Sugar Decision To Be Made Known In Week

By DON KENDALL
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WASHINGTON (AP) — Agriculture Secretary Bob Bergland says President Carter may announce within a week a new U.S. sugar program aimed at helping domestic growers without cutting imports so much that it will drive up consumer sugar prices.

"I think it's safe to say that there will be no restrictive quotas pinned down to the point where we artificially inflate domestic prices," Bergland said Wednesday.

But he said no decision has been made and that several options still are under review. However, Bergland told reporters that "I would think likely a decision will be made within a week.

Bergland indicated that he personally favors setting a quota on sugar imports of around 4.5 million to 4.6 million tons, the amount estimated to be imported this calendar year.

The plan also calls for a government support program to help domestic sugarbeet and sugar cane growers who have been financially hard pressed by declining prices.

Bergland said that under this plan a guaranteed price of 13 cents to 14 cents a pound would be set for raw sugar. The New York spot price of raw sugar, the main guideline for the program, now is slightly less than 12 cents a pound.

Under the plan, USDA would buy domestically grown raw sugar at 13 to 14 cents a pound and then sell it back to refiners at the going market price of imported sugar.

In that way, processors can afford to pay domestic producers 13 to 14 cents a pound regardless of the market price. That means, at current prices, the government will absorb up to two cents a pound in the purchase-resale operation.

Bergland said that "if we set the price supports at 13.5 cents, at current prices we'll be talking about $500 million" in costs to the government for the support program.

"The advantage is that the price the consumer pays is still the market price," he said.

Other options, which appear to be held in less favor, include cutting the import quota on cheaper foreign sugar much more sharply to around 4.3 million tons a year so that domestic prices are forced up to around the 13 to 14 cents Bergland has in mind as a target. However, it can vary from year to year, the United States consumes around 11 million tons of raw sugar annually, with 55 to 60 per cent coming from domestic production of sugarbeets and sugar cane.

Retail prices of refined sugar are around 21 cents a pound, far below the peaks of a few years ago when a worldwide sugar shortage caused prices to soar.

Bergland said that whatever program is approved it will be an interim system, probably for only one or two years. He said the U.S. goal is to work out some kind of global sugar arrangement at talks which begin in Geneva on April 18.

"We're not going for a completely uninhibited trade policy on sugar ...," Bergland said.

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Colo. Beet Industry's End Forecast

Colorado's sugar-beet industry will die within the next two years unless farmers start getting more money for their beets, a state official predicts.

Felix Sparks, director of the Colorado Water Conservation Board, said the state's sugar-beet industry will collapse because it can't compete with cheap foreign sugar produced in countries with low labor costs.

"The sugar-beet industry is going to die because it can no longer operate at a profit in competition with cheap labor in foreign countries," he said. "We can't meet foreign competition and pay American minimum wages," he said.

Sugar-beet farmers who have invested large amounts of money in equipment that can be used only for sugar beets will have to switch to other crops "and it's going to be rough the first two or three years," Sparks said.

Earlier this year Great Western Sugar Co. closed its processing plants in Longmont and Brighton and its molasses plant in Johnstown.

At that time Great Western President Jack Powell said no other closings were likely for at least a year at the firm's 14 other plants, including seven in Colorado.

"There just are not many sugar beet processing plants left in Colorado," Sparks said, "if the situation continues, all are going to close because they cannot operate at a profit."