## Today's U.S. Sugar Stories for Aug1

**Compiled by:** South Florida Water Management District  
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Two major environmental organizations called Wednesday for blocking new development and mining projects in the Glades until the state decides how to use the 187,000 acres it's buying from U.S. Sugar Corp.

The recommendations from the Everglades Foundation and the 49-group Everglades Coalition come more than a month after Gov. Charlie Crist announced the $1.7 billion buyout of U.S. Sugar's swath of the Everglades Agricultural Area south of Lake Okeechobee.

Crist said the buyout would mean a great leap forward for the state's multibillion-dollar Everglades restoration efforts. But the South Florida Water Management District, which is negotiating the deal, has yet to offer details about its plans for the land.

Meanwhile, some Glades leaders warn that a 1930s-style economic depression could follow U.S. Sugar's departure in six years.

Among specific projects, the environmental groups called for a halt to planning for an "inland port" near the lake. Advocates have said the port, an industrial hub of rail lines, trucking facilities and warehouse storage, could offer a solution to the Glades' economic woes.

The Everglades groups also said the state should designate the sugar region an "area of critical state concern," which would give the governor and Cabinet oversight on land-use decisions. Such a designation has long been in effect for the Keys.

And the groups said a final restoration plan should include at least 325 billion to 490 billion gallons of water storage to reduce the harmful dumping of runoff from the lake into the St. Lucie and Caloosahatchee rivers.

"We believe it is critical to ensure an adequate supply of clean water to the Everglades," said Lisa Interlandi, an attorney for the Everglades Law Center. "Equally important, though, is preventing development that could harm the restoration efforts and ensuring that economic development initiatives are compatible with restoration."

The water district declined to comment on the recommendations but said "we welcome the thoughts of the environmental community."

The Palm Beach County Commission would have to vote on any development moratorium, County Administrator Bob Weisman said. He compared the brewing fight over the inland port to environmentalists' successful battle to have The Scripps Research
Institute's planned headquarters moved from rural Mecca Farms.

The groups' recommendations include a call for devoting more than 45,000 acres to create paths for water to flow and to expand the district's already sprawling network of filter marshes south of the lake. They said restoration plans also should encompass areas north of the lake.

The coalition's recommended development moratorium would apply to all land-use changes in the Everglades Agricultural Area and extend to proposals for mines, roads, rail lines, power plants and other projects. Economic development should be concentrated within city limits and be compatible with restoration, the groups urged.

County Commissioner Jess Santamaria, whose district includes part of the Glades, said any development petitions should take a back seat to restoration.

"If we produce a land-use change, it has to be conditional that it does not interfere with Everglades restoration," he said.

Staff writer Eliot Kleinberg contributed to this story.

~ paul_quinlan@pbpost.com

Eco groups' advice

The Everglades Foundation and the Everglades Coalition recommend these steps, among others, to follow the state's proposed $1.7 billion purchase of U.S. Sugar's 187,000 acres.

- Block new development or mining projects in the Everglades Agricultural Area until restoration plans are complete.

- Halt planning of a proposed 'inland port,' which could be built on farmland in western Palm Beach County.

- Designate the sugar-farming region an 'area of critical state concern,' increasing the state's oversight of land-use decisions.

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**Everglades Land Purchase May Threaten Existing Project**

08/01/2008

Construction Equipment Guide
WELLINGTON, Fla. (AP) A new Everglades land deal could undermine an existing water project that has already cost the state millions of dollars.

Gov. Charlie Crist announced a $1.75 billion deal June 24 to purchase 187,000 acres (75,700 ha) from U.S. Sugar Corp., but the deal could cause a multimillion-dollar reservoir under construction in western Palm Beach County to become obsolete before its finished.

The state has already invested approximately $250 million in the project, but finishing the reservoir might not fit into the new plan of letting water flow from Lake Okeechobee to the Everglades.

The South Florida Water Management District stopped work on the reservoir earlier in June, claiming it had to resolve a lawsuit with an environmental group challenging how the reservoir water would be used. But Brad Sewell, an attorney for the Natural Resources Defense Council, said the purpose of the lawsuit was to guarantee the reservoir water went to the Everglades, not to stop construction.

District officials maintain that the lawsuit not the pending land deal stopped construction.

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**U.S. Sugar sale would ravage rural economies, study says**
08/01/2008
South Florida Sun-Sentinel
Heroux, Marcia

By Marcia Heroux Pounds | South Florida Sun-Sentinel

The state's plan to buy U.S. Sugar Corp.'s land and assets could destroy the rural economies of Hendry and Glades counties and hurt Florida overall, according to an academic study released Thursday.

The economic impact is far-reaching, with total statewide annual losses exceeding $1.64 billion in revenue, nearly 11,000 jobs and $127 million in tax revenue to local, state and federal governments, the study by the University of Florida says.

Palm Beach County, which is more diverse than Hendry and Glades counties, would be less affected.

"It's bigger than I first imagined," said Mali Chamness, mayor of Clewiston. "We don't know why we have to suffer economically for this process to work."

The study, produced by University of Florida's Institute of Food and Agricultural Sciences, was not commissioned by any sponsor, said Alan Hodges, a university agricultural economist and an author of the study. "We've been getting a lot of questions about..."
On July 1, the state struck a $1.75 billion deal to buy U.S. Sugar's land and assets to help restore the Everglades. Since U.S. Sugar began operations in 1931, it has provided a large portion of employment, indirect business and tax support to Clewiston and surrounding rural communities.

The agricultural region of Palm Beach, Hendry and Glades counties would suffer nearly 90 percent of the statewide effect. Residents in Hendry and Glades counties could see a 25 percent loss in personal income, the study says.

"That's going to touch every person in those small communities," Hodges said. "Even if you don't lose a job directly, they're going to feel it at the gas stations, retail stores; all those businesses benefit from having a large company like that in town."

The three counties would lose 8,935 jobs, $1.43 billion in revenue and $598 million from related business. The region also would lose $185 million in property income and $45 million in business taxes, according to the study.

Chamness and other longtime business operators in the area argue that the South Florida Water Management District, which will be purchasing the land, doesn't need all 187,000 acres of sugar cane fields to restore water flow to the Everglades. The mayor would like to see U.S. Sugar's citrus and sugar plants sold and continue operation and other land be made available for development or new employers.

"There has to be some common ground that we can find," said Chamness, who has asked for area counties to have a "seat at the table" in making decisions about the region.

Currently, U.S. Sugar land planting is rotated between sugar cane and vegetables, to protect the land.

"This region grows the entire winter crop for the country," she said.

Consumers won't be affected by the buyout, Hodges said. State and company officials hope to finalize the deal by November, then U.S. Sugar would phase out operations over six years.

"This probably is not going to significantly change the market for sugars and sweeteners in the U.S. Even though U.S. Sugar represents 10 percent of production in the U.S., that loss will be made up," the economist said.

Domestic sugar prices are regulated, which minimizes any price fluctuation, he said.

Take a look
View the history of the sugar cane industry in South Florida in an interactive photo gallery and video report at Sun-Sentinel.com/sugar
The proposed U.S. Sugar Corp. buyout could mean a loss of $1.64 billion in economic output per year and 10,711 jobs statewide, a University of Florida study estimates.

Palm Beach, Hendry and Glades counties would take the bulk of that hit. They would suffer a $1.43 billion economic impact and lose 8,935 jobs, according to the UF study, which was commissioned by the Florida Farm Bureau Federation.

The study, dated July 23, based its conclusion on a worst-case scenario of a complete shutdown of the company's Clewiston sugar mill and refinery as well as its 56 million-gallon orange juice storage-tank farm and processing plant west of the city, which is where U.S. Sugar is based.

On June 24, the state announced a $1.75 billion deal to buy all the assets of U.S. Sugar, including 187,000 acres in Palm Beach, Glades and Hendry counties, for a mammoth Everglades restoration project. 'The really important finding is that the impacts at the local level - and in particular the two rural counties - are significant,' said Alan Hodges, one of the four members of the UF Food and Resource Economics Department team that conducted the study.

Personal income for the three counties would drop by $553 million a year, and local, state and federal tax revenue losses would total $127 million a year, the study found. 'We have a lot of producer members there,' Florida Farm Bureau spokesman Rod Hemphill said. 'There is a lot of concern about what it will do to the tax base.' Assuming that half the impact would be on Glades and Hendry counties, the result would be a 25 percent reduction in personal income in those counties, Hodges said. The shutdown and loss of 1,700 U.S. Sugar jobs would ripple through the economy, affecting everything from hardware stores to coffee shops to plumbing companies. 'There would be some major job losses and some population reduction,' Hodges said. 'Those jobs aren't there anymore. Some people are going to have to leave.'

Pahokee Mayor Wayne Whitaker said the study's conclusions confirm what he already knew. 'When they shut down, this area will be devastated,' Whitaker said Thursday.

Hodges said he doesn't think U.S. Sugar's closure could be made up by other activities such as eco-tourism, although some new business would develop around the conservation areas. And although the study assumes a complete shutdown, experts think it's unlikely all the land would be taken out of sugar cane production. 'We made the assumption that everything would be shut down and all U.S. Sugar operations would go away immediately,' Hodges said. 'We know that is not going to happen, but that was the simplified approach we took to this.' U.S. Sugar's revenues were estimated at $657.5 million, based on information...
about the company's production capacity and average price of the commodities it produces, Hodges said.

Thomas Spreen, another UF economist who worked on the study, said it's almost inconceivable there won't be a buyer for the citrus plant, sugar mill and refinery. 'You've got a valuable asset sitting there,' Spreen said of the plant. 'I just can't believe it will get closed down and shut up. The tank farm itself is worth close to $100 million.' The entire juice facility would probably cost $150 million to $200 million 'if you had to build it all over again,' Spreen said. 'It is one of the six largest juice companies in the state, with close to 20 million boxes of capacity, and it's strategically located.' Florida officials have indicated the state would offset the fiscal impacts on the governments of Glades and Hendry counties, Spreen said.

Still, the possible bottom line isn't pretty. 'If the economic projections are correct, 10,000 jobs is a lot of jobs,' Spreen said. 'Clewiston is clearly ground zero here. It's going to have a devastating effect on the economy of Clewiston.' Because there is little information available about the deal, the economists don't know all the answers, Hodges said. 'We have been getting a lot of calls about this,' he said. 'There is a real lack of information about this whole thing.' Another study might be done when more is known, such as what the South Florida Water Management District plans to do with the property.

Lawmakers Question Buyout Of U.S. Sugar
08/01/2008
Tampa Tribune - Online
BILLY HOUSE

WASHINGTON - Two Democratic Florida congressmen Thursday posed more than two dozen detailed questions about Gov. Charlie Crist's proposal to save the Everglades through a $1.75 billion buyout of U.S. Sugar.

In a letter, Reps. Alcee Hastings of Miramar and Allen Boyd of Monticello pressed the Crist administration on topics ranging from the total cost of the land-acquisition plan, to what, exactly, the federal responsibilities will be.

Their letter was addressed directly to Department of Environmental Protection Secretary Michael Sole, who had attended a meeting with Florida's U.S. House members on the plan Wednesday.

Hastings, Boyd and other lawmakers - including Republicans - were critical during that meeting of the secrecy surrounding the Crist administration's negotiations with U.S. Sugar, not made public until last month.

The letter sent out by Hasting and Boyd was done on their own,
not with other members of the delegation.

But it shows that in their cases, the concerns about the Crist plan go beyond mere disappointment in being left in the dark. 'The congressman is very determined to get answers,' said David Goldenberg, Hastings' chief of staff.

Among the questions contained in the four-page What is the total cost of the plan to buy U.S. Sugar's 187,000 acres and other holdings in the northern Everglades? The letter notes the Florida Legislature struggled this fiscal year with a $2 billion gap in state revenue and had to cut education and other programs. What are the long-term operations and maintenance costs of implementing the plans for a network of reservoirs and water-treatment marshes, in terms of labor, infrastructure and other costs? Giving the current economic environment, what will the effect be on taxpayers and specific counties? How will it be paid for without raising taxes? Was Florida Commission of Agriculture Charlie Bronson consulted on the effect of agriculture in the region? What will be the federal responsibilities for this land? How will the Army Corps of Engineers, a partner with the state in Everglades restoration, fulfill its mandate on existing projects? Which, if any, of the already authorized projects in the federal Water Resources Development Act of 2007 need to be altered?

The letter also pushes for answers and assurances that the state does not intend to delay or scrap implementation of current federal-state projects in the Everglades, such as the Indian River Lagoon project.

Sole had not yet received the letter as of

But spokeswoman Sarah Williams said, 'We appreciate the Florida delegation's interest and will be happy to address any questions that remain after Wednesday's meeting when we do receive the letter.' Reporter Billy House can be reached at (202) 662-7673 or bhouse@tampatrib.com.

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**Editorial: Balancing ecology, economy**

08/01/2008

Naples Daily News
Naples Daily News

We knew there would be a downside. We knew the largely positive initial reaction to the proposal for Florida to buy out a traditional source of Everglades pollution from Big Sugar would eventually be met with a competing interest.

And here it is: The loss of jobs and the impact to the economy of that area and the rest of Florida.

A new state report says Palm Beach, Hendry and Glades counties would be hardest hit because that's where most of U.S. Sugar's operations are based. Together, the three areas could lose 8,935 jobs and $1.43 billion.

Not good.

Still, it will be important to take a harder look at those numbers. What kinds of jobs are involved, and what is the average annual wage? Are they the kinds of jobs that are better replaced in the long run by a cleaner, more sustainable industry?

All areas, Southwest Florida included, reach a point where it makes sense to re-examine the status quo and all its impacts and ask if there is a better way to make a living.

There has to be a better way for the affected area than sticking with a dominate employer that does so much environmental damage.

That needs to be kept in mind as this major environmental/economic proposal moves forward.

Lawmakers Blast Sugar Deal
07/31/2008
Florida Trend

FLORIDA:

Gov. Charlie Crist's top emissaries arrived at the Capitol on Wednesday to brief Florida's congressional delegation on his massive buyout of U.S. Sugar's operations in the Everglades. They ended up stepping into an alligator's nest. Despite Crist's stated goal of buying nearly 200,000 acres from U.S. Sugar to speed up the rehabilitation of the Everglades, a goal the Florida delegation overwhelmingly supports, Republicans and Democrats alike were clearly peeved at having been kept in the dark until the deal was announced especially given the federal government's key role in the $20-billion Everglades restoration project. [Source: St. Petersburg Times ]
WASHINGTON_Florida's congressional delegation is expressing concerns over the state's proposal to buy sugar land for Everglades restoration.

The state plans to buy some 300 square miles of land from U.S. Sugar Corp., putting the nation's largest producer of cane sugar out of business.

Lawmakers briefed on the $1.75 billion deal in Washington on Wednesday expressed concerns over how the move would impact area communities, which have relied on farming to fuel their economies.

Some suggested the state provide support for home-value losses and set up an endowment fund.

Meanwhile, a University of Florida study found the deal could wash away about $1.6 billion in annual revenues from the region and lead to a loss of more than 10,000 jobs statewide.

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EVERGLADES: Fla. officials attempt balance of economic, environmental needs
07/31/2008
E&ETV
E&E News

The success of a Florida plan to restore the Everglades' natural watershed may hinge on officials' ability to gain cooperation from two giants of the sugar industry, Florida Crystals and U.S. Sugar.

Florida officials announced a plan last month to purchase 187,000 acres from U.S. Sugar and are now hoping to swap some of that land with Florida Crystals to create a water corridor from Lake Okeechobee to one of the nation's most prized wetlands.

Alfonso and J. Pepe Fanjul, the brothers at the top of family-run Florida Crystals, have agreed to make the exchanges, as long as their biomass plant in Okeelanta is allowed to stay put.

"We really want to be as green as we possibly can be," Alsonso said. But J. Pepe added, "You have to have a balance between the environment and economic development. Something has to be done for the humans too."

There also are struggles with U.S. Sugar, which has been frequently taken to court by environmentalists over its land-management practices. The state restoration plan would put the company out of business in six years.

Company workers, who face losing their jobs, say removing the sugar industry would destroy the local economy, filling the area with ghost towns (Damien Cave, New York Times, July 31). -- PR

Delegation Has A Right To Be Upset Over Crist's Sugar Deal
08/01/2008
Highlands Today

Highlands Today

Proponents of a proposed property tax increase to allow the county to purchase and preserve environmentally sensitive lands made the right decision when they, and the Natural Resource Advisory Committee, decided to not have county commissioners put it on the November ballot.

Although the proposed tax was tiny, and held great potential benefits for the county and our environmentally sensitive areas, it would have been a waste of time to put it on the ballot.

We're encouraged that NRAC and proponents of the ballot initiative plan to revisit this issue. It's a legitimate idea to protect the land so precious to all of us. We must find a way to make sure our area's best attributes are protected. Whether an increased property tax is the way to achieve that depends on what voters think. And they certainly deserve to make that choice - but not right now.
Today's U.S. Sugar Stories for Aug1

This difficult economy forces a lot of good causes to hold off, at least temporarily, until conditions improve. Our economy will turn around, and we hope it's sooner rather than later. Until then, some of these ideas have to wait.

Florida's congressional delegation is upset at Gov. Charlie Crist's mega-deal to buy-out U.S. Sugar in Clewiston for $1.75 billion to improve water quality in the Everglades.

According to news reports, they don't necessarily want to stop the deal, but they're upset they knew nothing about it and could not provide input. We understand their anger, but wonder if they would have been any help in the process. Congress isn't exactly known these days for solving big problems. But they make some legitimate points.

Crist needs to quit hammering out deals on his own without more public input. His deal with Indian tribes concerning casino gambling has drawn a lot of criticism and legal questions. This sugar deal, which has many good points, also will devastate communities such as Clewiston. Shutting down the city's only industry has incredible effects.

The deal isn't done, according to Michael Sole, secretary of Florida's Department of Environmental Protection. Maybe not, but the damage has been done to all the citizens who own homes in the affected areas.

It's sometimes hard to feel sorry for our delegation, but this time they have a point.

Venta de U.S. Sugar costaría millones al sur de Florida
07/31/2008
Diario Las Americas

El Congreso asignó recientemente $2,000 millones para que el Cuerpo de Ingenieros comience la planificación de la primera fase de la restauración de los Everglades, pero se necesitará más dinero. Foto: Douglas R. Clifford, SPTimes.

Redacción y servicios de Diario las Américas

La venta de U.S. Sugar al estado puede costar a los condados en la región centro sur de Florida $1,600 millones (1.6 billions) y más de 10.00 empleos, dice una investigación preliminar de economistas agrícolas de la Universidad de Florida.

La venta de los terrenos e instalaciones de U.S. Sugar al Distrito de Administración de Agua del Sur de Florida ha sido pactada en $1.750.000 (1.75 billones) ha sido elogiada por el gobernador Charlie Crist.

La meta, según se informó, es usar esas tierras para la restauración y conservación de los Everglades..
El estudio de impactos se basa en dólares del 2008, pese a que el acuerdo permite a U.S. Sugar continuar las operaciones por hasta seis años.

Los analistas universitarios reconocen que suponen que es improbable que ocurran algunas cosas, incluyendo la finalización completa y permanente de todas las operaciones agrícolas que realiza la empresa.

En resumen, el informe dice que “el impacto económico de la compra de U.S. Sugar Corp. Tendrá una gran magnitud”

Añade que los impactos pueden ser especialmente severos en los condados Glades y Hendry, donde están ubicadas las principales plantas procesadoras de la compañía.

El informe preliminar ha sido elaborado por por Alan W. Hodges, W. David Mulkey, Thomas H. Spreen y Rodney L. Clouser del Instituto de Ciencias de la Alimentación y Agrícolas de la Universidad.

Algunos hidrólogos dijeron a The New York Times, que el Estado, funcionarios federales y ecologistas han apostado una gran suma para la adquisición de terrenos a la empresa U.S. Sugar, que han sido muy fertilizados y cuya limpieza puede tomar años, a un costo de miles de millones de dólares.

En resumen, un plan de rescate, con más tierras, enfrenta las mismas limitaciones que han socavado a los esfuerzos para restaurar a los Everglades desde los años 80: demasiado impacto humano y muy poco dinero.