

American Crystal Calls Union Offer 'Stunt'

MOORHEAD, Minn. (AP) — American Crystal Sugar Co. on Monday rejected a proposal to end the cooperative's six-month lockout of its factory workers in three states, calling it a "publicity stunt" by the leadership of the union that represents them.

Separately, the Moorhead, Minn.-based sugar beet processing cooperative reported that its first-quarter profits fell 28 percent, to \$186.7 million, in September, October and November from the same three-month period the year before.

In a Securities and Exchange Commission filing, the cooperative said it expects its annual profit to fall 30 percent. It blamed the decline on a smaller sugar beet crop and "anticipated higher operating costs," factors it said would be partially offset by higher sugar prices.

American Crystal's 1,300 union-represented employees have been locked out of the company's sugar beet processing factories in North Dakota, Minnesota and Iowa since Aug. 1, after union workers rejected a company contract offer. The workers turned down a revised offer in November.

John Risky, president of a union local that represents workers at American Crystal's factories in East Grand Forks, Minn., Moorhead, Minn., and Drayton, N.D., said the lessened production and profit decline "must be a serious disappointment to the farmers and executives."

Risky said the company's use of replacement workers has been a drag on its revenues.

"How long is Dave Berg going to continue with this unnecessary lockout?" Risky asked, referring to American Crystal's president and chief executive officer.

Brian Ingulsrud, the company's vice president for administration, said in a letter posted on its website Monday that American Crystal "will continue to be hiring employees to staff what now appear to be long-term temporary positions."

Ingulsrud said representatives of the company and union met informally with a federal mediator last Wednesday to explore how to resolve some of the proposed contract's most difficult issues. Union members have said the company's proposal demanded concessions on job security and health insurance coverage.

Union representatives then presented a formal 16-page proposal "and immediately issued a press release," Ingulsrud's letter says. "What was intended to be a good-faith, informal exploration of issue requested by the mediator was turned into a publicity stunt by the union leadership."

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Riskey said the union's proposals, which he declined to detail, "went farther than what our members really wanted to. But in order to get this moving, if the company is serious about negotiating, this should help substantially in the process."

Riskey said the union has requested another session with the federal mediator, but none has been scheduled.

Ingulsrud, in the company letter, said the union's proposals ignored American Crystal's own suggestions for ending the lockout.

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