



# Hawaiian Sugar furloughs 88 percent of its work force

674 of 770 workers to be temporarily laid off

STORY SUMMARY | [READ THE FULL STORY](#)

**Hawaiian Commercial & Sugar Co.**, the state's last remaining sugar producer, has furloughed 88 percent of its work force for a week.

The company has temporarily laid off 674 out of its 770 union workers and managers to help make up for a 25 percent reduction in production caused by drought, said HC&S General Manager Frank Kiger.

The furloughs, which began Monday and are expected to conclude by next Friday, are the first major ones necessary for nearly a decade, Kiger said.

Last year and this year, HC&S experienced its two driest consecutive years in the company's history, he said. However, the sugar workers union, International Longshore and Warehouse Union Local 142, contends that the temporary layoffs are the result of farming mismanagement.

— [Allison Schaefers](#)

FULL STORY >>

[By Allison Schaefers](#)

POSTED: 01:30 a.m. HST, Dec 13, 2008

While drought and reduced sugar production has forced the **Hawaiian Commercial & Sugar Co.**, the state's only remaining sugar producer, to furlough 88 percent of its employees, a top company official said yesterday that the company's long-term viability remains strong.

The company plans to balance costs against reduced production by temporarily laying off 674 of its 770 member work staff for a week, said HC&S General Manager Frank Kiger. The staggered furloughs, which began last Monday, are expected to conclude by next Friday, he said.

"The furloughs have already started and the workers are very upset, especially during the holiday season," said Willie Kennison, head of the Maui Division of the

## AT A GLANCE

- » **Name:** Hawaiian Commercial & Sugar Co.
- » **Parent company:** Alexander & Baldwin Inc.
- » **Distinction:** Hawaii's largest producer of raw sugar, accounting for more than 60 percent of all of the State's sugar.
- » **Employees:** Total 770
- » **Employees furloughed:** 674
- » **Percent furloughed:** 88%

International Longshore and Warehouse Union Local 142. "I can't ever remember another furlough of this size."

As many as 674 union and management workers out of the 770 employed at HC&S will be furloughed for one week each as part of the company's cost-saving measure, Kiger said.

"Those that will remain are people who work in the power plant as well as the company's planting operations," he said.

While, the long-term survival probability of HC&S remains strong, the company is emerging from its two worst drought years on record, Kiger said.

"Not only is 2008 the driest year on record, but it's 35 percent drier than any other year," he said. "Last year and this year were the two driest consecutive years in the history of HC&S."

As a result, production at HC&S is down by 25 percent, making it necessary for the company to implement its first large furlough in a decade, Kiger said.

While the company told Local 142 that the furloughs were drought related, Kennison said poor farm management practices have hurt the company's sugar production.

"We are concerned about the direction of the company," Kennison said. "They have roughly the same amount of acreage, but the crops have dropped every year and the yield has gone down drastically. Instead of utilizing their pumps to properly irrigate their fields, they are selling too much electricity to Maui Electric."

If the company does not change its farm management practices, Kennison said that it does not bode well for workers.

Last year workers saw their wages frozen and this year, if things do not improve, workers may see the company go after further reductions, Kennison said.

"With the economy the way that it is, workers can't afford to go without another wage increase," he said. "I've concerned that if the company doesn't fix its underlying problems that workers may see more furloughs, layoffs or even closures."

Contract negotiations for 2009 begin in January, Kennison said. The current union contract expires this coming February, he said.

Kiger declined to address the union's allegations of mismanagement.

"Employee retention is a high priority for us," Kiger said. "We have good highly trained people and we want to retain all of them. We haven't had any permanent layoffs nor do we plan to do so."

In spite of current challenges, the forward outlook for HC&S is good, he said.

"We are a very viable company. We have a strong parent company in Alexander & Baldwin and our diversification into specialty sugar brings tremendous value to our product," Kiger said.

The company is the exclusive distributor of turbinado, sugar in the raw, and also has expanded its line of specialty products to include evaporated cane juice, a natural sweetener used in Hawaiian Sun and ItoEn brands and a host of other food and beverage products, Kiger said.

"There is a very strong market for these products," he said.

**Find this article at:**

[http://www.starbulletin.com/business/20081213\\_Hawaiian\\_Sugar\\_furloughs\\_88\\_percent\\_of\\_its\\_work\\_force.html](http://www.starbulletin.com/business/20081213_Hawaiian_Sugar_furloughs_88_percent_of_its_work_force.html)

Check the box to include the list of links referenced in the article.