Final '73 sugar beet payment due Friday

Fifth and final payment for the 1973 sugar beet crop was announced today in Fremont by the Northern Ohio Sugar Company. The payment will average $5.48 per ton and will bring total average returns for 1973 beets up to $34.13 per ton, a record high. It will be mailed Friday, Oct. 25, to more than 700 growers who produced beets last year near Fremont, Findlay, and Blissfield, Mich.

The final settlement for 1973 beets was announced by Robert N. Sanborn, area agricultural director for Northern Ohio Sugar. He noted that total payments were $19.02 per ton more than a year ago because growers share heavily in the increasing net proceeds from the sale of sugar and byproducts under their participating contract with the company. But in that same period, Sanborn pointed out, beet growers have absorbed inflationary increases in production costs.

Sanborn said 1973 beet crop returns will total $10.3 million, including Sugar Act compliance payments financed by a federal tax on the sugar industry. The final payment to be made Friday will total $1.6 million.

Meantime, the harvest of 1974 sugar beets moved into full swing on the farms. Sanborn reported the new beet crop so far appears to be one of the best in recent years with excellent yields of sugar per acre in most localities. He added that the crop made a remarkable recovery from summer-long drought conditions to achieve extraordinary quality.

The initial payment for 1974 beets will be made Dec. 15.

GWU profits leap as prices climb

The profit picture of Great Western United Corp. is becoming even sweeter than the sugar it produces.

GWU, parent company of Great Western Sugar Co., Wednesday reported a twofold increase in after-tax profits for a four-month period ending Sept. 30.

The big reason was the soaring price of sugar on the world market.

A five-pound bag of sugar that cost only 79 cents a year ago is bringing $2.50 today in some parts of the country.

Housewives in Fremont are paying about $1.99.

Net income for the four-month period rose to $20.96 million, or $9.23 a share, from $1.6 million, or 3 cents a share, in the same period in 1973.

The twelvefold increase in profits was realized on a near doubling of sales to $180 million from $191.5 million last year.

Because of the increased profit, GWU stockholders in September rejected an offer from Great Producers Co-operative to buy the sugar company.

Operating profit before taxes and administration costs of Great Western Sugar rose to $44.67 million from $4.65 million in the 1973 period. Sales rose to $168 million from $76.7 million a year ago.

Great Western Sugar, which has plants at Fremont and Findlay, is the largest beet sugar producer in the country.

GWU Gives Details on Subpoenas

By JACK PHINNEY

Denver Post Business Writer

In a report to its shareholders two months ago, Great Western United Corp. said that in December 1972 it was served with grand jury subpoenas "issued upon the application of the Antitrust Division, U.S. Department of Justice, calling for production of documents."

Since then, GWU said, "five former employees and six current employees of Great Western Sugar Co. have testified before the grand jury."

GWU continues:

"Great Western Sugar understands that the grand jury may be inquiring about possible price-fixing activities in the industry in violation of the Sherman Act. The role of brokers in the marketing and distributing of refined sugar, the relationship between sugar refiners and growers of sugar beets and sugar cane, the role of marketing associations whose members are growers of sugar beets, the possible participation of sales employees of refiners in pricing discussions, and the use of a pricing practice known as 'base-point pricing.'"

The grand jury proceedings "may lead to indictments of persons involved, including Great Western Sugar and present or former brokers for and employees of Great Western Sugar," GWU said. It added that the alleged offenses, if proved, "might also result in substantial civil liabilities to Great Western Sugar."

GWU concluded that "it appears the grand jury will return an indictment against Great Western Sugar, one of its employees and others . . . . Management of Great Western Sugar is not presently able to evaluate the extent of any related civil liability. The impact of any liability, if alleged and proved, could, however, be substantial."

Sunday, Nov. 3, 1974

Holly Sugar Included

Holly Sugar Corp., Colorado Springs, another major sugar-beet processor, also is involved in the grand jury inquiry.

John B. Bunker, president, in reporting sharply higher sales and earnings for the first six months of its fiscal year, said attorneys have advised the corporation that the Antitrust Division of the Department of Justice has asked permission to recommend to a San Francisco grand jury "the indictment of a number of cane refiners and sugar-beet processors, including Holly."

He didn't indicate whether any Holly employees had appeared before the grand jury, which has been probing sugar operations and marketing since December 1972.

"The facts upon which the recommendation was based have not been disclosed and it is impossible to anticipate the action to be taken on the request, or on the decision of the grand jury in the event an indictment is ultimately sought," Bunker said in his mid-October report.