Sugar beet growers fear market instability

GOODLAND, Kan. (AP) —

"We're not getting rich," says Bill Davis. "In fact, many of us had misgivings about planting beets last spring because the price was so unattractive."

Now, the price of sugar beets grown in western Kansas is very attractive for the farmer, though housewives facing record sugar prices at the grocery store aren't happy about it.

Strangely enough, sugar beet growers are not leaping with joy either. They have a nagging fear of what the future may hold.

"This year Congress did not renew the sugar act," says the Goodland area farmer who works 800 acres of beets in partnership with his sons.

"When the act expires at the end of the year, it will add even more to the boom and bust."

The 40-year-old sugar act, attacked by consumer advocates as a government subsidy for farmers, helped stabilize the sugar market, he says, but now the stability is gone and a worldwide shortage created by bad weather has sent sugar prices soaring.

A five-pound bag of sugar that cost 77 cents a year ago now sells at more than $2.20 and is expected to go higher.

Davis contends the booming prices were spawned by "the many, many years when sugar was one of the most stable items on the grocer's shelf."

Records of the Kansas Crop and Livestock Reporting Service illustrate the decline of beet growing cited by Davis. Although the crop was never a major one statewide, it's appeal has dwindled even in the irrigated fields of southwest and northwest Kansas since a peak 49,000 acres were planted in 1969.

This year about 34,000 acres of beets were harvested, producing an estimated 595,000 tons of produce to be sliced, boiled and crystallized into refined, white sugar.

While Kansas sugar production has trickled off, crop records show beet prices increased slowly from 1970's $14.20 a ton average payment to farmers to $17.10 a ton for the 1972 crop.

Beet growers have just received the final payment on the 1973 crop and the average for Goodland area growers is expected to run close to $38 a ton, Davis said. The 1974 crop now being processed could be even sweeter.

"The price is good, but the cost is high," Davis says. "Beets are a much more expensive crop than something like corn. You can't plant it and go off for the rest of the summer."

Davis cites a 300 per cent price hike for fertilizer, a 200 per cent fuel price increase and other rising expenses for machinery and labor as items deducted from the farmer's share of the sugar boom.

Other headaches have accompanied rising costs and the dangers of boom and bust for Goodland area farmers who form part of the 6,000-member Great Western Producers Cooperative.

The growers' co-op had planned to buy out Great Western Sugar Co. and take over 17 beet processing plants that make up the west's largest beet operation. The sugar boom has soured the deal.

The sugar company's parent corporation, Great Western United of Denver cancelled the sale at about the same time a four-month financial statement appeared in September showing the sugar firm had increased its operating profit from $4.6 million a year ago to $44.6 million in the same period this year.

"It became a tremendous bonanza for them so the sale was suddenly less attractive," says Davis, a director of the growers' cooperative. "We're sharing in the profits through our marketing contract, of course, but we feel when we make a deal we have to stand by it."

The Denver corporation's change of plans has made growers at Goodland "more distrustful than ever," Davis adds, and the cooperative is studying options such as court action or organized retaliation when it comes time to sign new contracts next spring.