

4201 N Interstate 27
Lubbock, Texas 79403
Telephone: (806) 749-3478
Fax: (806) 749-9002
www.sorghumgrowers.com

SORGHUM E-Notes

NATIONAL SORGHUM PRODUCERS Ensuring Sorghum's Profitability

May 15, 2008

Farm Bill Conference Report Passes Congress, Bound for the President's Desk

The U.S. House of Representatives yesterday passed the Farm Bill Conference Report by a margin of 318 to 106. The Senate then passed the Report today 81 to 15. The Conference Report includes several vital provisions for sorghum. It requires USDA to reevaluate its method for setting price elections with specific input from the sorghum industry. It also raises sorghum's target price from \$2.57 to \$2.63 and provides incentives for cellulosic and advanced biofuels production from sorghum. The Research Title specifically allows for grants to study sorghum in its various capacities.

"This bill is definitely a compromise bill," said Tim Lust, NSP CEO. "While we took a small cut in direct payments, we believe that under the circumstances, with the current political environment in Washington, D.C., this bill is as good as can be expected. We are pleased to have the bill to this point with significant victories for the sorghum industry."

Next on the agenda is the President's looming veto threat. In a strongly worded statement yesterday, Secretary of Agriculture Ed Schafer said, "For over a year, Congress has had the opportunity to work with the Administration to craft a farm bill that delivers reform to outdated, costly farm programs while strengthening the safety net and adhering to fiscal discipline in a time of nationwide economic challenge. Instead, Congress chose a different path, and today they passed a bloated, earmark laden bill that spends nearly \$20 billion over its original cost and continues to balance subsidy payments to the wealthy on the backs of the middle class taxpayer.... The President will veto this bill."

NSP continues its work on Capitol Hill to reinforce the veto-proof vote that approved the Farm Bill in the House yesterday and Senate today. Only 290 House votes are needed next week for a veto override. In the Senate, the bill will need 67 positive votes for an override. Many thanks to the dedicated Members of Congress and their staff who kept the best interests of production agriculture in mind throughout this bill.

Sweet Sorghum in the Spotlight

Sweet sorghum research and development have gained a national and international spotlight this week as a source for cutting-edge biofuels production. Articles from news outlets worldwide have touted the energy-efficient, water-sipping, merits of the crop and shed light on development projects around the world. NSP continues to work in legislative, regulatory, and R&D arenas to encourage the use of all types of sorghum for biofuels production.

NSP Signs Letter with Over 550 Organizations

In a display of solidarity for passage of the Farm Bill Conference Report, NSP signed on to a letter with over 550 organizations representing the interests of agriculture, conservation, and nutrition. The letter encouraged Congress to pass the bill, calling it a "carefully balanced compromise of policy priorities." The letter was circulated to the House and Senate prior to yesterday's House passage vote.

CFTC Regulations Subject of NSP Letter

NSP President Dale Murden wrote a letter to the Commodity Futures Trading Commission urging caution as the CFTC reviews futures market conditions and makes decisions regarding market regulation.

"Transparency is needed in all CFTC reports," the letter stated. "Transparency can be obtained by the Commission carefully analyzing the Commitments of Traders report to make sure that long-only investment capital is being reported accurately to the Commission and correctly captured in the 'Index' category of the report. The Commission must also clearly define futures market activity reported in each existing category of the report. Finally, NSP would like the Commission to consider whether any additional detail/categories added to the report would provide additional clarity for market participants."

The letter went on to state, "NSP is concerned about the ability of the futures exchanges to be used as effective risk management tools. NSP, however, does not believe drastic measures need to be taken to 'reform' the futures markets or exchange rules. NSP also sees the importance of having markets clear, but we are not in favor of increased trading limits or speculative position limits at this time. The Commission must not overreact and stifle the market, but they do have a charge to keep the futures market a viable system for hedging risk for producers."

Planting Nationwide Proceeds Close to Normal Pace

Producers nationwide planted 34 percent of the intended sorghum acreage by week's end, the same pace as last year but slightly ahead of normal. Planting was nearly complete in Louisiana where producers had planted 91 percent of the expected sorghum acreage, two percent behind last year but 10 percent ahead of the normal pace. Arkansas producers planted 30 percent of their intended acreage during the week, but still lagged last year and normal by 32 and 22 percent, respectively. Planting in Illinois had not begun, while in Colorado, Kansas, Nebraska, New Mexico, and South Dakota, producers were just getting underway.

From: <http://usda.mannlib.cornell.edu/usda/current/WWNatSumm/WWNatSumm-05-13-2008.pdf>

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. 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. Copy and paste "Unsubscribe to Sorghum Notes" into the subject line.

SORGHUM Notes is sponsored by:

Sorghum Partners, Inc.
P.O. Box 189, New Deal, TX 79350
Phone: (800) 645-7478 Fax: (806) 746-5305
Website: www.sorghum-partners.com
E-mail: information@sorghum-partners.com

Quote of the week:

The diligent farmer plants trees, of which he himself will never see the fruit.

– *Marcus Tullius Cicero*

Interested in Sponsorship Opportunities?

Call NSP at (800) 658-9808 to learn more.