkie that is up for a vote today by the State Bond Commission.

Because of her influence on the commission, the governor's opinion of the project weighs heavily on the outcome, but Department of Economic Development Secretary Michael Olivier does not plan to reveal his recommendation until this morning.

"I have not talked to Mike Olivier," Blanco said. "I have deferred to the economics (analysis) to determine whether this is something the state should be involved in, in order to help farmers and the agriculture economy of this state."

Introduced in an initiative killed by the State Bond Commission last year but revived last month by Senate President Donald Hines, D-Bunkie, and state Agriculture Commissioner Bob Odom, the Bunkie mill proposal has been debated at high volume in recent weeks leading up to today's decision.

With proponents calling it a major boost to rural Louisiana and opponents calling it a risky and misplaced priority for a state recovering from hurricanes, the project has taken on a political significance beyond the investment itself.

Election implications

Bob Mann, Blanco's former communications director who has an endowed chair at LSU's Manship School of Communications, said the Bunkie mill has become a symbol for what people see as wasteful spending, even though the cost in the overall picture of state finances is not that much.

"Practically, it doesn't make that much difference, but symbolically it has enormous impact," Mann said.

The issue could reverberate into next year's election season, when Blanco intends to run for a second term, Mann said.

"If this goes through and the governor's fingerprints are on it . . . if I were running against her, I would certainly be working on ways to use that as a symbol for her inability to control spending," Mann said. "Maybe it would be unfair, . . . but it certainly is, politically, a very good issue."

No farmer investment

Hines, who sits on the Bond Commission, wants the state to back half the bonds for the project, with investment house Merrill Lynch selling bonds on the private market to raise the other half of the money. The state portion of the bonds would be backed by tax revenue from horse racetrack slot machines that are dedicated to an agriculture agency controlled by Odom.

The mill would be transferred to a corporation of local farmers that would be responsible for paying off the debt and operating the mill. The farmers would not make their own investment. If the project failed, the Merrill Lynch bondholders would get the mill as collateral, and the state would have to tap the slots revenue.

The mill would make crude syrup from cane in the region and ship the liquid to mills farther south for processing into raw sugar. Proponents say the mill would save transportation costs.

Hines did not return calls Wednesday. Odom was in Mississippi on Wednesday speaking to a state legislative agriculture committee and was unable to comment.

Industry split

The sugar industry is deeply divided over the plan. Farmers in the central region of Louisiana and two major mill companies that would receive the syrup support it. Jim Harper, a Cheneyville farmer leading the effort, said Wednesday that he did not know how the vote would go and would not comment further.

Six Louisiana sugar processing companies representing a little over half the state's mill industry issued a statement Wednesday opposing the Bunkie mill.

"This syrup mill is a bad investment and sends the wrong message to the nation as we recover from two devastating hurricanes, while at the same time seeking federal rebuilding dollars," said the statement, jointly endorsed by Alma Plantation LLC, Louisiana Sugar Cane Co-op Inc., Lula-Westfield LLC, Cora-Texas Manufacturing Co. Inc., Lafourche Sugars LLC and St. Mary Sugar Co-op Inc. "We firmly believe that the Bunkie growers are better off without the additional financial burden created by this syrup mill, that our industry is better off without the black eye that will result from its failure, and that our state is better off making a more appropriate use of its taxpayers' money."

Olivier would not speak to the media Wednesday.

His spokeswoman, Lana Sonnier, said the agency has examined information about the proposal and that Olivier will make a presentation to the Bond Commission. The agency is not looking strictly at the financial feasibility of the mill but is viewing it from the standpoint of its economic impact on the region and as a tool for business retention, she said. Olivier will address the potential for jobs created versus jobs lost, she said.

Plant called 'risky'

Michael Salassi, the J. Nelson Fairbanks professor of agricultural economics at the LSU AgCenter, was asked to provide the Bond Commission with a review of economic feasibility studies that have been conducted on the Bunkie mill.

While not saying whether he is for or against the plant, he said the transportation costs for the central Louisiana farmers are a problem. Still, "building a $135 million syrup plant is a rather risky way of curing that," Salassi said. Because of federal controls, the Louisiana sugar industry has to operate under a sugar production ceiling, limiting the potential for sales revenue. For that reason, the major new cost of the Bunkie mill introduced into that system will be difficult to afford for the farmers and mills that would depend on it, he said.

"There's got to be a cheaper alternative than putting a $135 million debt on the industry," Salassi said.

Other recent independent analyses provided to the Bond Commission have questioned the economic viability of the mill and the validity of a favorable feasibility study conducted by an engineering firm for the Department of Agriculture.

Much of the concern about the project's economic outlook has taken a back seat to the politics of the debate.

Officials: Blanco holds key

State Treasurer John Kennedy, who is chairman of the Bond Commission, and Louisiana Secretary of State Jay Dardenne, the only Republican on the bond panel, are strongly opposed to the mill and say Blanco will determine its fate.

"If this mill passes, it will be because the governor supports it. If it doesn't pass, it will be because the governor opposed it," Kennedy said.

The proposal needs eight votes from the 14-member panel to pass. The commission could decide to defer a decision.

Blanco has one seat, normally filled by her chief of staff, Jimmy Clarke, and has another virtual direct vote through her commissioner of administration, Jerry Luke

LeBlanc. Lt. Gov. Mitch Landrieu and Attorney General Charles Foti also sit on the Bond Commission. They have not said what their votes will be.

Senate Finance Chairman Francis Heitmeier, D-Algiers, said Wednesday that he was leaning toward voting with the Senate president, but had not made a final decision. Panel members Sen. Joe McPherson, D-Woodworth, and Rep. Charlie DeWitt, D-Lecompte, support the mill proposal.

Many of the other panelists normally come under the sway of the governor. Those include Speaker of the House Joe Salter, D-Florien; House Ways and Means Chairman Taylor Townsend, D-Natchitoches; and House Appropriations Chairman John Alario, D-Westwego, who hold positions the governor has a strong hand in determining even though they are elected by House members. Likewise, she has a close ally in Senate Revenue and Fiscal Affairs Chairwoman Willie Mount, D-Lake Charles.

"This boils down to whether she (the governor) wants this thing to pass or not," Dardenne said.

Dardenne said passage of the mill project would demonstrate an election-year pork spending mentality on the part of Blanco.

"This could be the first bite of a feeding frenzy that will continue until next November," Dardenne said.

Catch-22 for governor

Mann said that if the proposal goes through, the political reality is that a lot of people in Louisiana will believe that the state's leadership has let them down. If the proposal somehow passes despite the governor's opposition, Blanco will look "impotent" and unable to stop it, he said.

The stakes are also high for Blanco because much of the public sees the Bunkie mill as a battle between two of the state's most powerful elected officials, Blanco and Odom, Mann said. Adding to the intrigue, he said, is that Hines, who is normally her chief ally, is "clearly off the reservation, and clearly not looking out for the governor's interest," Mann said.