Sugar Profits Soar, As Have Shelf Prices

DENVER (AP)—Two major sugar beet companies reported huge sales income increases Tuesday with one of them reporting a 1,000 per cent profit increase for four months.

Sugar prices, both in the nation and the world, have risen sharply in the past few months, as have supermarket shelf prices for sugar.

Great Western Sugar Co., Denver, said its operating profits rose 1,000 per cent in the four months ending Sept. 30 while sales revenues rose from $769.9 million to $1689.9 million, compared with the four months of 1973.

Holly Sugar Corp., Colorado Springs, which does not report profits until Dec. 1 for the current fiscal year, reported its sales had also ballooned. The sales were up from $54.49 million to $144.3 million.

The president of each firm attributed the increases to higher sugar prices. But, Great Western, apparently in the wake of the huge profit increases, said it would no longer report its financial position on a monthly basis, but would report only every three months.

In the wake of the two announcements, a Golden housewife said she is forming a group to boycott sugar with sugarless Halloween treats and a general boycott from Nov. 1 to Nov. 15.

Marie Truitt says sugar refiners are “making huge profits at our expense. If we let the sugar companies get away with excess profits, there’s no telling where the price will go.”

Beet sugar accounts for about 54 per cent of the national sugar production. Projections by the U.S. Department of Agriculture estimate sugar beet production this year at 23.1 million tons.

Great Western reported increased operating profits from $4.6 million in 1973 for the four-month period to $44.6 million in the same four months of this year.

For the single month of September, the sugar company had operating profit of $15 million compared with $1.1 million for September 1973. Operating profit is profit without including taxes and not including administrative costs paid to the parent corporation, Great Western United Corp.

Robert G. Everett, president of the parent corporation, attributed the sugar company’s “sharp profit improvement to the continuing high level of sugar prices.”

The president of Holly Sugar said the increase in sales was due principally to unprecedented high sugar prices, although unit sugar sales also increased about 9 per cent over the prior period.

Bunker said major cost factors from the current sugar beet harvest might cut profit margins by December when they are released.

“However, on the basis of present information, extraordinary sugar prices of the past six months and their continuation during the balance of the fiscal year are expected to result in a record increase in earnings substantially above previous levels.”

Bunker said the current high sugar prices are attributable to the world consumption of sugar during the past several years exceeding production.

Mrs. Truitt said Great Western had refused to meet with her group to discuss what she termed “excess profits,” and they were now seeking a meeting with Holly.

She said sugar has risen from 71 cents for five pounds last Jan. 17 to about $1.90 at present.

“Sugar is no longer a necessity; it’s a downright luxury,” Mrs. Truitt said. “Have you noticed the price of jelly or doughnuts?”

Great Western had planned to sell its sugar company to a growers cooperative, but the directors called off the deal, apparently anticipating the huge profits the sugar company was showing.

The growers pledged to continue to try to purchase the company, but the deal which was pending for more than two years fell through.

Last year’s crop brought the farmers $38.29 a ton from Great Western which has more than 4,000 growers under contracts in Colorado, Wyoming, Nebraska, Kansas and Montana.

The total payment by Great Western for the 1973 crop was $172 million.

The sugar company’s profits far overshadowed Great Western United’s two other companies.

PUBLIC MIND

Profit Outrageous

Lincoln — Front page headlines tell that “Spiraling Prices on Sugar Boost GW Profits 1,200%.” 1,200% is outrageous in four months! The No. 1 leader of inflation is food prices.

Are they striving for how big a profit they can make? What will next year bring? They must roll, roll, their prices back. There was a good sugar crop, so NO excuses can be tolerated! We wonder what percent of profit the employees made on this: most likely a very nominal amount. It’s companies like these making us carry the heavy load and we, the wage earners, have to make all the sacrifices.

Maybe all of us will completely stop buying sugar, syrup and any other of the many numerous items containing sugar. We know everyone has already cut back and we’ll do still more. Let it sit on the shelves and they can keep their overabundance.

As the Bible says, it’s easier for a camel to pass through the eye of a needle than it is for a rich man to enter heaven. 

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And Four Others

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Boycott On Sugar

Come on, girls! Let’s boycott sugar!

Remember what you did to the cattlemen! And the cattlemen were not increasing profits anywhere near 1200%. You broke the cattlemen’s back; let’s see you do it to the sugarman.

Sugar prices have tripled in a year. Meat prices (at the time of the protest) had not even doubled. I think it is time to admit that you play a fair game (what’s good for the cattleman is good for the sugarman — let’s boycott) or that you are against the small businessman (the farmer) but for the corporation (the sugar industry).

This same analogy could be used in comparing the oil industry also. Think about it!

BITTER, NOT SWEET