

Union Says Crystal Sugar Profits Mean Better Contract

FARGO, N.D. (AP) — A banner year has produced big profits for American Crystal Sugar Co. and big paydays for its executives. Locked-out union workers at Crystal plants in three states say that's evidence the cooperative can afford to make a better contract offer.

The company's net revenue for fiscal 2011 was \$1.5 billion, up from \$1.2 billion the previous year, The Forum newspaper reported Thursday (<http://bit.ly/tliwMP>). High sugar prices, a strong crop and good storage weather added up to record earnings, said Brian Ingulsrud, the company's vice president of administration.

The success triggered six-figure incentive-driven increases in compensation for Ingulsrud and other top executives. For example, President and CEO David Berg saw his total compensation climb 23 percent, from about \$2 million to \$2.4 million. Ingulsrud's compensation rose from about \$700,000 last year to \$809,000 in 2011.

Ingulsrud said the value of incentive-driven increases rises and falls with the fortunes of the company.

"It mimics what our (farmer) shareholders are experiencing financially," he said. "In a good year like this year, you're going to see some higher compensation levels."

John Risky, a local president for the union that represents the 1,300 workers who have been locked out at Crystal plants in North Dakota, Minnesota and Iowa since Aug. 1 when contract talks stalled, said the company should share the prosperity with its workers.

"We were the ones who were responsible for helping them make those record profits," he said. "We worked our tails off to make sure that they got every beet sliced."

Sugar beets grown by farmers are sliced and refined for their sugar at the company's processing plants, where replacement workers have been handling this year's crop.

American Crystal says the average wage and benefits package for union employees is worth about \$75,000 a year. The company has offered 17 percent pay increases to union workers over the next five years. A sticking point has been proposed changes to health insurance coverage that would more than double employees' maximum out-of-pocket costs for family coverage.

Ingulsrud said the company is trying to strike a deal that will hold up in less-

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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

profitable years as well as in record ones. Risky said the union has offered shorter-term deals to prevent the company from committing to an untenable position.

"We don't want to see them go belly-up," he said.

American Crystal was holding its annual meeting on Thursday. Union leaders planned talks in the same hotel on the compensation packages for company executives.

Source URL (retrieved on 04/21/2015 - 6:20am):

http://www.impomag.com/news/2011/12/union-says-crystal-sugar-profits-mean-better-contract?qt-recent_content=0