

# American Crystal Ready For Harvest With Fill-Ins

Dave Kolpack, Associated Press

MOORHEAD, Minn. (AP) — With the lockout of about 1,300 American Crystal Sugar Co. workers entering its second month and no negotiations in sight, the company is ready to start the harvest season with inexperienced replacement workers.

Company officials say it will be business as usual when processing begins this week at plants in Minnesota, North Dakota and Iowa. Union officials question whether it can be done safely, effectively — and productively.

"I think the big question as time runs on is, can American Crystal run the factories with these transient workers," union representative Mark Froemke said. "They could destroy the equipment, they could get hurt in the factory and they could lose the farmers millions and millions of dollars."

American Crystal vice president Brian Ingulsrud, the company spokesman during the lockout, said the replacement workers have spent much of their time training in the last month, with an emphasis on safety.

"We feel confident we are going to be able to run the factories with the replacement workers," Ingulsrud said.

The lockout is the first labor impasse in 30 years at American Crystal, a cooperative that accounts for 38 percent of the nation's sugar from beets and 15 percent of overall sugar production. But analysts say they don't expect any immediate effect on sugar prices.

American Crystal's last offer was a 17 percent pay increase over five years, but workers rejected it over job security provisions, health care costs and language in the contract they say will hurt workers in future years.

The two sides have met once since the workers were locked out, led by federal mediator Jeanne Frank. No further talks are scheduled, Froemke and Ingulsrud said. Frank did not return a phone message to The Associated Press.

The company has plants in East Grand Forks, Moorhead, Crookston and Chaska, Minn., and in Hillsboro and Drayton, N.D. and Mason City, Iowa. A Minnetonka firm was contracted to bring in replacement workers, but the company has released few details about the new workforce.

Although North Dakota is clamoring to find workers to fill jobs during an oil boom in the western part of the state, one labor expert said that didn't necessarily mean leverage for American Crystal workers.

"Everybody in North Dakota is a potential replacement (at American Crystal) as far

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as that goes," said Michael Ziesch, a Job Service North Dakota research analyst. "There's nothing to say that somebody can't move from an existing job into one of those positions."

He added: "It's not like they're trying to find 1,000 neuroscientists. It's not that I'm trying to downplay the positions, but it's not super specific."

Larry Smith, a sugar beet specialist at a University of Minnesota-Crookston research center, said he doesn't believe the lockout will affect Crystal's ability to process beets.

"I've got friends on both sides of this deal. You would like to see it settled," Smith said. "But I have full confidence they're going to get them processed, one way or the other."

American Crystal said it will start its pre-pile harvest on Tuesday, which is two days before the factories will begin processing beets. Growers provide the minimum amount of beets to keep the plants running before the harvest shifts into full gear around Oct. 1.

"It takes the same number of employees to run the factories on Sept. 8 as it does on Oct. 1," Ingulsrud said. "We're pretty much set to go."

Most politicians in sugar country have said little about the lockout. North Dakota Sen. Kent Conrad, Minnesota Rep. Collin Peterson and North Dakota Gov. Jack Dalrymple didn't respond to interview requests by the AP during the past week. North Dakota Sen. John Hoeven declined to be interviewed, but spokesman Don Canton issued a statement that the sugar industry is important to the area and "we hope they resolve their differences and encourage both management and the union to continue their negotiations."

Experts say a continued lockout should not affect sugar prices in the short term. Farmers don't get typical subsidies like producers of most crops, but the government manages the supply of sugar through trade restrictions and tariffs, said Patrick Westhoff, director of the Food and Agricultural Policy Research Institute at the University of Missouri.

That helps keep sugar prices higher than they otherwise would be, Westhoff said.

The quality of the crop is more important to the market than a labor dispute, Smith said.

"In most places that I've seen — Michigan, Montana, Wyoming and of course Minnesota and North Dakota — we're going to be down in tonnage this year," Smith said. "But they're an amazing crop. I think it's going to be better than what we're thinking about."

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