Growers won't knuckle under, though GW closes Lovell plant

Borrowing on a theme from the television movie, "Roots," Paul Rodriguez, president of the Big Horn Basin Beet Growers Association, observed, "I thought they freed the slaves."

The wry comment from Rodriguez summed up his feeling after Great Western Sugar Company Friday announced it was furloughing maintenance employees at 11 sugar factories since GW and sugar beet growers in four states have not come to terms on a 1977 growing contract.

Lovell lay off ordered

The GW factory at Lovell is included in the shutdown. About 40 employees at the Lovell factory will have the choice of going on vacation or going on unpaid leave of absence. Over the GW system, some 480 employees will be affected.

GW said the "drastic action" was necessary because of "current sugar prices and the uncertainty of beet supplies for the next campaign." GW president Jack B. Powell said the company has been losing money on every bag of beet sugar sold during the past several months.

"In addition," Powell said, "the serious uncertainty concerning the amount of beet acreage that may be contracted makes it foolhardy for the company to spend maintenance dollars which it does not now have to maintain facilities which might well have to be mothballed for a year."

Only the GW factory at Billings escaped the termination notice. GW and Montana growers have signed a contract for 1977.

In making the announcement, GW president Powell left room for some new developments to change the picture.

"Hopefully, a successful resolution will be forthcoming within a few weeks, and we can go on to the business that so many of us have been dedicated to for so many years," he said.

A 'threat'

The shutdown at Lovell is viewed by growers as a "threat," a power play by GW to force growers into accepting the company's terms on a 1977 contract.

Rodriguez's comment about "freeing the slaves" was prompted by the fact the growers believe they've been handed ultimatums at every step of the way on the 1977 contract. They don't believe GW has truly negotiated. Since the growers haven't accepted the contract as offered, the closing of factories is seen as reprisal.

"That's the way you deal with slaves," Rodriguez said.

With a reference to Great Western's principal owners, the Hunts, he added, "I don't know how they treat people in Texas, but out here, I don't think people will go for it."

Rodriguez said BHB growers at last Wednesday's annual meeting reaffirmed their belief in the board of directors of the association as the bargaining agent. The growers expressed the feeling that if they give in to the company this time they'll never have effectiveness again in contract negotiations.

Making plans for other crops

A lot of growers are making plans now to put in other crops, said Rodriguez.

He indicated that the only way growers in this area will be planting beets in 1977 is if GW changes its position.

"It's their move next," Rodriguez said. "We're ready to negotiate any time they're ready to negotiate, but this old B.S. of us going down there and them shoving their position down our throat is not what we're talking about."

Does the beet grower president down deep feel like there will be beets planted this year?

"I really don't know," Rodriguez said. "I feel like they're (GW) going to push us right to the wire. I think they feel the growers in some areas are going to knuckle under."

Rodriguez doesn't think it will happen in this growing area.

"They won't get anyone here, trying to go outside the
association," he said.

Last year’s protracted contract negotiations weren’t over until April 15 when growers and company finally settled. The contract that has been offered for 1977 is essentially the same as 1976 with the addition of a new payment factor based on purity and the

growers participating for the first time in freight payments.

No more “hide”

“The company says it’s been losing money lately. Well, I can tell you everyone of the growers lost money last year,” Rodriguez said. “The pie is only so big, and they (GW) want some of ours.”

“The growers don’t have any more hide to give,” he said.

Rodriguez doesn’t think growers will hold off as long as they did last year before making a decision to grow other crops.

“Last year growers had fertilizer on or bought. They were committed to beets. This year they’re not,” he said.

The association president said crop decisions will be made this year by the first of April.

“If they close the factory this year,” Rodriguez added, “if it’s ever opened again, it’ll have to be under different management. There’s going to be such bitterness that it’ll be very difficult to negotiate a contract next year with the same people.”

Rodriguez acknowledged that a year without beets is going to be hard on growers, particularly the small growers, “but we’ll survive.”

“By the same token, what’s the use of planting a crop they lost money on last year?” he asked.

“It’s only going to put them deeper in the hole.”

Counter proposal

At the last meeting between company and growers in Denver last week, growers made a counter proposal which would have put the purity formula into effect this year, but would have phased in its full impact.

Basically, the growers feel that not enough is known about sugar purity after only one year’s testing.

GW has established a hard line, and if a grower’s purity is above the line, he gets a premium; if it’s below the line, the grower takes a penalty.

“After only one year’s testing, we’re not sure the line is in the right place,” said Rodriguez.

“We can’t tell the grower you’re going to make money. We can’t tell him you’re going to lose money. We just don’t know,” he said.

Growers proposed a five-year phase-in of the purity formula, applying a 20 percent purity factor the first year, 40 percent the second year, and so on until the full 100 percent effect is applied. In other words, if a grower had a $1 premium coming for higher sugar purity on GW’s scale, he would only get 20 cents of that the first year on the grower’s proposal. Conversely, if purity was down, the penalty would only be 20 cents.

Lovell factory bailing out

Billings beets

The sugar beet factory at Lovell which was to close Monday will be kept open by a mechanical failure at the Billings factory of Great Western Sugar Co.

GW has hired Rodriguez trucks from Powell to haul sugar beets from Billings to Lovell for processing. The Billings plant went down last week and won’t be back in operation for another week or so.

Meanwhile at Billings, GW has around 50,000 tons of beets yet to process. They’re being hauled to Lovell where the slicing campaign is over. The beets in piles are in danger of spoiling so GW can’t wait until the Billings factory is back in operation.

“I guess they do need the Lovell factory at times,” said Paul Rodriguez Jr. of Powell after being contracted to haul the beets. “It’s another example of what we’ve been saying. The company has just not been putting money back into the factories.”