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## **SORGHUM E-Notes**

### **NATIONAL SORGHUM PRODUCERS Ensuring Sorghum's Profitability**

July 25, 2008

#### **CRP – Federal Judge Orders Compromise**

U.S. District Judge John Coughenour handed a compromise outcome to USDA in the critical care feeding program for CRP contract holders. Those that had acres already approved and those who were in the approval process before the restraining order are allowed to keep using those allotted acres. Already approved contracts for both haying and grazing are valid through November 10, 2008. However, new contracts may have some adjustments for ending dates. Check with your local FSA office.

#### **House Committee on Agriculture Approves CFTC Safeguards**

The House Committee on Agriculture this week passed draft legislation that would amend the Commodity Exchange Act to guard against market manipulation through speculative trading. "While there is no hard evidence that speculation is to blame for the run-up in energy prices, we, along with the CFTC must leave no rock unturned to ensure that illegal activity and market manipulation is not occurring," said Congressman Mike Conaway (R-TX). "The only credible evidence shows prices are being set by the simple laws of supply and demand and devaluation of the dollar. The chairman of the Commodity Futures Trading Commission (CFTC), recently testified before our Committee and stated that the CFTC has been unable to prove or even establish a link between current speculators and prices. Furthermore, just this week, the CFTC published a report on crude oil that stated fundamentals of supply and demand, not speculative trading, explain the record rise in crude oil prices. We must distinguish between speculation and undue manipulation. It is the duty of Congress to figure out what the actual root of the problem is and understand the conduct that should be regulated and the actions that should be taken before we move forward in haste."

#### **WTO Ministers Continue to Meet in Geneva**

Trade Ministers continued to negotiate trade liberalization rules in Geneva this week. Last weekend, Ministers gathered to start discussions and they met late into the night trying to reach a consensus agreement.

Trade Representative Schwab offered to cut allowable agriculture domestic support to \$15 billion in exchange for more market access from other countries. She added that this is a very forward-leaning offer and a strong sign of our commitment to achieving a successful outcome. She added that the U.S. OTDS level would have exceeded \$15 billion in seven out of the last 10 years. That is nearly \$2 billion below our average OTDS over the last 10 years (\$16.8 billion). As recently as 2005, our OTDS was \$18.9 billion. Currently, the U.S.'s current allowable agriculture domestic support is in excess of \$48 billion. NSP remains concerned about giving up domestic support without getting additional market access.

USDA and USTR have been providing daily conference call updates for the cleared advisors that are not in Geneva. NSP's D.C. staff has participated in the calls and remains involved on behalf of sorghum growers.

## **EPA Delays RFS Ruling**

The Environmental Protection Agency again delayed ruling on Texas Governor Rick Perry's request for a waiver of the Renewable Fuels Standard. The ruling was originally expected on July 21 but was delayed until July 24. EPA now expects to rule in August. After Perry submitted the request to USDA, 15,000 comments were submitted during the Federal Register comment period.

## **Goodfuels.org Posts Many Informative Blogs**

Goodfuels.org released several articles this week on topics such as rising food prices, using garbage for cellulosic energy, and oil as the reason for high fuel and food costs, not ethanol. For more information and to read these articles visit <http://www.goodfuels.org/>

## **Gulf to start testing Cellulosic Preprocessor**

Gulf Ethanol Corp. in Brownsville, TX received a new cellulosic preprocessor in their research and development center this week. The processor is designed to process ethanol more efficiently by reducing sorghum and other biomasses into a very fine powder. Gulf Ethanol Corp. intends to process ethanol from many different sources including wet and dry sorghum, hay, switchgrass, and sawdust.

## **51 Percent of Crop Rated Good to Excellent - Up From Last Week**

Heading progressed only five percent during the week to 33 percent headed, 12 percent behind last year and five percent behind the five-year average. Heading was ahead of normal in Colorado, Louisiana, New Mexico, and Oklahoma. Elsewhere, heading was delayed. Significant delays were evident in Arkansas and South Dakota, where more than 20 percent of the crop was developing behind normal. In Louisiana and Texas 56 percent of the crop reached or exceeded coloring. However, early July rains in South Texas damaged 17,000 acres. While part of these acres had been harvested, the remaining five to 15 percent of the total acres in the Rio Grande Valley are a complete loss following the direct hit of Hurricane Dolly. However, late planted sorghum in the Valley should be able to bounce back. The condition of sorghum was rated at 51 percent good to excellent; one percent above the previous week's rating.

From: <http://usda.mannlib.cornell.edu/usda/current/WWNatSumm/WWNatSumm-07-22-2008.txt>

## **About Sorghum Notes**

SORGHUM Notes is a publication of the National Sorghum Producers. NSP represents U.S. sorghum producers and works to ensure the profitability of sorghum production through market development, research, education and legislative representation. Visit our website at [www.sorghumgrowers.com](http://www.sorghumgrowers.com). Write to us at National Sorghum Producers, 4201 N Interstate 27, Lubbock, TX 79403. To unsubscribe to Sorghum Notes, please reply to [hannah@sorghumgrowers.com](mailto:hannah@sorghumgrowers.com). Copy and paste "Unsubscribe to Sorghum Notes" into the subject line.

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## **Quote of the Week:**

"Let us not say, every man is the architect of his own fortune; but let us say, every man is the architect of his own character."

**-George Dana Boardman**

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