Sugar About Face Pinpointed

Then, in November, Russia, which normally has been a sugar exporter, unexpectedly purchased 700,000 tons of sugar. And other European countries announced they were unable to export sugar. Bad sugar crops were reported in Europe and suddenly, the surplus was not there.

That, said Macaire, was the turning point in low sugar prices.

Weather patterns across the world also harmed sugar production in Europe which, prior to that time, had been able to produce sufficient sugar to meet its own needs.

Weather then played havoc with European sugar crops for the next three years, said Macaire, adding that Europe had a catastrophic sugar beet crop this year. Poland cannot meet its contract requirements to export, and Russia is again trying to buy sugar.

Therefore, the price of sugar is almost out of sight in Europe. He added that in an attempt to boost sales, the famed Rolls Royce corporation in England is now offering a bag of sugar when one of their cars is purchased.

Europe was not the only place with sugar production problems, Macaire said. Cuba failed to produce a significant crop. Hurricane Fifi caused considerable damage to sugar cane fields in Central America, and even erupting volcanoes had destroyed crops still in the fields.

"The list of disasters is endless, and it is uncanny how all are happening at the same time," he said.

Another surprise that hit the sugar world was the belief that when sugar prices went up, consumption would go down. Instead, consumption is up.

With the Sugar Act voted down by the United States Congress, the U.S. will enter the world trading picture next year. When the bill was defeated, Macaire said, other world producers felt no need to sell to the U.S. He added that the Philippines is making plans to sell to Japan. Whereas, in the past all the sugar produced there has been earmarked for the United States.

Looking at the future, Macaire said that with such a volatile commodity as sugar, he was hesitant to predict what lies ahead. Central American growers are to meet in Mexico this week to plan their future course.

Macaire predicted those countries would take advantage of the world situation to sell their sugar for as much as possible.

At question and answer session, Macaire said it will not be until next October before anything definite can be known as to when the high prices may level off. Much will depend upon the European sugar beet harvest next fall.

He added he expects sugar will never drop below 20 cents again. He also added that sugar subsidies could play a major factor in the future of sugar prices.