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By Marcia Heroux Pounds | South Florida Sun-Sentinel

Florida'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 a recently released academic study.

The economic impact would be 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, according to the study by the University of Florida.

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 the 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 this from people in the industry, from South Florida in general," Hodges said.

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 say that the South Florida Water Management District, which will be purchasing the land, does not 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, their operations continue 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 that area counties have a "seat at the table" with the sugar companies and state officials in making decisions about the region.

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

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

Consumers are not expected to be affected by the buyout, Hodges said. State and company officials hope to complete the deal by November, after which U.S. Sugar would phase out its South Florida operations over six years.

"This probably is not going to significantly change the market for sugars and sweeteners in the United States. 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.

