Price of Sugar Continues to Drop in Area

By JACK PHINNEY
Denver Post Business Writer

Sugar prices have continued their descent in Denver-area stores the past few weeks, falling from about $2 to below $1.80 for a five-pound bag.

Nationally, the price is as low as $1.69 in some cities and as high as $2.10 in the New York area. Late last year, sugar prices surged to about $4 a five-pound bag in the East.

Stores reported very slow sugar sales early this year, but the volume is improving as the prices fall.

Great Western Sugar Co., Denver-based beet sugar refiner, says it has been selling its sugar at $31.35 per 100-pound bag for several weeks.

Beet sugar is sold mainly in the West, but beet sugar refiners are pushing eastward where, despite transportation costs, they're able to undersell cane sugar refiners who bought large quantities of raw sugar when world prices were much higher than they are now. The cane sugar refiners, however, are retaliating with deals to big purchasers.

Lower sugar prices are bringing about reductions in the prices of soft drinks and other sugar-sweetened products. Coca-Cola Bottling Co. of Atlanta, Ga., said it is cutting its soft-drink prices by 8 per cent, effective April 28. Coca-Cola Co. is one of Great Western's best customers.

A 23 per cent increase in U.S. sugar beet acreage is expected this year. And Europe's sugar beet acreage is expected to be up 8 per cent from a year ago.