Holly Sugar Co. Has Record Sales for '74

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Record sales and earnings for its fiscal year ended March 31 were reported Tuesday by Holly Sugar Co., Colorado Springs.

Consolidated net sales for the year soared to $276.4 million, compared with $111.65 million the prior year. Earnings climbed to $29.92 million, or $19.17 per share, compared with $5.29 million, or $3.41 a share, the previous year.

John B. Bunker, president, said “unprecedented sugar prices” made possible the record sales and earnings.

“These results afforded Holly the opportunity to retire the corporation’s long-term debt; to make substantially increased payments to growers to achieve full acreage for the 1975 crop; to increase the quarterly dividend rate to 75 cents a share, and to make an extra dividend payment of $1 per share to stockholders on March 31, 1975,” Bunker said.

He said the basic economic reason for the phenomenal increase in refined sugar prices was that world consumption of sugar has risen 42 per cent in the last decade, and that in the past four years sugar inventories were depleted by steadily rising consumption in developing countries.

“At the same time, productive capacity, inhibited by soaring costs and inadequate returns, increased at a slower rate, and, in fact, in some years, refined sugar output actually declined,” Bunker noted.

“A supply-demand imbalance, accentuated in 1974 by major sugar beet crop failures in Europe and Russia, reached critical levels during 1974 and prices responded accordingly,” he said.

In the United States, the upward surge of prices was an “outgrowth of inept price-control policies which led to the lowest plantings of sugar beets and production in seven years,” he charged.

Bunker said that while Holly anticipates “favorable operating results in the coming year, earnings may not approach last year’s record level. Sugar prices which have been falling in recent months, are unlikely to return either to their historic lows or to the unusually high levels of late 1974,” he declared.