

A bittersweet struggle

New trade pact threatens jobs in Florida sugar industry

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BELLE GLADE — Carol Campbell, a 54-year-old widow who has worked in the region's sugar industry for 35 years, never dreamed proposed free trade agreements would be among her worries.

But at a time when sugar consumption is decreasing, Florida's "Big Sugar" — and the 25,000 jobs in South Florida it directly and indirectly supports — are at risk of losing out economically, industry officials and others say. More baked goods, candy and other sugar-containing products are being produced offshore and imported into the U.S. as well. The situation could deteriorate further, the industry says, because of the double-barreled threat of:

n Increased foreign sugar coming into the U.S.

n A federal price-support program that limits how much sugar U.S. producers may sell that was set up prior to the latest import proposals.

Already, 1.1 million tons of sugar is imported into the U.S. each year, according to the U.S. Department of Agriculture.

The fear is that number will only get worse if the proposed Central American Free Trade Agreement, or CAFTA, goes through between the U.S. and the Dominican Republic, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. Already signed by negotiators, the pact awaits congressional approval. It would immediately allow an additional 100,000 tons of foreign sugar into the U.S. market.

For people such as Campbell, however, it all comes down to one more worry they didn't need.

"If they take away my job, where do I go? I've worked here all of my life," said Campbell, who works in the accounting department at the Sugar Cane Growers Cooperative of Florida in Belle Glade. "If sugar goes, there's nothing else."

In western Palm Beach County, that's not far from truth.

The bulk of the 2.15 million tons of sugar produced in Florida last year came from here, where in the agriculture-driven towns of Belle Glade, Pahokee and others around Lake Okeechobee sugar is a mainstay of the economy. Florida's sugar industry — consisting of the Co-op, West Palm Beach-based Florida Crystals Corp. and U.S. Sugar Corp. in Clewiston — had an economic impact of \$3.1 billion on the state's economy in the 2001-02 crop year, according to a study by the Washington Economics Group in Coral Gables.

Workforce continues to shrink

That study placed the number of workers directly employed in the Florida sugar industry, either at one of the three companies or by independent growers, at 9,050 people. Today the industry estimates the total has shrunk to roughly 8,500.

U.S. Sugar has been trimming its workforce for several years, and in the last year, all three companies have been eliminating jobs through attrition, such as not replacing those who retire. Overall, sugar farmers are cutting back their acreage and increasing their output of other crops, including sod and vegetables. As a result, many workers fear tough times ahead.

Clewiston resident Shelley Davidson, 38, an administrative assistant at the Co-op for more than three years, knows firsthand about the industry's belt-tightening. In September 2000, Davidson was among those laid off at U.S. Sugar, where she had worked for 13 years. Her husband, Wayne, 47, a geneticist at U.S. Sugar, has been told his job will end in October.

In the small towns, people who don't even work in the sugar industry are aware that trade deals with the potential to let more sugar into the U.S. could have a ripple effect on every resident.

"It doesn't just affect our company," Davidson said. "In Clewiston, there's talk at the beauty salon. It affects the whole town, the Wal-mart employees, the gyms, even the teachers. Where would their jobs be if there weren't any children left here? It's a trickle-down effect."

At a sweetener industry conference held in Colorado this month, CAFTA was a major topic. U.S. Rep. Mark Foley, R-West Palm Beach, said job losses have caused many lawmakers to question the value of so-called free trade. He reassured the 300-plus attendees that the votes aren't there to pass CAFTA.

Sen. Kent Conrad, D-N.D., urged the industry to fight against unfair trade and being traded away through "the back door of negotiations."

If the CAFTA model is followed in upcoming agreements with Thailand, the Andean countries, South Africa and Panama, Conrad warned that imports could reach more than 500,000 tons of unneeded sugar. Such a piecemeal approach will kill the industry, he predicted.

Carolyn Cheney, Washington representative of the Co-op and immediate past chair of the American Sugar Alliance, said the industry has long fought for sugar to be dealt with at the World Trade Organization level rather than in regional or bilateral pacts such as CAFTA.

But pro-CAFTA forces claim the trade pact would not harm the U.S. sugar industry.

U.S. Trade Representative Robert Zoellick said this month that CAFTA cuts trade barriers and expands regional opportunities for workers, manufacturers, consumers, farmers, ranchers and service providers in all the countries involved, including the U.S.

And Rep. Kevin Brady, R-Texas, said recently, "With CAFTA, American sugar is acting like they're being forced to swallow a bowling ball, when in reality it is closer to a Tic Tac."

He added: "The impact from CAFTA is so tiny, it's only one day of U.S. sugar production, and it is easily within the import limits that sugar itself said was fine in the recent farm bill."

Brady said Big Sugar's strategy is "to scream so loud on CAFTA that future sugar discussions are done in the WTO." But he warns that the defeating of trade pacts such as CAFTA could cost other American farmers and ranchers annually "a billion dollars worth of new sales."

Florida sugar industry officials say their sales are already restricted, and prices could worsen if more foreign sugar comes in.

Some cane field parcels that are not too remote are being eyed for development. Florida Crystals, for example, has suggested developing 16,000 acres of the company's sugar cane fields near 20-Mile Bend. Now, under federal rules, the company won't be allowed to sell all the sugar its 180,000 acres is capable of producing.

U.S. Sugar Corp. spokeswoman Judy Sanchez said: "For anyone to say that additional sugar will have minimal impact is incorrect. Even now . . . we cannot sell all we have produced."

Moreover, contends Tom Buis, vice president of the National Farmers Union, free trade advocates are exaggerating the benefits for American agriculture, particularly when it comes to the economies of the small CAFTA countries.

In fact, according to lobbying group Americans for Fair Trade, the gross domestic product of the six CAFTA nations besides the U.S., at \$85 billion in 2002, is on par with the \$80 billion economy of New Haven, Conn.

Scott Paul, a legislative director with the AFL-CIO, said those who think CAFTA will lift those countries' economies need only to look at the effect the North American Free Trade Agreement has had on Mexico in a decade.

"Real wages (corrected for inflation) in Mexico have actually fallen since 1993," he said. "The jobs that have been created are in sweatshops run by multinational corporations. And 2 million to 3 million farmers have been displaced."

Texas' Brady takes issue with the anti-CAFTA group's portrayal of Central America as countries with poor economies and low labor standards.

He said Central America's market is larger than Australia's, and has better labor standards than Morocco, both with which the U.S. recently signed trade agreements.

"The potential is enormous," Brady said. "What those isolationists are selling is the Central America of 20 years ago. We will have the votes in the House to pass CAFTA."

Workers wonder why

Back at the Co-op in Belle Glade, longtime employees such as boiler room worker Maurice Best, 56, of Royal Palm Beach, and truck shop worker Otis Browning, 48, of Belle Glade — 32- and 27-year employees, respectively — wonder why U.S. trade officials would want to jeopardize jobs here for the sake of jobs in other countries.

"It's something you have to think about," Best said. "A lot of jobs would be lost in a lot of towns. People wouldn't be able to pay the bills or send the kids to college."

Browning said, "I can't imagine waking up, after 27 years of working here, and the sugar mill not being here."