Ben Richardson, University of Sheffield

Restructuring the EU-ACP Sugar Regime: Out of the Strong There Came Forth Sweetness

For agriculture in the European Union (EU), sugar was for a long time considered a commodity apart. It was unscathed by the MacSharry reforms made to the Common Agricultural Policy (CAP) in 1992, unaffected by the Agreement on Agriculture in the World Trade Organisation (WTO) in 1994, and untouched by the second major change to the CAP in the 2003 Fischler reform. Alongside this, the commitment made to import a fixed amount of sugar from the African, Caribbean and Pacific (ACP) countries under the Sugar Protocol stood as one of the longest and most valuable preferential trading arrangements in the world. Then, in 2003, a challenge was made by Australia, Brazil and Thailand to the EU sugar regime and taken to the WTO Dispute Settlement Body. Two years later the EU had responded with the most substantial reform to CMO Sugar (the Common Market Organisation of Sugar) since the UK acceeded in 1973, and further, two years after that, the EU unilaterally denounced the Sugar Protocol, bringing to an end thirty-four years of international commodity support.

The standard response to these recent developments has been to portray the WTO ruling as a victory for liberalism and another nail in the coffin of protectionism and preferential treatment. The focal point of political economy analysis has been to point out that the partial opening of EU agriculture to trade has not translated into unambiguous gains for developing countries (see Chaplin and Matthews, 2006; Gibb, 2004; Milner, Morgan and Zgovu, 2004; Page and Hewitt, 2002). In particular, the 79 countries of the ACP have been cleaved in two, with some benefiting from the new market access offered by the EU but many more losing from the reduced price that sugar now fetches there.

While useful as developmental critique of agricultural liberalisation by developed countries, this literature has two major shortcomings. First, it fails to provide a compelling narrative of why change came about and why it took the form it did. The reasons for change are essentially over-determined as a confluence of factors are variously cited – the WTO ruling, earlier changes in trade regulation, internal pressure for reform from national agriculture ministries and non-governmental organisations, and the UK Presidency of the European Council among them – and the final outcomes taken as given (see also Ward *et* *al.*, 2008). In short, contingency and agency are marginalized from the politics of reform. Second, it fails to explain why a number of sugar companies in the EU continue to prosper in the post-reform world and why the ACP producers face difficulties in adjustment beyond plain terms of trade losses. In presenting a static and state-centric analysis of trade ‘winners and losers’, existing literature has overlooked the different capacities of sugar producing companies to adapt and survive in new regulatory environments. Crucially, these two shortcomings are intimately linked. The argument made here is that once the need to reconfigure the sugar regime finally became necessary, for reasons more related to the machinations of the EU Trade Commission than decisions at the WTO, the select EU sugar processors that had benefited under previously were able to shape reform in their favour and carve off competition in the domestic market. In addition, given the financial and human capital built up under the pre-existing regime, these firms have been able to multi-nationalise production and diversify into new value added markets. In comparison, the new regulatory environment and legacies of accumulation faced by producers in the ACP have left them with little room for manoeuvre.

To better understand the enmeshment of the EU-ACP sugar regime in wider processes of international liberalisation and its distributional consequences, this article proceeds in five parts. First, it outlines a theoretical entry point drawn from prevailing literature on the IPE of agri-food systems, and then, second, uses this approach to map out the dynamics of concentration and diversification that characterised the EU sugar sector prior to reform. Against this backdrop, the third section explains how an imperative for reform was constructed by the EU out of its adoption of the Everything But Arms agreement and defeat at the WTO in order to make sugar compatible with its wider trade agenda. The fourth section then details how this open-ended imperative split the various stakeholders in the regime and how the final reform package favoured those European processors who were its prime beneficiaries previously. The section then concludes, along with the fifth section, on the historical and regulatory reasons why producers in the EU continue to reap profits out the sugar industry while producers in the ACP continue to struggle.

Food Regimes and the Historical Processes of Accumulation

In order to move past a static and state-centric reading of trade relations in sugar, this article takes as its theoretical starting point the concept of ‘food regimes’. Emerging in the 1980s the concept was intended to highlight the mutual dependence of international relations, transnational economic processes such as commodity circulation and capital movements, and changing class and sectoral structures within nations, in the construction of the international food order (Friedmann, 1982; Friedmann and McMichael, 1989; McMichael, 1994). In doing so, it intended to offer a historically comparative analysis of the evolution of regimes of accumulation in agri-food production, each of which developed with its own specific institutional framework and social norms, though did so alongside capitalist development more generally. Particular attention was dedicated to the shifting relations of power within agriculture spawned by the acceleration of corporate concentration and the introduction of bio-technologies, which were capable of ‘substituting’ the chemical constituents of crops in the production of industrial goods and ‘appropriating’ input factors such as manure or indigenous plant varieties and replacing them with industrially produced fertilisers and commercialised seeds (Bonanno *et al*., 1994; Friedmann, 1991; Goodman, 1991; Weis, 2007a).

Within this framework of international food order, sugar was grouped with other tropical products such as palm oil in the durable foods complex, one of the three complexes (the others being grain and the livestock/feed complex) that constituted the wider food regime. Sugar was recognised as being one of the most tightly regulated commodities in international trade, organised simultaneously through formal preferential agreements marked by colonialism or Communism and an over-supplied and residual world market. Subject to the accumulation trends that befell the durable complex as a whole, during the 1970s and 1980s imports of ‘tropical’ cane sugar were phased out in the capitalist core as domestic sugar production increased and alternative sweeteners such as High Fructose Corn Syrup (HFCS) were able to substitute for traditional sugars. This was understood to have a disintegrative effect on the old division of labour as trade between developing countries began to dominate the international sugar market and an intensifying effect on the growth of processed foods and beverages, where the use of sugar/sweeteners had increased most rapidly in the Fordist diet (Friedmann, 1991).

As debates around the international political economy of agri-food systems have progressed, the concept of food regimes have come under scrutiny for providing a 'broad-brush' account of the transformation of capitalist agriculture, and, consequently, an inability to explain heterogeneity at the local level and a tendency to periodize and flatten history (Marsden and Arce, 1995; Whatmore, 1994). In the context of this article, however, an awareness of the systemic level of agri-food regulation is considered valuable in two senses. First, it provides the spatial frame necessary to trace the movement of the EU sugar regime from a 'special case' of agricultural policy to one that appears to have been pressed and fitted into the global economic order built on tariff reduction and decoupled support. Second, it retains a focus on showing how those ex-colonial sugar producers in the Global South, whose fortunes have long been intertwined via market regulation with those in the EU, are being extricated from the preferential agreements that bound them together and in turn re-incorporated into the new trade relations supporting contemporary forms of accumulation.

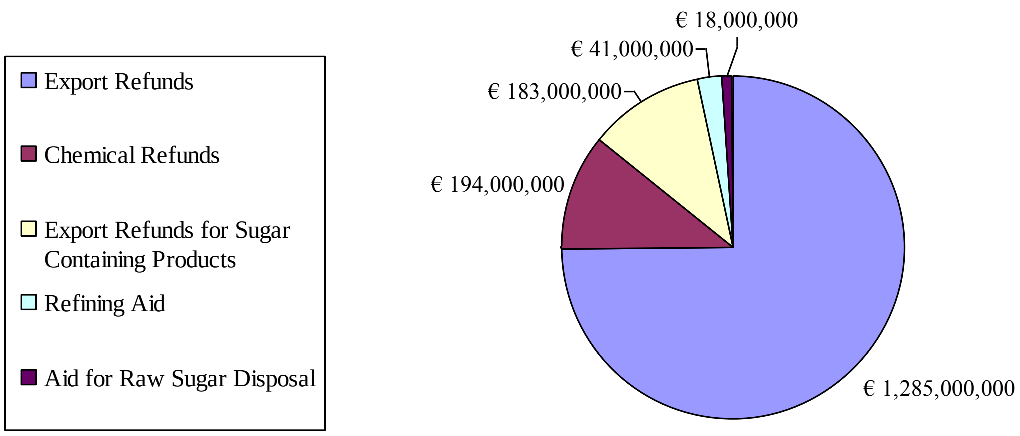
Dynamics in the EU-ACP Sugar Regime

While 'nested' in the durable foods complex, and beyond that, the international food regime more generally, the EU-ACP sugar regime contained its own idiosyncrasies through which wider dynamics evident in the agri-food sectors were filtered. These idiosyncrasies were structured in the main by the Common Market Organisation of Sugar (CMO Sugar), the byzantine policy institution that had regulated sugar production and trade in the EC/EU since 1968. Traditionally CMO Sugar rested on three pillars: guaranteed prices, export subsidies, and import restrictions. Guaranteed prices were offered to processors for all sugar produced in-quota, that is, inside the alloted quotas set by the European Commission and distributed by national governments. Given that the sum of quota sugar and the guaranteed Sugar Protocol import from the ACP routinely exceeded domestic consumption, a structural surplus was effectively built into CMO Sugar. This surplus had to be exported, but as the world price of sugar is typically below European production cost, it could only be sold with an export subsidy. This came from a combination of levies paid by processors, which were effectively passed on to consumers in the form of higher prices, and finance taken from the EU's Development Budget equivalent to the 1.3mt ACP import, which was justified as a form of development aid. Finally, to prevent cheap foreign sugar competing with the allotted supply at home, import restrictions consisting of a high, flat rate tariff and an additional safeguard tariff were applied, creating a watertight seal on the European market.[1] This tightly regulated market was complicated (further!) by the excess, out-of-quota sugar produced in the EU, so-called ‘C-quota’ sugar. For C-quota sugar, no help was given and the commodity had to be sold below cost on the world market, a business made viable only because the profit margins that came with in-quota sugar were used to cross-subsidise C-sugar so that it could be sold at marginal cost and compete at low prices.

In effect, then, CMO Sugar acted like a series of valves, letting sugar flow out the EU, as subsidised in-quota or effectively subsidised C-quota, but not letting any flow in. Thus it successfully averted the stockpiling of sugar as happened in the case of ‘butter mountains’ and ‘wine lakes’ and thereby mitigated an acute political pressure point felt in other areas of agriculture. Moreover, the complicated and diffuse ways in which CMO Sugar was financed – through producer levies, development assistance and implicit higher consumer prices rather than through the usual CAP budget – resulted in the perception that the regime was self-financed and thus sustainable.

This notion of sustainability was further enhanced by the political bargains made to heapen inter-industry trade: in short, potential antagonists to the high price of beet sugar were effectively paid off and thus given a stake in maintaining the status quo. To put some names and numbers on this, between 2000 and 2004, the annual EU expenditure on sugar ranged between €1,400m and €2,100m. Chemical refunds, a compensatory tool for firms using expensive European sugar in non-food products, were received by Tate & Lyle’s Citric Division among others, while recipients of export refunds for processed foods include companies such as Nestle. Tate & Lyle also received the lion’s share of the refining aid, which was granted to equalise profit margins with British Sugar (Rural Payments Agency, 2007; European Commission, 2004). The majority of expenditure, however, was for export subsidies, the major beneficiaries including Südzucker, Tereos, Danisco, British Sugar, and, again, Tate & Lyle. The chart below details the exact division of support for 2004.

Explicit Costs of CMO Sugar, 2004



Source: European Commission, 2004.

Within this stable regime, those companies originally granted quota by their national governments were further aided by the regulatory structure of CMO Sugar, which inflated and protected their individual markets. Through the system of quota allocation, CMO Sugar facilitated the emergence of 'national champions' in sugar, as, in the majority of member states, quota production was held by just a handful of beet processors and tight regulations meant that this could not easily be transferred to potential competitors.[2] Moreover, as quota remained in the hands of the few, processors acted as both monopsonists (i.e. the only one possible buyer for farmers' beet) and monopolists (i.e. the one possible seller in the national/sub-national market). This bore two consequences in terms of rent capture. First, processors were able to wrench a disproportionate share of the intervention price from growers, as, although they had to pay a minimum price for beet as set within the CMO, there was still the refining mark-up to be negotiated. Second, they were able to charge inflated prices by virtue of what the Swedish Competition Authority (2002) called 'tacit collusion'; an informal and legal arrangement whereby companies declined to compete with each other outside their national/regional market and instead charged between 10 and 20 per cent above the already generous intervention price. Thus CMO Sugar facilitated neither a Single European Market, nor an international market, but was handmaiden to the domination of effectively sealed national/regional markets by a select number of processors.

Sugar beet was one of the most profitable crops to grow in the EU and sugar beet processors were arguably the prime beneficiaries. They were, in economic terms, the recipients of 'super-normal' profit; that is, profit that should be, but is not, eroded in the long run.[3] The logic of business management, however, dictated that this was not enough as profit streams had to be continually renewed and improved upon. For sugar processors, the options were limited as demand for sugar was flat – a result of income inelasticities and the shift toward reduced-sugar diets in Europe – and margins on inputs bought (beet/raw cane) and output sold (refined sugar) had been pushed to the limits. The remaining options were thus concentration and diversification.

Concentration allowed the aggrandizement of super-normal profit streams from different regions as processors bought one another out and then decommissioned the smallest among their number. The resulting changes in production locale were the only times that quota was transferred in practice. Between 1992 and 2002 thirty per cent of sugar factories closed down, with the majority of the closures involving the smaller and/or independent plants. Moreover, given that many of the survivors were in the hands of the same parent company, it was estimated that just 30 companies filled the EU production quota, with a mere five – Südzucker, Nordzucker, British Sugar, Danisco and what would become Tereos – controlling the majority. This concentration of production led to reduced employment as technical advance and economies of scale raised the factor productivity of labour meaning less people needed to be employed to produce the same amount of sugar. Between 1992 and 2002 almost 20,000 jobs were shed in the processing industry, leaving 38,500 in work by the end of the period. This also affected the farming of sugar beet as those (typically smaller) holdings surrounding the decommissioned factories stopped growing the crop while those remaining holdings increased in size. The biggest of these holdings could be found in France and the UK which had an average size of 100 hectares, compared to an average European *sugar* holding of 69 hectares, and an average *agricultural* holding of just 18 hectares (European Union, 2003:48-68).

Diversification, meanwhile, took place into both unrelated economic sectors via the parent company, or within the immediate economic sector into activities such as non-food sugars, distribution/trading or sweeteners – the latter representing a novel form of substitutionism which did not displace existing sugar sales, as HFCS did in the US and Japan, but rather enlarged the market for sweetness as a whole (see Fine *et al.,* 1995:118). In the UK, these trends could be witnessed in the parent company of British Sugar, Associated British Foods, which milked its cash cow for investments in property, and in Tate & Lyle, which acquired citric acid businesses and established trading houses and sweetener subsidiaries producing HFCS (this subsidiary operated in the US market as HFCS production was sharply constrained in the EU under CMO Sugar regulation). It is notable too, that these trends in farming and processing had a marked geographical distribution: those enterprises that remained in business tended to be located in some of the richest regions in the EU – the Paris Basin in France, East Anglia in the UK, and North Rhine-Westphalia and Lower Saxony in Germany – thus exacerbating existing income inequalities across Europe.

The Imperatives for Reform: Driven *for* the WTO not *by* the WTO

The political economy of guaranteeing high prices to European sugar beet farmers had resulted in a house of cards as successive stakeholder interests were finely balanced together and a regulatory regime slowly erected. What happened, then, to send this house tumbling? As a start, its discursive foundations were shaken ever more vigorously. The reports of the EU Court of Auditors (2000) and the Swedish Competition Authority (2002) highlighted the implicit costs, over-production and lack of competition within the regime; government departments such as the UK's Department for Environment, Food and Rural Affairs (2006) challenged the notion that sugar should be treated as a unique industry; and NGOs like Oxfam (2004) criticised the anti-development consequences of EU dumping. But the policies that made the need for change inevitable, by effectively pulling the rug from under the regime, were the 2001 EBA agreement that prised open EU import restrictions, and the WTO dispute case that heralded an end to export subsidies. Without these, it is arguable that the impending CMO Sugar reform in 2006 could have dealt with its erstwhile challenges in a more conservative manner.

The EBA began life as an idea circulating in the WTO around the 1996 Singapore Ministerial and proposed to give the 48 least developed countries (LDCs) duty-free and quota-free access to the EU market for all products except arms and munitions. The idea was picked up by Pascal Lamy, EU Trade Commissioner at the time, and via his intimate knowledge of the bureaucratic machinery of the EU was passed by the Council of Ministers just five months later. While the EBA did not cover any countries that could have flooded the EU market immediately – no LDC was a major exporter in the league of Brazil or Thailand – the EBA constituted the thin end of a large and unsettling wedge for European producers. This much was recognised when sugar was made one of only three commodities denied immediate access under the agreement and instead backloaded until 2009, which along with a slight reduction in preferential imports (discussed later) was the only succour producers were able to achieve once the wheels of the EBA had been set in motion.[4]

The WTO case, meanwhile, involved Australia, Brazil and Thailand, all low-cost sugar producers with large export potential, taking aim at the EU's out-of-quota exports. The dispute did not challenge the EU's right to import ACP sugar at preferential prices but rather its use of development aid and effective cross-subsidisation, which was alleged to violate the Uruguay Round commitment of the EU to limit subsidised exports to 1.3mt. Despite European protestations, the WTO ruled in favour of the complainants and the EU was forced to abide by its initial commitment. The upshot was that around 4.0mt of EU sugar, which had previously found its way on to the world market, would have to be 'disposed' in another way.

It is tempting to see the disciplines of the WTO, and the sugar dispute in particular, as a force outside the regime pushing the EU into reforming the sector against its wishes; in the theoretical language of institutionalism, the reason for change could quite easily be constituted as an 'external shock'. Such an analysis here, though, would underplay the independent interests that the EU, specifically the European Trade Commission, had in reducing domestic support on sugar anyway. What is suggested in the remainder of this section is that the EU acted in a duplicitous manner, actively courting reform to sugar at the same time as it publicly defended the status quo, seeking to manoeuvre the regime into a position consonant with its broader goals of WTO-compatible trade policy. In short, this was not reform *by* the WTO but reform *for* the WTO.

First, it is apparent that the initiation of the EBA agreement was not just a long overdue pro-development policy, or more cynically, an exercise in trade diplomacy, but was also, as one industry informant (2007) put it, 'an exocet missile designed to hit the sugar regime'. The point of note here is that most LDC exports recieved duty-free, quota-free access to the EU anyway under its

Generalised System of Preferences (GSP), leaving the benefits of the EBA concentrated on just a few key products, one of which was sugar. Pascal Lamy, EU Trade Commissioner at the time, was clear on the efficacy of this market opening:

> [Under the EBA] we decided to liberalise not only industrial products – including textiles and clothing – but also agricultural imports, and importantly, those that had hitherto been the most sensitive products… As you can imagine, the adoption of this initiative was not an easy task for us. *But we were determined to tackle entrenched domestic lobbies*, and as a result, I think the debate about trade and development in Europe has made a significant step forward. (Lamy, 2001. Italics added)

Second, the waning commitment of the Commission to uphold the established practices of its sugar regime was evident in its WTO defence and subsequent response. Although the EU did present a defence in the WTO – not to have done so would have been political suicide – it was decidely lacklusture and done more out of a duty to challenge than a desire to win. According to one WTO informant (2008) who particpated in the case, ‘certain sections of the Commission weren’t too unhappy about the result’. It can be presumed that this referred in particular to the Trade Commission.

Third, the duplicity of the EU can be seen in its illusory usage of the WTO defeat in the restructuring of EU-ACP relations and the ultimate denounciation of the Sugar Protocol. Although often conflated by the fact they were negotiated around the same time, the change in the EU sugar regime, the ACP Sugar Protocol, and the introduction of Economic Partnership Agreements (EPAs) were actually far more integrated. Recall that the complaint over export subsidies was to be settled by reform to CMO Sugar; there was specifically no attack made at the WTO on the Sugar Protocol itself, or the right of the EU to import guaranteed amounts at above world price. The preferential treatment of the traditional exporters in sugar, and of the ACP in international trade more generally, was a separate issue regarding non-reciprocity, which was simultaneously under negotation as the WTO waiver given to the 2000 Cotonou Agreement expired in 2007.[5] Yet the EU pushed the negative result of the WTO sugar case, along with that of the similar bananas case, to suggest the incompatiblity of preferential treatment in the current trading order (see Mandelson *et al.*, 2007).

The preferred solution of the EU was to conclude EPAs with the ACP and rewrite the Sugar Protocol within this framework, replicating the duty-free quota-free offer of the EBA and ending the system of guaranteed prices by breaking the link to the EU price and allowing it to float (European Commission, 2007). As many ACP countries stalled on negotiations, reluctant to accept stringent ‘behind the border’ policy changes proposed by the EU and to give up their remaining preferences, of which sugar was one of the most important, the EU made its threat material. Just as the expiry date of Cotonou waiver began to close in, the Sugar Protocol was abruptly ended and its recipients made to face an even greater loss in export earnings should they not submit to the EPA-juggernaut. The exasperated response of Henry Jeffrey, Caribbean regional spokesman on sugar, to the request by the EU for the Caribbean to join with them in denouncing the Protocol captures this well: ‘If ever there was an absurdity, this was it!’ (Stabroek News, 2007).

For all the negative press and political upheaval it caused, it is worth asking why the European Commission was so adamant on concluding WTO-compatible trade regulation in sugar. In short, the answer has to do with the extent to which CMO Sugar interfered with greater trading priorities. This ‘interference’ was revealed by the steadfast refusal of Peter Mandelson, succcessor to Lamy as EU Trade Commissioner, to entertain ACP hopes of a renewed waiver; the renewal dismissed not so much because of its illegality but because of the costs associated with it. The Cotonou waiver was requested at the WTO Doha summit in what the EU portrayed as a situation of ‘exceptional circumstances’ and was only granted after European concessions towards Thailand, Indonesia and the Philippines over canned tuna, and towards Latin America over bananas. Given the difficulty of construing the end of 2007 as *another* exceptional case, WTO members would certainly have made the EU pay dearly for a second waiver. Moreover, defending the type of preferences as enshrined in the Sugar Protocol would be costly not only in terms of immediate concessions, but also in jeopardising longer term relations with far more important trading partners (Orbie, 2007). The EU has much to gain from a credible and stable international trade system as institutionalised in the WTO, and reforming sugar gave it both room to manouevre in the Doha Round agricultural talks and the leverage to make enhanced demands of its own (Swinbank, 2005). Mariann Fischer Boel (2007), current EU Commissioner for Agriculture and Rural Development, has since stressed this leverage volubly:

> The example of sugar underlines our tough commitment to reform…we are deadly serious about having a CAP which can face up to the discipline of the international market and expectations of the public…. [But] It is not acceptable that we simply brush market access for services and industrial goods to one side…No one can seriously expect the EU to make valuable concessions in the farm sector and come away from the table with nothing at all to show for them.

Finally, along with reduced concessions and increased political capital, there was also a domestic trade incentive in bringing about reform. It could potentially bring about cheaper sugar for export-orientated food processors, part of the broader EU strategy for shifting the region's trade profile toward value-added products (Mandelson, 2006). While the Commission – and many other economic studies – typically touted the benefits of cheaper sugar as a consumer boon, the fact is that any price reductions would be somewhat negligible for the individual shopper. As it turned out, in the UK just £0.16 should be saved on a kilo bag of sugar, and much less on products where sugar makes up a smaller percentage of the final cost.[6] Hardly the stuff of consumer liberation! As was anticipated, the real beneficiaries would be the export-oriented sugar-using industry, which would ultimately be better placed to target foreign markets once the full price reduction took full effect and the reliance on export credits had ended (Laming, 2007).

In sum, reforming sugar was about the broader significance of the sector. This point was not lost on Franz Fischler (2004), then Director-General of Agriculture in the European Commission, when he announced to an audience of sugar workers on the eve of reform that the impending changes were 'not about reducing prices to consumers', though this was symbolically important, and neither were they about about protecting jobs, as 'the trend towards rationalisation and job reduction would continue even without reform'. Rather, reform was about 'how the market fundamentals work', meaning a situation needed to be reached where the sugar regime was consonant with the other commodities in CAP and which would enable the EU to take a positive rather than defensive position in future WTO negotiations. In achieving this objective, it is evident that the EU deliberately put WTO rules at the centre of the debate, portraying them as fixed and immutable and not the political construct they really are (Hurt, 2003: 174).

Internalising Regime Change: How Corporate Concentration Shaped and Succeeded Reform

So the rug had been pulled out from under CMO Sugar and reform made a necessity. The point made in this section is that the precise nature of this reform was an open question and that, given the complex and mutliple interests at stake, there was still much to play for. The European Commission (2003) opened the debate on reform by releasing a working paper detailing three alternate scenarios to meet the necessity of reducing its volume of production – reducing producer quotas, letting the internal price fall, and full liberalisation – with preference firmly expressed for the price fall option. This would help bring sugar in line with the rest of the CAP commodities and also enable the duty-free, quota-free offers to be made with reduced risk of creating a flood of imports. However, this option held grave consequences for the less competitive producers, not just in Europe but also among the Protocol signatories and EBA eligible suppliers who benefited from the higher price their cane received in the EU. Yet the low-cost beet producers that were able to withstand a price fall, namely, those in Britain, France and Germany, were reluctant to agree to a quota cut that would have been imposed uniformly across member states, and in July 2004 the price cut option was decided as the path of reform.

In response to this threat, an unlikely alliance arose between the ACP cane exporters and the high-cost sections of the European beet sector advocating a 'shallow' price fall option. To make this compatible with the EBA agreement, LDCs agreed to voluntarily restrict their exports to the EU over the first 10 years of the agreement, and for their part, those EU states with a preponderance of high-cost producers agreed to accept restrictions on production. This too failed to gain support. Both the trade and agriculture departments of the European Commission maintained that it would be an affront to the spirit of the EBA and to the letter of the WTO if it now reneged on the essence of the agreement and introduced sustained quota limits on exports *despite the fact this is what the LDCs actually desired* (Fischer Boel, 2005). And for their part, having already sidelined the fixed quota option, the efficient beet producers were in fact pushing their respective agricultural ministries to promote a *deeper* price cut to the one proposed by the Commission, in order to carve off as much potential competition as possible.

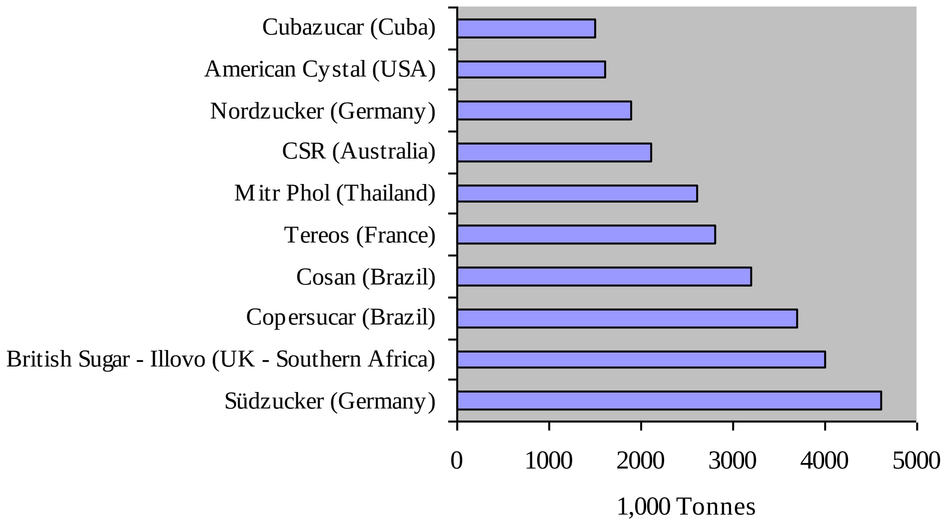
In doing this, cleavages were created within the lobbying groups that had once united behind the preservation of the regime. Representing farmers, Ricardo Serra-Arias, Vice President of the Committee of Professional Agricultural Organisations in the EU, called for a rejection of the proposal, which he felt ‘lacks solidarity as it creates a major division between producers’ (European Parliament, 2005). Likewise, the internal division also paralysed the organisation representing processors, the Comité Européen des Fabricants de Sucre (2004), which fell silent over the price cut and instead focused on preventing as many imports as possible – a move that would benefit the association as a whole irrespective of individual corporate cost structures. In contrast, able to promote its narrower interests, British Sugar described the key to success as getting the balance between setting a price which ‘drives as much of the inefficient production out’ and a price which guarantees their minimum supply of beet (House of Commons, 2005). More plainly, Südzucker simply announced that it ‘welcomed’ the lower price reduction (Fletcher, 2006).

Thus in June 2005, the cut in the reference price was deepened and the proposal taken to the Council of Ministers for approval. The inefficient member states were finally bought off with compensation payments thrown into the reform as it passed in November 2005 – €2 billion found at the last minute to ease its passage. The CMO Sugar that resulted entailed a 36 per cent price cut to be phased in by 2009, partially offset by a direct payment which would compensate beet growers for 64 per cent of this cut for the first few years, and a restructuring fund which would encourage processors to leave the industry by paying them for production forfeited. To compensate refiners, a transitional package worth €150 million was released, the bulk of which will go to Tate & Lyle. In total, over €7 billion was made available to cushion the price fall adjustment and encourage producers to relinquish quota quickly and quietly to save the difficult political task of enforcing compulsory cuts. The ACP (2005) ultimately had to satisfy themselves with €1.33 billion in restructuring aid between 2007 and 2015, to offset estimated export earnings losses of €2.5 billion over the same period.

The argument presented so far is that the interests shaping reform cannot be understood apart from the historical trajectory of accumulation in the EU sugar industry. Moving this forward, the remainder of the section will show how this trajectory not only conditioned reform but has also continued in its wake. Most obviously, the system of quota production has remained intact, albeit at lower prices, and it was this, not export subsidies, which was the source of structural advantage of European vis-à-vis foreign firms. The final reference price of €404 per tonne still compared favourably to an average world price of €130 per tonne, guaranteeing those surviving firms a protected profit stream, as well as the continued opportunity to engage in tacit collusion (see Committee of Industrial Sugar Users, 2005).[7] In addition, the trend to concentration has continued to accelerate. Not only has sugar production ended or been scaled back in smaller producing countries such as Greece, Finland, Ireland, Italy, Latvia, Portugal and Slovenia, all softened by the restructuring package, of course, but the leading sugar companies have continued to grow in capacity. National governments in both Germany and France have taken up the offer of buying up limited additional quota in the wake of reform, thereby *increasing* their production. Within these countries, Südzucker acquired the second largest quota holder in France, the Saint Louis Sucre group, and in 2005 Tereos continued its vertical integration by merging with the beet growers union, Sucreries et Distilleries des Hauts de France, placing over 14,000 beet growers on its books.

Further, the introduction of the EBA, the widening of the EU to east Europe, and the WTO-enforced EU export withdrawal have all created greater incentives for foreign direct investment. To the extent that new opportunities in world trade are emerging, it is not just companies in Brazil, Thailand and Australia that stand to benefit, but many in the EU industry too – the supposed losers of the WTO dispute. The most notable in this regard has been British Sugar, which bought a controlling share in the dominant southern African producer, Illovo, for £317m, channelling a further £100m through its subsidiary in 2007 to build a sugar mill and ethanol plant in Mali (Warwick-Ching, 2007). Alongside its intention to 'harness the tariff free trading arrangements afforded to the LDCs', British Sugar has also been closing its less productive factories, such as those in Yorkshire and Shropshire in Britain, while buying in Poland and even China to serve the attractive domestic markets there (Adamson, 2007: 2). Similarly Tereos has been targeting foreign suppliers, investing in Mozambique and also in Brazil, where it plans to be processing 13mt of cane by 2012, while Tate & Lyle has acquired a ten per cent stake in Lao Sugar and plans to refine the cane shipped to the UK (Tereos, 2006; Agritrade News, 2007). The effect of this concentration and mulit-nationalisation of production is apparent in the graph below: European corporations remain heavyweights in global sugar production.

World Sugar Production by Company, 2007



Source: F. O. Lichts (2008) *International Sugar and Sweetener Report*, 146 (15), p. 471.

Strategies of diversification have also been maintained by Europe's leading sugar processors. In the post-reform era two high growth sectors in particular have been identified: biofuels and niche sweeteners. The former maps on to the previous investments by processors in industrial crop transformation, and, like beet processing before it, has been aided by government support, the regulatory structure set down by the EU, and tariff protection, in this case on Brazilian ethanol.[8] The key target in the EU has been for 10 per cent of transport fuel to be biofuel by 2020 and to help meet this goal aid payments have been provided for crops grown for energy purposes, with national governments following in kind with tax breaks and production licenses (incidentally, all horizontal policies which elude WTO discipline). In response to these initiatives and to bullish energy prices, British Sugar, Nordzucker, Südzucker and Tereos, and other companies either wholly or part-owned by these such as Agrana in Austria and Saint Louis Sucre, have all recently announced multi-million Euro investments in ethanol plants, some using sugar beet, but most using wheat. As a result, ethanol production in 2007 stood at 1.77 billion litres, with France and Germany the biggest national producers, and Tereos the biggest corporate producer (European Bioethanol Fuel Association, 2008). One senior Commission official was quick to warn that 'what this is doing is creating a CAP 2, another system of subsidies', which will be hard to scrap when more advanced, second-generation fuels become viable (Mackintosh, 2006). What has been illustrated here is that this issue of environmental efficiency is inextricably linked to the issue of ownership, as the survivors of the sugar regime capitalise on the growth of the 'green collar economy' and establish control of the bio-ethanol industry. One policy opportunity that has already been closed down because of this has been the accelerated liberalisation of ethanol tariffs in the WTO, with Germany and France even pushing for the EU to designate the fuel as a sensitive product and thereby limit what additional market access the beleagured Doha Round could offer.

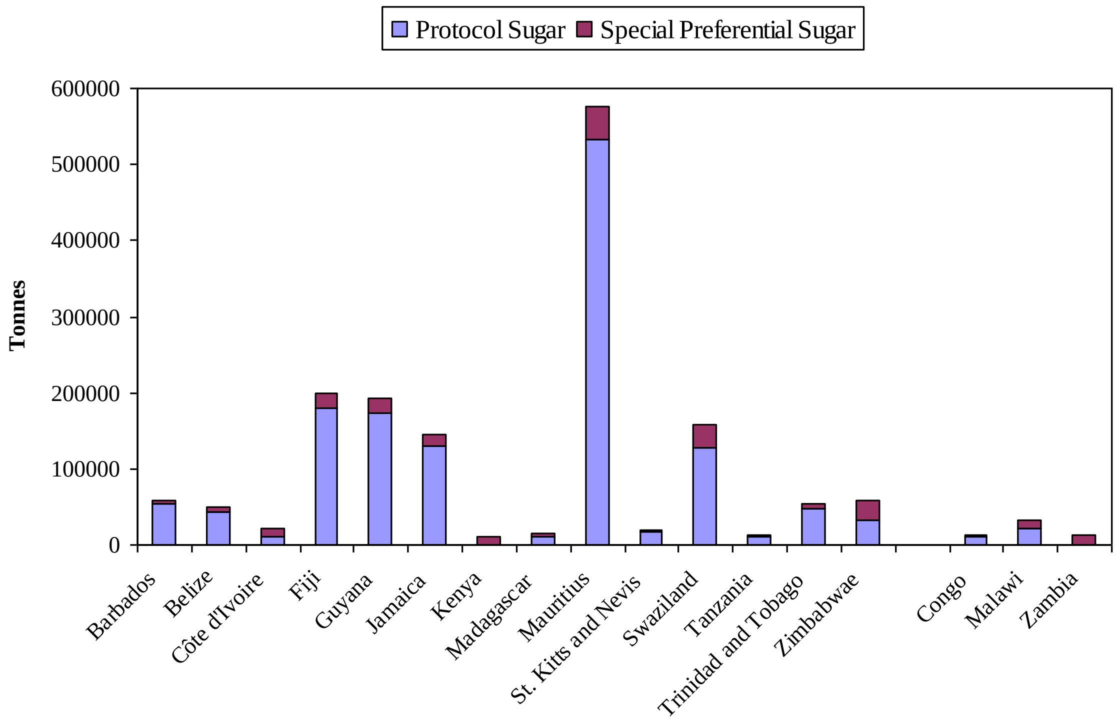
The latter strategy of producing niche sweeteners, meanwhile, has built on the successes of companies in branching out into chemical engineering and targets the health-conscious and 'wellness' markets. For example, Südzucker has developed the low glycemic sweetener Palatinose and Tate & Lyle has developed the artifical sweetener Splenda, an investment that has also seen the company embark on its first aggressive patent protection campaign to keep imitators out the American market. Market investors have already revealed the importance attached to these new plains of accumulation: when Tate & Lyle revealed the likely impact of EU reform, its share price was down only 1.7 per cent by end of day trading; when it revealed it had been 'over-optimistic' in consumer take up of Splenda, shares plummeted 15 per cent (Warwick-Ching and Shelley, 2007).

In sum, a *prima facie* analysis of CMO Sugar reform suggests that the EU and its sugar producers were 'losers' at the WTO; a more nuanced analysis may show how the axe fell down between efficient and inefficient countries. The focus here has been shifted from countries to companies, and not so much winners and losers but on changing opportunities for capital accumulation. From this vantage point we can see that, although all processors have lost revenue margins due to the lower price of sugar, those sizeable companies able to exploit the new trade opportunities and agro-industrial links that sugar affords have offset this loss and opened up new frontiers for future growth. It is this process to which the article sub-title referes, as it appears that *Out of the Strong There Came Forth Sweetness*.[9]

Alternative Trajectories of Accumulation: The Challenge of Adjustment in the ACP

As many studies have pointed out, the effect of the Everything But Arms agreement and CMO Sugar reform is being felt unevenly across the developing and less developed countries that have access to the EU market. The most notable losers in this respect are the traditional ACP exporters to the EU, which, as mentioned before, are expected to face an static shortfall of around €250 million per year. The brunt of this will be borne by the biggest quota holders: Mauritius, Fiji, Guyana, Jamaica and Swaziland. In addition, the loss of Special Preference Sugar, which was terminated during the passage of the EBA in order to assuage the European beet sector, added another €40 million to this sum, a trade-off which Oxfam (2004: 32) described as 'robbing the poor to give to the very poor'.[10]

Protocol and Special Preferential Sugar Quota Holders
(Developing Countries on left; Least Developed Countries on right)



Source: Milner, Morgan and Zgovu, 2004: 793.

During the CMO refom process, while the ACP accepted that some reform of their preferential import system was necessary – the EU could hardly pay these countries more for their imports than it did its own farmers – they consistently argued that their special circumstances had be taken into consideration. Accordingly, they pushed first for the ‘shallow price fall’ option to be adopted, and, once that had been skittled, argued for longer implementation periods and greater and more timely aid payments to help in the transition (ACP General Secretariat, 2005). Most analyses of the fall-out of EU reform on the traditional sugar exporters have taken up this argument, focusing on the larger adjustment costs being experienced in the ACP given the significant role the crop played in generating employment and foreign exchange. This paper instead considers why there was such a problem in the first place, i.e. why, after years of receiving the same prices as EU producers, the domestic sugar capital in the ACP found itself still relatively uncompetitive, and what this tells us about the prospects for the industry in these countries, the size of the challenge notwithstanding.

When the internal EU price was reduced, production among the ACP countries had to be scaled back to the point at which it became viable given the lower preference margin. In Trinidad and St Kitts and Nevis, for example, the preference margin was so vital to buttressing profitability that the sugar industry has since been entirely decomissioned, but for most, it has been a question of reducing rather than rescinding supply. As in the EU, this point of competitiveness was dependent on the dynamics at work prior to reform, and again like the EU, certain strategies of accumulation had entrenched themselves among the traditional exporter economies. As Ian Marsden and Terry Drummond (1999) report, in the years leading up to reform, across the Caribbean land under cane was declining, yields were poor, the sucrose-content of cane was below par and milling efficiency second-rate. Within Barbados (the authors’ case study) industry stakeholders gave typically technical reasons for these falling standards: soil erosion, inadequate plant science, expensive credit, geographical limits to mechanisation, and poor labour relations among them. The authors contend, however, that while these certainly existed as pressing day to day difficulties, they were in fact symptomatic of a deeper crisis in sustainability rooted in the island’s social structures and the external context of the Barbadian sugar industry. What had transpired was not simply that an increasingly unprofitable industry had been unable to attract the necessary investment, but that large elements of the planter community had systematically and objectively transferred capital out of sugar and into sectors such as tourism.

This represented something different from the rational re-location of industrial capital, as properly managed, sugar could arguably have remained profitable, or, at the very least, retired land could have been used to diversify food production and reduce dependency on expensive food imports. Rather, the capital transfer was an exercise in short-termism as the industry was, and continues to be, exhaustively mined for any remaining value. For one, ratooning – harvesting young shoots instead of waiting for them to mature – has been commonplace, although agriculturally irrational for anyone wanting to remain in farming. For another, landowners have been quite content to see their land go idle, easing the passage of residential planning permission and reducing domestic competition to the food importing sector; a sector itself pervaded by individuals involved in the island's sugar industry. The Barbadian government has also been encouraged by these same elites and labour representatives to subsidise where it can in a vain attempt to avert the crisis of sustainability which had enveloped the industry.

This ongoing dynamic of divestment and extensive government support in Barbados has been replicated across a number of traditional sugar exporters. In Fiji, for example, the state has long bankrolled the insolvent Fiji Sugar Corporation and has recently had to tempt landowners into taking up sugar with F$10,000 subsidies as they decline to renew the leases of their tenants and are reluctant to develop the industry themselves (Chand, 2005). And, in Jamaica, divestment has been encouraged by the international financial institutions that guided the country into writing off national debt and preparing the sugar industry for privatisation, whilst simultaneously engaging in trade liberalisation to create investment opportunities in tourism and garment assembly for the 'captains of the Jamaican economy' (Weis, 2004). Arguably only Mauritius and Swaziland developed first-rate industries under the period of the Sugar Protocol, though, in the former at least, this in part depended on the mechanization of production and the employment of low-wage female workers to reduce the wage bill and improve profitability.

The importance of these processes in the context of this article is the extent to which they compromise the objectives of enhancing competitiveness, promoting diversification, and meeting the social adjustment needs of displaced workers as set out in the adaptation strategies of the affected sugar producers. First, the restrictions placed on effective pluralistic planning, given the economic impotence of the state and the short-termism of sugar elites, is a direct concern for the more sustainable industry alternatives being mooted, such as ethanol and cogeneration energy projects that require concerted elite investment to lay down the necessary infrastructure. Second, the degraded and concentrated ownership of land and the de-skilled and unmotivated labour that resides upon it have hindered the uptake of small-scale farming and the associated agrarian routes out of plantation dependence, leaving urban migration as the be-all-and-end-all of 'diversification' (see Weis, 2007b). Third, value-adding opportunities in the ACP are circumscribed by limited processing technology domestically and intense competition internationally. For example, the organic sugar market, which some countries earmarked for exploitation, is already reaching saturation point due to the entry of Brazil. Thus the ACP are left prone to what Raphael Kaplinsky (2005) calls a 'fallacy of composition': what is a beneficial upgrading strategy for one country is not beneficial if all follow it, as the rents associated with a particular market are unable to sustain an ever growing number of sellers.

Finally, adding to these adjustment problems inherited from the past is the future uncertainty over continued preferential access to the EU market (albeit an access that is now less valuable). Where domestic European producers were given ample reassurances over the legislation of the reform programme, producers in the ACP were asked to restructure whilst crucial changes to the EU-ACP trade arrangements were still being negotiated, specifically the rewriting of the Sugar Protocol into the EPAs. Furthermore, even with the final adoption, there is still a safeguard on ACP sugar whereby up until 2015 an *automatic* cut will be applied if imports exceed certain amounts, after which a standard WTO-administered cut can be applied if it can be proved that 'serious injury' is being done to domestic producers.[11] Such regulatory uncertainty is likely to stunt the transformation of agro-industrial structures and lead to situations where adjustment becomes remiss and stagnation and depression entrench themselves further.

In sum, the EU and the traditional exporters in the ACP are divided in the challenge of restructuring their economies away from bulk sugar production. In this respect, extant analyses have mainly considered the export revenue losses faced by the ACP and the relatively more important role the crop plays in the economic profile and social life of these countries when compared to the EU. This article has instead taken a historical perspective on sugar in the ACP and shown how reform was a further shock to industries already burdened by acute divestment and uncertainty over the regulatory environment. This suggests that the reform of CMO Sugar should not be overplayed as an event of singular importance in the steady sinking of the ex-colonial sugar industries, and in terms of the future, speculates that whereas sugar will act as a solid platform to accumulation in the EU, in the ACP, it will be more akin to an unsteady raft.

Conclusion

In their review article on agri-food theory, Ward and Almås (1997:616) suggested that a ‘creative tension’ in studying the restructuring of international agri-food systems centres on the relationship between global processes and local change. More specifically, this concerned the extent to which the changes associated with this can be explained either in terms of the shifting properties of global capitalism or the actions of individuals or groups of actors in particular localities. Through an empirical account of the transformation of the EU-ACP sugar regime, this article is able to offer some insights to this broad ongoing debate. It has been argued that this regime was the result of an initial prerogative to provide high and stable market prices to EU farmers and European capital formerly based in the colonies, which over time solidified as sugar producers and sugar users came to acknowledge its intransigence and work within its structures. When this long-standing regime was finally restructured, it was not the result of a free market coup by the low-cost sugar processors or sugar-using industry but rather due to the exposure of its operational logic to another, more formidable set of imperatives located in the WTO. But once this window of opportunity was opened up *then* the object of consolidating European sugar as a platform for capital accumulation delimited the parameters of debate. This was guided by the institutional legacies of CMO Sugar, which had privileged processors vis-a-vis farmers, and rich regions vis-a-vis poor, thus giving powerful vested interests the requisite material incentives in change. The changes that ultimately came about should therefore be understood as a dialectic between global neo-liberalism and national modes of production in sugar, shaped by the desire to continue the preferential import of EBA and EPA signatories and protect the EU market from wholesale liberalisation.

Alongside this empirical addition to existing literature, our analysis of dominant sugar capital in the EU and its relationship to other economic sectors also renews the theoretical value of a food regimes approach. Typically, when agri-food IPE makes reference to manufacturing or service industries, it does so in relation to the ultimate consumption of food and beverages. A good example is the value chains literature on coffee, which looks at the power of traders, roasters and retailers to enter *inside* the coffee market and extract greater rents from the transformation of bean to beverage. In contrast, this article has stressed the importance of opportunities for profit accumulation *outside* the sugar market and how state elites and industry actors choose to factor these in. In the case of liberalisation, for instance, it should be increasingly considered to what extent support for existing commodity programs and tariffs jeopardizes a state's wider trade agenda. It is notable in sugar that where the EU regime was antagonistic to its WTO positioning, the US sugar regime has not yet forced a similar choice on its trade representatives and has evaded external pressure to reform because of it. In the case of corporate strategy, meanwhile, it should be recognised that as dominant capital shifts into markets associated with non-commodity production and Greenfield investment, profit streams associated with bulk commodity production become proportionally smaller and are thus likely to feedback into policy preferences. Under such conditions, these preferences are likely to move away from advocating agricultural protection in developed countries and thereby provide further impetus for the restructuring of key regimes.

NOTES

[1] In 2004, a flat rate tariff was set at €419 per tonne of white sugar and €339 per tonne of raw sugar. The safeguard duty is a variable levy, which is set when the world price drops below a trigger price set by the EU. Because this figure was based on the high price of ACP imports during 1986-88, the world price has consistently set off the trigger and the safeguard has been constantly applied since the WTO Agreement on Agriculture in 1995. In 2003 it was listed at €115 per tonne of white sugar (see European Commission, 2004; Swinbank, 2004).

[2] In Finland, Denmark, Sweden, Greece, Austria, Ireland and UK there was just one processor. In Portgual, Spain, Netherlands and Belgium there was either two or three. Only in Italy, Germany and France were quotas more fragmented (Swedish Competition Authority, 2002: 52).

[3] By way of example, between 1994 and 2002 British Sugar's profit margins exceeded 20 per cent in every year but one (Oxfam, 2002: 16).

[4] The other two commodities were rice and bananas. For sugar, a quota was opened from 2001 and import duties fell from 2006, gradually removing barriers until complete quota-free duty-free access comes into force in 2009.

[5] Although the Sugar Protocol had a separate legal identity, it was included in the Cotonou text and its survival as an independent agreement was closely bound with the evolution of the broader preferential trade regime, as was ultimately proved when it withered away following the expiry of the Cotonou waiver.

[6] Based on author's calculations. According to DEFRA (2006, p. 111), the reduction in the intervention price will be imperfectly transmitted to consumers, who gain 60 to 70 per cent of a price fall in sugar, the remainder being captured by food processors and/or retailers. Thus the price of kilo bag, taken as 72p, multiplied by intervention price reduction (36 per cent) * consumer capture (65 per cent), gives a saving of 16p.

[7] Based on author's calculations. The average of world price across 2006-2002 (9.16 cents per pound) * pounds in a metric tonne (2204) converted into Euros at the exchange rate $1 = €0.643.

[8] In July 2007, however, both European Commission President, José Manuel Barroso, and EU Trade Commissioner, Peter Mandelson, agreed that tariffs on Brazilian ethanol, which then stood at around 70 per cent, would have to be slashed. This is likely be used as a bargaining chip in any EU-Mercosur Free Trade Agreement.

[9] The phrase is a biblical reference which adorns tins of Tate & Lyle's Golden Syrup. It comes from Judges 14:8, in which Samson returns to a lion he previously tore in half to find a swarm of bees in there producing honey. Samson took the honey home to feed his mother and father.

[10] Special Preference sugar was a variable import allowance offered to traditional suppliers to meet the increased capacity of European refiners. Prices were slightly lower than Protocol sugar, at 85 per cent, but attractive nonetheless.

[11] The volume safeguard is known as a double trigger. Trigger 1 is pulled if ACP imports exceed 1.3mt. Trigger 2 is pulled if ACP plus LDC imports exceed 3.5mt. If both are pulled, then non-LDC ACP sugar is guillotined.

REFERENCES

Adamson, Martin (2007) 'Chairman's Statement' in *Associated British Foods Interim Report 2007*, London: ABF.

African, Caribbean and Pacific Sugar Group (2005) 'The outcome of last week's EU budget negotiations has been greeted with deep concern by African, Caribbean and Pacific sugar supplying states', Press Release, 21 December 2005.

African, Caribbean and Pacific Group General Secretariat (2005) 'Joint ACP and LDC Sugar Groups Platform', Press Release, 15 September 2005.

Agritrade News (2007) 'Tate & Lyle invest in Laos', Available at http://agritrade.cta.int/en/commodities/sugar_sector/news Accessed 31 November 2007.

Ahmed, Belal (2001) 'The Impact of Globalization on the Caribbean Sugar Banana Industries' in Sandra Courtman (eds.) *The Society for Caribbean Studies Annual Conference Papers*, 2.

Bonanno, Alessandro, Busch, Lawrence, Friedland, William H., Gouveia, Lourdes and Mingione, Enzo (1994) *From Columbus to ConAgra: The Globalization of Agriculture and Food*, Lawrence: University Press of Kansas.

Comité Européen des Fabricants de Sucre (2004) 'CEFS Communiqué on the Sugar Reform'. Available at www.subel.be/myDocuments/01/001/004/**cefs**_press_release_040611_e.doc Accessed 17 May 2008.

Committee of Industrial Users of Sugar (2005) 'The Point of View of Europe's Sugar Using Industry', Speech for the European Parliament Hearing on CMO Sugar Reform, 13 July 2005.

Chand, Satish (2005) 'Globalisation or Self-Inflicted Wounds in the Fiji Sugar and Garment Industries?', *Pacific Economic Bulletin,* 20(3): 124-129.

Chaplin, Hannah and Matthews, Alan (2006) 'Coping with the Fallout for Preference-Receiving Countries from EU Sugar Reform', *The Estey Centre Journal of International Law and Trade Policy,* 7 (1): 15-31.

Department for the Environment, Food and Rural Affairs (2006) *Regulatory Impact Assessment of Options for Reform of the EU Sugar Regime,* London: DEFRA.

Drummond, Ian and Marsden, Terry (1999) *The Condition of Sustainability,* London: Routledge.

European Bioethanol Fuel Association (2008) 'Bioethanol fuel production data', Press Release, 7 April 2008.

European Commission (2003) 'Reforming the European Union's Sugar Policy', *Commisison of the European Communities Staff Working Paper*, Brussels.

European Commission (2004) 'EU Sugar Sector: Facts and Figures', Press Release, MEMO/04/177, Brussels, 14 July 2004.

European Commission (2005) 'The Commission outlines its support to ACP Protocol countries', Press Release, IP/05/85, Brussels, 24 January 2005.

European Commission (2007) 'EU offers full market access to Africa, Caribbean and Pacific regions in EPA negotiations', Press Release, Brussels, 4 April 2007.

European Court of Auditors (2000) 'Special Report No. 20/2000 Concerning the Management of the Common Market Organisation of the Market for Sugar, together with the Commission's Replies', *Official Journal of the European Communities* 2001/C50/01, Brussels.

European Parliament (2005) 'Sour reaction to sugar reform', News Report, Brussels, 14 July 2005.

European Union (2003) *Sugar: International Analysis – Production Structures in the EU*, Agriculture and Rural Development Department:Brussels.

Fine, Ben, Heasman, Michael, and Wright, Judith (1995) *Consumption in the Age of Affluence*, London: Routledge.

Fischer Boel, Mariann (2005) 'Reform of Sugar CMO', Speech for the European Parliament Committee on Agriculture and Rural Development, Brussels, 13 September 2005.

Fischer Boel, Mariann (2007) 'EU Agriculture in a Globalised World', Speech at the Carnegie Endowment for International Peace, Washington D.C., United States, 9 February 2007.

Fischler, Franz (2004) 'The Future of the Community Sugar Regime', Speech at NGG Sugar Conference, Oberjosbach, Germany, 19 May 2004.

Fletcher, Anthony (2006) 'Südzucker confident in longterm sugar viability'. Available at www.FoodNavigator.com Accessed 12 May 2008.

F. O. Lichts (2008) *International Sugar and Sweetener Report*, 146(15).

Friedmann, Harriet (1982) 'The Political Economy of Food: The Rise and Fall of the Postwar International Food Order', *American Journal of Sociology,* 88, pp. S248-S286.

Friedmann, Harriet (1991) 'Changes in the International Division of Labour: Agri-Food Complexes and Export Agriculture' in Friedland, William, Busch, Lawrence, Buttel, Frederick and Rudy, Alan (eds.) *Towards a New Political Economy of Agriculture,* Boulder: Westview Press, pp. 65-93.

Friedmann, Harriet and McMichael, Philip (1989) 'Agriculture and the State System: The Rise and Decline of National Agriculture', *Sociologia Ruralis*, 29(2), pp. 93-117.

Gibb, Richard (2004) 'Developing Countries and Market Access: the Bitter-Sweet Taste of the European Union's Sugar Policy in Southern Africa', *Journal of Modern African Studies,* 42 (4): 563-588.

Goodman, David (1991) 'Some Recent Tendencies in the Industrial Reorganization of the Agri-Food System' in Friedland, William, Busch, Lawrence, Buttel, Frederick and Rudy, Alan (eds.) *Towards a New Political Economy of Agriculture,* Boulder: Westview Press, pp. 37-64.

House of Commons Select Committee on Environment, Food and Rural Affairs (2005) *Reform of the Sugar Regime,* Second Report Session 2005-06, London: House of Commons.

Hurt, Stephen (2003) 'Co-operation and Coercion? The Cotonou Agreement between the European Union and ACP States and the End of the Lomé Convention', *Third World Quarterly*, 24(1): 161-176.

Industry informant, London Sugar Trader, interviewed 1 August 2007.

Kaplinsky, Raphael (2005) *Globalization, Inequality and Poverty: Between a Rock and a Hard Place,* Cambridge: Polity Press.

Laming, Richard (2007) Spokesman for UK Industrial Sugar Users Group, interviewed 20 July 2007.

Lamy, Pascal (2001) 'From Doha to Dhaka: EU-Bangladesh cooperation for sustainable development', Speech given at Seminar on Everything But Arms Agreement, Dhaka, 21 November 2001.

Mackintosh, James (2006) 'Elusive Cornucopia: Why it Will be Hard to Reap the Benefit of Biofuel', *Financial Times,* 21 June 2006.

Mandelson, Peter (2006) 'EU Agriculture and the World Trade Talks', Speech at the National Farmers Union Annual Conference, Birmingham, UK, 27 February 2006.

Mandelson, Peter, Michel, Louis, and Fischer Boel, Mariann (2007) 'Why has the EU proposed to end the EU-ACP Sugar Protocol?', *Guyana Chronicle*, 25 July 2007.

McMichael, Philip (1994) *The Global Restructuring of Agro-Food Systems*, *Food Systems and Agrarian Change*, Ithaca: Cornell University Press.

Milner, Chris, Morgan, Wyn and Zgovu, Evious (2004) 'Would All ACP Sugar Protocol Exporters Lose from Sugar Liberalisation?', *The European Journal of Development Research,* 16(4): 790-808.

Oxfam (2002) 'The Great EU Sugar Scam', *Oxfam Briefing Paper*, 27, August 2002.

Oxfam (2004) 'Dumping on the World: How EU Sugar Policies Hurt Poor Countries', *Oxfam Briefing Paper*, 61, March 2004.

Page, Sheila and Hewitt, Adrian (2002) 'The New European Trade Preferences: Does 'Everything But Arms' (EBA) Help the Poor?', *Development Policy Review*, 20(1): 91-102.

Rural Payments Agency, 'CAP Payments to the Sugar Industry', Available at http://www.rpa.gov.uk/rpa/index.nsf/vContentByTaxonomy/0E02AC44E9EC8282802570520046FF75?OpenDocument Accessed 12 June 2007.

Stabroek News, 'Sugar Protocol Scrapped by EU in Midst of Talks', 29 September 2007.

Swedish Competition Authority (2002) *Sweet Fifteen: The Competition on the EU Sugar Market*, Stockholm: Court of Auditors.

Swinbank, Alan (2004) 'Dirty Tariffication Revisited: The EU and Sugar', *The Estey Journal of International Law and Trade Policy,* 5(1), pp. 56-69.

Swinbank, Alan (2005) 'Developments in the Doha Round and WTO Dispute Settlement: Some Implications for EU Agricultural Policy', *European Review of Agricultural Economics,* 32(4), pp. 551-561.

Tereos (2006) 'Tereos dévoile sa stratégie face au nouveau Règlement Sucre', Press Release, Lille, 27 January 2006 (Translation author's own).

Ward, Neil and Almås, Reidar (1997) 'Explaining Change in the International Agro-Food System', *Review of International Political Economy,* 4(4), pp. 611-629.

Ward, Neil, Jackson, Peter, Russell, Polly and Wilkinson, Katy (2008) 'Productivism, Post-Productivism and European Agricultural Reform: the Case of Sugar', *Sociologia Ruralis*, 48(2), pp. 118-132.

Warwick-Ching, Lucy (2007) 'ABF in £100m Mali Investment', *Financial Times,* 23 November 2007.

Warwick-Ching, Lucy and Shelley, Toby (2007) 'Splenda Leaves a Sour Taste for Tate & Lyle', *Financial Times,* 23 January 2007.

Weis, Tony (2004) 'Restructuring and Redundancy: The Impacts and Illogic of Neoliberal Agricultural Reforms in Jamaica', *Journal of Agrarian Change,* 4(4): 461-491.

Weis, Tony (2007a) *The Global Food Economy,* London: Zed Books.

Weis, Tony (2007b) 'Small Farming and Radical Imaginations in the Caribbean Today', *Race and Class,* 49(2), pp. 112-117.

WTO informant, Lawyer working for Complainant, interviewed 3 March 2008.