GW to close two area factories

The Great Western Sugar Co. said Tues. it will permanently close three of its Colo. facilities during the next 60 to 90 days. Jack Powell, Great Western Sugar Co. pres., labeled the decision to close the Longmont and Brighton beet factories and the Johnstown molasses plant as "harsh and inescapable dictates of economic realities."

The company announced the decision this morning to the unions, employees and sugarbeet growers' leaders. On Nov. 4, 1976, G. Michael Boswell, exe. vice pres. of Great Western United and a director of The Great Western Sugar Co., commented during the Great Western United annual stockholders' meeting held in Denver, that the company continually reviews its sugar operations, including all of its processing facilities. In the last few weeks, The Great Western Sugar Co. completed its annual analysis of operations and reached the decision to close these factories.

"High cost of factory operations, which include substantial operating expenses required for EPA compliance at each of these plants, decreasing agricultural acreage in the north central Colo. area formerly committed to sugarbeets that was supportive of those plants' operations, impact of urbanization, major capital requirements to convert two of the plants to coal due to the inadequate supply and continually increasing cost of natural gas were cited by Powell as all adding weight to the decision.

"These closings do not impair our capability to process beets which will be grown under the three-year contract the company has with area sugarbeet growers," Powell stated, "nor do they impair in any way Great Western's ability to fulfill the needs of its customers." Great Western remains the largest domestic sugarbeet processor.

Powell stated, "The company deeply regrets the impact this action will have on the 394 employees, their families and the communities affected by these closings." Powell continued, "However, these changes strengthen the company's ability to respond to the changing economic and agricultural conditions which the domestic industry faces at the present time and in the long term, will be beneficial to its employees, investors, customers and growers. "Beet growers in the five-state Rocky Mountain area, served by The Great Western Sugar Co.'s processing facilities, will have an undiminished market for their sugarbeets. The sugarbeet industry's primary impact on the agricultural economy stems from payments made to growers for sugarbeets. This will not be materially affected by these closings."

Powell stated that, "Enactment of urgently needed legislation for the domestic sweetener industry or substantial increases in sugar prices would not change the economics related to our decision to close these plants."

The company reported that its internationally recognized Agricultural Research Center at Longmont is not affected by the closing. No plans for utilization or disposal of factory buildings or land was announced. However, retail packaging operations will continue at the Brighton factory and the company will continue to offer a full line of liquid sugar products to its customers from the Johnstown liquid sugar manufacturing facility. Manufacturing equipment from the factories which are being closed will be utilized in plant improvements and maintenance at the company's remaining fourteen plants. Sugar bins will continue to be used for sugar storage. Powell said, "Because of these factors, Great Western Sugar will continue to be a substantial tax payer in these three communities."

"These closings are part of the everchanging scene," Powell said. "Over the years, the company has closed several beet factories in addition to the three announced today. During this time, we also constructed a new plant in 1968, and enlarged the capacity of many of the facilities which continue in operation."

Longmont Sugar Factory

The Longmont Sugar Factory was erected in 1903 as the Longmont Sugar Co. It was merged with five other northern Colo. sugar companies in 1905 to become the Great Western Sugar Co.

The facility's original capacity was 600 tons of beets per day. Its capacity at the present time is 3,200 tons of beets per day. During recent operations the factory has been slicing about 3,100 tons of sugarbeets daily, or 62 railroad carloads. Longmont's sugar output is the equivalent of 8,680 hundred pound bags. In an 85 day period, the factory can process over 14,975 acres of beets. The Longmont factory also produces livestock feed in the form of dried pulp molasses pellets.

Recent employment has ranged from 73 to 102 people year around, rising to 270 to 280 people during beet processing periods.

In 1976, farmers in the Longmont area received $3,452,783.34 as an initial payment for their 1976 beets. Other payments are usually made during the year.

Johnstown Factory

The Johnstown factory was constructed in 1928 by The Great Western Sugar Co. The monosodium (MSG) producing plant was added in 1954. The factory is not equipped to slice beets. During 1976 molasses handling capacity was 219 tons of molasses per day. The factory processes about 185-200 tons of molasses daily with daily sugar output equivalent to 1,400-1,600 hundred pound bags. In a 330 day period, Johnstown can handle over 60,000 tons of molasses.

The factory also produces MSG, potash and LPC. 240 to 260 people are employed at Johnstown Sugar Plant and 110 to 120 people are employed year around at the MSG plant.