

Written Statement March 16, 2022:

Chairwoman Alexander, Vice-Chairmen Posthumus and Garza, members of the House Agriculture Committee, thank you for inviting me to speak to you today. Many of you are no doubt aware of the sugarbeet industry in Michigan, and I am sure that some of you have listened to me discuss Michigan Sugar Company at length. However, I am also sure that many of you probably had no idea that we make sugar in Michigan, or that more than half of the sugar produced domestically is derived from sugarbeets as opposed to cane. So, today, I would like to give a brief overview of the sugarbeet industry in Michigan and Michigan Sugar Company, leaving plenty of time at the end for any questions you may have.

The sugarbeet industry in Michigan dates to the late 1800s and all four of our factories – located in Bay City, Caro, Croswell, and Sebawaing – were built between 1899 and 1902. By the 1950s, the sugarbeet industry in Michigan had coalesced around two main companies, Monitor Sugar Company and Michigan Sugar Company. These companies were privately owned and contracted each year with growers throughout the state. In 2002, Michigan Sugar Company was facing financial difficulties and was purchased by its growers, becoming a cooperative. In 2004, Monitor Sugar Company faced similar challenges and its growers, in collaboration with the Michigan Sugar Growers, purchased the company and merged them together.

Today, Michigan Sugar Company is a grower-owned cooperative with nearly 900 grower-owners, and is the third largest beet sugar company in the country. Every owner is obligated to grow one acre of sugarbeets for every share of the company they own. Each year our owners harvest around 4.7 million tons of sugarbeets on 160,000 acres in 20 counties in Michigan and Ontario, Canada. These beets are turned into 1.3 billion pounds of beet sugar. This represents 6 percent of the total domestic sugar production and 11.72 percent of the total beet sugar production in the United States. Our sugar is sold under the Pioneer brand name, but we also package 27 private label brands for costumers including Kroger, Walmart, and Meijer.

Michigan Sugar Company has 900 year-round and 1,100 seasonal employees. Nearly 200 of the year-round employees are corporate and the rest are manufacturing, union represented positions. Michigan Sugar annually pays wages of more than \$65 million. Our total direct economic impact to the state is \$500 million and our indirect economic impact is \$1.5 billion.

As an industry, we take our commitment to our communities, the environment, and our workforce very seriously. Every year our company donates tens of thousands of dollars to local nonprofits and community organizations. Our factories are located predominately in rural areas where we are often one of the only companies with the ability to offer significant support to important these organizations. As a result, we are not only a key part of the economy in our growing region, but also, of the social safety net. Additionally, you will not find more progressive and modern farmers than the sugar growers in Michigan. Our grower-owners are quick to adopt new technologies and practices to help water and soil quality and limit our carbon footprint. Our factories have a similar story. Since 2004, we have reduced our energy usage by nearly 40%. Finally, Michigan Sugar invests heavily in our workforce. Not only do we offer high paying jobs with good

benefits, but we have tuition reimbursement and apprenticeship programs to ensure that no job within our company is out of reach for any of our employees regardless of their current role.

While the sugar industry in the United States and Michigan certainly faces challenges from drastically increasing input costs, to labor shortages and unfair foreign trade practices, Michigan Sugar Company is in a strong financial position. We are confident that after 116 years of doing business in Michigan we will continue to grow and thrive.

Again, thank you for inviting me to speak to you today; I look forward to your questions.

John Boothroyd, Manager of Government Relations, Michigan Sugar Company