Do beet growers make too much money?

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DELTA — If sky-high prices for sugar last winter and prospects of higher prices again this fall are a nightmare for consumers, they’re another, more pleasant, kind of headache for sugar beet growers. They’re making too much money.

“The farmers are up in arms about how much money they’re making,” according to A. C. Parker, spokesman for Holly Sugar corp. He said the firm has discontinued its policy of announcing prices paid for beets because farmers have objected to letting the public know the figures.

Some of those farmers have made up to $600 an acre profit on their beets — more than most growers of other crops gross — due to the high retail price of sugar.

One local grower, said he made $39 a ton on his beets in 1973 and may clear $50 a ton for last year’s crop when he receives his final payment. He expects similar earnings this year, or double the 1972 payments.

“Beets are expensive to raise and a lot of things can hurt you, but I made...well, around $500 or so an acre before expenses,” he said. “If prices stay up, I’ll clear...well, may be $600 or a little more. I never saw anything like it before.”

Beet growers are paid on a complex contract with refiners including an initial payment, or guarantee, for their beets at harvest and several periodic payments based on the average selling price of raw sugar and profits made by the company.

Complete payments for 1974 won’t be made until this fall, and high sugar prices last year account for high prices on the 1973 beet crop, harvested when sugar prices were much lower.

Both Holly and Great Western Sugar Co., which operates on the Eastern Slope, report substantially higher beet acreages this year, due to the past two years’ bonanza for growers and projections of continued high sugar prices.

Parker said Holly’s Delta plant will be running at capacity this year for the first time in many years. That translates to about 10,500 acres of beets at an average of 21-23 tons per acre, in the Delta-Montrose-Mesa counties area. It’s an increase of 1,400 acres.

Great Western’s Western Division of Colorado, Wyoming, Montana, Kansas, Nebraska and part of Ohio, increased contract acreage from 269,000 last year to 355,000 this year, according to spokesman Larry McGhee.

McGhee said 1974 payments to Great Western growers won’t be known until October, but the 1973 payments average $39.29 a ton, including the now-discontinued Sugar Act payment.

McGhee said he could not speculate on what sugar prices will do this year, or how it might affect growers’ income. He could only refer to national projections for more increases in sugar prices.

High prices over the long haul are necessary, if the nation is to be assured a steady sugar supply and steady prices, according to Holly President John Bunker.

“I doubt if the price of sugar can fall much below its current level and still provide the income needed to support current production,” he said at Holly’s annual meeting. “After all, a healthy domestic industry is an appropriate insurance policy against exporting cartels.”

Bunker said a national sugar management program is needed to replace the old Sugar Act that helped control prices and imports for 40 years. He also discounted sugar’s being a significant part of the inflation seen in overall food prices, noting that declines in sugar prices in recent weeks have not been reflected in sugar-containing goods.