**CONTENT**

- Introduction 02
- Diversification with “sweet” hope for development 03
- Best practices in child protection, Belize 05
- Forest conservation as a tool for sustainability 07
- Development project for producers, el Sunza cooperative 09
- FECCEG works to improve soil health 11
- Fairtrade sugar infography 13
The Fair Trade Sugar Network was formed in 2010 and increasingly has been integrated into small producer organizations in 11 countries throughout Latin America and the Caribbean.

Fairtrade, as we know it today, has and continues to surpass important milestones, seeking to generate a positive impact on the lives of producers, workers and consumers. This is achieved by buying and selling products that have been produced and traded by farmer families with respect for the environment, as well as a focus on human rights, food sovereignty and nutritional value.

The members of CLAC’s Sugar Network are facing many challenges. This includes broadening the existing market so that small producers that have not had the opportunity, can enter said market; strengthening the capacity of their organizations so that, day by day, they become stronger, consolidated and more competitive, and that they continue to offer high quality products and services.

In order to continue achieving these common goals, the network seeks to do the following by means of the Sugar Newsletter: 1.) Present updated information on the supply and demand of sugar; 2.) Promote the diverse forms of sugar in each origin country; and 3.) To share the unique characteristics of the sugar cane organizations and their impact on the Fairtrade movement, while always seeking to increase their sales volumes.

Enjoy reading,
Sonia Murillo
President, CLAC Sugar Network

The central objective of the CLAC Sugar Network is to increase the benefits of Fairtrade for both producers and their families. For small and medium-scale sugar cane producers, being part of an association or cooperative is a strategic option that positions them for the best possible business performance.

When talking about associativism or cooperativism, it is important to understand all forms of collective organization that bring people or businesses together. With common needs and interests, these platforms aim to solve problems and take advantage of opportunities to help develop and strengthen their members economically. In addition, cooperatives and associations are some of the most important forms of united expression. These types of organizations are what make up the network; another form of association, formed by a set of relationships that link organizations with common interests, proving that cooperation is the best way to achieve common goals.
Very early in the morning with the sunrise, producers begin preparing the fields where they produce and harvest sugar cane; manually cut in the dry season, the sugar cane is transported in oxen carts to the collection center, or directly to the sugar factory, for its transformation into the final product.

The Cooperativa Multiactiva de Producción, Comercialización, Consumo, Ahorro y Crédito Montillo Ltda. was founded on November 2, 1997 (initially as an association) in Arroyos y Esteros, Paraguay. Today, the organization is made up of 450 members, producing organic sugar cane. Montillo Cooperative was born with the mission of achieving economic, environmental and social development for producers, their families and the community. From the beginning, the organization has worked to maintain a healthy fusion of cooperative values and Fairtrade principles, having been certified since its foundation.

A NEW FLAVOR OF DIVERSIFICATION

In 2010, organization leaders decided to seek out new sources of income based on sugar cane diversification, in order to improve the quality of life of its members. After evaluating several options and analyzing the feasibility of the project, rum was the most widely accepted proposal. The Board of Directors approved the start-up Rum Project, and an agreement was immediately signed with a local factory to begin processing. All project funding was due in part to the Fairtrade Premium, as well as the organization’s own finances.

This is how, in the same year, Montillo Cooperative began producing sweet and aromatic organic rum; made with the highest quality sugar cane, it is processed in an industrial complex, meeting strict health and safety standards in all juice extraction processes, as well as in honey processing, distilling, aging (in oak barrels) and bottling. In honor of the strength, loyalty, perseverance and dedication of the sugar cane producers, the new product was named Yaguareté Rum (or Leopard Rum).

HOPE FOR DEVELOPMENT

Faced with the difficulties of industrial sugar cane processing in the region, along with the volatility of the organic sugar market, the Yaguareté Rum has become a valuable alternative for diversification and a socioeconomic hope, driving the cooperative towards other development projects.

Currently, the Montillo Cooperative is working to market its new product, seeking greater opportunities in local and external markets, with the objective of increasing demand and sales; in turn, meeting the defined expectations of the project. In the end, with the aim of increasing productivity and optimizing the quality of sugar cane, increasing Fairtrade Premium projects and most importantly, improving the quality of life of producers and their families.
“Fairtrade is a vital pillar for Montillo Cooperative, especially for its members and the community. It’s important for many reasons, but I will only mention two: 1.) By means of the development plans for Premium use, technical assistance is provided to members to improve sugar cane production, in harmony with the environment. This makes organic agriculture a future response to family integration; and 2.) Thanks to the integration of the cooperative into a system of solidarity, it is able to transparently provide both social and economic services to its members and the community (including public, religious and educational institutions). In addition, the organization has been able to develop new projects, such as the Rum Project, which is driving towards improvements in the quality of life of small-scale producers.”

Salvador Delgadillo Rotela, Producer
In recent years, the sugar market has become increasingly competitive, especially in Belize. With this being said, sugar cane buyers must ensure that producers comply with all international conventions and laws passed in their countries, including those related to child and forced labor, a common disconformity in Belize.

The majority of Belize’s sugar production is sold to the European market, with minimal amounts exported to the United States. On the other hand, local consumption represents only 10% of all sugar produced and therefore, it is necessary to take into account all market requirements and best practices in the supply chain, to ensure that exported sugar is sold at the best possible price.

The Belize Sugar Cane Farmers Association (BSCFA), a Fairtrade certified organization located in northern Belize, has continuously strived to be “the best in its class,” with respect to sustainability and best practices in production. Though it has not been easy, the organization has learned many lessons, making the necessary changes to promote a sustainable sugar industry for farmers, their families and communities.

As part of this commitment, BSCFA continues to monitor potential cases of child labor and to promote the wellbeing of children and youth in farming communities. Currently, the organization works with two monitoring systems: the first operates through its Internal Control System with a number of group leaders, while the second operates by means of the Youth Inclusive Community Based Monitoring and Remediation Program (YICBMR). The program is based on a model that monitors in a holistic manner, aiming not only to identify but to also remediate instances of child labor; coupled with participation from the community, and identifying ways to prevent children and youth from becoming vulnerable to child and forced labor.

Now in Phase 2 of the YICBMR Program, prevention projects were implemented in the following communities: San Joaquin, Louisville, San Pablo and Guinea Grass. In Guinea Grass, the program operates as a joint pilot project in collaboration with the Progressive Sugar Cane Producers Association (PSCPA), another Fairtrade certified organization, as well as Fairtrade International. The pilot project was considered for this community as the majority of the organizations’ members reside there.

In January 2017, BSCFA along with staff from Fairtrade International, trained officers from PSCPA on the YICBMR model to initiate the project. In October, the preliminary findings were presented to the community, according to the activities that were carried out; including prevention projects that were implemented with the Deputy Labor Commissioner, officials from the Department of Human Services and other industry stakeholders.
As part of their mission to prevent child labor, and due in part to the YICBMR Program, as well as other activities carried out in 2017 with the help of Fairtrade, BSCFA is pleased to learn that further initiatives are now being carried out by the government on child labor issues to address the current gaps in legislation, and to truly address the challenges facing the sugar industry.
CoopeAgri El General R.L. was founded on November 25, 1962 as an alternative for small and medium-sized coffee farmers in the region of Pérez Zeledón, to solve problems around the industrialization and commercialization of coffee. Since its founding, the cooperative has notably evolved in terms of technology, diversification, production practices and development alternatives for its members. In addition, the organization has been Fairtrade certified since 1994.

Currently, CoopeAgri has more than 10,000 members and manages 20 businesses, focused on the excellence of its products, destined for both local and international markets. As a business pioneer, it has driven economic growth in the southern region of Costa Rica.

Since 2006, the organization has been managing the protection program for the Peñas Blancas River basin with resources from the Fairtrade Premium, as agreed upon in the General Assembly. This environmental project seeks to protect 200 hectares of forest located along the river basin. Its implementation was carried out by means of CoopeAgri’s annual subscription to Certified Environmental Services.

More than $80,000 (USD) has been invested throughout the duration of the project, directly benefiting the 150 producers that own the now protected land. In addition to the protection initiative, the project also accomplished the reforestation of 342 hectares, the planting of 200,000 trees along the river and the production of 93,000 quintals of organic fertilizer, thanks to the by-products of sugar cane and coffee.

In solidarity, CoopeAgri has also shared project resources with the Association of Rural Aqueducts in the communities of Santa Elena and Quizarrá, including 500 additional beneficiaries and the entire surrounding community.

The environmental reflection achieved by this project reached across the cooperative, with the General Assembly also defining the need to use ecological technology in water management, with the possibility of saving 70% of the organization’s water. The implementation of this technology ensures water accessibility to process sugar cane in the mill, protect native flora and fauna and to improve biological corridors.
It is important to mention that this project, carried out with funds from the Fairtrade Premium, planted a seed, which started with an area of 200 hectares; but thanks to the cooperative and its work with Environmental Ministry of Costa Rica, it has spread to other farmers, reaching nearly 9,900 hectares of protected land in the region.
The Cooperativa Azucarera El Sunza de R.L. (EL SUNZA), located in El Salvador, was founded in 1980 and Fairtrade certified in 2014. Thanks to continued support from the Latin American and Caribbean Network of Fair Trade Small Producers and Workers (CLAC), the cooperative is currently working to improve organizational processes, to operate under a ‘sustainable business development model,’ based on fair trade principles.

This model is based on favorable working conditions for all those involved in the organization; seeking fairer market relations, eradication of child labor, gender equality, improved conditions for workers and respect for the environment.

This process has enabled the cooperative to establish strategic alliances, and in turn, strengthen as an organization. Initially, EL SUNZA developed a partnership with the Salvadoran Sugar Company, providing them with technical support; first in the area of market and sales, and second, by transferring new technology. As a result of these interventions the cooperative is now producing an average of 111 kilos of sugar per metric ton of sugar cane, an ideal volume for international export.
This year, EL SUNZA developed a joint partnership between the Salvadoran Sugar Company and CLAC to execute the Producer Development Initiative (PDI Project), a project funded by Ben & Jerry’s, a US-based company dedicated to Fairtrade. The main objective of the project is to increase sugar cane productivity and the cooperative’s resistance to climate change, by implementing a sprinkler-based irrigation system. In addition, the PDI Project also focuses on organizational development by training the Administration Board in areas such as environmental management, gender inclusion and generational integration.

Thanks to Fairtrade and the PDI Project, the cooperative has strengthened its technological processes, in both cultivation and production of sugar cane, improving internal operations and increasing its support for the surrounding community.
FECCEG WORKS TO IMPROVE SOIL HEALTH

The Federación Comercializadora de Café Especial de Guatemala (FECCEG), located in Quetzaltenango, Guatemala, is a second-grade civil association that was founded in 2006. It is made up of 10 small producer organizations, representing 1,060 members, including 325 women, from six departments in western Guatemala.

As one of its main principles, the organization uses ‘cooperativism’ to overcome market barriers. It also promotes integral and organic agricultural practices and the responsible use of local and natural resources. Dedicated to Fairtrade, FECCEG has certified three products: coffee, honey, and most recently, sugar cane.

Since 2014, the organization has commercialized raw cane sugar (or panela), after identifying that 100% of local production was dedicated to the product. This is how they began working with a group of farmers that have been producing sugar cane for more than 80 years in the nearby village La Muralla, the municipality of Catarina and the department of San Marcos.
The same year, with the knowledge from the local sugar cane farmers, FECCEG began promoting a new project focused on organic production management systems, with the help of their agricultural technicians. This system helps restore land and soil health, stimulating the growth of sugar cane crops (avoiding burning) and integrating organic farming, based on environmentally-friendly agricultural practices.

Along with this project, the organization also has its own biofactory. The organic inputs that are produced here and applied to the sugar cane crops, include fertilizers such as bokashi, compost, lombricompost, solid and liquid microorganisms, M5 and other bioferments.

Organic production and crop management in sugar cane has also increased producer interest in soil recovery, as it results in an increase in profitability. In addition, it has encouraged the organization’s producers to improve sugar cane production and overall processing.

Since implementation, the organic production management system has doubled sugar cane production per unit area, increasing from 45 tons to 90 tons per hectare. Financed by the Fairtrade Premium, as well as the organization’s own funding, the project currently involves 30 sugar cane producers in the region.

“For many years, I have naturally worked on my plot, and since 2014, I have been applying organic and environmentally-friendly practices into my crop management. The benefits I have seen with these new practices include:

- Increases in production per unit
- Soil recovery
- Decreased amount of pests and diseases
- Increases in the development of cane stems (thickness and height)
- Greater crop profitability
- Recovery of sugar cane varieties
- Conservation of flora and fauna in crop areas
- Better use of land with additional crops

I consider these benefits to be the direct result of the organic fertilizers, produced on my own plot; for this reason, I invite other sugar cane farmers from Latin America and the Caribbean to also implement this process of organic fertilization.”

Lorenzo Ernesto Velásquez Navarro has been dedicated to sugar cane production since he was 18 years old. Now 65, he knows how to manage crops and incorporate best agricultural practices in sugar cane production.
FAIRTRADE SUGAR IN LATIN AMERICA AND THE CARIBBEAN

11 COUNTRIES
in the region with Fairtrade sugar organizations:

BELIZE
GUATEMALA
EL SALVADOR
COSTA RICA
COLOMBIA
ECUADOR
PERU
PARAGUAY
GYANA
JAMAICA
CUBA

110,000
100,000
30,000

HECTARES
SUGAR CANE of FAIRTRADE SUGAR is produced in Latin America and the Caribbean
Small producers of sugar cane Fairtrade

$5.2 MILLION Fairtrade premium received in Latin America and the Caribbean

CLAC SUGAR NETWORK
Small producer organizations across the continent, producing Fairtrade sugar, are articulated through the Sugar Network, one of the product networks that make up the Latin American and Caribbean Network of Fair Trade Small Producers and Workers (CLAC).
Latin American and Caribbean Network of Fair Trade Small Producers and Workers

Av. El Boquerón, Calle Ayagualo M-1A, Ciudad Merliot, Santa Tecla, El Salvador
Tel. (503) 2278-4635
http://clac-comerciojusto.org
info@clac-comerciojusto.org