

# Hawai'i sugar-cane sales up 11%

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## Rise attributed to higher prices

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For the first time since 1998, Hawai'i's farm-level sugar-cane sales last year were higher than the year before, a sign that the state's once dominant sugar industry may be making a small comeback.

Farm-level sales of sugar cane rose 11 percent to \$64.3 million as higher prices for sugar encouraged growers to produce more. Sales of

raw sugar by Hawai'i's two remaining sugar companies also rose nearly 11 percent last year to \$95.9 million, according to figures released yesterday by Hawai'i Agricultural Statistics Service.

Production of sugar cane for sugar improved about 11 percent to 2.1 million tons, after falling 18 percent in 2001.

Once the dominant business in Hawai'i, the sugar industry appears to be rebounding after falling steadily for decades as companies left the business and fields were converted to other uses.

In 1991, there were 55

See SUGAR, A7



## Sugar business picks up

► **SUGAR-CANE SALES:**

Rose 11 percent last year to \$64.3 million.

► **RAW SUGAR SALES:**

Rose 11 percent to \$95.9 million for Hawaiian Commercial & Sugar

Co. of Maui and Gay & Robinson on Kaua'i.

► **SUGAR-CANE PRODUCTION:**

Rose 11 percent to 2.1 million tons, after falling 18 percent in 2001.

# Sugar: Companies improve productivity

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sugar-cane farms and plantations in Hawai'i. However, many farmers couldn't afford to invest in productivity improvements to remain competitive with overseas markets that used cheaper labor. Most of the sugar produced today comes from developing countries in Latin America and the Far East.

Although sugar today represents a small part of the state's \$511 million agriculture industry, "Sugar is still one of our very important crops on Maui and Kaua'i in terms of making good use of the land as well as providing employment," said Donald Martin, state agricultural statistician.

To remain competitive, the state's two sugar companies — Hawaiian Commercial & Sugar Co. of Maui and Gay & Robinson on Kaua'i — have improved production techniques and are shifting toward selling higher-margin sugar products. Among these are food-grade sugar products. Food-grade sugar does not undergo full processing and is packaged for consumers or used in beverages, jams and jellies.

The industry also is benefiting from last year's federal farm bill,

which seeks to better control sugar production and prices.

"The farm bill has put some stabilization in sugar prices, so I think that has resulted in slightly higher prices," said Steve Holaday, plant manager for HC&S in Pu'unēnē, Maui.

Sugar prices in Hawai'i rose slightly last year to \$355 a ton, up from \$351 a ton in 2001, according to the state. Meanwhile, raw sugar production in the state rose nearly 10 percent to 270,000 tons last year.

Last year's rebound in the state's sugar industry should be sustainable as Gay & Robinson expands its acreage and HC&S improves factory efficiency, Holaday said.

The U.S. Department of Agriculture raised a cautionary flag yesterday, saying that production of sugar cane for sugar and seed in Hawai'i this year may dip by 69,000 tons because of a drop in harvested acreage.

"Like any agricultural product, there's always obstacles and difficulties," Martin said.

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