Farm Official Sees Sugar Price Drop

NEW ORLEANS, La.—(AP)—Barring natural disasters in next year’s sugar crop, prices should go down now that the government has scrapped federal controls, the president of the American Farm Bureau Federation says.

William J. Kuhfuss of Mackinaw, Ill., made the comments in an interview when he arrived for the opening Monday of the federation’s 56th annual meeting.

Louisiana cane growers — including James Graugnard, president of the state Farm Bureau Federation — have warned that dropping federal sugar controls could mean higher, less stable prices.

In its past session, Congress allowed the 40-year-old Sugar Act, which set import quotas and provided subsidies, to lapse. Louisiana growers fought repeal of the program, but Kuhfuss indicated Sunday he thought Congress took the right step.

“The best direction and the best motivation is to allow the price to find its right place in the marketplace instead of the political arena,” he said. “Politically, sugar has been more of a tool and device of the State Department than the Agriculture Department. It has been used in negotiations and relationships with foreign countries over the years.”

Graugnard and other sugar producers have argued that scrapping the federal controls will introduce an element of uncertainty into the sugar business that could discourage producers.