



FOR IMMEDIATE RELEASE: Thursday, Jan. 11, 2018
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Michigan Sugar hosts annual meeting, reviews 2017 financial results

BAY CITY – Michigan Sugar Company CEO Mark Flegenheimer today provided an update on Michigan’s sugarbeet sector as the grower-owned cooperative hosted its annual meeting at Saginaw Valley State University.

“While Michigan’s sugarbeet farmers have faced a variety of challenges during the past two years, including lower-than-average sugar content in 2016 and lower tons harvested in 2017, there are some positive signs headed into the new year,” said Flegenheimer. “Thanks to investments made throughout the cooperative and ongoing research to help farmers improve yields and sugar content, we’re well-prepared for the future. We will continue to work hard to maximize economic opportunity for Michigan Sugar’s grower-owners and our 2,400 employees throughout the region.”

Here is a look at some key data regarding the 2017 sugarbeet harvest and current processing campaign:

- Michigan Sugar’s roughly 1,000 grower-owners harvested 150,662 acres of sugarbeets in 2017 producing 3.85 million tons (25.56 tons per acre) for processing at factories in Bay City, Caro, Croswell and Sebawaing. That compares to 157,563 acres and 4.88 million tons (31.03 tons per acre) harvested in 2016. The year-over-year decrease in tonnage is the result of excessive early season rainfall last spring followed by a very dry summer.
- Sugar content in beets harvested in 2017 was 18.47 percent, up dramatically from 15.85 percent in 2016.
- The 2017-18 processing campaign is progressing well and expected to be completed in mid-February. This month, the company plans to begin processing piles of ventilated beets, which have stored well in the cold temperatures seen so far this winter.
- Looking ahead, Michigan Sugar expects to plant between 158,000 and 160,000 acres this spring. Growers typically plant 1 acre of sugarbeets for each share owned. If the five-year yield average of 29.5 tons per acre is achieved, it would yield a 2018 crop of approximately 4.7 million tons.

Overall, Flegenheimer said there is potential for stronger prices and stronger payments in 2018 – especially if sugar content can be maintained at 2017 levels and tons harvested can be increased.

“Prices are taking a step in the right direction, since a long-standing trade dispute was settled in 2017,” said Flegenheimer. “Our hope is to see a combination of stronger sugar content and a high yield for 2018.”

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