Commentary: Crist helping company, not Everglades, with sugar deal

By GASTON CANTENS

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Joel Engelhardt's column and U.S. Sugar CEO Robert Buker's op-ed article attempt to distort reality, both subscribing to "don't let facts get in the way of a good story."

Mr. Buker claims that U.S. Sugar's deal with the governor is for Everglades preservation, not the enrichment of a struggling company, while Mr. Engelhardt attempts to characterize our dealings with the South Florida Water Management District and U.S. Sugar as opportunistic.

In June 2008, Gov. Charlie Crist announced a $1.75 billion deal to buy all of U.S. Sugar's assets, with the stated goal of establishing a connection between Lake Okeechobee and the Everglades. Florida Crystals did not oppose this deal. We felt it could provide solutions while ensuring sustainable agriculture's vibrant future.

Florida Crystals shares the same management team as its parent company, Fanjul Corp., which produces 4.5 million tons of refined sugar annually. Over the past 50 years, Florida Crystals' growth has resulted from many successful negotiations with some of the world's leading business groups. Unfortunately, we soon realized that the governor's deal would not be based on sound business practices and negotiation. It was driven by political science and personal ambition.

At the district's request, we made an offer for part of U.S. Sugar's assets not needed for restoration. Since Florida Crystals owns most of the land required for a flowway, our offer included land swaps for acreage to connect Lake Okeechobee to the Everglades. Contrary to Mr. Engelhardt, our offer was not for all of U.S. Sugar's assets. We had no interest in 32,600 acres of citrus land or the juice plant. Also excluded was land the district needed for a flowway. Our offer was based on the best information available without the benefit of due diligence that would accompany any business transaction.

The insight we did have was that U.S. Sugar's new mill was not operating as designed. Being unable to produce sufficient raw sugar on its own, U.S. Sugar imported Mexican sugar — a costly situation for an inland refinery and certainly indicative of the mill's problems. Given our success, and the fact that Florida Crystals is the state's largest sugar producer, U.S. Sugar's claim, that it could not allow us due diligence prior to the offer because doing so would divulge trade secrets, is humorous.

Beyond offering the land, we participated in the district's planning process and proposed a flowway that achieved key environmental goals at a fraction of other proposals' costs. Neither the state nor the district even responded to our offers.

Soon, however, the picture came into focus: This was a charade. The governor's discussions were limited to U.S. Sugar's demands. District Chairman Eric Buermann recently acknowledged that U.S. Sugar had the negotiation advantage and "required" that the deal include the citrus groves of limited value to the Everglades. Gov. Crist's June 2008 news conference announcing the flowway connection — knowing that Florida Crystals owned most of the land needed for it — was designed to garner national attention for his vice-presidential ambitions.

We challenged this waste of money better spent constructing meaningful Everglades projects. In mid-2009, the deal got worse: a $536 million sale/lease back plan. U.S. Sugar continues farming the land for decades, vital preservation projects are halted, property owners face higher tax bills and no flowway is possible.

Fortunately, we have a judiciary independent of politics. Two weeks ago, U.S. District Judge Federico Moreno...
ordered the district to resume construction of the A-1 reservoir abandoned for this deal. Judge Moreno stated: "Although the partial sugar land acquisition may be in the best interest of the Everglades in the very distant future… environmental suffering is immediate."

Florida Crystals and U.S. Sugar were longtime partners in education efforts about pollution sources north of Lake Okeechobee. As U.S. Sugar Senior Vice President Robert Coker once wrote in the Orlando Sentinel: "Common sense says you store and treat all that water where it originates; then it will not pollute Lake Okeechobee, the coastal estuaries or the Everglades." What caused U.S. Sugar to change its tune? You decide.

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