Beet sugar aid to boost prices

By MIKE NOLAN
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President Carter must provide help to save the domestic sugar industry and any action he takes probably will mean American consumers will pay a few cents a pound more for sugar, a sugar beet official said Thursday.

Stephen Reynolds, executive manager of the Mountain States Beet Growers Association of Colorado and Kansas, said in an interview that a small price increase now would be better than possible huge increases later without government assistance.

"If world sugar supplies go down because of a decrease in production and the market is left to natural forces, the price of sugar probably would rise to the area of 50 cents a pound in the next five years," Reynolds said.

At present, consumers are paying about 22 cents a pound for sugar in the supermarket. The price of sugar reached a record 64 cents a pound about two years ago.

Reynolds said such action would drive the price of sugar to the consumer up to 25 or 26 cents a pound.

"I think that the price rise will remain realistic over the long term if the industry is given some support," he said.

Otherwise, if the industry dies, then the period that we go through while the industry is dying and the aftermath of dependency upon foreign supplies will yield an unstable market and, in the long term, will mean much higher prices than if we have supports now," he said.

REYNOLDS SAID sugar beet growers realize the economy as a whole is in trouble and they want to see inflation whipped and the dollar returned to a more stable position.

"And we don't want to ask either the government or the consumer to bail us out artificially," he said. "But we want both the government and the consumer to realize that they need the sugar industry in this country in the long term and that we are very willing to remain productive, but it is going to have to be profitable for us to do so. We don't want to maintain anything that should not be maintained.

"In short, all we want is the opportunity to realign ourselves so that we can be competitive," he said. "The difficulty now is that under present market conditions our life span is so short that we fear that we will not have that opportunity."

He said the real question is whether the President will act to reduce the competition from imports in the next few months. If the President doesn't act, Reynolds said, the sugar market will remain depressed and many producers will be lost.

"EVERY SUGAR PRODUCER we lose now means we will be dependent on foreign producers someday in the future," he said.

Reynolds warned that if corn or beans should take a sudden price surge, many sugar beet growers would switch to the more profitable crops.

He said the aggregate cost to a sugar grower to produce a ton of beets is about $27 dollars now. The grower, he said, is receiving about $22 a ton for the beets in today's market, a situation which can't go on.

Reynolds' beet grower organization in Colorado and Kansas has 1,275 members. Last year, they produced 2.6 million tons of beets worth $60 million. He predicted acreage would be down 15 per cent in Colorado this year, a higher figure than that estimated Tuesday by Jack B. Powell, president of the Great Western Sugar Co. in Denver. Powell thought Colorado beet acreage would be down only about 10 per cent. Reynolds said the decrease is caused by low sugar prices and doubts about an adequate water supply.

In a related development, about 15 chief executives of sugar beet processing firms will take part in a one-day conference on the sugar situation Tuesday at Stouffer's Denver Inn. The U.S. Beet Sugar Association called the meeting.