Sugar producers lobby against CAFTA

By LeAnn Eckroth, Staff Writer
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Opposition escalates against a U.S. sugar policy which growers/manufacturers believe dupes the industry here in favor of foreign imported sugar.

The Dominican Republican-Central American Free Trade Agreement would allow for reduced trade tariffs between the United States and six Central American Countries - Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic.

On Oct. 28, family farmers, union members, business people and other supporters from eastern North Dakota and Minnesota unveiled 26,000 signatures against CAFTA on the grounds of the Minneapolis capitol grounds.

Copies of the petition will be sent to governors of both North Dakota and Minnesota, the congressional delegation of both states and President George W. Bush.

CAFTA would allow an additional 109,000 tons of sugar into the market, said Nick Sinner, executive director of the Midwest Fair Trade Coalition/Red River Valley Sugar Beet Association. "It looks like a small percentage, but the marketplace is already full. It does nothing, but decrease the price of sugar."

According to the Minn-Dak Farmers, the world sugar market is over-run with subsidized sugar. All sugar-producing countries intervene in their sugar markets in some way. Many encourage the dumping of sugar onto the world market.

As a result of widespread dumping, the world sugar price has averaged less than half the world cost of producing sugar for the past two decades.

Despite the U.S. being the fourth largest sugar producer, it is the world's fourth largest importer of sugar, because the World Trade Organization and North American Free Trade Agreement require the country to import large quantities of sugar.

According to Sinner, North Dakota is the third largest grower of sugar beets in the United States. The new trade agreement potentially threatens 2,600 jobs directly and 29,000 secondary jobs throughout North Dakota, Minnesota and Montana.

Producers and manufacturers are still recovering from the effects of NAFTA. Sinner said the country processes about 100 million tons of sugar. Under the current sugar policy, the country is required to import between 15 and 20 percent of that - another 20 million tons. Bush has signed CAFTA, but now it must be considered by Congress and Senate before being finalized.

According to reports, the agreement would force the U.S. to more than double its imports from CAFTA countries. This, said producers, will sacrifice the no-cost U.S. sugar support program.

"The governor (John Hoeven) has been a great supporter of efforts. He has helped us a lot by delivering messages to the Republican Party leadership across the country," Sinner said.

The sugar beet harvest is complete in the Mon-Dak region and about 96 percent done in the Red River Valley.

"We're going to continue fight against CAFTA. We're going to continue to monitor future trade agreements that would adversely affect the sugar industry," Sinner said.

The sugar industry in the tri-state area produces 31,000 jobs both directly or indirectly.

"All along, it's been all about jobs, not a political issue," Sinner said. "We'll work with whatever administration is in Washington."

"The (sugar industry) keeps people on their land, provides good jobs and good benefits and keeps rural communities alive ... without cost to the government," he added.

Sinner said if sugar growers are forced to grow other commodities, not only will the sugar industry lose jobs, but if they opt to grow commodities already in abundance, it also will depress those products' prices.

According to Keene farmer/rancher and Dakota Resource Council Member Don Nelson, CAFTA will jeopardize 370,000 jobs nationwide, including 13,000 in the North Dakota sugar industry. "This will virtually eliminate the $21.1 billion sugar industry," he wrote.

In a recent correspondence, Nelson cited issues with NAFTA, which allowed Canada to file Chapter 11 for the borders closing during the "Mad Cow" disease scare. He fears what will happen next with CAFTA.

"If the Canadian Cattlemen for Fair Trade wins this lawsuit, the U.S. will lose its sovereignty to protect its citizens' food supply. This time it will be from BSE ("Mad Cow" disease). What will be next?"

"It's obvious if we were to keep on with our trade agreements, we don't have any protection. We've got to compete with a lot cheaper labor and inputs. It's not possible, not if we want to maintain our lifestyle in the U.S.," he said Friday. "Another thing that comes out of the trade agreement is they can sue under Chapter 11 ... We have followed the protocol of (mad cow disease) as set by a world health organization. If they can sue and do this, we have no right to protect our food supply. BSE is just an example. It could be more."

Nelson said the Dakota Resource Council is partnering with the sugar industry, the unions and other groups to warn government of the dangers these agreements pose.

"We're just trying to educate people about Chapter 11," he said. "We are trying to stop it through the congressional delegation."

They also are attempting to lobby to the administration. The USDA appears to favor a sequence of such agreements.

"These free trade agreements are coming so fast. ... A few years ago, we lost a major number of farmers and ranchers. This could be worse," Nelson said.