

UTAH-IDAHO SUGAR CO.



TOPPENISH, WASHINGTON

February 17, 1967

Dear Grower:

In the spring of 1965 an agreement was reached between the Washington Sugar Beet Growers Association and the Utah-Idaho Sugar Company concerning beet purchase contracts for 1965, 1966 and 1967. This contract for 1967 has been held in a ruling by the U.S. Department of Agriculture to be "fair and reasonable." The company will honor this contract and improve it for your benefit. In a meeting with the Association directors at Yakima on Feb. 16, 1967, we presented a proposal which adopts guidelines to provide an increase in the scale of payment of 40 to 50 cents a ton of beets in the present range of nets. With the improved marketing conditions we believe that this proposal is likely to provide an increase of at least \$1.50 per ton over that of the last settlement period of 1965. We are offering this contract to growers in Washington for this year.

We were greatly surprised when this proposal was not approved by the Association. We were told that approval was withheld because the contract did not contain a guarantee as to price. As you know, the contracts under which beets have been raised for many years have been participating agreements by which the grower shares in actual net returns from sugar as it is sold. These participating contracts have proved their worth many times over to both the grower and the company.

The idea of a guarantee in the price for beets was proposed some months ago in the form of a tie between the price for beets and the price of raw sugar in New York. It was advanced at the Fair Price Hearing held in Omaha in November. The U.S. Department of Agriculture refused to approve this concept in its finding, which set certain guidelines in some sections of the country for a change in the sharing of returns at certain levels in the scale. These guidelines we are voluntarily offering to Washington growers for 1967.

We believe sugarbeets to be an excellent crop in Washington, where yields are among the highest in the nation and the purchase contract is second to none. As you know, the Department of Agriculture has lifted all acreage restrictions on sugarbeets for 1967. This presents an unusually fine opportunity for established growers to increase their acreage as an aid to efficiency in volume production. It also allows new growers to enter the beet business. In either case the history that is built this crop year will be of substantial value when restrictions are imposed again.

We are going ahead with beet contracting as in other years. Places where contracts can be signed will be announced in the immediate future. The contract we will offer contains the scale increases mentioned above. We know of no existing contract that is better.

If you would like to have additional information concerning any of the material discussed above please contact your fieldman or call at the factory office.

Sincerely,

UTAH-IDAHO SUGAR COMPANY