

GW to Close Three Colorado Factories

DENVER — The Great Western Sugar Co. said today it will permanently close three of its Colorado facilities during the next 60 to 90 days. Jack Powell, Great Western Sugar Co. president 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, executive vice president 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 Colorado 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 Company'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 14 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 ever changing 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."