Farm Report

Union Furious Over Inaction On Sugar

The Rocky Mountain Farmers Union (RMFU) president, John Stencil, is "angry, upset and frustrated" over federal inaction over the domestic sugar situation because "the problem has been quite visible without much change since last summer."

The union predicts that the sugar beet growing and refining industries in Colorado and in the United States will be dead within two years if Congress or the President does not act during the next few weeks.

Growers lost 17 to $10 per ton of beets on the 1976 crop, according to the RMFU "because we have no stabilizing legislation for the first time in 40 years," a situation which has allowed importing of cheap foreign sugar.

Stencil said the union is interested in consumer and producer welfare, noting that consumers now have low prices because of imports, but that those prices aren't enough to meet domestic sugar production costs and consequently are driving domestic producers into bankruptcy.

"We are already in the same position on sugar as we are on oil," Stencil said. "We import 40 per cent of our oil and we import 40 per cent of our sugar. The major difference is that many nations are subsidizing their sugar industries or their export prices to gain access to our markets--much as the oil countries did 10 years ago--while the domestic industry suffers."

The union proposes several courses of action:--impose sugar import quotas on each nation, restrict domestic surplus and shore up producer and processor prices.
--levy a countervailing duty against subsidized foreign sugar, an action permitted under current trade legislation.
--set price supports to immediately infuse higher capital movement within the industry, and form a legislative plan to accommodate stored domestic reserves.

Pass emergency legislation including assurances of price, market and credit guarantees before any additional sugar producers sell their operations or convert to alternate crops and machinery.

Without federal intervention, Stencil said, it is likely that more sugar beet growers will leave the business and force the closing of more refineries, which are unlikely to re-open "without strong economic stimuli."

Sugar beets in Colorado provide a gross to farmers of about $80 million, with many more millions related to shipping, processing, wholesaling, retailing and the associated employment.