

# Free-trade proposal has sugar growers up in arms

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By Rob Clark

Times Business Editor

The president of Monitor Sugar Co. vowed Thursday to fight a proposed free-trade agreement that many say could devastate the American sugar industry.

"We will fight until hell freezes over and when it does, we will continue to fight on the ice," said Robert L. Hetzler, president and chief executive officer at Monitor Sugar, 2600 S. Euclid Ave., Monitor Township.

The Central American Free Trade Agreement, which has been actively pursued the Bush administration, would drop tariffs on sugar and other imports from Central American countries.

Critics say the agreement would lead to an eventual flood of foreign-grown sugar in an already saturated American market. It also complicates plans for farmers, who are being asked now to commit more acreage to sugar beets.

"It's hard to see clearly into the future to make commitments now," Hetzler said Thursday, during the 67th annual meeting of the Monitor Sugar Beet Growers Inc. at Horizons Conference Center in Saginaw.

"Everyone wants security, but in agriculture, that doesn't exist. To lose faith in the crop is the surest way to lose it," Hetzler said.

Negotiations for CAFTA wrapped up in December, and a vote by Congress is expected to come sometime after this year's presidential election, Hetzler said.

While CAFTA is supported by agricultural organizations like the National Corn Growers Association, American Soybean Association and the U.S. Grains Council, the sugar industry feels threatened because Central American countries are large sugar producers.

According to Hetzler, the U.S. already imports 15-20 percent of the sugar consumed in the United States each year. Additional imports will cause companies like Monitor Sugar to cut back, Hetzler said.

And that would run counter to the message the company was sending to its growers Thursday.

"Our goal is to harvest 1.2 million tons of sugar beets," said Paul D. Pfenninger, vice president of agriculture for Monitor Sugar. "To do that, we need to plant about 69,000 acres of sugar beets. That means we need each grower to plant nine more acres to meet this goal," Pfenninger said.

In a sign that the company is serious about attaining that plateau, it will pay growers an extra \$1.10 per ton if the goal is obtained.

Monitor Sugar's 600 growers grew about 65,000 acres of sugar beets in 2003, which will likely result in the production of about 2.5 million pounds of sugar and sales of about \$120 million for the company.

Combined with Michigan Sugar Co., a grower-owned cooperative based in Saginaw Township, the state's sugar industry has annual sales of \$300 million, employs 2,300 workers and supports 2,000 farmers.

Hetzler's vow to fight for the future of the sugar industry is supported by U.S. Rep. Dave Camp, R-Midland, who told growers this week that he is already taking steps to eliminate trade barriers affecting the U.S. sugar industry. Camp also addressed sugar beet growers on Tuesday during Michigan Sugar's annual meeting at Saginaw Valley State University.

"Make no mistake, I am disappointed about the additional duty-free access to the U.S. sugar market being offered to Central American countries under CAFTA," Camp said. "However, I remain optimistic that we can continue to improve the situation for our local farmers."

One of the greatest fears of sugar industry representatives and growers is that CAFTA will set a precedent for other free-trade agreements around the world.

A letter written to President Bush, and signed by 72 sugar companies and organizations in 19 states, urged the president to reconsider his administration's sugar policy.

Calling for all free-trade agreements to be negotiated by the World Trade Organization, the letter stated that CAFTA "is a direct threat to the survival of (the sugar) industry."

Camp said he holds out hope that CAFTA will include a "safeguard" that would unilaterally shut off any additional access to U.S. markets if our current sugar program were disrupted.

"To put our farmers back on firm ground, we must continue to aggressively reduce foreign-imposed barriers to our farm products and, more importantly, to hold other countries accountable for commitments they have already made in existing trade agreements," Camp said.

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