

Against the grain

Aside from killing us, sugar destroys reefs and rainforests, traps southern farmers in poverty, is supported by an insane subsidy regime in the UK and makes a few companies very, very rich.

Jeremy Smith on sugar's ugly supply side

It is a perfect, yet unbearably sad image of how connected the world has become.

The production of a tiny, white grain that dissolves to nothing in a cup of hot tea is destroying the largest living organism on the planet. Earlier this year a panel of scientists in Australia released a report that said there was 'compelling' scientific evidence that run-off from sugar cane plantations was the main cause of a decline of up to 60 per cent in coral species on the inner Great Barrier Reef.

Joe Baker, chief scientist at the Queensland state government's Department of Primary Industries and chair of the report, called the findings 'a warning signal that we can't continue to do what we are doing'.

According to the study, in the past 15 years the amount of sediment going from rivers into the reef has increased by about four times, nitrogen levels have risen by at least 300 per cent, and levels of phosphorous have more than doubled. As Queensland's premier Peter Beattie admitted: 'The reef is suffering from the way we clear, drain, settle and farm the land. It is like a huge drain collecting sediments, nutrients, herbicides and pesticides from farming, grazing and urban settlements.'

It is not just the reef that is suffering. Sugar cane is usually grown as a monoculture, which often entails the removal of rainforests, mangroves and other sensitive environments. Among the deleterious side effects of sugar cane growing can be counted water pollution in Buenos Aires and damage to river estuaries

in Brazil and waterways in the Philippines.

In Florida the sugar cane industry is situated just south of Lake Okeechobee, one of North America's largest fresh-water lakes. Where once water flowed unimpeded from the lake to the Everglades, it now has to pass through thousands of acres of sugar cane. By the time it flushes into the Everglades it is contaminated with phosphorous-laden agricultural run-off.

The cost of repairing the damage this has caused has already run into the billions, and has mostly been paid for by the same American taxpayers currently making themselves ever fatter on 'cheap' sugar. Robert Repetto, an economist with the Washington-based environmental think-

tank the World Resources Institute, says: 'If this continues, the downstream mangroves and estuaries could continue disappearing until the well-spring of Florida Bay's reefs and fisheries are gone.'

So, no Everglades or Great Barrier Reef. How about a little closer to home?

In the UK, we don't grow sugar cane. We grow beet. Unlike monoculture cane, beet is always grown in rotation with other crops. However, it is not a crop that grows naturally or easily in the UK. As a result, pesticide use is very high. In 1996 the then Ministry of Agriculture, Fisheries and Food revealed that beet farmers used on average 10.5 herbicide-active ingredients each year. That's more than double the amount used for any other crop.

The results are obvious. The UK's leading organic body the Soil Association explains:

'Sugar beet fields are sparse, with the majority having less than four weeds per square metre, [and offer] very poor nesting and feeding habitats for farmland birds.'

The only people to benefit from British sugar are... British Sugar – the company that has a 100 per cent monopoly over the production and processing of sugar grown in the UK. And that's before you add in the money that British Sugar and Tate and Lyle, which dominates the sugar cane industry in the UK, make from EU subsidies.

Artificially sweetened

Sugar is one of the most heavily subsidised agricultural commodities in the world. The EU sugar regime's subsidies are worth £1 billion a year and ensure a guaranteed EU price for sugar that is more than three times the world market price. And just as with British Sugar in the UK, by the late 1990s eight of the EU's 14 sugar-producing member states had just one company controlling their entire sugar beet quota.

In developing countries sugar workers are among the worst-paid farm labourers in the world. In Brazil, the largest exporter of cane sugar, workers earn less than \$25 a week. In the Dominican Republic the situation is even worse. There sugar workers must pay to have the cane picked up and weighed, *and* bear the loss if this is not done on time. Thus, in the Dominican Republic a skilled cutter will earn less than 1,000 pesos (\$70) a month, and that's in a country where it costs around 7,500 pesos (\$530) to feed a family of four. To put such wages in a global context, it has been estimated that if sugar workers in the South were paid the same as workers in the North costs would be 10 times higher than they are now.

Such inequalities do not stand in the way of the EU's sugar regime. In addition

to the subsidies, the regime also supports sugar producers through a system of quotas and tariffs. These quotas are supposed to limit production levels on a country-by-country basis. They are allocated to the sugar processors, who then allocate contracts to farmers, who receive a high fixed price for their quota of sugar beet.

However, the quota system has failed to prevent over-production. In 2001 production reached 17 million tonnes, almost 7 million of which had to be exported. For the word 'export', read 'dump', as the gap between the high EU guaranteed price and the low world-market price is bridged by the aforementioned subsidies for quota exports. In other words, European taxpayers face an annual bill of £1 billion to help the sugar companies dump their excesses overseas.

Needless to say, the situation is far worse for the impoverished countries to whom the sugar is 'exported'. It floods their markets with underpriced product, undercutting any advantage their domestic crop might have had. And, to make matters worse, restrictive tariffs are then used to block these same countries' access to the European sugar market. They can't sell their sugar at home, and they can't sell it abroad.

The solution to this situation, however, is not just to remove these tariffs. As Mark Ritchie, of the sustainable farming NGO the Institute for Agriculture and Trade Policy, explains: 'It has been argued that "world prices should prevail" in the setting of domestic sugar production policies in the

North. These demands are dangerous for poor people who currently live in the South and for the planet as a whole. The use of land for producing sugar for export just takes land needed by local residents to produce the food for their families and transforms it into huge plantations.'

Furthermore, the most iniquitous aspect of the sugar regime – namely, the dumping of vast EU surpluses onto Third World countries – need not happen at all. Unlike fresh produce, sugar does not deteriorate rapidly. There's no reason why it cannot be stored from season to season. And if we reduced our imports so that our production of beet was all used on the home market we wouldn't need to store it anyway.

Unfortunately, however, this would only be a part of the answer. It is not the volume imported that needs to be reduced so much as the volume consumed. While Western companies continue to fill their products with sugar, and Western consumers continue to buy those products, those companies will always be on the lookout for vast sources of cheap sugar.

In the short term, the growth of the organic and fair-trade sectors can do something to improve the situation for both planet and poor farm workers. But while sugar cane – organic, fair-trade or otherwise – is still being shipped thousands of miles across the world a trading system that pollutes by its very nature will remain in place.

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THE WORLD OF SUGAR

...sugar is produced in 121 countries. The total world production in the 2001/02 season was 16.8 million tonnes, compared to 12.0 million in 2000/01.

...the world's largest sugar producer, with a share of 20% of the total world production in 2001/02. It is followed by the EU, which produced 10.5 million tonnes, and the USA, which produced 4.5 million tonnes.

...the world's largest sugar exporter, with a share of 20% of the total world production in 2001/02. It is followed by the EU, which exported 10.5 million tonnes, and the USA, which exported 4.5 million tonnes.

...the world's largest sugar importer, with a share of 20% of the total world production in 2001/02. It is followed by the EU, which imported 10.5 million tonnes, and the USA, which imported 4.5 million tonnes.

TOP FIVE PRODUCERS (2001/02 estimates)

Country	Million tonnes
India	22,800
Brazil	19,000
USA	16,000
EU	11,000
China	7,700

TOP FIVE EXPORTERS (2001/02 estimates)

Country	Million tonnes
India	12,400
USA	6,300
EU	5,000
China	4,000
Brazil	3,000

TOP FIVE IMPORTERS (2001/02 estimates)

Country	Million tonnes
India	12,400
USA	6,300
EU	5,000
China	4,000
Brazil	3,000

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