Sugar Substitutes
Face a Sweet Future,
Syrup Makers Say

Despite Drop in Sugar Prices,
Demand for Replacement Products Remain Strong

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CHICAGO — Corn-syrup makers say the future for sugar substitutes still looks sweet, despite currently plunging sugar prices.

Customers who quickly queued up for limited supplies of the sweetest syrups when sugar prices were soaring last fall haven't yet broken ranks this spring when sugar prices have been plummeting. The main reason: prices for the substitutes have eased, too, and are still below those of sugar.

Moreover, both sugar-refiner and corn-processor executives say they expect the substitutes to grab a bigger share of the sweetener market during the coming decade. They think demand for sweeteners will rise faster than sugar-beet processors and sugar-cane refiners can enlarge supplies by handling bigger crops.

So, the syrup makers are continuing their research-and-development programs at the accelerated pace that began last fall. The researchers are developing new products with differing sweetening, baking, chilling or pouring properties that will make fructose more adaptable to even more food products.

U.S. per-capita consumption of nutritive sweeteners last year was an estimated 125.8 pounds, of which 21% was corn syrup. By 1985, one sugar-company executive predicts, per-capita consumption will climb to 130 pounds, with about 29% of that in corn syrups.

Standard Brands Inc.'s Clinton Corn Processing Co. and A. E. Staley Mfg. Co. account for most of the annual U.S. production of 1.3 billion pounds of high fructose corn syrup, sugar's closest substitute. Both companies lowered their prices for the industrial sweetener last week when sugar refiners lowered their prices.

Clinton dropped its price $3. to $24.27 per 100 pounds, and Staley lowered its price $2.14, to $28.10. Refined sugar cost from $27.25 to $33.10 per 100 pounds, but it is more expensive in another respect; the fructose is about 1.7 times as sweet as sugar.

The price of raw sugar has dropped to $21 per 100 pounds from a record $56 last fall, but even a further decline to about $20 wouldn't undercut the price advantage of corn syrup, trade sources say. "Corn would have to be at least $5 a bushel for the syrup substitutes to become no longer competitive," a sugar-company executive says, "and the average price for the past five years has been below $2."