Message from Chip Smith, President:

Hello NSIMA Members:

Well, the domestic corn, sugar cane, and sugar beet harvests are underway and most of the reports so far have been positive. While much of the 2014 sugar business has already been booked, we are at the starting line for contracting corn sweeteners and the coming crop report will be quite illuminating for that market. There has been much to talk about in the cocoa market, as we have seen cocoa butter prices take a strong and steady move to awfully high levels. There are a few articles on that market in this month’s newsletter.

I would like to take a moment to congratulate Jerry Kramer and Bruce Penner on their re-election to their current posts of 1st Vice President and Secretary/Treasurer of the NSIMA. Also, congratulations to Tom Petty who was elected as 2nd Vice President. Thank you to all of you who participated by voting and also to those of you who were candidates.

As we move into the holiday season, I wish you all safe travels and good cheer.

Chip Smith, President

Also in this issue: (Click on the Headline, or scroll down to the document)

00/00 - ASR/ Domino Sugar Price Announcements
00/00 - United Sugar Price Announcement
00/00 - Dreyfus/Imperial Sugar Price Announcement
00/00 - Cargill Corn Sweetener Price Announcements
00/00 - New Educational Video About the Basics of Sugar Released by the Sugar Association
09/24 - The brain cannot be 'fooled' by artificial sweeteners, warn researchers
09/27 - HFCS-free: The trend stalled by consumer indifference?
10/05 - Home-grown firms top manufacturers awards
10/07 - Hershey highlights rise of dark chocolate as dessert in US
10/08 - Price of chocolate to triple by Christmas, analysts predict
10/09 - Evaporated cane juice lawsuits update
10/11 - Europe’s chocolate industry plays catch as Q3 cocoa grind climbs 5%
10/11 - Louis Dreyfus’s $750-million sugar bet roils swamped market
10/11 - Brazil ethanol exports to U.S. at risk if EPA eases blend rule
10/12 - (Louisiana) Sugar growers expect crop to dip from 2012 record
10/16 - Cocoa Prices Climb but Not Enough to Boost Production, Industry Says
10/17 - USDA Announces Cancellation and Postponement of Selected Reports
10/21 - Bad science, good politics? Why the GMO labeling lobby is winning the PR war
10/21 - Beet-delivery trucks roll into Michigan Sugar facilities as full fall harvest begins
10/23 - Brazil’s Copersucar issues force majeure to sugar exporters
10/28 - Wet weather means longer beet harvest
10/28 - 80 per cent of the (sugar beet) crop is off the fields in Chatham-Kent (Canada)
10/30 - U.S. harvest catching up to five-year average
October 2, 2013

ANNOUNCEMENT

TO OUR INDUSTRIAL TRADE AND BROKERS

Announcement IND- 110

Effective for the period October 2, 2013 to September 30, 2014:

Bulk Extra Fine Granulated

10/2/2013
To
09/30/2014

All Refineries $33.00

Pricing is quoted per cwt. (dry basis), FOB Refinery. All orders are subject to confirmation.

These prices are subject to withdrawal without prior notice.

Fuel surcharge as applicable.

Pallet charges are $9.00 per pallet.


Please contact your sales representative for further information.

Domino Foods, Inc.
ANNOUNCEMENT

TO OUR INDUSTRIAL TRADE AND BROKERS

Announcement IND - 111

Effective for the period October 2, 2013 to September 30, 2014 our prices for Industrial grade products are as follows:

**FOB Shipping Location**

**10/2/2013 to 09/30/2014**

<table>
<thead>
<tr>
<th>Product</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Totes EFG</td>
<td>$35.50</td>
</tr>
<tr>
<td>100lb EFG</td>
<td>$35.50</td>
</tr>
<tr>
<td>100lb Bottlers</td>
<td>$36.00</td>
</tr>
<tr>
<td>100lb Canners</td>
<td>$36.00</td>
</tr>
<tr>
<td>100lb Fruit</td>
<td>$36.50</td>
</tr>
<tr>
<td>100lb Bakers Special</td>
<td>$38.00</td>
</tr>
<tr>
<td>100lb 6X</td>
<td>$37.50</td>
</tr>
<tr>
<td>100lb 10X</td>
<td>$38.00</td>
</tr>
<tr>
<td>100lb 12X</td>
<td>$38.50</td>
</tr>
<tr>
<td>100lb Light Brown</td>
<td>$40.00</td>
</tr>
<tr>
<td>100lb Dark Brown</td>
<td>$40.00</td>
</tr>
<tr>
<td>100lb Standard</td>
<td>$47.50</td>
</tr>
<tr>
<td>100lb Medium</td>
<td>$46.50</td>
</tr>
<tr>
<td>100lb Medium Fine</td>
<td>$46.50</td>
</tr>
<tr>
<td>100lb Sanding</td>
<td>$46.50</td>
</tr>
<tr>
<td>100lb LCMT</td>
<td>$46.00</td>
</tr>
<tr>
<td>Liquid Sucrose</td>
<td>$35.00</td>
</tr>
<tr>
<td>Medium Invert</td>
<td>$35.00</td>
</tr>
</tbody>
</table>

50lb Bags add $1.20/cwt

Pricing is quoted per cwt. (dry basis), FOB Refinery. All orders are subject to confirmation. These prices are subject to withdrawal without prior notice.

Fuel surcharge as applicable. Pallet charges are $9.00 per pallet.


Please contact your sales representative for further information.
Announcement
To Our Industrial Customers

Effective immediately, our prices for industrial grade sugar products for the period October 7, 2013 through September 30, 2014 will be based upon the following:

<table>
<thead>
<tr>
<th></th>
<th>10/7/2013 - 9/30/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulk Extra Fine Granulated</td>
<td></td>
</tr>
<tr>
<td>Red River Valley</td>
<td>$28.00 (Bulk Basis)</td>
</tr>
<tr>
<td>Clewiston, FL</td>
<td>$28.00 (Bulk Basis)</td>
</tr>
</tbody>
</table>

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

These prices are subject to withdrawal without prior notice.

Fuel surcharge as applicable.

Pallet charges are $8.00 per pallet.

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

Normal bag differentials will apply.

Please contact your sales representative for further information.

United Sugars Corporation
October 9, 2013

To: Our Industrial Customers and Brokers

The following Industrial prices are effective immediately.

**Extra Fine Granulated Sugar in Bulk**  $33.00 per hundredweight

All pricing is quoted on a dry basis per hundredweight, FOB our Savannah refinery. Prices are subject to withdrawal and/or change without prior notice.

All sales, including prices and volumes, are subject to our acceptance.

All sales are subject to Imperial Sugar Company’s standard terms and conditions.

Sales will be made on a delivered basis and applicable freight will be charged.

Applicable fuel surcharges will be for Buyer’s account and will be billed as a separate line item on the invoice.

Pallets charged at $9.00 per pallet.

Please contact your Imperial Sugar Company Sales Manager for further information.

Imperial Sugar Company

1-800-72SUGAR
October 9, 2013

To: Our Industrial Customers and Brokers

The following industrial differentials are effective immediately.

**IMPERIAL SUGAR INDUSTRIAL DIFFERENTIALS**

<table>
<thead>
<tr>
<th>Product</th>
<th>Differential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid</td>
<td>$2.00</td>
</tr>
<tr>
<td>Flex Totes</td>
<td>$2.50</td>
</tr>
<tr>
<td>50 lb EFG Sugar</td>
<td>$4.00</td>
</tr>
<tr>
<td>50 lb 6X Powdered Sugar</td>
<td>$6.00</td>
</tr>
<tr>
<td>50 lb 10X Powdered Sugar</td>
<td>$6.50</td>
</tr>
<tr>
<td>50 lb Brown Sugar</td>
<td>$7.50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Charge for NF/USP testing</td>
<td>$500 per order</td>
</tr>
<tr>
<td>Pallet Charge</td>
<td>$9.00 per pallet</td>
</tr>
<tr>
<td>Fuel Surcharge</td>
<td>For Buyers account</td>
</tr>
<tr>
<td>Railcar Demurrage Leased Cars</td>
<td>First 5 days free</td>
</tr>
<tr>
<td>Railcar Demurrage Leased Cars</td>
<td>After 5 days $60 per day</td>
</tr>
<tr>
<td>Railcar Demurrage Railroad Cars</td>
<td>At Railroad rates</td>
</tr>
<tr>
<td>Railcars not properly closed and sealed</td>
<td>$1200.00 per car</td>
</tr>
</tbody>
</table>

Pricing is quoted on a dry basis per hundredweight. All orders, including volumes and prices, are subject to our acceptance.

Differentials and Service Fees are subject to withdrawal and/or change without prior notice.

All purchases are subject to Imperial Sugar Company’s standard terms and conditions.

Please contact your Imperial Sugar Company Sales Manager for further information.

Imperial Sugar Company

1-800-72SUGAR
October 28, 2013

To Our Valued Corn Sweetener Customers,

Cargill Corn Milling is announcing the following zone delivered prices for full bulk shipments of Clearsweet® 43/43 Corn Syrup. These prices will apply to all contracted shipments effective January 1, 2014 through December 31, 2014. Volume is subject to capacity availability.

<table>
<thead>
<tr>
<th>Zone</th>
<th>Delivered (Commercial Basis)</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Central</td>
<td>$25.80/cwt</td>
</tr>
<tr>
<td>Midwest</td>
<td>$25.00/cwt</td>
</tr>
<tr>
<td>Northeast</td>
<td>$27.50/cwt</td>
</tr>
<tr>
<td>South</td>
<td>$28.40/cwt</td>
</tr>
<tr>
<td>Southeast</td>
<td>$27.50/cwt</td>
</tr>
<tr>
<td>West</td>
<td>$30.00/cwt</td>
</tr>
</tbody>
</table>

The following Cargill Corn Syrup product premiums apply:

<table>
<thead>
<tr>
<th>Corn Syrup</th>
<th>Premium (C.B.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-28 DE/42 Be'</td>
<td>$0.50/cwt</td>
</tr>
<tr>
<td>43HM / 43 Be'</td>
<td>$0.50/cwt</td>
</tr>
<tr>
<td>52 DE/43 Be'</td>
<td>$0.15/cwt</td>
</tr>
<tr>
<td>58–65 DE/43 Be'</td>
<td>$0.35/cwt</td>
</tr>
<tr>
<td>66 DE and higher/43 Be'</td>
<td>$0.50/cwt</td>
</tr>
<tr>
<td>43 DE/44 Be'</td>
<td>$0.40/cwt</td>
</tr>
<tr>
<td>43 DE/44.5 Be'</td>
<td>$0.50/cwt</td>
</tr>
<tr>
<td>52 DE/44 Be'</td>
<td>$0.50/cwt</td>
</tr>
<tr>
<td>58-65 DE/44 Be'</td>
<td>$0.65/cwt</td>
</tr>
</tbody>
</table>

Payment terms remain net 20 days from date of shipment. This is not an offer to sell. Prices are subject to change without notice.

If you have any questions, please contact your Territory Manager. We thank you for your support and look forward to providing continued value to your business initiatives in 2014.

Regards,

Cargill Corn Milling
October 28, 2013

To Our Valued Corn Sweetener Customers,

Cargill Corn Milling is announcing the following zone delivered prices for full bulk shipments of Isoclear® 42 High Fructose Corn Syrup. These prices will apply to all contracted shipments effective January 1, 2014 through December 31, 2014. Volume is subject to capacity availability.

<table>
<thead>
<tr>
<th>Region</th>
<th>Delivered Commercial Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Central</td>
<td>$21.50/cwt</td>
</tr>
<tr>
<td>Midwest</td>
<td>$21.25/cwt</td>
</tr>
<tr>
<td>Northeast</td>
<td>$23.75/cwt</td>
</tr>
<tr>
<td>South</td>
<td>$22.50/cwt</td>
</tr>
<tr>
<td>Southeast</td>
<td>$23.00/cwt</td>
</tr>
<tr>
<td>West</td>
<td>$24.00/cwt</td>
</tr>
</tbody>
</table>

Payment terms remain net 20 days from date of shipment. This is not an offer to sell. Prices are subject to change without notice.

If you have any questions, please contact your Territory Manager. We thank you for your support and look forward to providing continued value to your business initiatives in 2014.

Regards,

Cargill Corn Milling
October 28, 2013

To Our Valued Corn Sweetener Customers,

Cargill Corn Milling is announcing the following zone delivered prices for full bulk shipments of Isoclear® 55 High Fructose Corn Syrup. These prices will apply to all contracted shipments effective January 1, 2014 through December 31, 2014. Volume is subject to capacity availability.

<table>
<thead>
<tr>
<th>Zone</th>
<th>Delivered Commercial Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Central</td>
<td>$26.00/cwt</td>
</tr>
<tr>
<td>Midwest</td>
<td>$25.00/cwt</td>
</tr>
<tr>
<td>Northeast</td>
<td>$28.00/cwt</td>
</tr>
<tr>
<td>South</td>
<td>$27.00/cwt</td>
</tr>
<tr>
<td>Southeast</td>
<td>$27.50/cwt</td>
</tr>
<tr>
<td>West</td>
<td>$28.50/cwt</td>
</tr>
</tbody>
</table>

Payment terms remain net 20 days from date of shipment. This is not an offer to sell. Prices are subject to change without notice.

If you have any questions please, contact your Territory Manager. We thank you for your support and look forward to providing continued value to your business initiatives in 2014.

Regards,

Cargill Corn Milling
New Educational Video About the Basics of Sugar Released by the Sugar Association

What is sugar?

It’s a question that is often thought of as complex, but is actually quite simple. The Sugar Association explains the basic characteristics of “nature’s sweetener” in a new informative video, “What is Sugar,” now being featured on the Association’s new YouTube channel.

You can watch the video here.

The Sugar Association hopes the video will help consumers and the media better understand the basic characteristics of all-natural sugar (sucrose) and how it is produced.

“Let’s take a journey from the farm to the food we eat,” the video begins, noting that “the transformation might be more simple than you think.”

The video explains the origin of natural sugar /sucrose (photosynthesis occurring in sugar beet and sugar cane plants), as well as its natural presence in many fruits and vegetables.

It also highlights the characteristics of sugar beets and sugar cane—the two plants harvested by sugar farmers—and where they can be found in the United States.

The video concludes with a short explanation of the refining process.

“And that’s it. No additives, no laboratories and no surprises—just the time-tested consistency of real sugar. Sugar, after 2,000 it is still the gold standard of sweeteners,” the video concludes.

We hope you enjoy the journey—it’s a lot simpler than you think.
The brain cannot be ‘fooled’ by artificial sweeteners, warn researchers

It is hard to fool the brain by providing it with ‘energyless' sweet flavours, according to new research in mice that suggests that consumption of zero-calorie sweeteners leads to higher sugar consumption later.

Published in The Journal of Physiology, the research findings suggest that our pleasure in consuming sweet solutions is driven to a great extent by the amount of energy it provides – revealing that greater ‘reward' in the brain is attributed to sugars when compared to artificial sweeteners.

Led by Professor Ivan de Araujo from Yale University School of Medicine, USA, the research identifies a specific physiological brain signal that is critical for determining choice between sugars and sweeteners – and suggests that the metabolism of energy dense sugar (glucose oxidation) has control over the intake levels of sweet tastants by modifying levels of the dopamine in the brain. "According to the data, when we apply substances that interfere with a critical step of the ‘sugar-to-energy pathway', the interest of the animals in consuming artificial sweetener decreases significantly, along with important reductions in brain dopamine levels,” explained de Araujo. “This is verified by the fact that when hungry mice – who thus have low sugar levels – are given a choice between artificial sweeteners and sugars, they are more likely to completely switch their preferences towards sugars even if the artificial sweetener is much sweeter than the sugar solution," he said.

Delayed intake?
The research was performed in mice, using a combination of behavioral testing involving sweeteners and sugars, whilst measuring chemical responses in brain circuits for reward. The researchers believe their findings are likely to be reflected in humans. "The consumption of high-calorie beverages is a major contributor to weight gain and obesity, even after the introduction of artificial sweeteners to the market,” de Araujo added. “We believe that the discovery is important because it shows how physiological states may impact on our choices between sugars and sweeteners.”

Specifically, the team said that their findings imply that humans frequently ingesting low-calorie sweet products in a state of hunger or exhaustion could be more likely to ‘relapse’ and choose high calorie alternatives in the future. "The results suggest that a 'happy medium’ could be a solution; combining sweeteners with minimal amounts of sugar so that energy metabolism doesn't drop, while caloric intake is kept to a minimum,” said de Araujo. Now that the team know that dopamine cells are critical in sugar/sweetener choice, they hope to identify the associated receptors and pathways in the brain, said the researcher.

Source: The Journal of Physiology
Published online before print, doi:10.1113/jphysiol.2013.263103
“Glucose Utilization Rates Regulate Intake Levels of Artificial Sweeteners”
Authors: Luis A Tellez, Xueying Ren, Wenfei Han, et al
HFCS-free: The trend stalled by consumer indifference?

What do Hunt’s ketchup and Capri Sun have in common? They both switched back to using high fructose corn syrup (HFCS) after taking it out of the recipe, the former citing ‘consumer indifference’ and the latter citing sugar prices. Market data indicates that HFCS-free may not be working with consumers, so what next for this purported trend?

According to popular culture, HFCS is bad and should be removed from foods. Indeed, it’s on the Whole Foods Market list of ‘unacceptable ingredients’ suppliers are instructed to avoid. Many food and beverage manufacturers have obliged, with consumers alerted to reformulation activity with ‘HFCS-free’ or ‘no HFCS’ labels. Data from the Mintel Research Consultancy (MRC) shows that Kraft Foods led the pack on "no HFCS" introductions, with almost 10% of introductions between 2002 and 2011. The rest of the top five consisted of Bear Naked (3.10%), Safeway (2.74%), Groupe Danone (2.45%), and Grupo Bimbo (2.31%).

However, sales of such products, intended to give the people what they wanted, have not necessarily responded. According to a survey from the MRC on sweetener usage by category and consumer segment (commissioned by the Corn Refiners Association), “A great deal of media attention has been given to sugar, soda, non-caloric sweeteners, and high fructose corn syrup (HFCS) in 2011-12. In some cases, the publicity vilified HFCS, but as of late, more of the focus is on added sugars overall than on any specific type of sweetener.”

Indeed, a survey from the International Food Information Council (IFIC) found that the majority of Americans (70 and 63%) are trying to consume less of both sugar and HFCS, respectively. "Consumers care about added sugar among a lot of other ingredient and food considerations," said Sara Martens, Vice President at The MSR Group, which has performed market research for a number of food retailers, manufacturers and the CRA. “Fat, salt and sugar are typically at the top of the consumer concerns list, while HFCS is typically near the bottom. Looking at research conducted 2008 through the present, we consistently see the percentage of consumers saying they avoid HFCS at five percent or less, whereas the percentage of consumers expressing concern about sugars has been fluctuating between 20-28%. Similarly, when reading labels, approximately four percent look for HFCS compared to 38% looking for sugar content," added Martens. Not all the market data agrees, however, with a different IFIC survey conducted last year suggesting that 44% of US adults are seeking to avoid or limit HFCS intakes. Despite the higher number, this was the exactly the same percentage as in 2011.

Re-reformulations

As reported by FoodNavigator-USA last year, ConAgra switched Hunt’s ketchup back to HFCS citing consumer indifference. A spokeswoman for the company told us at the time: “Overall, consumer demand for the HFCS-free ketchup was not as strong as expected,” she said. However, ConAgra has retained a HFCS-free variant in its range.

Kraft, on the other hand, said the switch back to HFCS was due to costs*. “Sugar prices have risen at unprecedented rates in the last 12 months and are at a 30-year high. We made this change to help better manage costs for consumers in today’s difficult economic environment while preserving the good taste families expect.” [* This statement is no longer available on the kraftsbrands.com website, but is still accessible via a web archive: http://web.archive.org/web/20130403031951/http://www.kraftbrands.com/CaprisunMoms/faq.aspx#whychangeingredients ]
Capri Sun’s “Roaring Waters” line, labeled as low calorie but sweetened with HFCS, has seen impressive growth over two years (42% growth), suggesting that HFCS on the label is not dissuading moms from purchasing the products for their kids, and that 'low calorie' is more important than the actual sweetener used (see figure below).

**Performance data**
Martin Concannon, Managing Director, Lafayette Associates, told us that data from Nielsen clearly shows that a brand’s strategy to use HFCS-free as a differentiator is not an effective strategy. “It does not increase market share,” he said. Indeed, Nielsen provided data for two products in separate categories that indicated either a plateauing of sales (no effect from going HFCS-free) or even a decline in sales after switching to sugar.

Headlines proclaiming ‘sugar is toxic’ have impacted on the overall consumer awareness of added sugars in general, and, according to the Mintel survey, “based on the high levels of total sugar avoidance, rather than specific ingredients such as HFCS, it appears that manufacturers would realize a stronger sales increase by reducing overall sugar content than reformulating without HFCS. HFCS-free formulations may make sense, but only as a line extension.”
Sweetener Solutions

With more than 50 years of collective experience in the sugar business, partners John Curry and Michael Coffield definitely know sweet. They also know a good business opportunity when they see one.

So when they began to look into high-intensity sweeteners more than a decade ago, they realized this was a market destined to grow.

Sweetener Solutions began formal operations of high intensity sweetener — or HIS — blending and sales on July 3, 2003, in a modest 1,000-square-foot facility on U.S. 80 in Pooler.

The operation included a small sales office, a warehouse for blenders and mixers and a small laboratory for product testing.

Through persistence and perseverance, Sweetener Solutions has grown into a more than 20,000-square-foot facility serving sweetener users and food manufacturers domestically and abroad.

Featuring pioneering sweetener methods, Sweetener Solutions now assists customers with product development of recipe-specific high intensity sweetener blends that provide improved taste, reduced carbs and calories for foods and beverages at significant cost savings.

THE COMPANIES

40 years - River Street Sweets

30 years - Doug Bean Signs

20 years - K Machine Industrial Services

10 years - LMI Aerospace

10 years - Sweetner Solutions
Hershey highlighted the rise of dark chocolate as dessert in the US

Hershey hosted an event in New York last week highlighting dark chocolate as the new dessert for Americans.

“We are seeing a consumer trend of more dark chocolate consumption, and that offers an excellent opportunity as we look at our own dark chocolate portfolio,” said Jennifer Podhajsky, Vice President and General Manager, U.S. Chocolate Category, The Hershey Company.

The company pointed to a study by the Hartman Group, which found that the number of Americans eating dessert after dinner had climbed 5% since 2009, and 78% of the treats eaten included chocolates.

Hershey said that US consumers had increasingly traded-up for premium dark chocolate since 2009. It said dark chocolate sales had grown consistently faster than the overall chocolate segment at 7.7%, with sales now up to $1.3bn. The company claimed to lead the US dark chocolate market with five of the top ten leading brands, including York Peppermint Pattie, Brookside Dark Chocolate and Hershey’s Special Dark Semi-Sweet and Dark Chocolate. Hershey is hoping to attract new consumers to the category with lower cacao options, but it also makes chocolates with up to 82% cacao.
Price of chocolate to triple by Christmas, analysts predict

The price of Britain's favourite chocolate treats could be set to soar by up to a third by Christmas after a crippling rise in cocoa butter and other costs, experts have revealed.

And it could add as much as 21p to every 100g of milk chocolate, spelling an inflation busting rise in everything from advert calendars to chocolate gift packs to everyday indulgences.

The cost of producing chocolate soared by 33 per cent in the last year thanks to a 70 per cent rise in the price of cocoa butter, 50 per cent to milk powder and 15 per cent to whey powder.

Both cocoa powder and sugar prices have fallen but they account for a much smaller proportion of production costs, said the report by analysts for trade journal The Grocer.

So far only some of the rising costs have been passed on by some chocolate makers, from 7.5 per cent on a bar of Cadbury's Dairy Milk to 14.3 per cent to a box of Quality Street.

But with the peak time of year fast approaching, there may be more price rises to come ahead of the Christmas rush.

Cocoa butter is the main culprit, particular for milk chocolate where it accounts for around 25 per cent of the production costs, said analysts Mintec.

Prices of cocoa butter are currently at a four year high of £4,000 a tonne, a 70 per cent increase on this time last year.

Bad weather and increased demand hit the cocoa bean crop in the key growing region of the Ivory Coast leading to a lower supply and a poor forecast for the coming 2013/14 crop.

Upmarket maker Thorntons, for instance, has put prices up by an average 11.5 per cent in the last 12 months, said The Grocer.

But in contrast, the price of a box of Celebrations is currently the same as this time last year and a box of Roses is only 1.3 per cent higher.

Mintec analyst Liliana Gonzalez said: "Rising cocoa butter prices and inflation on other key ingredients have taken their toll on chocolate manufacturers.

"This works out as a 21p cost increase on the average 100g bar of milk chocolate."
Evaporated cane juice lawsuits update: Blue Diamond, Trader Joe’s, Wallaby Yogurt Co under fire, Chobani off the hook?

As a tidal wave of civil litigation over the use of the term ‘evaporated cane juice’ (ECJ) to describe dried cane syrup (aka sugar) continues to engulf the food industry, there has been good and bad news for some high-profile defendants this month.

Chobani (finally) persuaded a judge to ditch a putative class action alleging it misled consumers by calling dried cane syrup ‘evaporated cane juice’ on product labels, but Blue Diamond Growers, Trader Joe’s and Wallaby Yogurt Company failed to convince federal judges in the same district (Northern California) to do the same. The news came as a new wave of ECJ-related complaints was filed by law firm Pratt & Associates (which is also representing plaintiffs in the cases above) against the makers of Zola acai drinks, Steaz Iced Teas and others*.

Judge reconsiders putative class action v Chobani, and decides she will grant its motion to dismiss

Looking at some recent ECJ-related Court orders, there was good news for Chobani (which is also facing legal action over the recent moldy yogurt incident). In her September 19 order on the Kane et al v Chobani case (5:2012cv02425), judge Lucy Koh granted Chobani’s motion to dismiss all of the claims, although she did allow the plaintiffs to file an amended complaint and re-plead some claims. However, other high-profile defendants facing similar lawsuits were not so lucky.

Blue Diamond not so lucky: Case to proceed

In her October 2 order on an ECJ-related putative class action (Chris Werdebaugh et al. v. Blue Diamond Growers, 5:12-cv-02724), Koh rejected the almond giant’s bid to dismiss the case. Werdebaugh alleged that Blue Diamond misled consumers by listing ‘evaporated cane juice’ as an ingredient instead of sugar cane or cane syrup in its Almond Breeze almond milks, despite the fact that the FDA had sent out multiple warning letters and produced draft guidance specifically telling firms not to use the term because it is false and misleading and ECJ is not a ‘juice’. Federal regulations also instruct that ingredients must be described by their common or usual names, and that to call something “juice” it should be “the aqueous liquid expressed or extracted from one or more fruits or vegetables”, he argued.

Judge: The Plaintiff’s claims are not pre-empted by federal law, and applying the doctrine of primary jurisdiction is not warranted

Many of his arguments convinced Koh, who rejected Blue Diamond’s contention that Werdebaugh lacked constitutional and statutory standing and denied Blue Diamond’s motion to strike his claim for monetary damages under the California Consumers Legal Remedies Act. She also rejected the argument that Werdebaugh’s complaint should be dismissed because the claims are pre-empted by the Federal Food, Drug and Cosmetic Act (FDCA) or covered by the doctrine of primary jurisdiction (and should be left to the FDA to determine).

“The Plaintiff’s claims are not pre-empted by federal law, and applying the doctrine of primary jurisdiction is not warranted in this instance”, said Koh.

Her stance is in sharp contrast to that of judge Yvonne Gonzalez Rogers, who recently dismissed an ECJ lawsuit (Hood vs Wholesoy & Co), on primary jurisdiction grounds (“The Court finds it is appropriate to defer to the authority and expertise of the FDA to say what the appropriate rules should be with respect to evaporated cane juice”).
In fact, said Koh, it is not appropriate to pass this matter to the FDA, given that it has repeatedly “articulated a position on the use of evaporated cane juice that is both internally consistent and consistent with existing regulatory requirements”.

**Trader Joes’ Plaintiffs have stated plausible allegations that the use of the term evaporated cane juice violates the Sherman Law**

Meanwhile, in two more ECJ-related case (Amy Gitson et al v Trader Joe’s and Frank Morgan et al v Wallaby Yogurt Company), judge William H Orrick also rejected the defendants’ arguments that the complaints should be dismissed because the claims are pre-empted or covered by primary jurisdiction. Orrick said: “Wallaby cannot credibly argue that the FDA has such expertise that the Court must defer to it under the primary jurisdiction doctrine and then turn around and suggest that the FDA’s views [as expressed in its draft guidance], even if tentative, should not guide the Court in determining whether Wallaby may have violated the law.” While he dismissed most of the claims in both lawsuits, he said the plaintiffs in the Trader Joe’s case had “stated plausible allegations that the use of the term evaporated cane juice violates the Sherman Law”. Meanwhile, the plaintiffs in the Wallaby case did “adequately plead that using the term ‘evaporated cane juice’ instead of ‘sugar’ violates the ‘unlawful’ prong of California’s Unfair Competition Law”, he said.

**Attorney: It's all over the map**

Asked what food marketers are supposed to make of all this, Justin Prochnow, an attorney in the Denver office of law firm Greenberg Traurig, said: "It’s kind of all over the map, similar to the litigation surrounding ‘all natural’. Some judges find preemption, some judges don’t. I am unaware of any judges that have actually gotten to the merits of the claim." But he added: "I do think it is important to understand that while plaintiff lawyers like to point to the FDA’s Draft Guidance as evidence that use of the term “evaporated cane juice” is false and misleading, it is not evidence. Additionally, while the FDA has sent warning letters that have also taken issue with the use of evaporated cane juice, FDA warning letters are not FDA action or evidence of wrong doing."

**What is evaporated cane juice?**

Evaporated cane juice - which is made by extracting the juice from sugar cane and then evaporating or removing the water and first became available commercially in the 1990s - has a “lower impact on taste profiles and food coloration” than “common refined sugar”, according to WhiteWave Foods. “Its widespread use is, unsurprisingly, most prevalent in healthy foods at the industry’s vanguard, stirring no controversy until this recent tsunami of lawsuits was filed.”
Europe’s chocolate industry plays catch as Q3 cocoa grind climbs 5%

The tonnage of cocoa beans processed in Europe in the third quarter by the likes of Barry Callebaut and Cargill has risen by 4.7%. Euromonitor says the industry is playing catch up and rising cocoa butter prices may led to more expensive chocolate for consumers over Christmas.

331,514 metric tons (MT) of cocoa were ground and expelled in Europe during the quarter, according to the European Cocoa Association (ECA), which collates data from industry players such as ADM Cocoa, Mondelez and Nestlé.

Euromonitor: Industry catching up
The European cocoa grind has now grown in the past two quarters, but this was preceded by over a year of decline. Francisco Redruello, senior analyst for food at Euromonitor said “The industry is catching up. It’s good but there’s not a massive increase in demand.” He said the real worries for chocolate manufacturers were increasing cocoa butter and sugar prices.

Cocoa butter price hike
Last year, cocoa butter was cheaper than cocoa powder, but processors spotted that chocolate demand was not as great as once expected in emerging markets due to slowing economic growth in countries such as India, Turkey, Brazil, Argentina and to an extent China. These developing markets tend to use more cocoa powder in their products for compound chocolate than developed markets, which use more cocoa butter for so-called “real chocolate”.

Redruello said that cocoa processors had shifted the focus towards cocoa butter as chocolate demand in developed regions like North America and Western Europe improved ahead of the busy Christmas period.

Commodity analysts Mintec recently noted that cocoa butter prices had climbed 80% in the past year driving the cost to manufacture a 100g milk chocolate bar up 25%.

Analyst: Christmas retail prices for chocolate could rise
Asked if cocoa butter prices would soon ease, Redreullo said: “I don’t think it will come in the next three months because there is so much demand from Christmas.” The analyst said that rising input costs for chocolate typically start to impact retail prices after 6 months. “But that depends on the scale of the increase. When we see this huge increase, I think it will definitely be factored in over Christmas. He added that sugar, which accounts for around 40% of the ingredient cost in chocolate manufacture, had become more expensive, putting further pressure on chocolate makers.

Forecasts: Asia flat, Americas up
Q3 cocoa grind figures for North America are due on 17 October. No date has been set for data from Asia, but they should be released in the coming weeks. Euromonitor expects the Asian cocoa grind to be flat as the Japanese and Chinese economies make a recovery. The research organization is more positive about North America and expects a rise in grindings as chocolate consumption gets back on track after a lackluster 2012. Redurello said that this positive forecast largely depended on the US economy, which is facing strains from a government shutdown. He added that chocolate consumption was growing in South America, particularly in Brazil, Mexico and Columbia. “Not a lot of people talk about Columbia – but it’s doing very well.”
Louis Dreyfus's $750-million sugar bet roils swamped market

(Reuters) - Louis Dreyfus Corp has bought nearly 1.9 million tonnes of raw and refined sugar in recent weeks in a buying spree worth about $750-million that has thrown further confusion into a market roiled by excess supplies.

One of the world's biggest sugar merchants was the sole buyer last week of the 1.49 million tonnes of raw sugar in the largest ICE Futures U.S. exchange delivery in at least 24 years.

That came on the heels of the purchase of 313,150 tonnes of refined sugar through London's Liffe exchange just weeks earlier.

Between those purchases and another deal to buy 60,000 tonnes of Thai sugar for delivery in July through September 2014, Louis Dreyfus has bought roughly $750 million worth of sweetener in the last month, based on futures prices and reported premiums.

The move has stoked the hopes of some bulls that the market might have bottomed out after raw sugar futures hit three-year lows in July. That was down by more than half from a peak of over 36 cents a lb in early 2011.

But other traders say the company has merely scooped up unwanted supplies at low prices, underscoring the sheer scale of Brazil's output and the world surplus.

Louis Dreyfus scooped up sugar through the futures market as a surplus piled up and prices weakened over the past three years, a spokeswoman said in an email this week.

The firm has been a buyer seven of the 17 times it has participated in a delivery against the New York raw sugar contract since July 2008, available ICE records show.

"The deliveries do not bring any change to the global supply or demand of sugar," the Louis Dreyfus spokeswoman said.

Even so, the size and pace of the buying have the market reeling as dealers calculate the impact on availability and prices.

The massive ICE delivery alone represents more than half of last month's exports from Brazil, the world's No. 1 producer, according to Reuters calculations.

The most-active March contract has risen over 4 percent since the October expiry and confusion over the huge delivery kept traders on the sidelines for much of the last two weeks.

Bruno Lima, a senior risk management consultant at INTL FCStone in Brazil, said the October ICE delivery was one of the most "difficult" the market has ever had to handle.

"On the one side, it means probably (the seller) didn't have anywhere else to place that sugar," he said.

"On the other, it's not likely they (Louis Dreyfus) would bet that much on that amount of sugar if they did not have destinations for at least some of the sugar."

WEATHER RISK, TIGHT SUPPLIES

Even so, the market outlook might be brightening, the bulls said.
With the bulk of the recent ICE delivery due from Brazil, traders have speculated that Louis Dreyfus is betting on potential supply tightness at the start of 2014, ahead of the world's No. 1 producer's next harvest.

Rain forecasts have already stoked worries that the final leg of Brazil's harvest will be delayed even more after wet weather hampered crushing in September.

While Louis Dreyfus owns sugar and ethanol unit Biosev in the country, global traders say the sugar is likely bound for destinations in China, the Black Sea Region and Africa.

In China especially, raw sugar's drop to three-year lows has stirred refiner demand.

Speculation has mounted that the first quarter of 2014 might see short-lived tightness ahead of Brazil's next harvest in April.

Analysts and traders expect the world surplus to more than halve from last season to about 4 million tonnes in the 2013/14 crop year that began on Oct. 1.

**A COMPLICATED MATTER**

Some dealers are not convinced, pegging the deals as another sign of a market awash in supplies, particularly as a huge part of October's ICE delivery is expected to come from Brazil's No. 1 sugar producer, Copersucar S.A.

The October contract's discount against the March contract widened in the days ahead of delivery, seen as evidence that Copersucar preferred to sell at a steep discount to prices further out than hold onto the material.

"If the largest producer decides to deliver, it's a vote that this was the best price they were going to get," said a Swiss broker.

A spokesman for company declined to comment.

Few if any vessels had been called for the exchange sugar as of Thursday, traders said. Dreyfus has until Dec. 15 to call ships to ports for loading, according to exchange rules.

Vessel nomination is closely watched by the sugar industry as it can indicate whether or not there is a home for the sugar.

"One would think to take all that sugar and not have a home for it would be rather dangerous," said a U.S. trader.

Dreyfus' buying comes at a particularly sensitive time after the recent slump in prices stirred new demand from refiners in China, which was the world's biggest raw sugar importer last season.

Any further recovery in prices seen since the October expiry would threaten to extinguish the renewed demand, traders fear.

"Everyone needs the market to come back down," said another U.S. trader.
Brazil ethanol exports to U.S. at risk if EPA eases blend rule

(Reuters) - U.S. imports of Brazilian sugar cane ethanol could be cut by more than half if a draft proposal to reduce next year's U.S. biofuel blending mandate is enacted.

While the U.S. corn-based ethanol industry has issued the most fierce complaints over news this week that the Environmental Protection Agency may ease volumes, it may be Brazilian ethanol producers like Raizen and traders like Royal Dutch Shell PLC and Vitol S.A. who suffer a deeper blow. There import business has been booming thanks to the sugar-based fuel's treatment as an "advanced" biofuel under EPA regulations.

The EPA document - which is not yet finalized - calls for 2.21 billion gallons of the "advanced" biofuels, such as Brazilian sugar cane ethanol and biodiesel made from soybean and recycled cooking oils. That is down from 2.75 billion gallons this year and compares to 3.75 billion set by the 2007 law mandating higher ethanol blending volumes.

Some 1.28 billion of the 2.21 billion gallons is due to be derived from biodiesel, the same as this year, according to the proposal.

But because biodiesel has a higher energy content, suppliers get 1.5 blending credits for each gallon, rather than just 1 credit for each gallon of ethanol. The credits are required as proof that the gallons have been blended, and can be used to fulfill the overall "advanced" requirement.

As a result, some 1.92 billion of the credits could be generated from the biodiesel side of the "advanced" pool, leaving precious little room - just under 300 million gallons - for imports of Brazilian sugar cane ethanol.


By contrast, the EPA has previously said that some 666 million gallons of Brazilian sugar cane ethanol would be needed to fulfill the advanced biofuel requirement in 2013.

The United States typically takes up to 80 percent of Brazil's ethanol exports.

Other Latin American countries, which are seeking greater production of ethanol for domestic use and for export, could see the EPA's action as a "red light", said Plinio Nastari, president of sugar and ethanol consulting firm Datagro.

"It will be a shame for all the countries that are developing ethanol markets, not just for Brazil," Nastari said.

**HOPE FOR RELIEF**

For now, at least, the ethanol volume requirement remains fluid.

In a statement issued Friday, EPA administrator Gina McCarthy said the agency had not finalized its biofuel blending targets for 2014. However, she also did not dispute the authenticity of the draft proposal obtained by Reuters.
The Brazilian Sugarcane Industry Association breathed a sigh of relief at McCarthy's statement.

"Brazilian sugarcane ethanol producers are pleased to see Administrator McCarthy confirm there have been no final decisions on the renewable fuel standards for 2014," the association's North America Representative, Leticia Phillips, said in a statement.

"We trust that EPA's final targets for advanced biofuels will both recognize and help foster the tremendous growth occurring in this industry," she said.

Thanks in large part to the U.S. ethanol blending mandates, and a California law that incentivizes the use of the fuel, Brazilian sugar cane ethanol exports have been growing in recent years.

Brazil's ethanol exports for 2013 through September totaled 605 million gallons, up 27 percent from 476 million gallons exported over the same period last year, Brazilian Trade Ministry data show.

But exports have begun to slow in recent months, with September exports totaling 78 million gallons, down significantly from the 128 million exported in August and the 127 million shipped in September last year, the data show.

The trading arm of European oil major Royal Dutch Shell Shell, investment bank Morgan Stanley Inc. and Swiss oil trader Vitol S.A. are the top three importers of ethanol into the U.S. so far this year, data from the U.S. Energy Information Administration show.
Sugar growers expect crop to dip from 2012 record

NEW ORLEANS -- Louisiana's sugar farmers don't expect a repeat of last year's record crop but are looking for an average harvest in spite of a chilly spring. And, as trucks laden with up to 30 tons of sugar cane lumber down the highways, billboards warning other drivers to watch out are sprouting around sugar country.

"We harvest in any type of weather," said Mike Daigle, president of the American Sugar Cane League, which is putting out eight stationary and five moveable billboards. The message, he said, is, "It's harvest season. Be careful. Don't try to pass, especially on curves. Realize they are driving slow because they're carrying the weight."

Including truck and trailer, each weighs up to 50 tons. Mill scales stop at 100,000 pounds to enforce that limit, league spokesman Sam Irwin said. "The farmer knows not to overfill those things, because he won't get paid" for any excess, Irwin said.

Louisiana and Florida together produce at least 90 percent of the nation's sugar cane; a longer season helps Florida produce a bit more than Louisiana. Because of the possibility of a winter freeze, Louisiana farmers finish by Christmas or early January, while Florida and Texas have until March or April, Daigle said.

Last year's record Louisiana crop was refined into 1.7 million tons of raw sugar, while Florida had nearly 1.9 million tons. This year, Florida is expected to produce about 1.8 million tons and Louisiana about 1.6 million, according to the American Sugar Alliance. Texas is expected to produce 140,000 tons, down 17 percent from last year, and Hawaii about 180,000 tons, up 1 percent.

The chilly spring, including a freeze in early March, left Louisiana's canes shorter and holding less sugar than usual but there are a lot of stalks per acre to make up for it, said Kenneth Gravois of the LSU AgCenter's Sugarcane Research Station in St. Gabriel. "I think it's a little bit better than everybody expected," he said. Mills are reporting about 190 to 200 pounds of sugar per ton of cane — about average — and from about 25 to nearly 30 tons of cane per acre. He called that "good for a start. We always harvest our oldest crops first, and they tend to be the lowest producing."

Daigle, who owns two of Louisiana's 11 sugar mills, said his Lula mill in Belle Rose and his Westfield mill in Paincourtville get a total of 900 to 1,000 truckloads of cane over 12 hours every day, starting at 6 a.m. As of Wednesday, he said, they averaged 188 pounds of sugar per ton of cane — the same figure as on Oct. 8 last year. The cane has been a bit muddy but manageable — even though the remnants of Tropical Storm Karen brought only a little rain to south Louisiana, the ground hadn't dried from earlier storms, he said.

Prices have fallen to about 21 to 22 cents per pound of raw sugar after about three years in the upper 20s, so "enthusiasm isn't what it was on total dollars," said Mike Melancon, of Henderson, who farms about 2,600 acres of sugar.

"But hopefully yields and a good harvest season will help offset the lower price. Good weather and better conditions create less cost in the field — less fuel, less manpower," said Melancon, vice president of the league.
Cocoa Prices Climb but Not Enough to Boost Production, Industry Says

Chocoholics, brace yourselves.

Cocoa prices hit a two-year high of $2,770 a ton this week, and some of the world’s biggest cocoa traders think they’re set to rise even more. Singapore-based trader Olam International Ltd. says the world’s supply of cocoa beans will likely fall short of rising demand by 185,000 metric tons in the season that started this month. That’s more than double the deficit the International Cocoa Organization has forecast.

The shortfall is driven more by demand than by supply problems, Olam’s cocoa head Gerry Manley told The Wall Street Journal. The trend could lift prices of the key chocolate ingredient to $3,000 a metric ton this year, he said. “But (that price) is still probably not enough” to encourage cocoa growers to increase production, Mr. Manley said.

The sentiment that prices are still too low to boost output was echoed throughout the World Cocoa Foundation conference in Santo Domingo this week. Cocoa growers in some parts of the world have been switching to more profitable crops such as rubber and palm oil or even dropping farming altogether to seek jobs in urban areas. Cocoa processors estimate that prices would need to rise by about $800 a ton to entice farmers to invest more in their plantations.

“The crops that we compete with on the ground, we can’t compare with at current price levels,” said Kip Walk, head of sustainability at Blommer Chocolate Co., a top U.S. cocoa processor that sells its products to large food companies.

Massimiliano Wax, a vice president at Santo Domingo-based cocoa exporter Rizek Cacao, says cocoa prices need to reach $3,500 to keep farmers growing the beans. Cocoa is currently underpriced, said Mr. Wax. “Farmers want electricity, air conditioning, a moped or even a car – you need money to do that.”

Olam’s Mr. Manley estimates prices will have to rise to $3,800 a ton for farmers to switch from competing crops into cocoa.

Cocoa and chocolate companies, including Olam and Blommer, are trying to shore up supplies through programs including direct investment in farms and third-party certifications that allow the farmers to sell the beans at higher prices.

But these programs carry a cost, and increasing productivity doesn’t come cheap.“In order to do all of this great stuff, the price of chocolate is going to go up,” said Ruth Moloney, head of development and sustainability for the Americas at U.K.-based trade house Armajaro Ltd., a major cocoa producer.

The worries are swirling as demand increases for chocolate, especially the more cocoa-intensive dark chocolate. Cocoa-grindings, considered a barometer of chocolate demand by traders, rose 4.7% in the July-to-September period in Europe, the largest per capita consumer of chocolate. The North-American cocoa grinding figures are due Thursday, and some in the industry predict an increase of around 10% from a year ago.

Emerging markets such as Brazil and in India are also developing a taste for the confection, and further straining tight supplies.
USDA Announces Cancellation and Postponement of Selected Reports Impacted by the Lapse in Federal Funding

WASHINGTON, October 17, 2013—The U.S. Department of Agriculture today announced that the National Agricultural Statistics Service (NASS) and World Agricultural Outlook Board (WAOB) have cancelled or postponed publication of selected USDA statistical reports impacted by the lapse in federal funding.

NASS's Crop Production and Cotton Ginnings reports and the WAOB's World Agricultural Supply and Demand Estimates (WASDE) scheduled for October 11th are canceled. The next scheduled release for these reports is November 8, 2013. Additionally, NASS's Crop Progress reports scheduled for October 7th and 15th are cancelled. NASS’s Cattle on Feed and Peanut Prices reports scheduled for October 18th are postponed.

While the lapse in federal funding has ended, NASS has not been able to engage in the necessary data collection and analysis over the past few weeks. NASS is assessing its data collection plans and evaluating the timing of upcoming reports.

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Bad science, good politics?
Why the GMO labeling lobby is winning the PR war

Despite recent renewed efforts, the food industry does not appear to be winning hearts and minds when it comes to persuading the public of the merits of GM crops, or why mandatory labeling of ingredients derived from them would be a bad idea.

Indeed, as Mark Lynas, a vocal critic-turned advocate of GM crops recently noted, the PR strategy of fighting labeling (which he summarizes as 'experts' have decided you don't need to know) has spectacularly backfired as it just plays into the hands of those arguing the industry has something to hide. The pro-labeling lobby may be peddling “bad science”, claimed Lynas. “But it is good politics. Who can disagree with the right to know what is in your food?”

Mark Lynas: It may be bad science, but it is good politics
And while I am not persuaded that GMO labels offer any meaningful consumer benefit (more on this later) and may well be interpreted by some as a health warning, I have also sometimes wondered whether large food companies should throw in the towel, voluntarily 'just label it' and see what - if anything - happens at the checkout.

Much would depend on the wording, but the likely scenario is that people who care deeply about this will continue buying organic/non-GMO; the bulk of consumers will keep calm and carry on as before; and some shoppers may be alarmed by the labels and buy more organic/non-GMO products - if they can afford it.

In reality of course, mandatory GMO labels probably won't appear on foods any time soon, regardless of what happens in Washington on November 5, as any state-level GMO labeling initiatives will likely face legal challenges that will take months if not years to resolve.

But in the meantime, if food manufacturers start to lose the argument at the checkout and in the court of public opinion, they will feel compelled to respond, whether they are forced to label GE foods or not, and we could conceivably even see a gradual shift away from GM crops in the US, something which would have seemed unthinkable even a couple of years ago.

The food industry has had 20 years to explain GM to the public
Now cynics might argue that it serves the food industry right that it finds itself in this position. After all, food marketers have been pandering to 'consumer concerns' about everything from aspartame to lean finely textured beef (aka 'pink slime') for years, regardless of the science, so they can hardly be surprised that shoppers aren't listening the one time they do decide to wheel out the men in white coats.

Meanwhile, as Dr Bruce Chassy, Professor Emeritus of Food Science at the University of Illinois at Urbana-Champaign, pointed out last week : "The food industry has had 20 years to explain GM to the public. Its intransigence and avoidance of the issue has been a big contributor to the ability of a few well-financed and highly skilled information terrorists to trash the image of GM foods."

If food industry loses GM debate, it won’t be a victory for consumers
But if the food industry doesn’t win the GMO debate and the tide turns against agricultural biotechnology, it won’t be a victory for consumers. And I’m not saying this because, as one reader recently alleged, I am “in the pocket of Monsanto”. (If only this were true, I’m sure it has very deep pockets). Meanwhile, FoodNavigator-USA has reported extensively on both sides of this debate, and welcomes comments from all parties on the site.

I’m saying this because having listened to arguments from both sides, I am simply not persuaded that the global food supply would be safer or more sustainable without genetically engineered crops (as a recent report from GMO Inside alleged), just as I don’t believe biotech crops are a panacea that will solve global hunger.

Don’t throw out the GM baby with the bathwater
Now this doesn’t mean that everything is hunky dory when it comes to GM crops, of course. As one of the founding fathers of agricultural biotechnology, Dr Robert Beachy, pointed out in a recent interview, there are indisputable economic and environmental benefits to growing GM crops (lower production costs, fewer pest problems, reduced pesticide use, better yields) - if there were no real benefits, farmers wouldn’t keep growing them.

However, the issue of weeds developing resistance to the herbicide glyphosate is a problem, albeit one Monsanto is working hard to address given that it is clearly in its commercial interests to do so.

But let’s not forget that exactly the same problems arise in conventional agriculture, stressed Dr Beachy. “Farmers need to be responsible, rotate crops and agrichemicals. You also have to recognize that agriculture per se is a complex biological system and there are no magic bullets that have unending benefits.” As plant geneticist Dr Wayne Parrott recently observed, “Ever since there has been agriculture, farmers have had an arms race with weeds.”

As for crops genetically engineered to contain their own insecticidal proteins because they contain genes from the soil bacterium Bacillus thuringiensis (Bt), said Dr Beachy: “One problem has been that farmers didn’t always follow instructions to build refuges around the crops, so we now have insects that can overcome at least one of the proteins.” But once again, that doesn’t mean we should throw out the GM baby with the bathwater, he added. “With hindsight, we should have introduced crops with two or three proteins with different modes of action from the start, which is what is happening now, but in part the regulatory system was to blame. The refuges were recommended but weren’t enforced.”

What purpose would labeling really serve?
As for GMO labels, if they could be worded in such a way that they don’t look like a health warning, I’m coming around to the idea that this might be the only way the food industry can address transparency concerns, even if there is no material/meaningful difference between labeled and unlabeled products. That said, I can’t really see the value for shoppers if four out of five products suddenly come with a ‘may contains’ label. (Consumers that want to be sure foods are non-GMO or organic can already look for such labels on pack.)

Meanwhile, as specialists in the field have argued very eloquently, what matters from a safety perspective, surely, is not the technology per se, but whether the food crops it generates have unique characteristics and attributes that may present risks, such as create new allergens, for example.

And there is no inherent reason why a crop that has been produced via GM technology would automatically present greater risks than a crop produced using techniques routinely employed in ‘conventional’ (non-GM) plant breeding, from radiation and chemical mutagenesis to induce mutations in plant DNA, to ‘wide cross’ hybridization.
Moreover, as Henry I. Miller, Robert Wesson Fellow in Scientific Philosophy and Public Policy at Stanford University’s Hoover Institution pointed out in a recent article in Forbes (click here), the term ‘genetically engineered’ itself is misleading, as none of the plants we eat today have occurred ‘naturally’, they have all been extensively genetically modified.

GE foods are not in any way a meaningful category
And this makes deciding whether and how to label ‘GE foods’ very challenging, he added: “GE foods are not in any way a meaningful category, which makes any choice of what to include wholly arbitrary.”

For a start, many foods produced using GE ingredients/processing aids are exempted from GMO labeling initiatives such as I-522 (cheeses made with a GE clotting agent, beer fermented with GE yeasts, food sold in restaurants, meat and milk from animals fed GE feed). Meanwhile, products such as caramel color from GE corn, or oil from GE soybeans, which contain no detectable DNA from the original plants, and so are technically GM-free (and chemically identical to their non-GMO counterparts) - would require a mandatory GE label, which doesn’t make much sense.

We have a right to know what’s in our food - even where it isn’t actually in our food, it seems. (Although to be fair, this is also how things work in the EU, where for example, glucose syrup has to be labeled as GM if it is from a GM crop, regardless of the presence of any GM material in the final product; while cheese produced with GM enzymes does not have to be labeled.)

Whether such inconsistencies render labeling less valuable is a matter of opinion, but in Miller's view they merely reinforce his belief that lawyers, not consumers, are the only group that really stands to benefit from initiatives such as I-522. “I-522 is a trial lawyer’s dream”, says Miller. “It specifies that the court may award (at the expense of manufacturers) attorneys’ fees not only for prosecuting the case, but for the entire investigation.”
Beet-delivery trucks roll into Michigan Sugar facilities as full fall harvest begins

MONITOR TOWNSHIP, MI — As Gov. Rick Snyder toured Michigan Sugar Co.'s Monitor Township facility Monday, Oct. 21, trucks carrying tons of sugar beets were rolling up outside. Monday was the first day of regular beet deliveries for the fall harvest, and hundreds of trucks loaded with beets will make their way to Michigan Sugar facilities in the coming weeks.

“Season’s going fine — average or above yield on most things,” said Mike Mulders, owner of Mike Mulders Farm LLC, in Essexville and district director for the Michigan Farm Bureau. “We're probably 30 plus tons to the acre on the irrigated ... beets,” he said. “Dry land sugar beets are, I'm going to say, around 25 tons.”

Ray Van Driessche, the company's director of community and government relations, said an oversupply of sugar, including sugar imported from Mexico, has driven sugar prices down this year.

“(The) market is reduced considerably from what it was a year and a half ago,” he said.

Michigan Sugar is the third largest beet sugar processor in the United States, annually producing nearly one billion pounds of sugar under the Pioneer and Big Chief brand names, according to the company. The company has factories in Monitor Township, Caro, Croswell and Sebewaing, as well as warehouse terminals in Michigan and Ohio. The company is a grower-owned cooperative with about 1,000 growers as shareholders.

Grower Wayne Squanda, owner of Indian Fields Inc. in Buena Vista Township and president of the Saginaw County Farm Bureau, also was at Michigan Sugar Monday morning. “I did early delivery. I'm probably about a third done,” he said. “Surprising crop, better than what I really thought it would be, but not a record crop like we did last year.”

Early delivery of sugar beets began Tuesday, Sept. 17. Paul Pfenninger, vice president of agriculture for Michigan Sugar, said 15 growers were scheduled to drop off about 5,000 tons of their crop at the Monitor Township facility that first day. By about 4:15 p.m. Monday, Pfenninger said the company had received about 2,600 loads carrying a little less than 80,000 tons. On a very busy day, the company could receive more than 11,000 loads totaling more than 300,000 tons, he said. “We're at a crawl right now because of the rainfall and it's the first day,” he said, noting that delivery should pick up over the next few days. When early delivery started, Pfenninger said he was anticipating about 25 tons per acre this season, resulting in a total of about 4 million tons, down from last year’s 29 tons per acre. “That was the best crop year ever. That was a record-setting year,” he said, noting that last year’s total yield was 4.75 million tons.

Squanda said this year's crop is more about quality than quantity. “The sugar content has been good,” he said. “That goes with the dry conditions. When it's dry, we get better sugar, but we don't get the tonnage.”

Snyder visited with some of Michigan Sugar Co.'s grower-owners after taking a tour of the facility Monday morning. During his tour he visited the control room, talked to staff, saw the beet-processing equipment, saw where the sugar is packaged and tasted the finished product at the facility. Snyder said Michigan Sugar Co. is a "great success story."

Van Driessche said Michigan Sugar Co. employs about 2,400 full- and part-time employees and has direct revenues of about $600 million. He said thanks to the growers' investment, Michigan Sugar Co. has been able to keep up to speed with changing technology. “We're very fortunate that the growers have been willing to invest a lot of money into the facilities to bring them up to the newest technology that's available,” Van Driessche said. “And one of the greatest things that's a result of that is we're getting much better energy usage, a lot less energy being used, and more of it being a reduced impact on the environment.”
Brazil's Copersucar issues force majeure to sugar exporters

SAO PAULO, Oct 22 (Reuters) - Brazil's largest trader of sugar and ethanol declared force majeure to third party exporters of sugar with contracts to ship through its Santos Port terminal that burned down on Friday, sources in the sugar trade said. Two sources in separate international sugar trading houses said on Tuesday that Copersucar issued force majeure notices to third-party sugar traders that had contracted capacity at its terminal, as well as Bunge Ltd.

A local representative of French commodities trader Louis Dreyfus confirmed earlier trader reports that it had received a notice of force majeure from Copersucar. Spokesman Jose Osse said however the force majeure did not involve the Brazilian sugar business BioSev, which operates independent of Louis Dreyfus and has export terminal space with U.S. agricultural commodities company Cargill. As traders raced to cover positions after news of the fire at Copersucar's terminal came out on Friday, the market began to question how Copersucar would deliver the huge tonnage it sold to Louis Dreyfus against the expiring October contract earlier this month.

Force majeure is a legal term referring to unforeseen catastrophic events freeing companies of contractual liabilities because events prevent it from honoring obligations. Bunge representatives said they were considering a response to requests from Reuters for comment late on Tuesday. A Copersucar executive at a Sao Paulo event Tuesday night declined to comment on any possible cancellation of contracts.

Copersucar Chief Executive Paulo Roberto de Souza did, however, give some details on the state of the terminal, the capacity of which the company in June had doubled to 10 million tonnes a year. "We were just able to get in for the first time on Sunday and I can say the shiploaders and loading equipment are unharmed, which is good news," de Souza said to a packed VIP room at one of Sao Paulo's poshest malls, Shopping JK Iguatemi.

Fire swept through five of Copersucar's warehouses at its Santos sugar export terminal on Friday, wiping out 10 million tonnes of Brazil's sugar export capacity for several months at least. Traders from around the world mingling at the Copersucar event said spare export capacity was not in abundant supply in Brazil and that Copersucar would face great challenges both in the short and medium term meeting its delivery contracts. Under the best of scenarios, some traders said that the company might have some raw sugar export capacity up and running by May of 2014, but they admitted that was optimistic. Copersucar executives said Tuesday night their teams were working "24 hours a day to get operations running again."

One sales manager at a large sugar trader said Copersucar has contracts to move 1 million tonnes of raw sugar through December, which he did not see possible given the relatively tight export capacity as it is. The market is even weighing the loss of capacity at Copersucar's sugar terminal on Brazil's ability to ship grains. During off-peak months for sugar exports last year, some traditional sugar terminals such as Cosan's Rumo and Noble converted some of their sugar capacity to handle soy and corn shipments. But most traders say that the company's greatest challenge will come when next year's cane harvest peaks in June. Most people in the industry do not believe Copersucar will be able to regain most of its export capacity by that time. One chief sugar analyst at a medium-sized Asian trader said at the event that Copersucar was actively seeking idle terminal space that could be quickly brought online to handle a portion of their sugar export business, which totaled 7 million tonnes in 2012. The company expected to reach 9 million tonnes this year before the fire hit its port warehouse complex.

"Brazil had the capacity to export 3 million tonnes of sugar a month. Now it can only export 2.4 million tonnes a month without Copersucar's terminal," the analyst said, declining to be named due to his company's professional relationship with the Brazilian trader.
Wet weather means longer beet harvest

Wet weather has prolonged the sugar beet harvest longer than most years, according to an area farmer.

“With all the rain that we’ve had since the first of October, you know, that’s what makes beet harvest tough. It makes it tough on equipment, it makes it tough on all the employees that are out there being with the mud,” said sugar beet farmer Robert Drees.

A wet October made fields too soggy for beet harvest trucks, forcing three shutdowns of American Crystal Sugar and making a 10-day harvest last 25 days.

“It would be one of our longest, we’ve actually had two that were longer, one in 1997 that I remember and then one about 5 or 6 years ago,” said Drees.

American Crystal typically shuts down during the harvest for one of three reasons, Drees said.

“Either it gets too warm, too cold or it rains and it’s too muddy,” he said.

Even though it shut down three times in the 25-day harvest, Drees said that is good compared to previous years.

“There’s some years where, you know, you’ll shut down two or three times a week,” he said.

Drees also said that because of a glut in the sugar market American Crystal Sugar has notified all sugar beet growers that they will be paid less than in previous years.
80 per cent of the crop is off the fields in Chatham-Kent

Mother Nature, who beat up farm crops in June with excessive rainfall, has suddenly become their greatest asset.

“We couldn’t ask for better weather conditions for harvesting sugar beets,” Wayne Martin of Grande Pointe, a fieldman with Michigan Sugar Company, said Tuesday.

Martin said sunny days and cool nights are also allowing corn and soybean growers to harvest their crops in record time.

“Rain is in the forecast for Thursday but so far we’ve managed to harvest nearly 80% of the sugar beet crop in Chatham-Kent,” he said.

Martin said less than 60% of the crop has come out of the ground in neighbouring Lambton County, the only other area in Ontario where sugar beets are grown.

Yields this fall are generally in the 26 ton per acre range, down significantly from the 35 ton per acre range in 2012.

“Because of the huge amount of rain in June we have some very poor sugar beet fields and some very good fields,” he said. “The yields are all over the place depending on the amount of rainfall received in various areas.”

Approximately 80 farmers planted nearly 10,000 acres of sugar beets this year.

The entire crop is processed across the U.S. border in Croswell, Michigan.

Martin said along with reduced yields this fall, world sugar prices have weakened.

At the beginning of harvest, beets were piled alongside fields where they were grown and picked up by machine and trucked directly to Croswell.

“We are now piling beets at the company yard in Dover, north of Dover Centre,” he said. “The cooler temperatures are perfect for piling the crop.”

Martin estimated there are still 50,000 tons of beets to be harvested.

Sugar beets have long been associated with farming in Chatham-Kent.

For many years there were two processing plants – one in Chatham and another in Wallaceburg and both owned by Dominion Sugar Company.

The industry died in the late 1960s and the plants closed but there was a rebirth in the late 1990s.

A pilot program in 1996 relaunched the industry and the first official new crop was grown in 1997.
Oct. 30, 2013: by World Grain Staff, WORLD-GRAIN.com

U.S. harvest catching up to five-year average

WASHINGTON, D.C., U.S. — Despite a cool, wet planting season that included delays, the pace of the 2013 U.S. soybean and corn harvests was on track with current five-year averages, the U.S. Department of Agriculture’s (USDA) latest Crop Progress data reported for the week that ended Oct. 27.

The USDA pegged the soybean crop at 77% harvested in the 18 major states, equal to the five-year 2008-12 average, and the corn crop was 59% harvested as of Oct. 27, down just three percentage points from the 62% five-year average for the same period. Most producers growing both crops harvested soybeans first to preserve their quality.

The condition of the corn crop improved in the latest week to 62% good to excellent from 60% in the previous week.

Winter wheat plantings in the latest week actually outpaced the five-year average. The USDA said 86% of the crop was planted, up from the 85% for the five-year average ending in 2012. A total of 65% of the crop was emerged as of Oct. 27, up from a 64% five-year average. Crop conditions for winter wheat deteriorated somewhat in the latest week to 61% good to excellent from 65% good to excellent the previous week, the USDA said.