Today's Land Acquisition Stories for September 13-15, 2008

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Headline	Date	Outlet	Reporter
Florida Deal for Everglades May Help Big Sugar	09/14/2008	Atlanta Journal-Constitution - Online	
EDITORIAL State Needs To Keep Congress In Loop On Everglades Deal	09/13/2008	Calibre MacroWorld	
EDITORIAL State Needs To Keep Congress In Loop On Everglades Deal	09/13/2008	Macro World Investor	
Florida Deal for Everglades May Help Big Sugar	09/14/2008	Marshall News Messenger	
Florida Deal for Everglades May Help Big Sugar	09/13/2008	New York Times - Online	MARY WILLIAMS WALSH
Hendry, Hendry, rancher pitch 6,000-acre site for 'inrancher pitch 6,000-acre site for 'inland port'	09/15/2008	Palm Beach Post	Quinlan, Paul
The chocolate river	09/14/2008	Palm Beach Post - Online	Sally Swartz
Any deal will be a sweet one	09/14/2008	Palm Beach Post - Online	Schultz, Randy
Florida Deal for Everglades May Help Big Sugar	09/15/2008	Sarasota Herald-Tribune	

EDITORIAL State Needs To Keep Congress In Loop On Everglades Deal 09/13/2008 Tampa Tribune (FL)

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Return to Top

IN June, Gov. Charlie Crist announced that Florida would buy one of the states two big sugar enterprises, the United States Sugar Corporation. He billed the purchase as a jump-start in the environmental restoration of the Everglades, which cane growers are accused of polluting with fertilizer runoff.

But in the end, the $1.7 billion buyout, scheduled to be completed in early 2009, may also prove to be a financial boon to the states remaining sugar superpower, Florida Crystals. One of the countrys wealthiest families, the Fanjuls of Palm Beach, controls Florida Crystals and today touches virtually every aspect of the sugar trade in the United States.

If you buy Domino Sugar, youre buying from the Fanjuls. Ditto C&H Sugar. (That name stands for California & Hawaii, but the Florida Fanjuls acquired it in 2005.) National retailers prefer dealing with coast-to-coast vendors, so if you buy a bag of sugar at Wal-Mart, Kroger or Safeway, youre also patronizing the Fanjuls.

Take a pill, eat a granola bar youre probably consuming special, high-end sugars that Florida Crystals produces for the pharmaceutical and packaged-food industries.

Sugar imported from Mexico and the Dominican Republic also stands a good chance of coming from Fanjul companies.

Now, some people in Florida are saying that if the state completes its takeover of U.S. Sugar, the opportunities that the deal presents may be a capstone to the lifes work of the family patriarch, Alfonso Fanjul Jr., known as Alfy. This is going to be a really good deal for the Fanjuls, says Dexter Lehtinen, a former federal prosecutor whose 1988 lawsuit against the state led to a settlement instituting tough clean water standards. The state embarked on a nonachievable goal, and now in desperation to wrap up some package, theyre going to have to give access to Florida Crystals on favorable terms. Others, like makers of candy and cereal, say the Fanjuls already control too much of the sugar trade. They want to buy sugar cheap and say the Fanjuls have long charmed Congress into legislating price supports that keep it expensive.

Free-trade advocates also complain, saying that a private business has used the shelter of the federal sugar program, created in the Depression to nurture struggling farmers, to increase its corporate hammerlock. These people have been absolutely extorting consumers for decades, and the only reason theyre existing in the first place is, they were able to get sweet deals from governments that were propping them up, says Sallie James, a trade policy analyst with the libertarian Cato Institute, referring to Florida Crystals and U.S. Sugar.

But Florida Crystals executives scoff at the notion that their company has weaved together a profitable and all-powerful sugar monopoly. Anyone who thinks this isnt one of the most competitive, fiercely won industries just doesnt know, says Brian F. OMalley, chief executive of Domino Foods, a marketing concern in which Florida Crystals has a major stake.

Others in the Fanjul empire concur. We might have a bit of a freight advantage, but not pricing power, says Luis J. Fernandez, executive vice president of Florida Crystals and Alfy Fanjuls son-in-law. Whether or not the Fanjuls have crafted a monopoly, they have certainly re-created a very lucrative business dynasty.

Fidel Castro chased the Fanjuls from Cuba in 1959, ending five generations of the familys controversial rule in the sugar industry there. Starting with cash moved out of Cuba and worn-out milling equipment bought second-hand in Louisiana, the Fanjuls spent recent decades buying refineries and related businesses an enterprise that ultimately stretched seamlessly from the canefields of Florida to Americas kitchen cupboards and beyond. We have the most developed product line of any sugar company today, Mr. Fernandez says. We have probably 20 different offerings, just on the grocery side. WHEN Governor Crist announced the sugar buyout in June, he called the deal as monumental as the creation of the nations first national park. Environmentalists were overjoyed, and the proposal made national headlines. Plans to restore the Everglades 4,000 square miles of marshes and sawgrass prairies in southern Florida have been floated, fought over and delayed for years, often amid heavyweight lobbying by the sugar companies.

Millions had been spent, reservoirs dug, water moved this way and that, but the Everglades continued to grow sickly, largely because of what analysts say is rampant overdevelopment and the loss of regular flooding that wetlands need.

Then, in one grand gesture, Governor Crist offered a buyout that the state said would knock out a major obstacle preventing reclamation of the Everglades. I can envision no better gift to the Everglades, the people of Florida and the people of America as well as our planet than to place in public ownership this missing link that represents the key to true restoration, he said when he announced the deal. The missing link was an expanse of sugar land south of Lake Okeechobee and north of the Everglades National Park. For eons, Lake Okeechobee served as the Everglades giant wellspring, until the federal government diked the lake and drained lands around it after devastating hurricanes in 1928 and 1947.

The array of earthen bulwarks and pumping stations crisscrossing that territory cut off the Everglades from Lake Okeechobee, denying the marshlands their source of freshwater floods.

To make environmental matters worse, the cane planters who moved onto the newly dry land used fertilizer that leached phosphorous into what little water still made it from Lake Okeechobee to the Everglades, further degrading the marshlands.

The Crist plan initially promised to send fresh water streaming into the Everglades again, through a wide, shallow expanse called a flow way. To that end, the state offered $1.75 billion for the land and assets of U.S. Sugar, giving the company six years to wind down its operations.

But the state needs only about 24,000 acres of U.S. Sugars farmland to create a flow way, according to David P. Reiner, a spokesman for the environmentalist group Friends of the Everglades. He said the flow way approach was abandoned as unworkable in the 1990s, and people were surprised when Governor Crist revived it.

For its part, the South Florida Water Management District, the state agency in charge of the Everglades restoration, recently said the flow way might require 100,000 acres.

To that end, Florida is buying all of U.S. Sugars land 187,000 acres as well as a new cane-grinding mill, a large refinery and a 200-mile railroad that carries cane to the mill.

A spokesman for the governor, Eric Eikenberg, said the flow-way plan was achievable: Once the acquisition is complete, there will be the ability and the environmental community is very enthused about the ability to have a good number of acres to store water, and to clean water, and to move water all the way to the Everglades. It can be done. Still, taking title to U.S. Sugars acres will not by itself enable the state to build the flow way. The state would still need an additional 40,000 acres now standing in the way land owned by a Fanjul company, the Okeelanta Corporation, and home to canefields, a grinding mill, a sugar refinery and a cane-fueled power plant.

So far, negotiations over the land use and purchases around Lake Okeechobee are behind closed doors, and the region is abuzz with speculation about what areas will be flooded, who will be allowed to buy excess acres the state has acquired, and whether local sugar farmers should even plant their next crop.

Much of the land that U.S. Sugar owns around Lake Okeechobee is more desirable than Fanjul-owned land nearby because its richer in sediment favorable for growing cane. Many in the sugar trade expect and even hope that the Fanjuls will use the U.S. Sugar buyout as an opportunity to expand their holdings in southern Florida, trading some of their land for U.S. Sugars in a swap orchestrated by the state. If theyre trying to drive a bargain, more power to them, says Ardis Hammock, a local cane planter whose family has been selling cane to U.S. Sugar since the 1930s. It would bring some stability. Others were distressed to think of the Fanjuls company moving onto land they wanted the state to take out of production. They want development rights, says Drew Martin, chairman of the Sierra Clubs Everglades committee. Theyve talked about putting a dump site there. Gaston Cantens, a spokesman for Florida Crystals, says the Fanjuls did nothing to help engineer Governor Crists buyout of U. S. Sugar. On the contrary, he says, the family knew nothing about the deal until just a few days before it was announced.

Nonetheless, Mr. Cantens says, the Fanjuls have let negotiators know that if the state ends up with more land than it needs, Florida Crystals is ready to take the excess and the new mill off its hands but only on terms that make sense financially.

Because a sugar mill cannot turn a profit without access to tens of thousands of acres of sugar cane, the Fanjuls would have to gain access to a huge tract to make a purchase of U.S. Sugar lands feasible.

For now, Mr. Cantens says, the Fanjuls are like everyone else in Florida: they are waiting to see exactly what sort of restoration the state has in mind. Were interested, obviously, he says. But it all depends on how much land they need. ANYHOW, Florida Crystals says, a big sugar buyout cant really be the salvation of the Everglades.

Years ago, Mr. Cantens acknowledged, cane planters were a major source of phosphorus in Everglades water. But since the 1990s, he says, the Fanjuls and other sugar manufacturers have cleaned up their acts. If you go back 20, 25 years, we werent doing the things were doing now, he says. Weve implemented all kinds of best practices. Environmentalists have given us this black hat, and weve been wearing it for the last 20 years. Indeed, a titanic struggle has long raged in Florida between Big Sugar and environmentalists, with environmentalists saying that cane farming was destroying the Everglades, and the sugar companies denying that phosphorus was harmful and lobbying to delay water-quality deadlines.

Advocates for Everglades restoration agree that the sugar industry has raised its clean-water standards, but say it hasnt raised them enough to make the water safe for replenishing the Everglades. They want either a flow way or a system of reservoirs and filter marshes to cleanse the water before it flows south. And most environmentalists say they would still like to see the sugar industry removed from the region entirely.

The Fanjuls were noted political machinators during previous environmental battles, angling to defeat a proposed federal sugar tax linked to clean-ups in the Everglades. But political fireworks may have diverted public attention from some meaningful steps the Fanjuls and other producers have taken.

After Florida passed a law in 1994 requiring sugar planters to reduce their phosphorus runoff by 25 percent, they voluntarily cut it more than twice that amount by cleaning their irrigation ditches more often, planting organic cane fields and handling water differently, according to the South Florida Water Management District. Today, the states own data show that the phosphorus entering Lake Okeechobee comes primarily from the north side of the lake downstream from cattle farms, residential developments with well-fertilized lawns and leaking septic systems and not from southern canefields.

Linda McCarthy, a water management specialist for Lykes Brothers, one of the largest cattle concerns on the north side of the lake, said companies there were working to control their waste runoff. But she said the state had different standards in her area.

Florida Crystals says it now scrubs other peoples phosphorus from the water, yet more keeps coming. It also says that environmentalists have failed to credit Florida Crystals contribution to efforts to limit global warming pointing out that its canefields absorb all the carbon dioxide output that its other operations cough into the atmosphere. From the environmentalists perspective, theyve always felt it was easier to bash sugar, because theres fewer land owners, Mr. Cantens says. But theres climate-change groups that would advocate for sugar cane because its such an energy-efficient crop. Environmentalists maintain that there are better uses for land in southern Florida than cane plantations, like water treatment areas or animal habitats.

Mr. Eikenberg, the governors spokesman, said the governor believed that there might be a way for environmentalism and commerce to go hand-in-hand. Were very proud of the way we have elevated the discussion in Florida, on both alternative and renewable energies, he said. And Florida Crystals has stepped up to pursue research on cellulosic ethanol. Given the political dynamics, some industry analysts say the U.S. Sugar buyout is something other than an Everglades rescue. My instincts are to suggest that its a bailout, says Ms. James of the Cato Institute. Sugar prices have been going down. Youve been signing trade agreements bringing in more foreign sugar. Basically, the companys going down because of government policy, so theyre saying, You should bail us out. Robert E. Coker, senior vice president of U.S. Sugar, disputed that assertion. Weve had some tough times, he says. But our company is well capitalized, and were in a good position long term. Why, then, is his company going out of business? When the governor of the state of Florida looks you in the eye and says, Wed like to buy your company out and Charlie Crist is a very determined individual our company takes it very seriously, Mr. Coker says. GOVERNMENT intervention in the complicated and notoriously difficult sugar trade is hardly novel. To insulate domestic producers from the booms and busts of global commodity prices, Washington established a system of price, planting and import controls in the 1930s.

Federal programs for most other crops like corn and wheat have evolved, so that today the government makes direct payments to the farmers, who then produce huge surpluses for export.

But the sugar program has continued to work the old way, with Washington propping up the domestic price by limiting the supply of raw sugar on the market, through an elaborate system of loan procedures and import quotas. Today, domestic sugar costs about 18 cents a pound; elsewhere in the world, the price bounces around 6 to 12 cents a pound. American consumers may not know it, but theyre paying for that difference.

Even inside the fire walls enclosing the United States, the American sugar business has seen a quarter-century of serial bankruptcies. Most have occurred at the upper end of the business, sugar refining. Thirty years ago, there were more than 20 independent cane-sugar refineries in the United States, buying raw sugar from mills at the government price and churning out sucrose for American tables. But the advent of high-fructose corn sweetener created a sugar glut, wiping out many of the refineries.

INTO these troubled waters dove the Fanjuls. In 1984, with the industry in disarray, they bought up the sugar operations amassed by Gulf & Western, an old-fashioned conglomerate that was trying to unload unwanted assets.

The Fanjuls bought the operations for a relative song: $200 million, Gulf & Westerns book value for the assets. Competitors and analysts thought the family was crazy; no one else wanted G. & W.s sugar operations. Crazy like foxes, Mr. Fernandez says. The G.& W. purchase allowed the Fanjuls to knit together growing, milling and refining facets of the sugar business that were largely separate elsewhere. What we pioneered was to have all three components under one corporate structure, Mr. Fernandez says. That diversity insulated the Fanjuls from price squeezes in the refining business. And the family continued its acquisition spree, buying into Domino, C&H and other concerns. Analysts still scoffed. Who would want to buy it? a Lehman Brothers analyst said of the Domino purchase in 2001. The fundamentals are shocking. Still, the Fanjuls made that and other acquisitions work, through a wily combination of operational expertise and government price supports orchestrated in Washington.

Early on, the family also benefited from what a long list of critics and labor lawyers described as abusive treatment of cane-cutters brought in seasonally from the West Indies.

After fighting lawsuits for many years, the Fanjuls finally switched to a mechanized cane harvest, eliminating foreign workers and, eventually, the controversy over their working conditions. Mr. Cantens says the companys blue-collar workers in the United States are now unionized and receive standard pay and benefit packages. The Fanjuls extended family of companies employs about 25,000 people worldwide.

U.S. Sugar also pursued vertical integration, but it started later than Florida Crystals and kept its operations regional. It also took on hefty debts. Earlier this year, its employees sued, alleging the company was short-changing them when they claimed their retirement money; that suit is pending. The company canceled its stock dividend this spring. It earned only $3 million last year and warned that it would probably lose money this year.

And then came Governor Crists $1.75 billion offer.

Florida Crystals executives declined to speculate on U.S. Sugars finances, other than to dispute any suggestion that its demise would give them control over the market. Today, according to Mr. Cantens, the Fanjuls control 32 percent of the domestic sugar market. That figure plays down their real clout, analysts say, because they control the most profitable parts of the business.

Because Florida Crystals is privately held, it doesnt publicly report its income. But the company said it had revenue of $3 billion last year, up from $2.5 billion the year before.

So, if the fifth generation of the Fanjul family has conquered the American market, what does that leave for the sixth generation? To find the way back to Cuba?

Mr. Fernandez says he and his family are too busy running the business to think about Cuba. Its like daydreaming, he says. I dont spend any time on that at all. After expropriating the property of the Fanjuls and other sugar families in Cuba, Fidel Castro said he would make the industry more productive under state control. Instead, production has shrunk and the Cuban sugar market is in dire need of capital, according to analysts.

Although Mr. Castro is now ailing and Cuba is being run by his brother, Ra

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EDITORIAL State Needs To Keep Congress In Loop On Everglades Deal

Return to Top

09/13/2008
Calibre MacroWorld

Sep. 13--The secrecy that enshrouded Florida Gov. Charlie Crist's plan to buy out U.S. Sugar now threatens to undermine this critical effort to save the Everglades.

Members of Florida's congressional delegation are questioning the plan and wondering why they were kept in the dark. They want straight answers about the plan to pay U.S. Sugar $1.7 billion for 187,000 acres around Lake Okeechobee.

The state water managers should provide them. Pronto. These are, after all, elected officials who have championed the Everglades. But they also care about the welfare of the agricultural workers and the wise use of tax dollars. And they want to know how the plan will affect the 20-year, $8 billion Everglades restoration plan Congress agreed to support eight years ago. The plan never mentioned a buyout of U.S. Sugar.

Concerned House members include Rep. Adam Putnam of Polk, who told the Tribune's Lindsay Peterson, 'No questions are being answered about the impact of the overall restoration plan.' This all underscores the pitfalls of such secret deals.

Granted, initial negotiations for such a complex undertaking may need to be conducted in private. But when the public is given little time to scrutinize the plan and the officials are not forthcoming -- even to members of Congress -- about details, suspicions are going to be aroused.

It would be a shame if the deal fell apart. The acquisition would allow the construction of reservoirs where water will be stored and filtered before being released into the Everglades.

It would ensure the success of the federal-state restoration effort. Without the U.S. Sugar land, restoring and filtering the water would be possible, but far more challenging.

The purchase will not require new taxes and will be funded solely through property taxes already levied by the South Florida Water Management District, the lead state agency in Everglades restoration.

Perhaps a bigger question is this: Does the state need buy the entire 187,000 acres to restore the River of Grass? Closing all of U. S. Sugar agricultural operations would eliminate about 1,700 jobs, a concern for members of Congress and the state Legislature.

Those worrying about the economic impact should remember restoration work will create many jobs, and cleaning up the Everglades and Lake Okeechobee will attract lots of tourists.

Still, Crist and South Florida Water District officials should determine if it is possible to keep farming at least some of the land. Prior to the U.S. Sugar acquisition announcement, it had been estimated that about 100,000 acres would be needed for the filtering reservoirs.

So why not keep at least some of the U.S. Sugar land in agriculture, especially if the state can ensure appropriate environmental safeguards will be taken?

Another matter Crist needs to quickly address is the slick proposal by Florida Crystals, another sugar grower, to build an inland port south of Lake Okeechobee in the proposed path of Everglades restoration.

It's not clear an inland port is necessary. But it is certainly not needed in that remote location with no infrastructure.

An inland port, if needed, should be developed near an existing city such as Belle Glade or Pahokee, where it would provide jobs and invigorate the community.

The Florida Crystal plan for a port in the hinterlands looks to be more a real estate venture than a plan to improve trade. The company wants 9,000 acres designated for the project, far more than would be needed for the port. Crist and state water managers should make clear they'll fight any such development.

Crist deserves credit for pursuing the ambitious U.S. Sugar deal, but to keep the Everglades rescue on track, he needs to be both candid about what the state is doing and guarded about those still seeking to profit by abusing the River of Grass.

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Return to Top

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Return to Top

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So, if the fifth generation of the Fanjul family has conquered the American market, what does that leave for the sixth generation? To find the way back to Cuba?

Mr. Fernandez says he and his family are too busy running the business to think about Cuba. Its like daydreaming, he says. I dont spend any time on that at all. After expropriating the property of the Fanjuls and other sugar families in Cuba, Fidel Castro said he would make the industry more productive under state control. Instead, production has shrunk and the Cuban sugar market is in dire need of capital, according to analysts.

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Florida Deal for Everglades May Help Big Sugar

Return to Top

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New York Times - Online
MARY WILLIAMS WALSH

IN June, Gov. Charlie Crist announced that Florida would buy one of the states two big sugar enterprises, the United States Sugar Corporation. He billed the purchase as a jump-start in the environmental restoration of the Everglades, which cane growers are accused of polluting with fertilizer runoff.

But in the end, the $1.7 billion buyout, scheduled to be completed in early 2009, may also prove to be a financial boon to the states remaining sugar superpower, Florida Crystals. One of the countrys wealthiest families, the Fanjuls of Palm Beach, controls Florida Crystals and today touches virtually every aspect of the sugar trade in the United States.

If you buy Domino Sugar, youre buying from the Fanjuls. Ditto C&H Sugar. (That name stands for California & Hawaii, but the Florida Fanjuls acquired it in 2005.) National retailers prefer dealing with coast-to-coast vendors, so if you buy a bag of sugar at Wal-Mart, Kroger or Safeway, youre also patronizing the Fanjuls.

Take a pill, eat a granola bar - youre probably consuming special, high-end sugars that Florida Crystals produces for the pharmaceutical and packaged-food industries.

Sugar imported from Mexico and the Dominican Republic also stands a good chance of coming from Fanjul companies.

Now, some people in Florida are saying that if the state completes its takeover of U.S. Sugar, the opportunities that the deal presents may be a capstone to the lifes work of the family patriarch, Alfonso Fanjul Jr., known as Alfy. This is going to be a really good deal for the Fanjuls, says Dexter Lehtinen, a former federal prosecutor whose 1988 lawsuit against the state led to a settlement instituting tough clean water standards. The state embarked on a nonachievable goal, and now in desperation to wrap up some package, theyre going to have to give access to Florida Crystals on favorable terms. Others, like makers of candy and cereal, say the Fanjuls already control too much of the sugar trade. They want to buy sugar cheap and say the Fanjuls have long charmed Congress into legislating price supports that keep it expensive.

Free-trade advocates also complain, saying that a private business has used the shelter of the federal sugar program, created in the Depression to nurture struggling farmers, to increase its corporate hammerlock. These people have been absolutely extorting consumers for decades, and the only reason theyre existing in the first place is, they were able to get sweet deals from governments that were propping them up, says Sallie James, a trade policy analyst with the libertarian Cato Institute, referring to Florida Crystals and U.S. Sugar.

But Florida Crystals executives scoff at the notion that their company has weaved together a profitable and all-powerful sugar monopoly. Anyone who thinks this isnt one of the most competitive, fiercely won industries just doesnt know, says Brian F. OMalley, chief executive of Domino Foods, a marketing concern in which Florida Crystals has a major stake.

Others in the Fanjul empire concur. We might have a bit of a freight advantage, but not pricing power, says Luis J. Fernandez, executive vice president of Florida Crystals and Alfy Fanjuls son-in-law. Whether or not the Fanjuls have crafted a monopoly, they have certainly re-created a very lucrative business dynasty.

Fidel Castro chased the Fanjuls from Cuba in 1959, ending five generations of the familys controversial rule in the sugar industry there. Starting with cash moved out of Cuba and worn-out milling equipment bought second-hand in Louisiana, the Fanjuls spent recent decades buying refineries and related businesses - an enterprise that ultimately stretched seamlessly from the canefields of Florida to Americas kitchen cupboards and beyond. We have the most developed product line of any sugar company today, Mr. Fernandez says. We have probably 20 different offerings, just on the grocery side. WHEN Governor Crist announced the sugar buyout in June, he called the deal as monumental as the creation of the nations first national park. Environmentalists were overjoyed, and the proposal made national headlines. Plans to restore the Everglades - 4,000 square miles of marshes and sawgrass prairies in southern Florida - have been floated, fought over and delayed for years, often amid heavyweight lobbying by the sugar companies.

Millions had been spent, reservoirs dug, water moved this way and that, but the Everglades continued to grow sickly, largely because of what analysts say is rampant overdevelopment and the loss of regular flooding that wetlands need.

Then, in one grand gesture, Governor Crist offered a buyout that the state said would knock out a major obstacle preventing reclamation of the Everglades. I can envision no better gift to the Everglades, the people of Florida and the people of America - as well as our planet - than to place in public ownership this missing link that represents the key to true restoration, he said when he announced the deal. The missing link was an expanse of sugar land south of Lake Okeechobee and north of the Everglades National Park. For eons, Lake Okeechobee served as the Everglades giant wellspring, until the federal government diked the lake and drained lands around it after devastating hurricanes in 1928 and 1947.

The array of earthen bulwarks and pumping stations crisscrossing that territory cut off the Everglades from Lake Okeechobee, denying the marshlands their source of freshwater floods.

To make environmental matters worse, the cane planters who moved onto the newly dry land used fertilizer that leached phosphorous into what little water still made it from Lake Okeechobee to the Everglades, further degrading the marshlands.

The Crist plan initially promised to send fresh water streaming into the Everglades again, through a wide, shallow expanse called a flow way. To that end, the state offered $1.75 billion for the land and assets of U.S. Sugar, giving the company six years to wind down its operations.

But the state needs only about 24,000 acres of U.S. Sugars farmland to create a flow way, according to David P. Reiner, a spokesman for the environmentalist group Friends of the Everglades. He said the flow way approach was abandoned as unworkable in the 1990s, and people were surprised when Governor Crist revived it.

For its part, the South Florida Water Management District, the state agency in charge of the Everglades restoration, recently said the flow way might require 100,000 acres.

To that end, Florida is buying all of U.S. Sugars land - 187,000 acres - as well as a new cane-grinding mill, a large refinery and a 200-mile railroad that carries cane to the mill.

A spokesman for the governor, Eric Eikenberg, said the flow-way plan was achievable: Once the acquisition is complete, there will be the ability - and the environmental community is very enthused about the ability - to have a good number of acres to store water, and to clean water, and to move water all the way to the Everglades. It can be done. Still, taking title to U.S. Sugars acres will not by itself enable the state to build the flow way. The state would still need an additional 40,000 acres now standing in the way - land owned by a Fanjul company, the Okeelanta Corporation, and home to canefields, a grinding mill, a sugar refinery and a cane-fueled power plant.

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Hendry, Hendry, rancher pitch 6,000-acre site for 'inrancher pitch 6,000-acre site for 'inland port'

Return to Top

09/15/2008
Palm Beach Post
Quinlan, Paul

As the state negotiates its $1.75 billion U.S. Sugar buyout, Palm Beach County and sugar giant Florida Crystals hope to build a major industrial complex in the Glades area that would more than fill the expected economic void by creating thousands of jobs and generating millions in taxes.

But not if Hendry County and rancher Joe Marlin Hilliard have anything to say about it.

Hendry County leaders have joined with Hilliard, of Hilliard Brothers of Florida, in pitching a 6,000-acre site Hilliard owns for the so-called "inland port," a planned warehousing and distribution center that would serve as a landlocked extension of South Florida's seaside ports, linked by road and rail and helping speed off-loading of large freighters.

The project, started by the Port of Palm Beach, could generate as many as 32,000 jobs and $164 million in tax revenue by 2015, studies show.

Among the counties affected by the loss of U.S. Sugar, Hendry leaders said they will suffer most.

"Were going to have a huge economic loss," Hendry County Commissioner Kevin McCarthy said.

On Tuesday, Palm Beach County commissioners endorsed a plan to put the inland port on roughly 3,500 acres south of South Bay that belong to Florida Crystals. But environmentalists have panned that location, saying it's too close to land the state hopes to use for Everglades restoration. What is more, a state study anticipated "significant preparation costs" to de-muck the land.

Hilliard's site is about 16 miles west and sits on solid ground well out of the way of restoration plans, proponents said.

"We don't want to be nutty about this thing, but we've got a lot of good friends in the political world and it's time to start talking," Hilliard said. "We've got a unified base in Hendry County. We're all singing the same song."

A June 2007, a Florida Department of Transportation study identified Florida Crystals' property as the best of the five sites under consideration at the time, praising its location and access to road, airstrip and rail spur. Hilliard's site is about 20 miles west of that and includes all the same amenities.

No site has been selected for the inland port and anyone interested will have a chance to pitch their land, said Manny Almira, director of the Port of Palm Beach. Almira a decision is expected by this time next year.

The chocolate river

09/14/2008
Palm Beach Post - Online
Sally Swartz

Return to Top

The fisherman sat alone at the end of the dock on the Intracoastal Waterway near Hobe Sound's Greenfield Park. He wasn't catching anything, and he knew why: 'First, they were dumping all the water from the flood that (Tropical Storm) Fay brought. Now the water is coming out of Lake Okeechobee and it's real dirty.' 'They' are the South Florida Water Management District and the Army Corps of Engineers - the agencies that manage Lake Okeechobee and South Florida's ditch-drain-and-dump plumbing system. They have been on a roller coaster, riding from drought and conserving water to flood and dumping excess lake water to east and west coast rivers.

On our coast, it means that the St. Lucie Canal carries Lake Okeechobee's fresh water to the St. Lucie River. Then it flows out into the Atlantic. Sometimes, the polluted water affects beaches north of the St. Lucie Inlet, but drift and currents carry most of it south. That makes the water at Hobe Sound Beach unfit for swimming for all but tourists who don't know any better. If the discharges are prolonged, the lake water overwhelms the river, a mixture of salt and fresh water, making fish sick and killing oysters and seagrass. Freshwater fish die in the Atlantic and wash up on ocean beaches. Sometimes, alligators are swept to sea, pushed out with the water dumped to tide. Algae blooms that sometimes follow lake discharges can poison the river, making it unsafe for swimming, fishing and boating.

Mark Perry, head of Florida Oceanographic Society and chairman of the Everglades Coalition, was worried about the 'horrible' condition of the river even before the discharges began 11 days ago. They will go on at least until Sept. 30. By all the measurements - clarity, salt content and others that Oceanographic Society volunteers make in weekly checks at points along the river, the St. Lucie already was in bad shape from Fay's runoff. On the grading system they developed, the river rated an 'F' even before the lake discharges began. After a week of 'pulse' releases, which are meant to mimic natural rainfall, a visit to the river in downtown Stuart near City Hall is depressing. Bits of foam float on chocolate water so dark that the pilings on the Riverwalk disappear at the water line. The story is the same at the St. Lucie Locks. Brown water roars out six of seven gates, sending big globs of frothy tan foam into the river.

And after a week of this, the lake still is at about 15 feet, near the high end of the 12-foot-to-15.5-foot range water managers want it to be, to ensure the safety of the Herbert Hoover dike that surrounds it.

After Fay doused the area north of the lake, water drained south to the lake, boosting it more than 3 1/2 feet, said Paul Gray, Audubon of Florida's Lake Okeechobee expert. 'That leaves us less than one storm away from being in real trouble.' Still, it's a crazy-making situation. For two years, South Florida has been in a drought, with residents and businesses rationing water and trying to conserve, while the district considers making limits on lawn watering and other outdoor irrigation permanent. A month ago, everything changed. Now, we have too much water, and local runoff and excess lake water is being dumped into the ocean.

Mr. Gray believes that the district and corps made a correct decision to release lake water now, rather than when the lake is at 16 or 17 feet. What is needed, though, are areas to store and clean water both north and south of the lake. 'This is a good display of why we need the U.S. Sugar Corp. land,' he said, referring to the deal the district is trying to negotiate to buy nearly 200,000 acres south of the lake.

Palm Beach County commissioners complicated the deal last week by approving the idea of an 'inland port' on land between the U.S. Sugar Corp. parcel and the Everglades, which could block the flow of water south. It also could jack up the price of the land, owned by the Fanjul family, and make delivering clean water to the Everglades more difficult. The 'Northern Everglades' plan calls both for wetlands restoration and paying farmers and others to store water on their own property, Mr. Gray said, a practice that started two years ago.

For a decade, politicians, legislators, agency representatives, land owners and residents have been meeting, talking, spending money and time to try to get the water right, to save the St. Lucie and the west coast's Caloosahatchee River from drowning in lake water. Everyone involved is doing his or her best.

But sickening chocolate water in the river again says 'best' isn't good enough. The U.S. Sugar Corp. deal would save more than the Everglades. It would rescue the coastal rivers.

Any deal will be a sweet one

09/14/2008
Palm Beach Post - Online
Schultz, Randy

Return to Top

It's impressive to see big-time political power on display, especially when it's displayed so skillfully.

The power in this case belongs to Florida Crystals, one of the two big sugar growers in the Everglades. Florida Crystals is part of Flo-Sun Inc., the $2.5 billion conglomerate based in West Palm Beach that, among other things, grows sugar, refines sugar (think Domino brand), produces renewable energy and owns the luxurious Casa de Campo resort in the Dominican Republic. Flo-Sun, controlled by the Fanjul family of Palm Beach, is a world and national player. Brothers Alfonso (Democrats) and Pepe (Republicans) donate to both parties and get their calls returned.

Last Tuesday, busloads of people from the farm towns around Lake Okeechobee showed up at the Palm Beach County Commission chambers. The issue was an 'inland port,' which sounds like 'jumbo shrimp.' How can a port, which you associate with the sea, be inland? This 'port,' though, would be a receiving and distribution center for new cargo that could come into the three South Florida seaports from Asia through a wider Panama Canal. With the state trying to buy out Clewiston-based U.S. Sugar, the other big cane grower, for Everglades restoration, lakeside towns are panicking over the loss of nearly 2,000 jobs and all the money that goes with them and the company. The inland port could replace those jobs and maybe add more.

Conveniently, Florida Crystals has offered some of its land for an inland port. No study has shown conclusively that such a port could succeed. The project might depend on lots of government money. The Florida Crystals land is right where the South Florida Water Management District might want water to flow to the Everglades. It's too early to pick any site for an inland port. But on Tuesday, the people from the buses, many of them African-American, talked about how their towns had been neglected for decades. They talked about how the wealthy coast hasn't done enough for the poor inland towns. They talked about children who couldn't come back to the Glades from college because there are no jobs. Suddenly, it wasn't about doing a favor for a powerful company. It was about doing a favor for downtrodden people. A few representatives from environmental groups warned that rushing on an inland port could upset Everglades restoration, which the $1.75 billion buyout of U.S. Sugar is supposed to help. They might as well have been atheists at a revival.

So the commissioners backed the concept of an inland port. They didn't designate the Florida Crystals property as the preferred site, but right now, that's the only site proposed. If we don't act now, commissioners said, Martin County could get the port. And, no, it isn't that big of a deal for Florida Crystals.

Well, yes. It is a big deal. As an inland port site, that property would become industrial land, which is much more valuable than farm land. Also, Florida Crystals now has become an even bigger part of the U.S. Sugar deal. The South Florida Water Management District wants only the U.S. Sugar land, to store water. The district doesn't want the sugar mill, the citrus processing plant, the railroad or the machinery.

Who would buy that? How about another sugar grower? How about another sugar grower that is in a very favorable position because it has been all but designated as the site for an inland port, and the water district is getting pressure to keep the Glades economy from sinking after the buyout?

And what about this scenario? The U.S. Sugar deal falls through. Everyone knows that the company wants to sell, but the price drops after the state pulls out. Florida Crystals comes in and picks up U.S. Sugar for a bargain price, then turns around and offers a better deal to the water district.

Or, maybe, Florida Crystals just gets the inland port, and Flo-Sun adds a piece to the conglomerate. Whatever the outcome, the company comes out on top.

Oh, and did we mention who paid for all those buses?

Florida Deal for Everglades May Help Big Sugar

Return to Top

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IN June, Gov. Charlie Crist announced that Florida would buy one of the state's two big sugar enterprises, the United States Sugar Corporation. He billed the purchase as a "jump-start" in the environmental restoration of the Everglades, which cane growers are accused of polluting with fertilizer runoff.

But in the end, the $1.7 billion buyout, scheduled to be completed in early 2009, may also prove to be a financial boon to the state's remaining sugar superpower, Florida Crystals.

One of the country's wealthiest families, the Fanjuls of Palm Beach, controls Florida Crystals and today touches virtually every aspect of the sugar trade in the United States.

If you buy Domino Sugar, you're buying from the Fanjuls. Ditto C&H Sugar. (That name stands for California & Hawaii, but the

Florida Fanjuls acquired it in 2005.) National retailers prefer dealing with coast-to-coast vendors, so if you buy a bag of sugar at Wal-Mart, Kroger or Safeway, you're also patronizing the Fanjuls.

Take a pill, eat a granola bar — you're probably consuming special, high-end sugars that Florida Crystals produces for the pharmaceutical and packaged-food industries.

Sugar imported from Mexico and the Dominican Republic also stands a good chance of coming from Fanjul companies.

Now, some people in Florida are saying that if the state completes its takeover of U.S. Sugar, the opportunities that the deal presents may be a capstone to the life's work of the family patriarch, Alfonso Fanjul Jr., known as Alfy.

"This is going to be a really good deal for the Fanjuls," says Dexter Lehtinen, a former federal prosecutor whose 1988 lawsuit against the state led to a settlement instituting tough clean water standards. "The state embarked on a nonachievable goal, and now in desperation to wrap up some package, they're going to have to give access to Florida Crystals on favorable terms."

Others, like makers of candy and cereal, say the Fanjuls already control too much of the sugar trade. They want to buy sugar cheap and say the Fanjuls have long charmed Congress into legislating price supports that keep it expensive.

Free-trade advocates also complain, saying that a private business has used the shelter of the federal sugar program, created in the Depression to nurture struggling farmers, to increase its corporate hammerlock.

"These people have been absolutely extorting consumers for decades, and the only reason they're existing in the first place is, they were able to get sweet deals from governments that were propping them up," says Sallie James, a trade policy analyst with the libertarian Cato Institute, referring to Florida Crystals and U.S. Sugar.

But Florida Crystals executives scoff at the notion that their company has weaved together a profitable and all-powerful sugar monopoly.

"Anyone who thinks this isn't one of the most competitive, fiercely won industries just doesn't know," says Brian F. O'Malley, chief executive of Domino Foods, a marketing concern in which Florida Crystals has a major stake.

Others in the Fanjul empire concur. "We might have a bit of a freight advantage, but not pricing power," says Luis J. Fernandez, executive vice president of Florida Crystals and Alfy Fanjul's son-in-law.

Whether or not the Fanjuls have crafted a monopoly, they have certainly re-created a very lucrative business dynasty.

Fidel Castro chased the Fanjuls from Cuba in 1959, ending five generations of the family's controversial rule in the sugar industry there. Starting with cash moved out of Cuba and worn-out milling equipment bought second-hand in Louisiana, the Fanjuls spent recent decades buying refineries and related businesses — an enterprise that ultimately stretched seamlessly from the canefields of Florida to America's kitchen cupboards and beyond.

"We have the most developed product line of any sugar company today," Mr. Fernandez says. "We have probably 20 different offerings, just on the grocery side."

WHEN Governor Crist announced the sugar buyout in June, he called the deal "as monumental as the creation of the nation's first national park."

Environmentalists were overjoyed, and the proposal made national headlines. Plans to restore the Everglades — 4,000 square miles of marshes and sawgrass prairies in southern Florida — have been floated, fought over and delayed for years, often amid heavyweight lobbying by the sugar companies.

Millions had been spent, reservoirs dug, water moved this way and that, but the Everglades continued to grow sickly, largely because of what analysts say is rampant overdevelopment and the loss of regular flooding that wetlands need.

Then, in one grand gesture, Governor Crist offered a buyout that the state said would knock out a major obstacle preventing reclamation of the Everglades.

"I can envision no better gift to the Everglades, the people of Florida and the people of America — as well as our planet — than to place in public ownership this missing link that represents the key to true restoration," he said when he announced the deal.

The "missing link" was an expanse of sugar land south of Lake Okeechobee and north of the Everglades National Park. For eons, Lake Okeechobee served as the Everglades' giant wellspring, until the federal government diked the lake and drained lands around it after devastating hurricanes in 1928 and 1947.

The array of earthen bulwarks and pumping stations crisscrossing that territory cut off the Everglades from Lake Okeechobee, denying the marshlands their source of freshwater floods.

To make environmental matters worse, the cane planters who moved onto the newly dry land used fertilizer that leached phosphorous into what little water still made it from Lake Okeechobee to the Everglades, further degrading the marshlands.

The Crist plan initially promised to send fresh water streaming into the Everglades again, through a wide, shallow expanse called a flow way. To that end, the state offered $1.75 billion for the land and assets of U.S. Sugar, giving the company six years to wind down its operations.

But the state needs only about 24,000 acres of U.S. Sugar's farmland to create a flow way, according to David P. Reiner, a spokesman for the environmentalist group Friends of the Everglades. He said the flow way approach was abandoned as unworkable in the 1990s, and people were surprised when Governor Crist revived it.

For its part, the South Florida Water Management District, the state agency in charge of the Everglades restoration, recently said the flow way might require 100,000 acres.

To that end, Florida is buying all of U.S. Sugar's land — 187,000 acres — as well as a new cane-grinding mill, a large refinery and a 200-mile railroad that carries cane to the mill.

A spokesman for the governor, Eric Eikenberg, said the flow-way plan was achievable: "Once the acquisition is complete, there will be the ability — and the environmental community is very enthused about the ability — to have a good number of acres to store water, and to clean water, and to move water all the way to the Everglades. It can be done."

Still, taking title to U.S. Sugar's acres will not by itself enable the state to build the flow way. The state would still need an additional 40,000 acres now standing in the way — land owned by a Fanjul company, the Okeelanta Corporation, and home to canefields, a grinding mill, a sugar refinery and a cane-fueled power plant.

So far, negotiations over the land use and purchases around Lake Okeechobee are behind closed doors, and the region is abuzz with speculation about what areas will be flooded, who will be allowed to buy excess acres the state has acquired, and whether local sugar farmers should even plant their next crop.

Much of the land that U.S. Sugar owns around Lake Okeechobee is more desirable than Fanjul-owned land nearby because it's richer in sediment favorable for growing cane. Many in the sugar trade expect and even hope that the Fanjuls will use the U.S. Sugar buyout as an opportunity to expand their holdings in southern Florida, trading some of their land for U.S. Sugar's in a swap orchestrated by the state.

"If they're trying to drive a bargain, more power to them," says Ardis Hammock, a local cane planter whose family has been selling cane to U.S. Sugar since the 1930s. "It would bring some stability."

Others were distressed to think of the Fanjuls' company moving onto land they wanted the state to take out of production.

"They want development rights," says Drew Martin, chairman of the Sierra Club's Everglades committee. "They've talked about putting a dump site there."

Gaston Cantens, a spokesman for Florida Crystals, says the Fanjuls did nothing to help engineer Governor Crist's buyout of U. S. Sugar. On the contrary, he says, the family knew nothing about the deal until just a few days before it was announced. Nonetheless, Mr. Cantens says, the Fanjuls have let negotiators know that if the state ends up with more land than it needs, Florida Crystals is ready to take the excess and the new mill off its hands — but only on terms that make sense financially.

Because a sugar mill cannot turn a profit without access to tens of thousands of acres of sugar cane, the Fanjuls would have to gain access to a huge tract to make a purchase of U.S. Sugar lands feasible.

For now, Mr. Cantens says, the Fanjuls are like everyone else in Florida: they are waiting to see exactly what sort of restoration the state has in mind.

“We're interested, obviously,” he says. “But it all depends on how much land they need.”

ANYHOW, Florida Crystals says, a big sugar buyout can't really be the salvation of the Everglades.

Years ago, Mr. Cantens acknowledged, cane planters were a major source of phosphorus in Everglades water. But since the 1990s, he says, the Fanjuls and other sugar manufacturers have cleaned up their acts.

“If you go back 20, 25 years, we weren't doing the things we're doing now,” he says. “We've implemented all kinds of best practices. Environmentalists have given us this black hat, and we've been wearing it for the last 20 years.”

Indeed, a titanic struggle has long raged in Florida between Big Sugar and environmentalists, with environmentalists saying that cane farming was destroying the Everglades, and the sugar companies denying that phosphorus was harmful and lobbying to delay water-quality deadlines.

Advocates for Everglades restoration agree that the sugar industry has raised its clean-water standards, but say it hasn't raised them enough to make the water safe for replenishing the Everglades. They want either a flow way or a system of reservoirs and “filter marshes” to cleanse the water before it flows south. And most environmentalists say they would still like to see the sugar industry removed from the region entirely.

The Fanjuls were noted political machinators during previous environmental battles, angling to defeat a proposed federal sugar tax linked to clean-ups in the Everglades. But political fireworks may have diverted public attention from some meaningful steps the Fanjuls and other producers have taken.

After Florida passed a law in 1994 requiring sugar planters to reduce their phosphorus runoff by 25 percent, they voluntarily cut it more than twice that amount by cleaning their irrigation ditches more often, planting organic cane fields and handling water differently, according to the South Florida Water Management District.

Today, the state's own data show that the phosphorus entering Lake Okeechobee comes primarily from the north side of the lake — downstream from cattle farms, residential developments with well-fertilized lawns and leaking septic systems — and not from southern canefields.

Linda McCarthy, a water management specialist for Lykes Brothers, one of the largest cattle concerns on the north side of the lake, said companies there were working to control their waste runoff. But she said the state had different standards in her area.

Florida Crystals says it now scrubs other people's phosphorus from the water, yet more keeps coming. It also says that environmentalists have failed to credit Florida Crystals' contribution to efforts to limit global warming — pointing out that its canefields absorb all the carbon dioxide output that its other operations cough into the atmosphere.

"From the environmentalists' perspective, they've always felt it was easier to bash sugar, because there's fewer land owners," Mr. Cantens says. "But there's climate-change groups that would advocate for sugar cane because it's such an energy-efficient crop."

Environmentalists maintain that there are better uses for land in southern Florida than cane plantations, like water treatment areas or animal habitats.

Mr. Eikenberg, the governor's spokesman, said the governor believed that there might be a way for environmentalism and commerce to go hand-in-hand. "We're very proud of the way we have elevated the discussion in Florida, on both alternative and renewable energies," he said. "And Florida Crystals has stepped up to pursue research on cellulosic ethanol."

Given the political dynamics, some industry analysts say the U.S. Sugar buyout is something other than an Everglades rescue.

"My instincts are to suggest that it's a bailout," says Ms. James of the Cato Institute. "Sugar prices have been going down. You've been signing trade agreements bringing in more foreign sugar. Basically, the company's going down because of government policy, so they're saying, 'You should bail us out.' "

Robert E. Coker, senior vice president of U.S. Sugar, disputed that assertion.

"We've had some tough times," he says. "But our company is well capitalized, and we're in a good position long term."

Why, then, is his company going out of business? "When the governor of the state of Florida looks you in the eye and says, 'We'd like to buy your company out' — and Charlie Crist is a very determined individual — our company takes it very seriously," Mr. Coker says.

GOVERNMENT intervention in the complicated and notoriously difficult sugar trade is hardly novel. To insulate domestic producers from the booms and busts of global commodity prices, Washington established a system of price, planting and import controls in the 1930s.

Federal programs for most other crops — like corn and wheat — have evolved, so that today the government makes direct payments to the farmers, who then produce huge surpluses for export.

But the sugar program has continued to work the old way, with Washington propping up the domestic price by limiting the supply of raw sugar on the market, through an elaborate system of loan procedures and import quotas. Today, domestic sugar costs about 18 cents a pound; elsewhere in the world, the price bounces around 6 to 12 cents a pound. American consumers may not know it, but they're paying for that difference.

Even inside the fire walls enclosing the United States, the American sugar business has seen a quarter-century of serial bankruptcies. Most have occurred at the upper end of the business, sugar refining. Thirty years ago, there were more than 20 independent cane-sugar refineries in the United States, buying raw sugar from mills at the government price and churning out sucrose for American tables. But the advent of high-fructose corn sweetener created a sugar glut, wiping out many of the refineries.

INTO these troubled waters dove the Fanjuls. In 1984, with the industry in disarray, they bought up the sugar operations amassed by Gulf & Western, an old-fashioned conglomerate that was trying to unload unwanted assets.

The Fanjuls bought the operations for a relative song: $200 million, Gulf & Western's book value for the assets. Competitors and analysts thought the family was crazy; no one else wanted G. & W.'s sugar operations.

Crazy like foxes, Mr. Fernandez says. The G.& W. purchase allowed the Fanjuls to knit together growing, milling and refining — facets of the sugar business that were largely separate elsewhere.

“What we pioneered was to have all three components under one corporate structure,” Mr. Fernandez says.

That diversity insulated the Fanjuls from price squeezes in the refining business. And the family continued its acquisition spree, buying into Domino, C&H and other concerns. Analysts still scoffed.

“Who would want to buy it?” a Lehman Brothers analyst said of the Domino purchase in 2001. “The fundamentals are shocking.”

Still, the Fanjuls made that and other acquisitions work, through a wily combination of operational expertise and government price supports orchestrated in Washington.

Early on, the family also benefited from what a long list of critics and labor lawyers described as abusive treatment of cane-cutters brought in seasonally from the West Indies.

After fighting lawsuits for many years, the Fanjuls finally switched to a mechanized cane harvest, eliminating foreign workers and, eventually, the controversy over their working conditions. Mr. Cantens says the company's blue-collar workers in the United States are now unionized and receive standard pay and benefit packages. The Fanjuls' extended family of companies employs about 25,000 people worldwide.

U.S. Sugar also pursued vertical integration, but it started later than Florida Crystals and kept its operations regional. It also took on hefty debts. Earlier this year, its employees sued, alleging the company was short-changing them when they claimed their retirement money; that suit is pending. The company canceled its stock dividend this spring. It earned only $3 million last year and warned that it would probably lose money this year.

And then came Governor Crist's $1.75 billion offer.

Florida Crystals executives declined to speculate on U.S. Sugar's finances, other than to dispute any suggestion that its demise would give them control over the market. Today, according to Mr. Cantens, the Fanjuls control 32 percent of the domestic sugar market. That figure plays down their real clout, analysts say, because they control the most profitable parts of the business.

Because Florida Crystals is privately held, it doesn't publicly report its income. But the company said it had revenue of $3 billion last year, up from $2.5 billion the year before.

So, if the fifth generation of the Fanjul family has conquered the American market, what does that leave for the sixth generation? To find the way back to Cuba?

Mr. Fernandez says he and his family are too busy running the business to think about Cuba. "It's like daydreaming," he says. "I don't spend any time on that at all."

After expropriating the property of the Fanjuls and other sugar families in Cuba, Fidel Castro said he would make the industry more productive under state control. Instead, production has shrunk and the Cuban sugar market is in dire need of capital, according to analysts.

Although Mr. Castro is now ailing and Cuba is being run by his brother, Raúl, Mr. Fernandez says his family considers changes under the new leader — including a new openness to foreign investment — to be "cosmetic" and unappealing.

"It's not for any lack of desire," he says. "Hopefully, it will happen in my lifetime. We'll know when the moment comes, and we'd be interested."

EDITORIAL State Needs To Keep Congress In Loop On Everglades Deal

Return to Top

09/13/2008
Tampa Tribune (FL)

Sep. 13--The secrecy that enshrouded Florida Gov. Charlie Crist's plan to buy out U.S. Sugar now threatens to undermine this critical effort to save the Everglades.

Members of Florida's congressional delegation are questioning the plan and wondering why they were kept in the dark. They want straight answers about the plan to pay U.S. Sugar $1.7 billion for 187,000 acres around Lake Okeechobee.

The state water managers should provide them. Pronto. These are, after all, elected officials who have championed the Everglades. But they also care about the welfare of the agricultural workers and the wise use of tax dollars. And they want to know how the plan will affect the 20-year, $8 billion Everglades restoration plan Congress agreed to support eight years ago. The plan never mentioned a buyout of U.S. Sugar.

Concerned House members include Rep. Adam Putnam of Polk, who told the Tribune's Lindsay Peterson, "No questions are being answered about the impact of the overall restoration plan."

This all underscores the pitfalls of such secret deals.

Granted, initial negotiations for such a complex undertaking may need to be conducted in private. But when the public is given little time to scrutinize the plan and the officials are not forthcoming -- even to members of Congress -- about details, suspicions are going to be aroused.

It would be a shame if the deal fell apart. The acquisition would allow the construction of reservoirs where water will be stored and filtered before being released into the Everglades.

It would ensure the success of the federal-state restoration effort. Without the U.S. Sugar land, restoring and filtering the water would be possible, but far more challenging.

The purchase will not require new taxes and will be funded solely through property taxes already levied by the South Florida Water Management District, the lead state agency in Everglades restoration.

Perhaps a bigger question is this: Does the state need buy the entire 187,000 acres to restore the River of Grass? Closing all of U. S. Sugar agricultural operations would eliminate about 1,700 jobs, a concern for members of Congress and the state Legislature.

Those worrying about the economic impact should remember restoration work will create many jobs, and cleaning up the Everglades and Lake Okeechobee will attract lots of tourists.

Still, Crist and South Florida Water District officials should determine if it is possible to keep farming at least some of the land. Prior to the U.S. Sugar acquisition announcement, it had been estimated that about 100,000 acres would be needed for the filtering reservoirs.

So why not keep at least some of the U.S. Sugar land in agriculture, especially if the state can ensure appropriate environmental safeguards will be taken?

Another matter Crist needs to quickly address is the slick proposal by Florida Crystals, another sugar grower, to build an inland port south of Lake Okeechobee in the proposed path of Everglades restoration.

It's not clear an inland port is necessary. But it is certainly not needed in that remote location with no infrastructure.

An inland port, if needed, should be developed near an existing city such as Belle Glade or Pahokee, where it would provide jobs and invigorate the community.

The Florida Crystal plan for a port in the hinterlands looks to be more a real estate venture than a plan to improve trade. The company wants 9,000 acres designated for the project, far more than would be needed for the port. Crist and state water managers should make clear they'll fight any such development.

Crist deserves credit for pursuing the ambitious U.S. Sugar deal, but to keep the Everglades rescue on track, he needs to be both candid about what the state is doing and guarded about those still seeking to profit by abusing the River of Grass.