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Headline	Date	Outlet	Reporter
<u>Florida deal may sound death knell for Big Sugar</u>	07/24/2008	Post Chronicle, The	Tom Brown
<u>Valeche Position on torture is clear No way, no how</u>	07/24/2008	Palm Beach Post - Online	
<u>Putting idle acres to work</u>	07/24/2008	Palm Beach Post - Online	Salisbury, Susan
<u>Editorial: EPA must set algae standards</u>	07/24/2008	News-Press	
<u>Florida Crystals land and inland port hold hope for the Glades</u>	07/24/2008	Westside Gazette, The	Mann, Cartheda
<u>Floridas sugar deal puts towns fate in limbo</u>	07/23/2008	Creston News-Advertiser	
<u>Big bite on big sugar</u>	07/23/2008	Globe and Mail - Online	TOM BROWN

Florida deal may sound death knell for Big Sugar

07/24/2008
Post Chronicle, The
Tom Brown

[Return to Top](#)

OKEELANTA, Florida (Reuters) - A \$1.75 billion land purchase deal Gov. Charlie Crist announced last month to save the Florida Everglades could also mark the beginning of the end for the state's powerful sugar barons.

Florida would buy U.S. Sugar Corp, one of the largest privately held U.S. agricultural firms, and use a chunk of its 187,000 acres in the northern Everglades to restore the endangered wildlife habitat, Crist said. 'This is a dream come true for every Everglades advocate in the state,' said David Guest, a lawyer with the environmental group Earthjustice who has fought for years to sugar growers from sending fertilizer-tainted water into the Everglades.

The deal, which still has to be negotiated, hinges on the cooperation of another major sugar producer. If it goes through, the plan could close the book on the often unsavory history of sugar in Florida.

Experts say growing cane sugar in Florida would never have been possible if the state government hadn't drained the Everglades in the first place. And the cane would have disappeared long ago if the federal government hadn't used the Army Corps of Engineers to micromanage the landscape, keeping conditions just right for growers at taxpayers' expense.

Never really operating in a free market, its growers have long been protected, like other U.S. farmers, from global competition. And they have profited at the expense of just about everyone -- from domestic consumers to farmers in developing countries and the once-precious Everglades environment itself.

The U.S. Sugar deal would put the company out of business after a six-year wind-down period. It would also give the state control over nearly half the 400,000 acres of (161,880 hectares) of sugar cane that grows in the swampy, coal-black soil of the Everglades Agricultural Area just south of Lake Okeechobee.

About 16,000 acres of the U.S. Sugar land would be converted into water storage reservoirs, treatment marches and a flow-way reconnecting the lake to the Everglades and Florida Bay.

But the state will also have to negotiate with the Fanjuls, the owners of Flo-Sun whose name is synonymous with Big Sugar. The deal envisions using as many as 35,000 acres (14,164 hectares) of their 180,000 acres of sugar cane for the same Everglades restoration effort.

The Fanjuls, who would be the last major sugar growers in Florida if U.S. Sugar is bought out, declined to be interviewed.

The deal puts Alfonso Fanjul, the reclusive chief executive of the family-controlled Flo-Sun, back in the public eye for the first time since his company's takeover of the North American sugar business of Britain's Tate & Lyle Plc, including its Domino sugar brand in 2001.

INFLATED PRICE

A cursory tour of the company's Florida Crystals Corp. operations in the steamy marshland near the southern edge of Lake

Okeechobee gives visitors a clear view of at least some of what the Cuban-born Fanjuls have at stake.

Sugar-cane fields stretch to the horizon around the Florida Crystals mill and refinery. And their packing and distribution center shows how they control not just a vigorous manufacturing process, but much of the branded sugar sold in supermarkets including major retailers like Wal-Mart Stores Inc.

The politically savvy Fanjuls, Alfonso and his brother Jose, are legend in Washington for their defense of a U.S. program that sugar and confectionary users want dismantled.

The sugar program, an extension of policies in place since the close of the U.S.-British War of 1812, basically shields U.S. sugar cane and sugar beet growers from real-world prices and competition through a system of import quotas and loans that dates back to 1981. It pays no direct subsidies as with other crops, but guarantees growers like the Fanjuls an inflated price by restricting supply.

Little of that has changed under recent legislation governing U.S. agriculture for the next five years.

But U.S. sugar growers have been trying to come to grips with more liberalized trade after the end of remaining trade restrictions with Mexico earlier this year. And U.S. sugar imports could increase more if negotiators finally close a deal in the World Trade Organization's Doha round this summer.

Florida Crystals spokesman Gaston Cantens said the company sees the demise of U.S. Sugar as a potential opportunity to increase its U.S. market share, which could roughly double if it wound up taking over the U.S. Sugar Corp mill. But he declined to rule out a possible buyout of Florida Crystals as well, if the state government fails to sweeten the pot to lure the Fanjuls into its Everglade restoration effort.

If they close up shop, allowing Big Sugar to be booted out of the Everglades altogether, the Fanjuls would still have their sugar business in Europe and the Dominican Republic to tend to. From a sun-drenched corner of the Dominican Republic's southeast coast, they also run Casa de Campo, one of the Caribbean's most luxurious resorts.

One veteran Florida sugar analyst, who asked not to be identified, said the state could probably have the Fanjuls' land too -- for the same \$1.7 billion. 'We'd have to cross that bridge if we got there,' said Michael Sole, head of Florida Department of Environmental Protection.

(Additional reporting by Missy Ryan in Washington; Editing by Michael Christie and Doina Chiacu)

Valeche Position on torture is clear No way, no how

07/24/2008

Palm Beach Post - Online

[Return to
Top](#)

Joel Engelhardt's June 24 column 'Mahoney's luck still holding,' completely mischaracterized my position on the use of torture.

Let me be very clear, as I was during the interview: I do not, have never and will never condone the use of torture by any American. This position is so ingrained in me, and has been for so long, that I am at a real loss to understand how Mr. Engelhardt could have construed anything I said to him as even remotely supporting torture.

This issue is very real and important to me, as a former Navy fighter pilot who served in combat in Vietnam. Part of my training consisted of being instructed in the brutal torture techniques of the North Vietnamese and how to survive and resist them. I was appalled and sickened by the treatment that my fellow aviators received at the hands of their captors.

Although I have been opposed to torture before this, my training cemented my conviction that America should never sink to the level of its enemies, but instead should set an example for the rest of the world in rejecting this practice. My views were only made stronger when I had the honor to serve with many former prisoners of war when they returned from Hanoi. Although they were eager to get back in the cockpit, the physical effects of their harsh treatment were often very apparent and in many cases prevented them from resuming their careers.

Seeing and hearing how my colleagues had been treated completed my rejection of this barbarous practice. Thus, it was with a sense of amazement that I read that somehow I had become an advocate of torture. I believe that the United States, as the leader of the Free World and a model to many around the world, should never condone the use of torture. Mr. Engelhardt's misreporting of my views, while perhaps unintentional, has been very troubling to me.

HAL VALECHE

Palm Beach Gardens Editor's note: Hal Valeche is a Republican candidate for the U.S. House District 16 seat.

Hospital tramples smokers' rights with total ban

Never have I felt so compelled to respond to a Post story than after reading 'Hospitals set to ban smoking everywhere on premises,' July 6. I respect my fellow citizens and their wish to breathe clean air and have always kept my distance from others when I am smoking, out of common courtesy. However, recent policies banning cigarette smoking based on political correctness or personal bias and certainly not law are becoming far beyond reasonable. The only Florida law prohibiting smoking is limited to 'enclosed indoor workplaces.' I received this information straight

from the 'horse's mouth' - the Agency for Health Care Administration and the Bureau of Tobacco Prevention.

Where a private facility such as a hospital can dictate a ban including its parking lots is an affront to law-abiding smokers, as well as the hospital's patients. We pay huge state and federal taxes to purchase these legal devices, not to mention paying for the services of these very hospitals. When a smoker is already highly stressed while staying at the bedside of a hospitalized loved one and is unable to step out for a smoke in a designated area, is unreasonable and ridiculous.

Ridiculous because if these hospital administrators were so concerned about the quality of the air on their 'campuses,' they would also ban motor vehicles on their premises. But no, those very administrators who target the few remaining cigarette smokers are probably driving to work in their SUVs and polluting the air far more than a stressed-out patient or visitor who smokes.

Smokers have constitutional rights, too. It's time for smokers to fight for them.

TERRI WILLIAMS

Indiantown

Miccosukees right to doubt restoration motives

Hats off to the Miccosukee Indian Tribe and its attorney, Dexter Lehtinen.

I was wondering when someone was going to question the work stoppage on the 26-square-mile retention pond in western Palm Beach County ('Miccosukees sue to restart construction of reservoir,' July 12). What of the \$700 million in South Florida Water Management District money appropriated for this project? I guess it will just be written off and called poor planning.

The district throws our tax money around like it was Monopoly play money.

Furthermore, the district does not need all the acreage it is purchasing from U.S. Sugar Corp. - so, who gets the rest of the land? That's right - the developers. There is a desperate need for houses. But building houses won't do much for Everglades restoration, will it? I wonder if the environmentalists gave this a thought.

One thing the Miccosukees are concerned about, I'm sure, is that water running over fertilized cane fields coming down on them and the Everglades. It will grow more than a River of Grass.

LOIS H. LISLE

Clewiston

Swap frees terrorist to threaten Israel anew Re: 'Israel swaps prisoners for soldiers' remains,' (July 17): 'A picture is worth a thousand words' was never more true than in the photographs showing the so-called prisoners' swap across the Israel-Lebanon border. It once again showed the stark differences between the only democracy in the region and the Hezbollah-sponsored

terrorists who celebrated the return to Lebanon of a convicted murderer, responsible for the killing of innocent children, in exchange for two dead soldiers, a fact they had kept secret.

Aamir Kuntar has promised to go back to Gaza to keep on fighting the Israelis. It proves once more, if proof was needed, that there cannot be any peace with terrorists. Not now. Not ever.

LEON RUBINSTEIN

Jupiter

Send Cerabino to gun class before he pops off again

I object to Frank Cerabino's July 9 column. ('Gun safety class would put lead into phys-ed'). First, knowledge on any subject is good. That's why we have schools. The National Rifle Association has been trying for years to get gun safety in schools. Young people don't know what guns will do. They watch TV programs where someone gets killed and is alive in the next week's program. Gun safety is exactly what it says. It is a safety class. I think everyone should go, including Mr. Cerabino.

LYRA PITTMAN

West Palm Beach

States without income tax need sales-tax deduction

In 2007, you could deduct either your state income tax or your sales taxes when itemizing your federal income tax deductions. This sales-tax deduction was not extended to tax returns for 2008.

For people in Florida and other states that degrees have no state income tax, this alternative is very important.

Federal elected officials should be made aware of this and see that the sales-tax deduction is extended to 2008 and beyond. In this expensive volatile economy, every dollar counts.

JULIUS LAMPERT

Boynton Beach

Putting idle acres to work

07/24/2008

Palm Beach Post - Online

Salisbury, Susan

[Return to](#)
[Top](#)

South Florida cellular-tech entrepreneur Howard Melamed figures it could take the state 30 years to turn the U.S. Sugar land it's buying into a restored Everglades. So he's making an offer he believes could help ease the nation's energy crisis. Melamed, chief executive officer of Coral Springs-based CellAntenna Corp., wants to lease the 187,000 acres of land the South Florida Water Management District is buying as part of a \$1.75 billion buyout of Clewiston-based U.S. Sugar Corp. and use the sugar cane for ethanol production. He's willing to pay \$120 million a year. 'This is a great investment opportunity and a great opportunity to get involved in ethanol production,' said Melamed, who calculates production would be about 120 million gallons a year. 'It's a great idea. I think it will work,' Melamed said. 'Brazil is way ahead of us. It would allow farmers to become the oil barons of the world.' Melamed said he contacted Gov. Charlie Crist's office with his idea two weeks ago but hasn't had a response. Sterling Ivey, Crist's press secretary, said by e-mail Tuesday the state would take a look at Melamed's plan. 'All good options for this land are on the table and we will consider the proposals accordingly,' Ivey said. Melamed's idea is the latest to be floated about how to get ethanol production going in Florida.

To date, the state has no plants producing the alternative fuel, but at least 11 are in the works.

Don Markley, chief operating officer of Fort Lauderdale-based Southeast Renewable Fuels, said Wednesday the company plans to build a 20 million-gallon-per-year ethanol refinery on 60 acres owned by the Londono family 15 miles south of Clewiston. The company plans at least three ethanol plants in areas around Lake Okeechobee, using locally grown sweet sorghum as the feedstock.

Markley said the first plant would employ 47 people and represents a capital investment of \$75 million. 'We will begin permitting in the near future and would hope to break ground by this time next year, assuming all permits are approved,' he said. And as early as next month, ground could be broken for a research ethanol plant at Florida Crystals' Okeelanta mill and refinery south of South Bay, said Gaston Cantens, spokesman for the West Palm Beach-based sugar producer. Lonnie Ingram, a microbiologist who has spent more than 20 years on scientific work that uses E. coli bacteria to convert plant waste into ethanol, said the facility is expected to take a year to construct. Florida's ethanol industry is slower to start than in other parts of the country because next-generation technologies and nontraditional feedstocks are planned, said Michael Ohlsen, a staff member in the new Florida Energy and Climate Commission within the governor's office.

Editorial: EPA must set algae standards

07/24/2008
News-Press

[Return to
Top](#)

Editorial • News-Press

The water quality of our region matters.

Southwest Florida is a place that values its environment and that every year woos tourists and new residents to come down and partake in our piece of paradise.

Our current residents deserve the highest quality of life without threats to our drinking water, public health, state of our beaches, and recreation such as swimming, fishing and boating.

Local, state and federal officials have made efforts to better our water quality: crafting fertilizer ordinances, ramping up Everglades restoration efforts with the proposed U.S. Sugar deal, and trying to increase the money that goes toward research of red tide.

Red drift algae, fertilizer runoff and nutrient-rich deposits from Lake Okeechobee have taken a toll on our waterways and our economy.

Lee County has lost more than \$2 billion since the winter of 2003.

So, that's more the reason why the U.S. Environmental Protection Agency should act to create measurable standards for pollution-fueled algal blooms in our water.

The lawsuit by five environmental groups, if successful, would compel the EPA to act, since the state hasn't. The agency may propose limits by 2011, but that's not soon enough.

The groups are the Florida Wildlife Federation, Conservancy of Southwest Florida, Sierra Club Florida, Environmental Confederation of Southwest Florida Inc. and St. Johns Riverkeeper.

Urgency is critical, and if the federal government is not willing to act when the state failed, then the lawsuit seems to be the last resort.

The people of Florida deserve better.

Florida Crystals land and inland port hold hope for the Glades

07/24/2008

Westside Gazette, The
Mann, Cartheda

[Return to
Top](#)

by Cartheda T. Mann-Westside Gazette

State Representative Priscilla Taylor's July 18 Forum was solutions oriented and served as an informed "Call to Action" for Glades residents facing massive losses in employment due to Gov. Charlie Crist's surprise deal to buy out the United States Sugar Corporation, a major employer in the Glades.

It was a generous attempt to chip away at the mountain of questions in response to Crist's surprise announcement of a collaboration between the governor, the South Florida Water Management District (SFWMD) and U. S. Sugar.

According to Rep. Taylor, Crist acted without the knowledge of or ratification by the Florida Legislature. "It caught all of us by surprise," Taylor said. "I found out about it when everybody else did. But, we must work deliberately to make sure that the Glades residents' concerns are heard and factored into decisions moving forward from this point."

Along with the exit of U.S. Sugar will go approximately 1,700 jobs held by residents from Pahokee, Belle Glade, South Bay and unincorporated areas in western Palm Beach County and Hendry and Glades Counties, as well.

The forum was an attempt to "bring local residents to the table," Rep. Taylor said. A panel assembled for the forum held at Belle Glade City Hall included David Goodlett representing the Sugar Cane Growers Cooperative, Jack Long of the Department of Environmental Protection (DEP), SFWMD Representative Ernie Barnett, Gaston Cantens of Florida Crystals, Assistant Palm Beach County Administrator Shannon Laroque, and Carl Baker, representing the Port of Palm Beach.

The U.S. Sugar buyout concerns 187,000 acres of land, whose value has increased from the initial \$1.8 million announced by Gov. Crist. According to Barnett, "we don't know what the ultimate figure will be." He said SFWMD is "in active negotiations to acquire the land. This puts us in position to manage the water resources and produce more water supply." The proposal concerns the area between the Miami River and the North New River canal, south of South Bay.

Barnett characterized the negotiation as a "non-binding framework". U.S. Sugar would retain possession of the land for "up to six years. They're not going to pull out overnight. This will help in developing viable options for the community," he continued. A closing date of Nov. 30, is anticipated, and according to Barnett, the final deal may include third party land exchanges and opportunities for other businesses to participate.

"The desired end is to restore the Everglades. There are unquestionable benefits to the Everglades and the seven million people who live in proximity to the area," Barnett continued. "It would be foolish to embark on this venture without paying attention to how it affects the lives of the people who live here. I'm going to listen... to be in the community working with you folks to help make sure that there is a viable and vibrant Glades community that we all can appreciate."

Barnett admitted that no one from the Glades "was involved in

the initial decision making" with Gov. Crist. "I can't address why there weren't a lot of early collaborative discussions," he said, "but I want to say that we want to expand the discussions now."

Cantens, whose family owns the Florida Crystals sugar company and the Okeelanta Sugar Mill, said his company "is at a crossroads. We're at a crossroads as a region, an industry, as a company.

"Hopefully this will allow for sustainable agriculture to continue. It could potentially be the end of the sugar industry as we know it."

A portion of Florida Crystals' land — 44,000 acres — are in the flow way under consideration for connecting Lake Okeechobee to the Everglades. This land is one of several sites being considered for the inland port, which will allow the Port of Palm Beach to expand its operations beyond its currently landlocked facilities in Riviera Beach.

The inland port and renewable energy could be the answers to what appears to be a dire situation for the Glades, Cantens said, laying to rest the rumor that his family is swapping land with U.S. Sugar and closing down the Okeelanta mill.

"The inland port has the potential to be the largest packaging and distribution center in all of North America," Cantens said. "Our intention is to see how the flow-way can be built around our facility. We want to be an active participant, part of the solution. We want to preserve jobs.

Assistant County Administrator Laroque clarified the misconception that the State of Florida is purchasing the U. S. Sugar assets. "You are tax payers. You are purchasing these assets," she said, cautioning forum attendees of the need to make decisions now for sustainability — quality infrastructure, a sustainable workforce, housing, quality of place, jobs, a sustainable tax base."

Despite Palm Beach County's local partnerships for redevelopment and \$8 million in projects, Laroque said she does not believe eco-tourism will save the Glades. The County is working with the cities of Belle Glade and Pahokee on marina projects; including, eco-islands off the coast of Pahokee into lake Okeechobee. "Our goal is to build on that by creating a bio-agricultural cluster. The world is focused on development of alternative energies - ethanol, bio-based plastics and other environmentally friendly products, from high fashion clothing to cleaning products.

"We must position ourselves to be a major player in that industry."

Concerning the inland port, Laroque said one acre of land can generate up to \$1 million in tax revenue. The County's Strategic Development Plan establishes the inland port as its number one project, she said.

The widening of the Panama Canal, scheduled for completion in 2012, will provide an opportunity for an active intermodal facility, Laroque said. Further, Department of Transportation (DOT) studies project that 5,000 direct jobs with an average wage of \$35,000 and 18,000 indirect jobs will be created, she continued.

"The Glades region is desirable because the land is cheap," Laroque said. Port of Palm Beach presenter Carl Baker added to the affordability of land for the inland port, connectivity to three railroads, proximity to the Port of Palm Beach, Port Everglades and the Port of Miami, with links to the Port of Tampa and others. "This will utilize a road and rail transportation network across and up and down the state. There is a study authorized to investigate the missing link from Belle Glade to Miami," he said.

"It would also provide a grand staging area for disaster response," Baker continued. "At hurricane times, military, medical response, evacuation, post disaster recovery, fuel distribution," Baker said.

The County Administrator encouraged Glades residents to attend the Palm Beach County Commission's Aug. 19 meeting. "If you support this initiative, you need to be there. The County Commission controls the land and zoning to make this (inland port) happen." Zoning on the Florida Crystals land would have to be changed to accommodate the inland port project. The estimated cost of the port is \$100,000 million.

"It's in everybody's best interest to have an answer on this soon," Baker said, further indicating that a site should be settled inside a 75-day period.

A petition circulated during the forum allows attendees to say "we want to be involved in the discussion - to ask the governor not to make decisions about our area without involving us," Rep. Taylor said. Residents may also access current information on the U.S. Sugar project at the website: www.protectflowayfamilies.org.

Laroque said, "We can't sit here and let the state be in charge of this. We have the ability to solve this ourselves."

"What I'm hearing is that the Glades is not going to fall," Rep. Taylor said. "This is not time to be passive - it takes the communities to be involved." David Goodlet echoed, "It's incumbent upon all of us to work within the parameters that have been set to make this a win/win situation for all of us. I do believe it can be positive, and I do believe we can all remain whole at the end. This must be one time that all the folks in the Glades can link hands and move forward with this in a unified manner."

Boots Boyer, a self-proclaimed "tree hugger", reminded attendees, "There's only going to be one Everglades. It's not the end of the world. Take that home and think about it tonight."

County Commissioner Jess Santamaria attended the meeting and pledged support. Mayors of Belle Glade, South Bay, and Pahokee were among the 100 plus attendees of the Forum.

Floridas sugar deal puts towns fate in limbo

07/23/2008

Creston News-Advertiser

[Return to
Top](#)

Creston News-Advertiser

CLEWISTON, Fla. (MCT) Fearing a bitter future when United States Sugar Corp. leaves the town that sugar built, people here are rallying around their mayors call for a role in negotiating the companys controversial exit. We should have a seat at the table to help out in the decision-making, Mayor Mali Chamness insisted in the face of news that U.S. Sugar would sell its holdings to Florida water managers and leave the business in six years as part of an ambitious Everglades restoration project. Chamness rallying call drew applause from the 300 farmers, business owners and residents who packed John Boy Auditorium this month for an emergency meeting about the areas future. So intertwined with U. S. Sugar is this community of 6,500s economy that the June 24 announcement of the sale to the South Florida Water Management District was met with shock and disbelief. U.S. Sugar employs 1,700 people, provides 25 percent of Clewistons tax base and is responsible for more than half of its economy. The company has been a generous partner, too donating land for libraries and other buildings and providing college scholarships for employees offspring. Now Clewiston must wrestle with a future without U.S. Sugar. As part of the \$1.75 billion deal, the company will sell 187,000 acres of agricultural land, its citrus processing plant, its sugar refinery and mill, two railroads and other facilities. Speaking at the start of the two-hour emergency meeting, Carol Wehle, executive director of the South Florida Water Management District, tried to assure the crowd that agriculture will remain on acreage not needed for pollution-filtering reservoirs and marshes intended to restore the Everglades. It is everyones intention and a commitment to keep the remaining agriculture in a sustainable format, Wehle said, adding that the district plans to sell the sugar refinery and mill on the south side of Clewiston and the citrus processing plant about 15 miles to the west. There is a tremendous amount of interest for people to purchase a lot of those facilities, she said. You are going to receive a lot of attention. But it is difficult to sugarcoat U.S. Sugars departure. Ardis Hammock of Frierson Farms, a second-generation sugarcane farmer along with her husband, Alan, said her first thought when she heard about the sale was youve got to be kidding. Her second thought was the plan is linked to the Florida governors vice presidential aspirations: For Charlie Crist, its VP, VP, VP. By the time of the emergency meeting, Hammock was angry and distrustful of pledges to help with economic development. Its fine to stand here and say you are going to do it, Hammock said. But wheres the money? Where is the money? During the emergency meeting, Hendry County commissioners and elected officials from Clewiston and Labelle voted to hire an attorney and commission an economic impact analysis. They also insisted on a state-backed economic transition and support plan to protect the areas future. There have been efforts to recruit new companies to this town on the shore of Lake Okeechobee and boost eco-tourism. Theres also been talk about building an inland port in the nearby town of South Bay. Still, Miller Couse, chairman and chief executive of First Bank in Clewiston, isnt optimistic. He pointed to the fate of Detroit and other Michigan cities as the steel and automobile industries declined. Its nice to say we can go out and reinvent ourselves, but the practicality of it is, I think, zero, Couse said. The U.S. Sugar sale has been hailed as one of the largest conservation purchases in American history. But for the people of Hendry County, the critical part will be keeping their communities

afloat economically while reclaiming the land for the environment. Some in Clewiston trace the beginning of the end of the company town era to the 1994 North American Free Trade Agreement, the first of many trade pacts that opened the U.S. sugar market to widening import quotas. At the same time, sugar prices have remained almost unchanged for 20 years. To compete, U.S. Sugar slashed its work force, once more than 3,000, nearly in half. Then in 2005, the company embarked on its Breakthrough project an effort to consolidate and automate its sugar-making by building a state-of-the-art processing mill on the southern edge of Clewiston, alongside the modern sugar refinery. When they started this Breakthrough project, they had told us they were going to cut to make us lean and mean, said Butch Wilson, who was laid off by U.S. Sugar last October after almost 32 years and is now director of the Clewiston Museum. U.S. Sugar senior vice president Robert Coker said the community was lucky to have six years to prepare for the change, since many industries shut down virtually overnight. Agriculture has a future in South Florida, he said. I just don't know what it's going to look like. I don't think anyone else does either. That isn't particularly reassuring for local growers. Robert Hammock, 25, moved back to Clewiston six months ago to work on the family farm with his parents, Ardis and Alan. My place is here. It's where I want to be, he said. Now I don't know if there's going to be a local mill in town where we can sell our cane to make a living.

Big bite on big sugar

07/23/2008

Globe and Mail - Online

TOM BROWN

[Return to
Top](#)

Tom Brown - Globe and Mail

KEELANTA, Fla. - A \$1.75-billion land purchase deal that Governor Charlie Crist announced last month to save the Florida Everglades could also mark the beginning of the end for the state's powerful sugar barons.

Florida would buy U.S. Sugar Corp, one of the largest privately held U.S. agricultural firms, and use a chunk of its 187,000 acres (75,700 hectares) in the northern Everglades to restore the endangered wildlife habitat, Mr. Crist said. 'This is a dream come true for every Everglades advocate in the state,' said David Guest, a lawyer with the environmental group Earthjustice who has fought for years to sugar growers from sending fertilizer-tainted water into the Everglades.

The deal, which still has to be negotiated, hinges on the cooperation of another major sugar producer. If it goes through, the plan could close the book on the often unsweet history of sugar in Florida.

Experts say growing cane sugar in Florida would never have been possible if the state government had not drained the Everglades in the first place. And the cane would have disappeared long ago

if the federal government had not used the Army Corps of Engineers to micromanage the landscape, keeping conditions just right for growers at taxpayers' expense.

Never really operating in a free market, its growers have long been protected, like other U.S. farmers, from global competition. And they have profited at the expense of just about everyone from domestic consumers to farmers in developing countries and the once-precious Everglades environment itself.

The U.S. Sugar deal would put the company out of business after a six-year wind-down period. It would also give the state control over nearly half the 400,000 acres (162,000 ha.) of sugar cane that grows in the swampy, coal-black soil of the Everglades Agricultural Area just south of Lake Okeechobee.

About 16,000 acres (6,745 ha.) of the U.S. Sugar land would be converted into water storage reservoirs, treatment marches and a flow-way reconnecting the lake to the Everglades and Florida Bay.

But the state will also have to negotiate with the Fanjuls, the owners of Flo-Sun whose name is synonymous with Big Sugar. The deal envisions using as many as 35,000 acres (14,164 ha.) of their 180,000 acres (72,846 ha.) of sugar cane for the same Everglades restoration effort.

The Fanjuls, who would be the last major sugar growers in Florida if U.S. Sugar is bought out, declined to be interviewed.

The deal puts Alfonso Fanjul, the reclusive chief executive of the family-controlled Flo-Sun, back in the public eye for the first time since his company's takeover of the North American sugar business of Britain's Tate & Lyle Plc, including its Domino sugar brand in 2001.

Inflated price

A cursory tour of the company's Florida Crystals Corp. operations in the steamy marshland near the southern edge of Lake Okeechobee gives visitors a clear view of at least some of what the Cuban-born Fanjuls have at stake.

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The politically savvy Fanjuls, Alfonso and brother Jos, are legend in Washington for their defence of a U.S. program that sugar and confectionery users want dismantled.

The sugar program, an extension of policies in place since the close of the U.S.-British War of 1812, basically shields U.S. sugar cane and sugar beet growers from real-world prices and competition through a system of import quotas and loans that dates back to 1981. It pays no direct subsidies as with other crops, but guarantees growers such as the Fanjuls an inflated price by restricting supply.

Little of that has changed under recent legislation governing U.S. agriculture for the next five years.

But U.S. sugar growers have been trying to come to grips with freer trade after the end of remaining trade restrictions with Mexico earlier this year. And U.S. sugar imports could increase more if negotiators finally close a deal in the World Trade Organization's Doha round this summer.

Florida Crystals spokesman Gaston Cantens said the company sees the demise of U.S. Sugar as a potential opportunity to increase its U.S. market share, which could roughly double if it wound up taking over the U.S. Sugar Corp mill. But he declined to rule out a buyout of Florida Crystals as well, if the state government fails to sweeten the pot to lure the Fanjuls into its Everglade restoration effort.

If they close up shop, allowing Big Sugar to be booted out of the Everglades altogether, the Fanjuls would still have their sugar business in Europe and the Dominican Republic to tend to. From a sun-drenched corner of the Dominican Republic's southeast coast, they also run Casa de Campo, one of the Caribbean's most luxurious resorts.

One veteran Florida sugar analyst, who asked not to be identified, said the state could probably have the Fanjuls' land too for the same \$1.7 billion. 'We'd have to cross that bridge if we got there,' said Michael Sole, head of Florida Department of Environmental Protection.

