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CASE STUDY

BEHIND THE BRANDS

SUGAR PRODUCTION IN BRAZIL



Guarani Kaiowá women observe an area recently cleared for plantations - Taquara Indigenous Land, Caarapó Municipality, Mato Grosso do Sul, Brazil. Photo: Oxfam

Sugar production doubled in Brazil between 2000 and 2010, driven by rising international sugar prices and domestic demand for ethanol, which is widely used in motor vehicles.

In order to deliver these huge leaps in production the area of land planted with sugar cane has expanded rapidly – mainly because of the occupation of new areas in the south, southeast and mid-west of the country. Between 2000 and 2010, sugar cane land occupation in the six main states – Mato Grosso do Sul, Goiás, Minas Gerais, São Paulo, Paraná and Mato Grosso – expanded by 4.2 million hectares to around 7.6 million hectares.¹

LAND CONFLICTS IN BRAZIL

Land conflicts have long been a problem in Brazil, caused by the lack of state presence in many areas of this vast country; uncertainty over land ownership; the power of agribusinesses; and poor management of clashes between indigenous communities and farmers.

The number of land conflicts has risen in recent years. In 2012, 36 people were killed as a result of land conflicts – a 24 percent increase over the previous year; and 37 percent of recorded conflicts (396 out of 1067) were in sugar cane regions.²

Landless people and smallholders with no documented proof that they own their land are the main victims. Indigenous people and ‘Quilombolas’ (descendants of slaves who escaped and established communities in the countryside centuries ago) represent more than a quarter of all people in Brazil affected by land conflicts.³



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PERNAMBUCO

A complex land struggle has been ongoing since the 1990s between the sugar company Usina Trapiche and the fishing community in the municipality of Sirinhaém, on the southern coast of Pernambuco State. The conflict centers on control for a public piece of land where the fishing community used to live, and which it had to leave due to an administrative decision. According to the fishers, Trapiche not only expelled them from the estuary of Sirinhaém, but has also been pouring chemicals and pesticides into the water, making the fishing activity impossible for at least half of the year.



Usina Trapiche, Sirinhaém, Pernambuco. Photo: Oxfam

Trapiche is originally a family owned company, established in 1887. After a merger and acquisition process the company became, in 1997, part of the Serra Grande Group. According to an article by Saulo Barros the commercial manager of Serra Grande Group, published in 2012 in the magazine *EcoEnergia*, Trapiche is focused on producing refined sugar for industrial clients, which include Coca-Cola, and PepsiCo,⁴ among others.⁵

Trapiche is one of the region's largest sugar-ethanol complexes, with a total of 28,500 hectares of land, most of which is used for its sugar cane plantations. Part of the Sirinhaém River falls within Trapiche's area of operations, and in several places sugar cane is even planted up to the edge of the river, replacing the native riparian forest. Trapiche is said to have originally asked the state for control over the publically owned estuary and islands by entering into an *aforamento* as early as 1898, 16 years before the occupation of that land by traditional fishermen.⁶ An *aforamento* allows the company to use the public land for a 10 year period with certain conditions, including co-existence with surrounding communities and meeting environmental standards.⁷ The way in which such state lands generally come to be used by traditional people such as the islanders of Sirinhaém is simply through occupation, or *regime de ocupação*.

In general, the state recognizes whoever occupies the land as having the right to live there. According to social movement supporters like the Pastoral



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Land Commission, in this case the state recognized the right of the islanders to live in the estuary of the Sirinhaém River from the time they began to occupy the area around 1914 because their subsistence lifestyle did little harm to the ecosystem. By providing sustenance for so many people, this public land was viewed as serving an important social function.⁸

In the early 1980s, huge incentives were offered to sugar-ethanol companies like Trapiche for the production of sugar cane ethanol.⁹ During this period Trapiche attempted to expel the islanders for the first time.¹⁰ By the mid-1980s, with the end of the military dictatorship, the state had decided the islanders could remain in the estuary, and Trapiche's motivation for expelling them had largely dwindled.¹¹

In 1998, when Trapiche was sold to a sugar mill owner named Luis Andrade Bezerra, 53 families were living on 17 islands in the estuary.¹² According to the islanders, without any provocation, members of Trapiche's private militia began destroying the homes and small farms of the islanders soon after Trapiche changed hands and the new owner became interested in controlling the estuary and its islands.¹³ The islanders say that they received threats of further destruction and violence if they didn't leave their homes on the islands.¹⁴

At this time, the sugar-ethanol industry was in the midst of a renewed expansion due to rising prices for both sugar and ethanol and a new wave of state support.¹⁵ The islanders and their supporters believe that Trapiche sought *aforamento* for the public lands in order to expand the area in which it could plant sugar cane, or at the very least the area under its control.¹⁶

Once the islanders' homes had been destroyed and they had begun receiving threats from Trapiche's militia, they made contact with social movement organizations including the Pastoral Land Commission and the Fishermen's Pastorate, both of which seek to protect and defend the rights of traditional people. These organizations and others struggled alongside the islanders over the next several years, in and outside of court, with the goal of maintaining the islanders in the estuary.

The fight for the islanders to live in the mangrove has continued for many years. According to social movement organizations, the political influence of Trapiche was crucial for a decision that resulted in the expulsion of islanders in 2002, despite the fact that the process often sided with the islanders.¹⁷ The community and its supporters have continued to struggle to regain access to Sirinhaém for the families that were expelled.

Since 2006, Sirinhaém families have requested the creation of an extractive reserve, or RESEX. In January 2007, the 53 families actually managed to suspend the *'aforamento'*, based on the requirement of the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) for the establishment of an Extractive Reserve. The RESEX was approved by The Chico Mendes Institute for Conservation of Biodiversity (ICMBio) in 2009, but



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CASE STUDY

no action has been taken by the state, which also has to approve it. This has been in large part due to political influence by the sugar mill.¹⁸ According to reports from involved organizations, Trapiche has pushed to stop it, relying on its substantial political influence.¹⁹ Because it is a federal process, if the RESEX is established it can actually supercede the '*aforamento*' contract and open up the possibility for the families to go back to the area. The RESEX process is still ongoing.

Trapiche did relocate most of the families to the town of Sirinhaém. However, the families are now living on a steep hillside on the outskirts of the town, which Brazilians refer to as a *favela*, or slum. The families were given small, basic two-bedroom cement homes with bars on their windows. Because the homes are positioned on a steep hillside, the residents must walk down a sharply inclined dirt path to reach the city center, and from there make their way to the wharf and then paddle nearly two hours to the estuary to fish.²⁰

The islanders now have electricity, television, and running water, and many of their children attend public school, but they have no land upon which to plant fruit trees or cassava and other basic subsistence crops. While they are now much closer to the market, they complain of the distance they have to travel to the mangrove to collect enough fish and shellfish and other traditional foods to sell in the market. The islanders now depend much more on the meager income earned in the market each Saturday, which they need in order to buy food stuffs such as cassava, fruit, and fish, the basics of their sustenance which they previously provided for themselves with no need for money with which to buy it.²¹

A small number of these fishermen and women return to the land to live for short periods while they fish. According to Oxfam's own investigation, the huts that are built are routinely burned down.²² According to the Pastoral Land Commission website, on June 13, 2012 employees of the plant actually burned the houses of four fisherfolk that had been rebuilt on the land. The CPT website states that the action was taken by a Trapiche employee called Evânia Freire da Silva, together with five military policemen.²³

The political influence of the mill can be seen at local level. Despite frequent environmental penalties and fines for polluting the local river, the parliament of the State of Pernambuco granted Trapiche an award for their environmental policies in December 2012.

In 2008, the Brazilian Federal Institute of Environment and Renewable Resources (IBAMA), fined Trapiche for water contamination. In November 2009, IBAMA found organic waste and industrial chemicals that were being dumped by Trapiche into the estuary of Sirinhaém River. This material, according to IBAMA, is considered 'highly pollutant' and was the cause of the death of hundreds of thousands of fish and the pollution of the river. Trapiche was fined \$500,000.²⁴



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CASE STUDY

In December 2010, Federal Public Prosecutors in Pernambuco started an investigation into the environmental damage caused by Trapiche in the estuary of Sirinhaém. The research process has not yet been completed. Also in 2010, the fishers managed to record a short video showing water contamination around Trapiche's area of the Sirinhaém River estuary.²⁵ One year later, the Pernambuco State Environmental Agency also fined Trapiche for the environmental damage. Usina Trapiche has denied the allegations in this case study.

MATO GROSSO DO SUL

Mato Grosso do Sul has 51 indigenous territories²⁶ and sugar cane plantation expansion that more than tripled in seven years, jumping from 180,000 hectares to 570,000 hectares between 2007 and 2012.²⁷ According to the Ministry of Agriculture, 39 of the 79 municipalities of Mato Grosso do Sul have at least one sugar cane mill.

The conflicts between indigenous people and agribusiness are neither new nor limited to a particular part of the state. According to the 'Violence against indigenous people – 2012' report released by CIMI, there were 125 cases of some level of violence towards indigenous communities in Brazil during 2012. The state with the biggest number of cases is Mato Grosso do Sul, with 25. Nationally, 60 indigenous people were killed in 2012, 37 of them in Mato Grosso do Sul. Of the 1076 cases related to violence against indigenous people, 567 happened in that state.²⁸

According to the Brazilian NGO Reporter Brasil in its report called 'Em terras alheias' from 2012, the expansion of soy and sugar cane has provoked conflicts with two Guarani peoples particularly: Guarani-Kaiowá and Guarani-Nhandeva. Indigenous land called Jatayvary, located in the municipality of Ponta Porã on the border of Brazil and Paraguay is claimed by the Guarani-Kaiowá people.



Usina Monteverde (Bunge Mill), Ponta Porã, Mato Grosso do Sul. Photo: Oxfam



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CASE STUDY

Since 2008, Bunge has owned a mill called Monteverde, also in the municipality of Ponta Porã. Unlike many other sugar mill owners that operate in the Dourados' region, Bunge has declared it intends to continue to buy sugar cane produced on the Indigenous land of Jatayvary until the contracts end in 2014.²⁹

The Guarani-Kaiowá people have struggled for over 30 years to gain formal rights to Jatayvary. After years of violence and struggle, in 1994, the Brazilian National Indigenous Foundation FUNAI, part of the Ministry of Justice, moved the indigenous people to another territory in Dourados. In 1999, the original indigenous population of Jatayvary finally went back to re-occupy Ponta Porã. The return of the Guarani-Kaiowá to the Jatayvary land was anything but peaceful. Farmers started to intimidate them, shooting into the sky, sending bulldozers and other agricultural machinery to work on the land, as if there were no people there.³⁰

It was only in 2004 that the Guarani-Kaiowá had their land recognized by FUNAI. It was a first step of a long process, which has evolved but is not yet completed. The land had its boundaries defined and approved. In 2011, the Minister of Justice José Eduardo Cardozo published the declaration of Jatayvary, setting the boundaries and recognizing the Guarani-Kaiowá's rights to the land.³¹

While the next step in the process would have been actual demarcation of the land through physical identification of the boundaries, an attempt by FUNAI and the Federal Police to proceed resulted in the landowners preventing them from doing so.³²

In April 2010, after tense negotiations and pressure from the State Prosecution Office (MPE), the Federal Prosecution Office (MPF) and the Federal Labour Prosecution Office (MPT), another mill sourcing from the land, San Fernando, signed a commitment promising not to purchase or promote the planting of sugar cane on land traditionally occupied by indigenous people.³³

According to Reporter Brasil and documents acquired by Oxfam, Bunge buys sugar cane from five farms located on the Jatayvary land, which is already in an advanced stage of the process for acquiring full demarcation as indigenous land. Bunge, however, insists that it will only consider breaking contracts with farmers on the Jatayvary land when the land is fully demarcated and signed by the President.

Bunge's Monteverde mill initially refused to acknowledge any responsibility for sourcing sugar from inside indigenous land.³⁴ Since then it has continued to source sugar from Jatayvary land. Initially, Bunge indicated that its contracts would conclude in 2013, but it has since told the prosecutor that it expects the contracts to conclude in 2014.³⁵ Bunge continues to buy sugar cane from five properties within Jatayvary.



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CASE STUDY

Table 1: The five properties reported by Reporter Brasil

Name	Farm	Sugar cane area (ha)
Norma Zambon Conci, Márcia Conci e Beatriz Conci	Santa Luzia	139
Eliana Martin Torres	Guarida	135.4
Maria Tereza Coronel Dorneles	Três Marias	99.3
Donizate Moreira Lima	El Shadai	70.3
Odite Nunes Nazário Stefanello	Fazenda Dependência	268.2

Source: Reporter Brasil, using information from Bunge.

While Bunge insists on reinforcing the occupation of indigenous land in Mato Grosso do Sul, it has managed to get four of its processing facilities Bunsucro-certified: two in São Paulo State (Guariroba and Moema) and two in Minas Gerais (Frutal and Itapagipe). Through those sugar mills, it has been selling to Coca-Cola, according to a 2011 press release circulated by Bunge.³⁶ Coca-Cola confirmed in dialogue with Oxfam that it sources sugar from Bunge in Brazil, but not from the Monteverde mill.

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For further information on the issues raised in this paper please e-mail itamir@oxfamamerica.org

The information in this publication is correct at the time of going to press.



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CASE STUDY

ENDNOTES

- 1 <http://www.unicadata.com.br/historico-de-area-ibge.php?idMn=33&tipoHistorico=5>
- 2 CIMI (2012) 'Violência contra os povos indígenas no Brasil 2011', <http://www.cimi.org.br/pub/Viol/viol2012.pdf>
- 3 Of 58 land conflicts documented in Mato Grosso do Sul in 2012, only four did not involve indigenous communities. From an unpublished report prepared for Oxfam by Repórter Brasil, based on information from FUNAI, Instituto Socioambiental (ISA), and the Pastoral Land Commission (CPT). In 2012 there were 567 cases of violence and 37 killings perpetrated against indigenous people in the state. CIMI (2012), op. cit.
- 4 As confirmed in dialogue with Coca-Cola and PepsiCo.
- 5 <http://www.revistaecoenergia.com.br/images/revistas/edicao14/> page 6.
- 6 L. Schneider (2010) 'A sweeter alternative for whom? Sugarcane ethanol production and rural livelihoods in Northeast Brazil'. American University, Washington DC.
- 7 Interview with Plácido Júnio of CPT (Pastoral Land Commission) 8 January 2013. The law governing these concessions can be viewed here: http://www.planalto.gov.br/ccivil_03/leis/18666cons.htm (Art. 17, alínea f)
- 8 L. Schneider (2010) op. cit. p 48.
- 9 L. Schneider (2010) op. cit.
- 10 Ibid
- 11 Ibid
- 12 Ibid
- 13 Oxfam interviewed CPT (Pastoral Land Commission) representative Plácido Júnio, on 1 August 2013, and he confirmed this narrative and the various legal processes. Oxfam interviewed a Father Sinésio Araújo, based in Sirinhaém, who confirmed the conflict. On the CPT website www.cptpe.org.br there is additional information about the conflict, along with testimonies of the affected community.
- 14 Ibid
- 15 L. Schneider (2010) op. cit.
- 16 Ibid
- 17 Ibid and interview with Pastoral Land Commission.
- 18 Ibid.
- 19 Amnesty International video: <http://www.youtube.com/watch?v=QMzIshWJgOw> and Pastoral Land Commission interview.
- 20 L. Schneider (2010) op. cit.
- 21 L. Schneider (2010) op. cit.
- 22 Interview with José Bernardino de Lima.
- 23 <http://www.cptne2.org.br/index.php/publicacoes/noticias/noticias/55-pe/3397-usina-trapiche-incendeia-barracas-de-pescadores-tradicionais-nas-ilhas-de-sirinha-percentC3-percentA9m.html?highlight=YToxOntpOjA7czo4OiJ0cmFwaWNNoZSI7fQ==>
- 24 <http://www.cptne2.org.br/index.php/publicacoes/noticias/noticias/55-pe/3613-mesmo-multada-por-diversos-crimes-ambientais,-usina-trapiche-recebe-pr-percentC3-percentAAmio-da-assembleia-legislativa-de-pe.html?highlight=YToxOntpOjA7czo4OiJ0cmFwaWNNoZSI7fQ==>



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CASE STUDY

- 25 <http://www.youtube.com/watch?v=0VNjUtxiy-w>
- 26 The information on the 51 indigenous territories is from ISA – the Socio-environmental Institute.
- 27 Based on satellite monitoring by INPE, Brazil's National Institute for Space Research. Data available at: <http://www.dsr.inpe.br/laf/canasat/tabelas.html>
- 28 <http://cimi.org.br/pub/viol/viol2012.pdf>.
- 29 http://www.bunge.com.br/sustentabilidade/2013/eng/downloads/Bunge_AR13.pdf p.43.
- 30 Marcos Homero Ferreira (2013) 'Clean Biofuels and the Guarani Indians of Mato Grosso do Sul: Human Costs and Violation of Rights', Lima, <http://reporterbrasil.org.br/documentos/EmTerrasAlheiasING-WEB.pdf>.
- 31 Ibid.
- 32 Ibid.
- 33 <http://reporterbrasil.org.br/documentos/EmTerrasAlheiasING-WEB.pdf>.
- 34 Interview with Federal Prosecutor Marco Antonio Delfino de Almeida.
- 35 Ibid.
- 36 2011 press release, <http://www.bunge.com.br/Imprensa/usinas-do-grupo-bunge-obtem-certificacao-bonsucro> Coca-Cola confirmed that they source from Bunge in Sao Paulo.