



Oh, Oh Organic

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Visit us at: www.ohohorganic.com

Good Day All - Please tell me if you want off this list - happy to reduce stress derived from email!

Organic News Blip #27

TODAYS NEWS:

One Tough Story - Price Increases on Oil and Oil Seed related products.

When I return from Expo East in Baltimore I will release a new price list effective Oct. 15th. I will be meeting with all of my organic oil producers. Even though we are in the niche of "organic", farmers are influenced by world demand and prices; if they can get a higher price for grains used in biodiesel than for org. use, they will sell to the highest bidder. And that is what is going on: over the past 3 years biodiesel/ethanol plants have come on line all over the world – the prices of many of the oils have increased as much as 50% over the past year. I have absorbed a lot of these increases but I can't do it any more – prices need to reflect reality, both for me and for you. You may want to take a serious look at pricing. The cost of seed oils is now linked to the cost of petroleum.

This was in an email from one of my suppliers:

You now have Corn (ethanol) and Oilseeds (canola, soy, palm for BIODIESEL) competing for acreage.

ON top of that World weather conditions you have:

The Russian Sunflower Crop: production down a staggering 60%...

Argentina: Sunflower crop was less than expected..

Canola: Crops ok, but more going to Europe for BIODIESEL production

.....in EU 60% of vehicles are diesel powered, and I would imagine a large percentage of thoserun on biodiesel..

SOYBEANS: U.S. ACREAGE DOWN 30% THIS YEAR...(competition from CORN) and the USDA just reduced U.S. carryover stocks by..... 500 million tons (going to biodiesel production)

U.S. SUNFLOWERS: acreage down - blame corn - and DEMAND UP (blame FRITO).....a sure recipe for high prices...

As odd as it sounds, there is pressure for farmers to produce corn for ethanol, so they are not planting soy or sunflowers, they are planting corn because they can make more money.

So tell everyone you know to stop buying fried food and chips. Bad for their hearts, anyway!

Take care of the future now – Gay Timmons 408.623.7117 09/23/07