



Tractors on a sugar cane plantation which occupies ancestral land of the indigenous group Guarani-Kaiowá. The displaced community now lives in a temporary camp next to the land on the side of Highway BR-163, Mato Grosso do Sul. Photo: Tatiana Cardeal

# SUGAR RUSH

## Land rights and the supply chains of the biggest food and beverage companies

**This paper sets out how one crop – sugar – has been driving large-scale land acquisitions and land conflicts at the expense of small-scale food producers and their families. At least 4m hectares of land have been acquired for sugar production in 100 large-scale land deals since 2000, although given the lack of transparency around such deals, the area is likely to be much greater. In some cases, these acquisitions have been linked to human rights violations, loss of livelihoods, and hunger for small-scale food producers and their families. Major food and beverage companies rarely own land, but they depend on it for the crops they buy, including sugar. These companies must urgently recognize this problem, and take steps to ensure that land rights violations and conflicts are not part of their supply chains.**

# 1 INTRODUCTION

Since 2000, nearly 800 large-scale land deals covering 33m hectares globally – an area four times the size of Portugal – have been recorded.<sup>1</sup> This land has shifted from smallholder production, local community use, or the provision of important ecosystem services, to commercial use, driven in part by the rising demand for large-scale crops like sugar.

Governments, businesses, and financial investors must respect and uphold the rights of communities and seek their informed consent before engaging in any land-related activities.<sup>2</sup> While food and beverage companies are not usually direct land holders, they are collectively major buyers of commodities grown on large plantations, often in countries plagued by land rights violations. Food and beverage companies must urgently recognize these issues, and take steps to ensure that land rights violations and conflicts are not part of their supply chains.

## BEHIND THE BRANDS

In 2013, Oxfam launched ‘Behind the Brands’, part of its GROW campaign.<sup>3</sup> GROW calls on governments and companies to build a better food system: one that sustainably feeds a growing population and empowers poor people to earn a living, feed their families, and thrive. ‘Behind the Brands’ tracks ten of the world’s biggest food and beverage companies and assesses their policies and commitment in helping to create this system. These ‘Big 10’ are Associated British Foods (ABF), Coca-Cola, Danone, General Mills, Kellogg, Mars, Mondelez International, Nestlé, PepsiCo, and Unilever. Collectively, they generate revenues of over \$1.1bn a day.<sup>4</sup>

The Behind the Brands scorecard<sup>5</sup> ranks the Big 10’s policies and commitments in seven critical areas: women, small-scale farmers, farm workers, water, land, climate change, and transparency. Of these themes, land is the one on which the companies score worst. The Big 10 lack adequate policies to ensure that local communities’ land rights are protected along their supply chains, and none has declared zero tolerance of ‘land grabbing’ (see Box 7 below).

Access to land for small-scale farmers is a pivotal part of a better food system. Access to common lands provides communities with water, fodder, fruits, nuts, and other resources – often vitally important for women to feed themselves and their families. This paper sets out how one crop – sugar – has been driving large-scale land acquisitions and land conflicts at the expense of small-scale food producers and their families.

## 2 SUGAR AND LAND RIGHTS

The 2008 boom in food prices is widely recognized as having triggered a surge in investor interest in agriculture: from mid-2008 to 2009 the number of reported land deals rocketed by around 200 per cent.<sup>6</sup> Investment in agriculture, moreover, is desperately needed. Agriculture is vital for food security, and is the crucial 'growth spark' for many developing economies.<sup>7</sup> Private investment can contribute to inclusive growth, environmental sustainability, and poverty reduction.

However, too often land investments have led to human rights violations, loss of livelihoods, alienation of people's spiritual and cultural ties to land, and sometimes violence and destruction of property and crops. Oxfam has called this 'development in reverse'.<sup>8</sup> Women living in poverty are at particular risk,<sup>9</sup> since they are less likely than men to have land titles or a say in decisions affecting their access to land.<sup>10</sup> For communities and small-scale farmers, loss of land is disastrous for livelihoods and food security.

Since 2000, nearly 800 large-scale land deals by foreign investors, covering 33m ha globally, have been recorded, as well as 255 deals by domestic investors.<sup>11</sup> Owing to the lack of transparency around land acquisitions, however, and the under-representation of domestic deals, the real number could be much higher. Nearly half of these deals have taken place in Africa,<sup>12</sup> and many in countries with weak land governance<sup>13</sup> or with 'alarming' levels of hunger, including Mozambique, Sudan, and Zambia.<sup>14</sup>

The five countries with the largest total land acquisitions by area, covering a total of over 16m ha, are South Sudan, Papua New Guinea, Indonesia, Democratic Republic of Congo, and Mozambique.<sup>15</sup> Cambodia is the country that has the most reported deals, with 104 concluded since 2000.<sup>16</sup>

While struggles over land are not new, they have taken on renewed importance as pressure on land increases. Investors,<sup>17</sup> driven by rising food and fuel prices and by growing consumer demand, have rapidly expanded large-scale crop production. Small-scale producers are sidelined as the market offers companies huge rewards for exploiting land, but without safeguarding people's rights.

### Box 1: What makes a land acquisition a land grab?

Large-scale<sup>18</sup> land acquisitions become land grabs when they do one or more of the following:

- Violate human rights, particularly those of women;
- Flout the principle of free, prior, and informed consent (FPIC – see Box 6 below);
- Take place without or disregard a thorough assessment of social, economic, and environmental impacts;
- Avoid transparent contracts with clear and binding commitments on employment and benefit sharing;
- Eschew democratic planning, independent oversight, and meaningful participation.<sup>19</sup>

## SUGAR-COATED CONFLICT

Many large-scale land acquisitions involve commodities that are heavily used to produce both food and biofuels: sugar, soy, and palm oil.<sup>20</sup> These are predominately monoculture crops produced for markets that operate on large volumes and small margins. Collectively they use 150m ha of land<sup>21</sup> and have been linked to more than 380 large-scale land acquisitions since 2000.<sup>22</sup>

This report focuses on sugar as both a land-intensive crop and a key ingredient for the food industry, with 51 per cent of all sugar produced being used in processed foods such as soft drinks, confectionery, baked goods, and ice cream.<sup>23</sup> Sugar is produced on 31m hectares of land globally<sup>24</sup> – an area the size of Italy – with at least 4m ha linked to 100 large-scale land deals since 2000,<sup>25</sup> though the area is likely be much greater since not all recorded deals include information on land size.

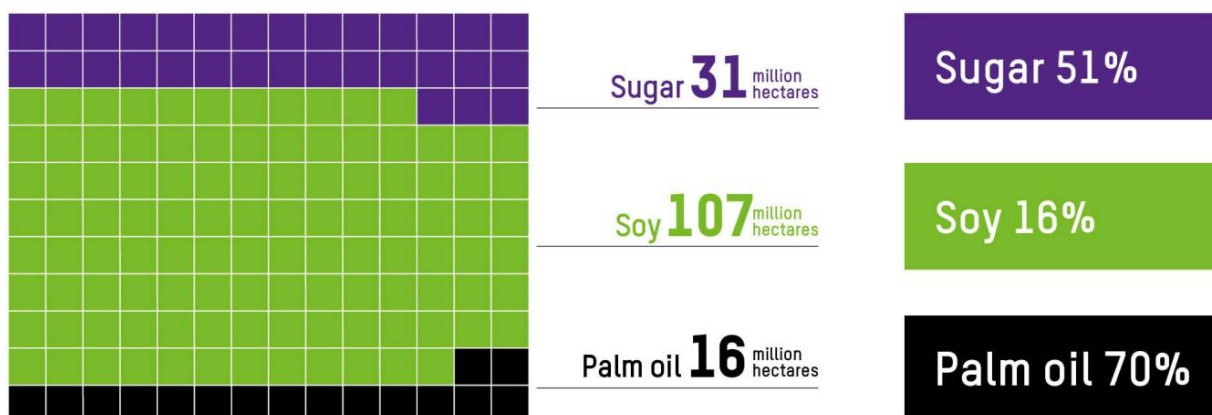
In contrast, palm oil, while also a key food ingredient that has been strongly linked to large-scale land acquisitions, only uses half as much land as sugar. Soy is the biggest land user by far,<sup>26</sup> but just 16 per cent of soy is used directly in food products.<sup>27</sup>

In the period between 1961 and 2009, global sugar and sweetener consumption more than doubled.<sup>28</sup> Looking forward, in the decade to 2020, demand for sugar is set to rise by a further 25 per cent.<sup>29</sup> This will put considerable additional pressure on land, which can contribute to conflicts between communities and plantation companies.

**Figure 1: Sugar, soy and palm oil: land footprint in 2012<sup>30</sup>**

Total global land area used in commodity production in 2012

% of total production directly used for food



Note: Sugar production: the 51% includes only the percentage used in food manufacturing. An additional 25% is used for grocery wholesale and other food uses.

Soy production: includes percentage used for soy flour, proteins and edible oil; excludes soy used for animal feed.

Sources: IBISWorld (2012) 'Global Sugar Manufacturing', IBISWorld Industry Report C1115-GL, p.15; S. Murphy, D. Birch, and J. Clapp (2012) 'Cereal Secrets: The world's largest grain traders and global agriculture', Oxford: Oxfam.

**Box 2: Sugar and land in Sre Ambel, Cambodia**

In 2006, land clearance began in Sre Ambel district in Cambodia for a sugar plantation of 18,057.32 ha by two companies,<sup>31</sup> both of which are 70-percent owned by Thai sugar giant Khon Kaen Sugar Co Ltd (KSL). Nearly 500 families from three villages lost land in the clearing operations, according to the community's legal representatives at the Community Legal Education Center (CLEC).<sup>32</sup>

Community members protested against the clearance, stating they had worked the land since at least 1999, and some of them since as far back as 1979.<sup>33</sup> They say that they were not consulted about the deal and that during protests they were threatened and have had their movements curtailed. While some families have accepted compensation, 1,365 ha of land are still disputed by 200 families.

For seven years, the conflict has been unresolved, and families who had once made a decent living from the land are struggling to survive without their former income from farming rice, fruit, corn, and cashew nuts. They also claim that livestock straying onto plantation land have been shot or confiscated.<sup>34</sup> Many can no longer send their children to school.

Representatives of the plantation claim that they paid compensation (which they also regard as 'consultation'), and insist that the company pays the Cambodian government \$20,000 per year.<sup>35</sup> The company met the community in March 2013 and said that KSL would return the disputed land.<sup>36</sup> Since the meeting, there has been no indication that KSL has pursued discussions with the Cambodian government to resolve the situation.

The Government of Cambodia states that the Economic Land Concessions were granted in accordance with the legal framework and that only 13 families have not been compensated due to their inability to provide documentation or legal papers to prove they owned the land.<sup>37</sup>

KSL has reportedly supplied London-based Tate & Lyle Sugars from its plantations in Sre Ambel. Tate & Lyle Sugars was incorporated in July 2010 and acquired the European sugar business of Tate & Lyle plc in September 2010. It is owned by American Sugar Holdings, the world's largest vertically integrated cane sugar refiner.<sup>38</sup> The company says that it has no existing contract with KSL, though acknowledges that it previously received two shipments from the company, in May 2011 and June 2012.<sup>39</sup> It also maintains that it has undertaken a comprehensive due diligence process and full independent audit, and concludes that KSL acquired its stake in the land legitimately.<sup>40</sup>

In April 2013, the 200 families filed a case against both Tate & Lyle plc<sup>41</sup> and Tate & Lyle Sugars in the UK High Court.<sup>42</sup> They also filed a complaint against Tate & Lyle Sugars through the grievance mechanism of Bonsucro, an industry initiative that aims to reduce the negative impacts of sugar production. In July 2013, the company was suspended from its membership of Bonsucro (see Box 5).

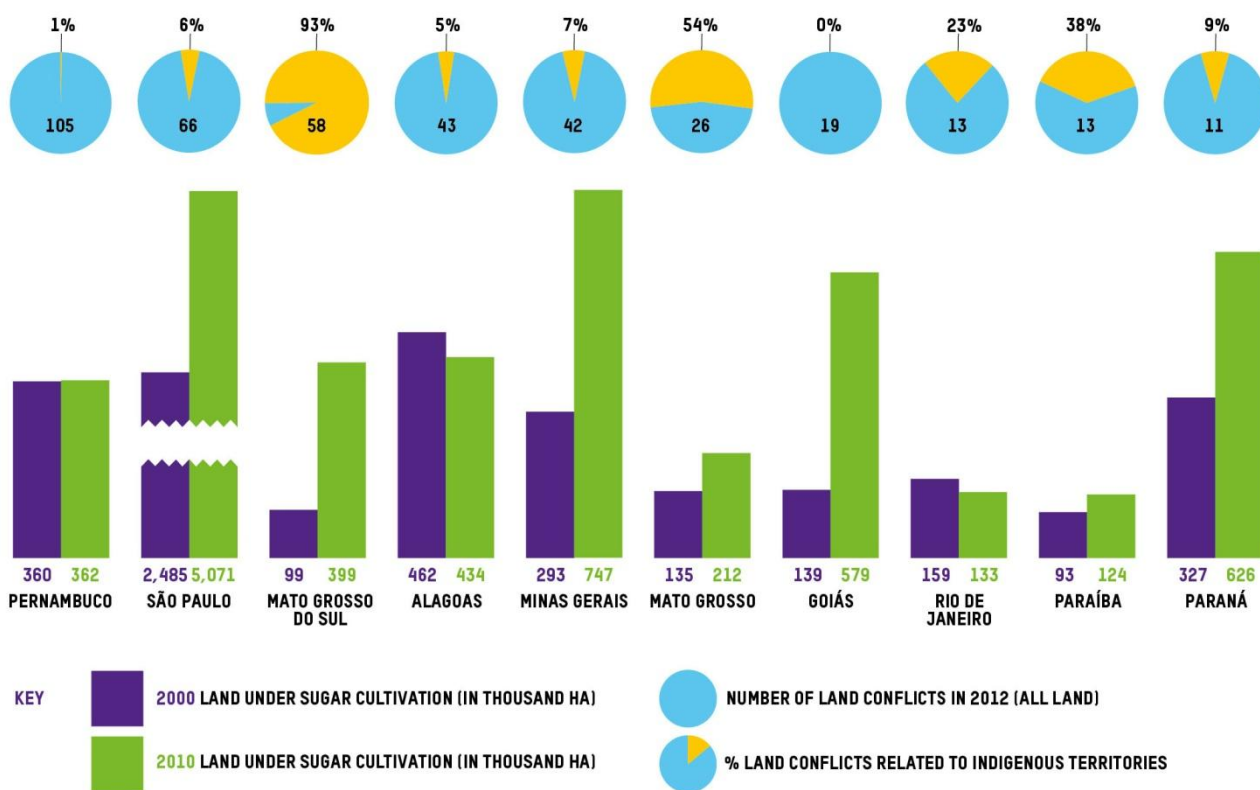
Tate & Lyle Sugars states that it is one of only two major sugar suppliers in the UK and that as such it supplies many of the major food and beverage companies in Europe. Both Coca-Cola and PepsiCo confirmed that sugar sold by Tate & Lyle Sugars is used in its products and purchased by its bottlers.<sup>43</sup>

Sources: Oxfam interviews with community members, social organizations, and plantation representatives; Equitable Cambodia; Community Legal Education Center (CLEC )<sup>44</sup>

The three examples in Boxes 2–4 describe serious conflicts related to sugar, and are emblematic of the types of struggle taking place around the globe. One is from Cambodia – a country that has experienced a high number of large-scale land acquisitions in recent years. The other two are from Brazil, the world's largest sugar producer. Brazil accounts for 20 per cent of the world's supply of sugar and close to 50 per cent of all exports – a figure that is forecast to rise to 60 per cent by 2020.<sup>45</sup> Nearly 10m ha of land in Brazil is devoted to sugar production, accounting for one-eighth of the country's arable land.<sup>46</sup>

Brazil exemplifies those countries that are experiencing an increase in land conflicts and violence during a period of rapid expansion of large-scale agriculture. Many conflicts are linked to indigenous and other community land rights.<sup>47</sup> In 2008, Brazil saw 751 land conflicts, a figure which rose to 1,067 in 2012, when 36 deaths and 77 attempted murders were linked to conflicts. While certainly not all of these disputes are linked to sugar, key sugar-producing states such as Mato Grosso do Sul, Pernambuco, and São Paulo have experienced high levels of conflict.<sup>48</sup> These include not only recent land deals, but also longer-running and complex disputes linked to unclear and contested land tenure. In these conditions, it is usually those with power and political connections who win out.

**Figure 2: Sugar cane cultivation in Brazil 2000–10, showing land conflicts in 2012**



Sources: UNICA Data <http://www.unicadata.com.br/historico-de-area-ibge.php?idMn=33&tipoHistorico=5>; CIMI (2012) 'Violência contra os povos indígenas no Brasil 2012', <http://www.cimi.org.br/pub/viol/viol2012.pdf>; FUNAI, Instituto Socioambiental (ISA), and the Pastoral Land Commission (CPT).

### Box 3: Indigenous land rights in Mato Grosso do Sul, Brazil

Indigenous peoples and Quilombolas<sup>49</sup> represent more than one-quarter of those affected by land conflicts in Brazil, many of which occur in Mato Grosso do Sul.<sup>50</sup> For decades, indigenous peoples in the state have been fighting to reclaim their ancestral lands, while agribusiness expansion has seen much of the land converted to soy, cattle, corn, and sugar cane farms. Sugar cane cultivation more than tripled between 2007 and 2012, jumping from 180,000 to 570,000 ha.<sup>51</sup>

In Ponta Porã, a municipality in the south of the state, two new sugar mills<sup>52</sup> started up in 2008, including Monteverde – now owned by global commodity trader Bunge. As a result, a number of farms started producing sugar cane to supply the mills, including in Jatayvary, an area claimed by indigenous communities. Bunge's Monteverde mill currently buys sugar cane from five farms located in Jatayvary.<sup>53</sup>

In the 1960s, the indigenous Guarani-Kaiowá communities in Jatayvary started trying to formalize their rights to this land. Despite suffering violence, being moved off the land for four years in the mid-1990s, and facing intimidation by farmers on their return,<sup>54</sup> in 2004 they succeeded in having Jatayvary recognized as indigenous land by the relevant federal agency, FUNAI. This started a four-step administrative process of land demarcation. In 2011, the second step was completed when 8,800 ha of land was 'declared' by the Minister of Justice, setting the boundaries and recognizing the Guarani-Kaiowá's rights.<sup>55</sup>

Given that the demarcation process was underway, Bunge was requested by a federal prosecutor to stop sourcing sugar cane from Jatayvary, but the company has insisted<sup>56</sup> that it will only consider breaking its contracts once the land is fully demarcated, and officially signed by the President. Bunge also asserts that the sourcing contracts were entered into by the previous owners of the Monteverde mill and should be honoured. Although the company indicated that it would not renew contracts as they expired in 2013, it has subsequently indicated that it will be 2014 before the contracts run out.<sup>57</sup>

Living so close to the sugar plantations has brought devastating social and environmental impacts for 60 families. These include exposure to pesticides and to smoke from the burning of sugar cane straw, pollution of waterways, and pollution and risks from the intense vehicle traffic that transports sugar cane, and which has resulted in the death of one community member.<sup>58</sup>

Bunge is a powerful actor in the global sugar industry. It is one of the top three sugar cane millers in Brazil and a top-three sugar merchant globally.<sup>59</sup>

According to Coca-Cola, the company does not source from the Monteverde mill, but does source sugar from other Bunge operations in Brazil.

Sources: Oxfam interviews; Repórter Brasil; Survival International.

Sugar production and consumption also have significant impacts beyond land conflicts,<sup>60</sup> including intensive water use that can be a drain on underground aquifers, the use of fertilizers and pesticides, and the dumping of effluents in rivers by poorly run refineries. This adversely affects communities' health and drinking water, and causes the death of fish that they rely on for food and livelihoods. In addition, excessive sugar consumption has been linked to obesity and related health problems in the developed world, which are also rapidly spreading in developing countries, as the food manufacturing industry expands the reach of processed foods and soft drinks.<sup>61</sup>

## THE BIG 10 AND SUGAR

The Big 10 companies all source sugar from various suppliers. They use it to produce soft drinks, confectionery, bakery goods, and ice cream products. For most of the companies, their lack of transparency makes it impossible to know exactly how much sugar they use – only Danone,<sup>62</sup> Unilever,<sup>63</sup> and ABF (in its sugar operations – see below), disclose their sourcing or production volumes. Coca-Cola is the world's largest buyer of sugar<sup>64</sup> and controls 25 per cent of the global soft drinks market.<sup>65</sup> PepsiCo trails just behind, controlling 18 per cent of the soft drinks market.<sup>66</sup> Coca-Cola uses sugar in products such as Coca-Cola, Sprite, Fanta, Dr Pepper, vitaminwater, energy drinks, and fruit/juice drinks, while PepsiCo has a similar line-up including Pepsi-Cola, Mountain Dew, and Mirinda, to name just a few.

While the soft drink giants Coca-Cola and PepsiCo are major sugar buyers, another of the Big 10 is one of the world's biggest sugar producers – ABF. ABF owns British Sugar and Azucarera in Spain and has a majority stake in Illovo Sugar, Africa's largest sugar company. ABF produces 4.3 per cent of the global sugar supply and has the capacity to produce 5.5m tonnes of sugar globally each year.<sup>67</sup>



Over half of ABF's sugar comes from sugar cane,<sup>68</sup> most of it produced by Illovo Sugar in six African countries: Malawi, Mozambique, South Africa, Swaziland, Tanzania, and Zambia. In three countries – Malawi, Mali and Zambia – Illovo Sugar has been linked in media reports to land conflicts.<sup>69</sup> The rest of ABF's sugar comes from sugar beet grown in Europe and China.<sup>70</sup> ABF sells sugar to the food manufacturing sector, as well as to consumers through its Silver Spoon (made from sugar beet) and Billington's (made from sugar cane) brands. It also uses sugar in its own manufacturing businesses for products such as Jordans cereals and Ovaltine drinks.

#### **Box 4: Sugar pressures and violence in Pernambuco, Brazil**

On the coast of the impoverished north-eastern Brazilian state of Pernambuco, a group of fishing families are fighting to return to their island home in the Sirinhaém River estuary. In 1998, 53 families were expelled from the mangrove they inhabited and upon which they had relied for food and income for decades, due to the encroachment of the Usina Trapiche<sup>71</sup> sugar refinery. While the company argues that the islanders were living in 'sub-human' conditions and were destroying the mangrove,<sup>72</sup> social organizations such as the Pastoral Land Commission (CPT) and the Fishermen's Pastorate are fighting alongside the islanders to secure their return to the estuary.

Central to the conflict is the fight for control of state land where the fishing community had lived since 1914.<sup>73</sup> In 1998, when Usina Trapiche was bought by the Serra Grande company, it began to petition the state for rights over the estuary and islands.<sup>74</sup> According to the islanders and their supporters, without any provocation, Trapiche began destroying their homes and small farms, and they received threats of further destruction and violence if they did not leave the islands.<sup>75</sup> As recently as 2012, employees of the plant have been accused of burning the huts of fishermen, which were rebuilt and then burned again.<sup>76</sup>

Trapiche says that it is protecting the mangrove. However, the company has also been fined for polluting the river, impacting the environment, and killing fish that the displaced families and other fishing communities depend on.<sup>77</sup>

The families were relocated by Trapiche to the town of Sirinhaém, which has given them access to electricity, water, sanitation, and schooling.<sup>78</sup> However, the move has also brought great hardship. The families live in a *favela* (slum), and have either not been able to continue fishing or are forced to travel great distances back to the mangrove.<sup>79</sup> Life in town is costly, and having lost their land, some families have to seek wage labour to pay for food and other essentials – often cutting cane for Trapiche itself.

Initially the courts upheld the families' rights to live in the estuary, but this decision was overturned in 2002. Subsequently, the families have sought to have the area designated as a federal extractive reserve (Resex), which would reverse the company's rights over the estuary and open up the possibility of the families returning home. In 2009, they were granted the right to the reserve, but this has not been endorsed by the state, which some attribute to the political influence of Trapiche and the sugar industry.<sup>80</sup>

Both Coca-Cola and PepsiCo confirmed that sugar produced by Usina Trapiche is used in their products.<sup>81</sup>

Sources: Oxfam interviews; Pastoral Land Commission; L. Schneider (2010) 'A Sweeter Alternative for Whom? Sugarcane ethanol production and rural livelihoods in Northeast Brazil', Washington DC: American University.

Given their important roles as both sugar producers and buyers with globally popular brands, Coca-Cola, PepsiCo, and ABF bear particular responsibility for addressing land conflicts in the sugar industry. While these companies may have neither legal responsibility for, nor direct control over, such conflicts, as major purchasers they are subject to international human rights norms and standards and must take responsibility for addressing land rights in their supply chains. For ABF's directly owned sugar operations, this responsibility is all the greater.

# 3 SCORECARD RESULTS: LACK OF COMMITMENT TO LAND RIGHTS

The examples of land conflict described in the previous section all involve companies that supply the food manufacturing industry. Do the Big 10 have adequate measures in place to identify, prevent, and address land conflicts in their supply chains? Given that, of the seven areas in the scorecard,<sup>82</sup> land is the one in which the Big 10 perform the worst, the answer has to be ‘no’.

**Figure 3: Behind the Brands scorecard results for land, 2013**



This scorecard was produced in August 2013. To see the complete scorecard, go to <http://oxfam.org/behindthebrands>

The Behind the Brand scorecard assesses companies’ policy commitments in relation to land rights and the prevention of land grabbing in four areas: awareness, knowledge, commitments, and supply chain management. It considers both environmental issues that are linked to land use, such as deforestation and biodiversity, and the social and human rights issues related to land tenure already described. The results paint a disappointing picture.

On the positive side, the companies gain credit for policies, commitments, and management of biodiversity and deforestation impacts in their supply chains. However, the scorecard reveals, by and large, that they have a poor awareness of key social issues. Most fail to publish where or from whom they source many land-intensive commodities, such as sugar cane, soy, and palm oil.<sup>83</sup> None of the companies has made a clear statement that land grabs will not be tolerated in its supply chains. Commitments to implementing policies to remedy land conflicts, prevent future land rights violations, and adopt and implement industry standards in the supply chain are also either limited or non-existent.

#### **Box 5: Bonsucro**

The scorecard considers company commitments to production standards aimed at improving sustainability. These include the Roundtable on Sustainable Palm Oil (RSPO), the Round Table on Responsible Soy (RTRS), and Bonsucro – a multi-stakeholder effort to reduce negative social and environmental impacts in sugar production. While neither membership, nor certification, guarantee that a company is doing the right thing, these are important industry-wide initiatives, and can support companies' efforts to improve.

Coca-Cola was a co-founder of Bonsucro, and as of 2011 it was sourcing 130,000 tonnes of certified sugar. General Mills, Mondelez International, Nestlé, PepsiCo, and Unilever are also members. The other four food companies have not joined Bonsucro, or have left, in the case of British Sugar, a part of AB Sugar and subsidiary of ABF.<sup>84</sup>

Bonsucro recognizes communities' rights to land and supports impact assessments, grievance and dispute mechanisms, and active participation by local stakeholders. It also requires documented evidence that affected communities have given their free, prior, and informed consent for land use and have received proper compensation – though it is weak on providing guidance on FPIC implementation. To date, nearly 3m tonnes of sugar have been Bonsucro-certified (two per cent of total production).<sup>85</sup>

Tate & Lyle Sugars, formerly a member of the initiative, was suspended by the Bonsucro board on 8 July 2013 for failing to demonstrate 'adequate progress within a reasonable time-scale towards meeting the requirements of the Board to provide information regarding a complaint made against the company [related to the Sre Ambel case]', nor adequately explaining why these requirements could not be met.<sup>86</sup>

ABF, Coca-Cola, and PepsiCo score 'poor' or 'very poor',<sup>87</sup> demonstrating little awareness of the issues or potential risks to either affected communities or to their own businesses. Although Coca-Cola was a co-founder of Bonsucro (see Box 5), overall the company lacks policies and commitments of its own to identify, prevent, and address potential land rights violations.

Nestlé is the one company showing some progress – scoring 5 out of 10 on land. Although Nestlé fails to commit to zero tolerance on land grabbing, it has adopted new sourcing guidelines to become the first of the Big 10 to fully support the free, prior, and informed consent (FPIC) of indigenous and local communities in its supplier guidelines, used for the sourcing of sugar, soy, palm oil, and other commodities.<sup>88</sup>

Overall, however, the sector is not doing enough. Coca-Cola, PepsiCo, and ABF, along with the other companies in the Big 10, must take urgent steps to ensure that the types of conflicts described above form no part of their supply chains for sugar and other land-intensive commodities such as soy and palm oil. Oxfam is already in dialogue with Coca-Cola, PepsiCo and ABF and has asked them about the details of the cases referenced in this report. These companies have a responsibility (in collaboration with suppliers and other relevant stakeholders) to investigate and take measures to address the concerns of affected communities.

**Box 6: Free, prior, and informed consent (FPIC)<sup>89</sup>**

FPIC requires that indigenous peoples and local communities are adequately informed<sup>90</sup> about projects taking place on their land, and must be given the opportunity to approve (or reject) projects before they start and also at certain stages during project development. This includes participation in setting the terms and conditions that address the economic, social, and environmental impacts of all phases of the project.

To date, international law has only recognized the right to FPIC with respect to indigenous peoples. However, it represents best practice in sustainable development and should therefore guide company practice when consulting and negotiating with all affected communities.

Women, of course, have equal rights, including to participate in community decision-making processes, to benefit from development, and to be safe from the potentially negative impacts of land acquisitions.<sup>91</sup>

# 4 CREATING A JUST FOOD SYSTEM

## WHY THE BIG 10 SHOULD LEAD

Around the world, communities are suffering serious human rights violations, loss of livelihoods, and hunger as a result of land acquisition and land conflict. Apart from ABF, land is rarely directly owned by the Big 10 companies. However, vast areas of land are used to produce the crops that these companies buy. All those involved in producing and sourcing crops must play their role in ensuring that land rights are respected, disputes are resolved fairly, and communities benefit from investment.

This is not only a moral responsibility. Both consumers and international standards initiatives have made plain the expectation that companies should take responsibility for what happens in their supply chains, wherever they may be in the world. Company reputations and sales are on the line when consumers learn of wrongdoing along the supply chain,<sup>92</sup> with as much as two-thirds of a company's market value being attributable to its public reputation.<sup>93</sup>

The UN's Guiding Principles on Business and Human Rights<sup>94</sup> are clear in this respect. Business enterprises have responsibilities across the entire supply chain, and should adopt policies and processes to identify and manage risks, engage with relevant suppliers and government bodies, and establish mechanisms for redress. The UN principles are designed to cover all human rights, including those associated with large-scale land acquisitions, such as rights to housing, livelihoods, property, culture, and health.<sup>95</sup> Other relevant global norms include the Voluntary Guidelines on the Responsible Governance of Tenure of Land (VGGT),<sup>96</sup> which require companies to respect human rights and legitimate tenure rights, and the International Finance Corporation (IFC)'s performance standards, both of which include FPIC.<sup>97</sup>

Land conflict risks can significantly impact businesses too. Displacement, conflict, violence, and loss of life are very serious issues, and an association with any of these is – rightly – incredibly damaging to a company's reputation.

Conflicts are often long-lasting and can seriously affect the operations of companies that directly source natural resources. The mining sector, for example, has been plagued by land-related conflicts that can threaten future investments.<sup>98</sup> The agricultural sector faces similar threats, which can ultimately affect a company's financial stability as a result of losses and uncertainty arising from delayed operations and forced withdrawals.<sup>99</sup> This in turn poses a risk to the Big 10's security of supply, given that supply chains are extremely vulnerable to disruption and discontinuity, with events in one part of the chain often having unpredictable knock-on effects. For ABF, with its own land holdings in high-risk areas including Africa, the potential impacts are even greater.

# THE BIG 10 CAN MOBILIZE OTHERS

As global brands, major employers, and important buyers of commodities, the Big 10 have considerable influence. A clear message of zero tolerance for land grabs, enforced through changes in policy and practice, will make a difference.

Land conflicts are long-running issues with complicated roots in poor governance, uncertain land tenure, and deeply entrenched inequalities. The problem of land conflicts in production and supply chains will not be resolved overnight or by one or two actors alone. Beyond the Big 10, powerful intermediaries, including global trading giants such as Cargill, ADM, Bunge, and Louis Dreyfus, have an even more direct responsibility for land rights in their supply chains. They source commodities directly and sometimes even own plantations.

The ultimate responsibility for land issues, however, lies with governments. Governments have the responsibility to ensure that their citizens' basic human rights are protected, and have a particular duty to support the least powerful members of society.

Collectively, the Big 10 have considerable influence with both traders and governments, and the convening power to bring actors together to collaboratively tackle pressing challenges around land rights.

Signs of leadership are already emerging as companies recognize the risk that land conflicts and land rights violations represent to their operations and reputations. As Mark Bowman, managing director of brewing company SAB Miller Africa, one of Coca-Cola's largest bottlers, put it, 'Land purchases which ignore the interests of local communities and the local landscapes are both morally wrong and commercially short-sighted.' Bowman argues that clear-cut land cases 'fuel opposition to all outside investment'.<sup>100</sup>

Muhtar Kent, CEO of Coca-Cola, has said, '...we recognize that the success and sustainability of our business is inextricably linked to the success and sustainability of the communities in which we operate. The strength of our brands is directly related to our social license to operate, which we must earn daily by keeping our promises to our customers, consumers, associates, investors, communities, and partners.'<sup>101</sup>

The food industry has already made collective efforts to tackle issues such as deforestation and child labour. In 2010, for example, the Consumer Goods Forum (CGF) and its 400+ members – food manufacturers and retailers, including most of the Big 10 – announced that they would work together to achieve zero net deforestation by 2020.<sup>102</sup> While significant action to implement the commitment is still needed, it represents an important step towards a collective solution.

There are also examples of leadership from other sectors. In the 1990s sportswear producer Nike, among others, faced criticism over underpaid workers, the use of child labour, and poor working conditions in the factories it sourced from.<sup>103</sup> After initially denying responsibility – and facing a backlash as a result<sup>104</sup> – the company finally took action to inspect factories

and tackle problems. In 2005 it made its list of suppliers<sup>105</sup> open to the public. This shift in attitude, from passing the buck to becoming transparent and hands-on in order to find solutions, sent an important message to customers and suppliers that Nike took the issues seriously.

Individual corporate responsibility actions like these are a vital first step, and Oxfam is looking for a similar shift in culture and transparency from the Big 10. However, the horrific collapse of the Rana Plaza garment factory in Bangladesh in April 2013, which killed more than 1,000 people, also demonstrates the limits of voluntary efforts by individual companies. Pervasive issues require a collective response backed up by binding measures across industry and government.

Following the Rana Plaza disaster, ABF, which also owns clothing retail chain Primark, responded with policy changes<sup>106</sup> and was the first to publicly commit to paying compensation. It also signed up, with more than 80 other brands, to a legally binding building safety agreement backed by trade unions and the Bangladeshi government. This example illustrates how companies like ABF, as well as Coca-Cola, PepsiCo, and the other Big 10 companies, could also show leadership and work with others to deliver solutions to the complex challenges posed by land rights issues.

## 5 CONCLUSIONS AND RECOMMENDATIONS

The increasing pressure on land, driven partly by the expansion of land-intensive crops such as sugar, too often comes at the expense of vulnerable women and men. Communities have lost their homes, farms, and food security as a result. While big financial investors, trading companies, and governments must act to stop these abuses, the Big 10 must also play their part. However, the Behind the Brands scorecard shows that the Big 10 currently lack sufficient awareness, commitments, and policies to detect and address land issues and conflicts in their supply chains.

At the most basic level, Oxfam is calling on individual companies to understand their supply chains and to take action to solve problems. This means due diligence, greater disclosure, and collective action with traders, other supply chain actors, and with governments. Actions need to lead to concrete and binding solutions that engage and involve affected communities in decision making and ensure that they benefit from development, rather than being further marginalized.

### RECOMMENDATIONS

#### **Know and show risks related to land issues<sup>107</sup>**

- 1. Uncover and disclose risks to and impacts on communities from land issues** through credible and relevant impact assessments,<sup>108</sup> with the full participation of affected communities.
- 2. Disclose from where and from whom the company sources sugar, palm oil, and soy commodities.**



## Commit to zero tolerance for land grabbing

### Establish and implement a credible 'zero tolerance' policy on land grabbing and include it in supplier codes of conduct.

3. Commit, as a means to improve policy and practice,<sup>109</sup> to sector-specific production standards in sugar, palm oil, and soy<sup>110</sup> aimed at helping to improve sustainability by 2020.

#### Box 7: Zero tolerance for land grabbing

A policy of zero tolerance for land grabbing should:

1. Acknowledge company responsibility for land rights violations involving the company or its suppliers (down to the primary producer);
2. Commit, through a company-wide policy, to respect all land rights of communities impacted by the company's or suppliers' operations, and include this policy in codes of conduct for all suppliers, requiring:
  - Respect for human rights with special attention to land rights of communities impacted, or potentially impacted, by the operations of the company or its suppliers;
  - Fair negotiations on land transfers;
  - Adherence to the principle of FPIC in the operations of the company and its suppliers;
  - Transparency of contracts and disclosure to affected communities of any concession agreements or operation permits;
  - Fair resolution of any disputes involving land use or ownership rights, via company grievance mechanisms, third party ombudsmen, or other processes;
  - Refraining from co-operating with any illegitimate use of eminent domain by a host government to acquire farmland;
  - Avoiding production models which involve the transfer of land rights (including land under customary tenure) away from small-scale food producers.

## Advocate for governments and traders to tackle land grabbing and support responsible agricultural investments

4. **Publicly advocate** that governments and traders<sup>111</sup> commit to and implement responsible agricultural investment, and commit to the Voluntary Guidelines on the Responsible Governance of Tenure of Land, which includes protecting and promoting all land rights of affected communities.
5. **Mobilize suppliers and peers to adopt zero-tolerance policies**, join sector-specific initiatives to improve sustainability, and take on active roles within initiatives to increase their impact and create a race to the top.

# NOTES

All web links given here were accessed in August 2013, unless otherwise stated.

- 1 This data includes only transnational deals which have been 'concluded', based on the Land Matrix, an online database of land deals involving more than 200 hectares, where land has shifted from smallholder production, local community use, or ecosystem service provision to commercial use. The data is accurate as of 13 August 2013; however, the Land Matrix is constantly updated as new information becomes available. See: <http://landmatrix.org/>
- 2 Oxfam has been campaigning on these issues. See: <http://www.oxfam.org/en/grow/landgrabs>
- 3 For more information, see <http://www.oxfam.org/en/grow/> and <http://www.behindthebrands.org/en>.
- 4 Oxfam (2013) 'Behind the Brands: Food justice and the "Big 10" food and beverage companies', Oxford: Oxfam International, available at <http://www.oxfam.org/en/grow/policy/behind-brands>
- 5 First published in February 2013, the scorecard is regularly updated to reflect progress. <http://www.behindthebrands.org/en/company-scorecard>
- 6 The number of reported land deals by foreign investors in agriculture in the global South increased from approximately 35 in mid-2008 to 105 in mid-2009, an increase of approximately 200 per cent. See Figure 1, p.6, in W. Anseeuw et al. (2012) 'Transnational Land Deals for Agriculture in the Global South. Analytical Report based on the Land Matrix Database', Bern, Montpellier, and Hamburg: CDE, CIRAD, and GIGA. See: <http://landportal.info/landmatrix/media/img/analytical-report.pdf>
- 7 Growth originating in agriculture, in particular the smallholder sector, is at least twice as effective in benefiting the poorest people as growth originating in non-agricultural sectors. FAO (2010) 'How to Feed the World', p.2. See also H.J. Chang (2009) 'Rethinking public policy in agriculture: lessons from history, distant and recent', *Journal of Peasant Studies*, 36:3, July 2009, pp.477–515.
- 8 Oxfam (2011) 'Land and Power: The growing scandal surrounding the new wave of investments in land', Oxford: Oxfam, available at <http://www.oxfam.org/en/grow/policy/land-and-power>
- 9 For example, for a detailed analysis of how environmental and socio-economic risks associated with the large-scale production of liquid biofuels in developing countries affect men and women differently, see A. Rossi and Y. Lambrou (2008) 'Gender and Equity Issues in Liquid Biofuel production: Minimizing the Risks to Maximize the Opportunities', Rome: FAO. <ftp://ftp.fao.org/docrep/fao/010/ai503e/ai503e00.pdf>
- 10 N. Kachingwe (2012) 'From Under Their Feet: A think piece on the gender dimensions of land grabs in Africa', ActionAid. <http://www.actionaid.org/publications/under-their-feet-think-piece-gender-dimensions-land-grabs-africa>
- 11 This data includes only deals that have been 'concluded', based on the Land Matrix. The data on transnational deals is accurate as of 13 August 2013, and on domestic deals as of 5 September 2013. See: <http://landmatrix.org/>
- 12 Based on concluded deals by transnational investors. Data is accurate as of 13 August 2013. <http://landmatrix.org/>
- 13 W. Anseeuw, L. Alden Wily, L. Cotula, and M. Taylor (2011) 'Land Rights and the Rush for Land: Findings of the Global Commercial Pressures on Land Research Project', Rome: International Land Coalition (ILC); and Oxfam (2013) 'Poor Governance, Good Business: How land investors target countries with weak governance', Oxford: Oxfam.
- 14 See the International Food Policy Research Institute (IFPRI)'s 2012 Global Hunger Index for classification of countries by level of hunger. <http://www.ifpri.org/sites/default/files/publications/ib70.pdf>
- 15 Based on concluded deals by transnational investors. Data as of 28 August 2013. <http://landmatrix.org/get-the-idea/web-transnational-deals/>
- 16 Based on concluded deals by transnational investors. Data as of 28 August 2013. Note that as the Land Matrix figures include only reported deals, the high number of deals listed may also reflect greater transparency in Cambodia. <http://landmatrix.org/get-the-idea/global-map-investments/>
- 17 While there is a common perception that most land deals are driven by governments in China and the Middle East, research suggests that far more deals involve European and American companies. E. Berger (2013) 'Land "grab" realities, perceptions vary markedly – researcher', Thompson Reuters Foundation. <http://www.trust.org/item/20130717110834-egy5a/?source=shtw>
- 18 Large-scale land acquisitions can be defined as the acquisition of any tract of land larger than 200 ha, or twice the median land-holding, according to the national context. The figure of 200 ha comes from ILC's definition of 'large-scale'.
- 19 ILC (2011) 'Tirana Declaration: Securing Land Access for the Poor in Times of Intensified Natural Resources Competition', Rome: International Land Coalition. <http://www.landcoalition.org/about-us/aom2011/tirana-declaration>
- 20 The commodities associated with the greatest number of concluded land deals, according to the Land Matrix, are palm oil (205), rubber (120), jatropha (103), corn or maize (95), sugar cane (90), and soy (75). Data accurate as of 28 August 2013. <http://landmatrix.org>
- 21 Based on FAO crop production figures for soybeans, sugar cane, oil palm fruit, and sugar beet for 2012. <http://faostat.fao.org/>

- 22 This data includes deals that have been 'concluded', based on the Land Matrix, for oil palm, soya beans, and sugar (both sugar cane and sugar beet). The data is accurate as of 28 August 2013. See: <http://landmatrix.org/>
- 23 Food manufacturers are estimated to account for approximately 51 per cent of total sugar production, biofuels for 24 per cent, grocery wholesalers for 18 per cent, and other food uses for 7 per cent. IBISWorld (2012) 'Global Sugar Manufacturing', IBISWorld Industry Report C1115-GL, p.15.
- 24 This figure is based on FAO crop production figures for 2012 and includes 26m ha of sugar cane and 5m ha of sugar beet. Sugar cane is a much more important crop globally, and has been more commonly linked to large-scale land acquisitions than sugar beet. Sugar beet accounts for approximately 20 per cent of global sugar production, and is linked to at least one large-scale land deal in Russia. <http://faostat.fao.org/> and <http://landmatrix.org>
- 25 This data includes deals that have been 'concluded', based on the Land Matrix, for sugar (both sugar cane and sugar beet). The data is accurate as of 28 August 2013. See: <http://landmatrix.org/>
- 26 Based on FAO crop production figures for 2012, 107m ha of land are used for producing soybeans. <http://faostat.fao.org/>
- 27 Soy is, however, an indirect input for the Big 10 through its main use as an animal feed in meat and dairy production. This accounts for 83 per cent of all soy produced, compared with 16 per cent for other edible products and 1 per cent for industrial uses, including biofuels. S. Murphy, D. Birch, and J. Clapp (2012) 'Cereal Secrets: The world's largest grain traders and global agriculture', Oxford: Oxfam.
- 28 While the relative importance of sweeteners over sugar has increased during this period, sugars still represent 89 per cent of consumption. Global sugar and sweetener consumption in 1961 was 59,985,002 tonnes, of which 96 per cent was sugars. In 2009 sugar and sweetener consumption was 156,323,836 tonnes, of which 89 per cent was sugars. Source: <http://faostat3.fao.org/faostat-gateway/go/to/download/FB/FB/E>
- 29 B. Lee, F. Preston, J. Kooroshy, R. Bailey, and G. Lahn (2012) 'Resources Futures', London: Chatham House, p.14.
- 30 The percentage of sugar production used for food includes sugar for manufacturing and sugar for direct sale to wholesalers (i.e. for consumption); on the percentage of soy production used for food, see S. Murphy et al. (2012) *op. cit.*; on the percentage of palm oil production used for food, see: <http://www.thefinancialist.com/where-the-palm-trees-grow/>
- 31 Koh Kong Sugar Plantation Ltd with 8657.24 hectare, and Koh Kong Sugar Industries Ltd with 9400.08 hectares
- 32 CLEC (no date) 'Business and Human Rights in ASEAN: The Implications of the Koh Kong Sugar Plantation and Factory Case in Cambodia for Due Diligence and Remedies', Community Legal Education Center. [http://www.clec.org.kh/web/images/Resources/Res\\_Koh%20Kong%20ASEAN%20Case%20Study%202013%20-%20ENG1374035991.pdf](http://www.clec.org.kh/web/images/Resources/Res_Koh%20Kong%20ASEAN%20Case%20Study%202013%20-%20ENG1374035991.pdf)
- 33 The families do not have official title to the land – a situation common in rural areas of Cambodia due to the lack of regularisation of land titles since the Khmer Rouge regime. The government is now seeking to rectify the situation where many communities who have lived on and invested in their land do not have secure title. A Cambodian Land Law passed in 2001 suggests that 'any person who enjoyed peaceful, uncontested possession of land – but not state public land – for at least five years prior to the law's promulgation has the right to request a definitive title of ownership'. The 200 families who are continuing their struggle have documents to show that they have all lived in the area and farmed the land prior to 1999, and all of those whom Oxfam interviewed mentioned the fact that they had invested in the clearance of forest land, which would make them eligible to claim official ownership.
- 34 Many of the families previously reared cows and buffalo – as many as 15–20 animals for some families – but now that the animals lack grazing land, they stray onto the plantation. The families claim that some livestock straying onto plantation land have been shot and others have been confiscated by company authorities and released only on payment of a fee. Some families report receiving a small amount of compensation for buffalo that have been shot, but far below market rates.
- 35 S. Starling (2013) 'Tate & Lyle Sugars slams Guardian over Cambodian sugar sourcing allegations', *Food Navigator*, 12 July 2013. <http://www.foodnavigator.com/Financial-Industry/Tate-Lyle-Sugars-slams-Guardian-over-Cambodian-sugar-sourcing-allegations>
- 36 Business and Human Rights Resource Centre (2013) "'Cambodia Clean Sugar" campaign – company responses and non-responses'. <http://www.business-humanrights.org/Documents/CambodiaCleanSugar2012>
- 37 In a meeting between Oxfam and the Ministry of Agriculture, Forestry and Fisheries on Friday 13 September 2013
- 38 In addition to supplying the food manufacturing industry, American Sugar Holdings owns consumer brands such as Domino Sugar and Tate & Lyle Sugar. <http://www.asr-group.com/about-us/our-world/>
- 39 S. Starling (2013) 'Tate & Lyle Sugars slams Guardian over Cambodian sugar sourcing allegations', *op. cit.* The company has also told Oxfam that currently it has no plans to receive shipments of sugar from Cambodia in future.
- 40 Sugaronline (2013) 'Cambodia: Tate & Lyle defends land deal', 17 April 2013. [http://www.sugaronline.com/news/website\\_contents/view/1211908](http://www.sugaronline.com/news/website_contents/view/1211908).
- 41 Specifically, the case has been filed against Tate & Lyle Industries, which is a subsidiary of Tate & Lyle plc, as well as Tate & Lyle Sugars.

- 42 For Tate & Lyle's perspective on the lawsuit, see: Sugaronline (2013) 'Cambodia: Tate & Lyle defends land deal', 17 April 2013, op. cit.
- 43 As confirmed in dialogue with Coca-Cola and PepsiCo, these companies work with bottlers which are franchisees that manufacture and produce branded products such as Coke and Pepsi. These franchisees are subject to Coca-Cola and PepsiCo supplier guidelines and other contract provisions, which mandate certain sustainability requirements. For the purposes of this report, references to Coca-Cola and to PepsiCo include their franchisees.
- 44 For more information, see also C. Le Coz (2013) 'The Grains of Wrath', *Southeast Asia Globe Magazine*; and Business and Human Rights Resource Centre (2013) "Cambodia Clean Sugar" campaign – company responses and non-responses', op. cit.
- 45 LMC International quoted in Bunge (2010) 'Sugar & Bioenergy Overview', presentation for investors. [http://media.corporate-ir.net/media\\_files/irol/13/130024/investorday2010/BenPercy.pdf](http://media.corporate-ir.net/media_files/irol/13/130024/investorday2010/BenPercy.pdf). Note that in Brazil most sugar mills produce ethanol as well as sugar for food, and can often choose whether to produce sugar or ethanol based on factors such as current prices.
- 46 Based on latest FAO crop production and arable land figures for Brazil. <http://faostat.fao.org/>
- 47 See, for example, CIMI (2012) 'Violência contra os povos indígenas no Brasil 2011'. <http://www.cimi.org.br/pub/CNBB/Relat.pdf>
- 48 Conflicts in these three states accounted for 20 per cent of all conflicts recorded in Brazil in 2012: 229 of a total 1,067 events. Based on information from Unica (using IBGE data) and the Pastoral Land Commission. From an unpublished report prepared for Oxfam by Repórter Brasil.
- 49 Descendants of slaves who escaped and established communities in the Brazilian countryside over the centuries.
- 50 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) 'Violência contra os povos indígenas no Brasil 2011', op. cit.
- 51 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>
- 52 In addition to Monte Verde, the other mill is the San Fernando sugar mill, owned by Agropecuária JB (Grupo Bumlai) and Grupo Bertin.
- 53 V. Glass (no date), 'Em Terras Alheias: A produção de soja e cana em áreas Guarani no Mato Grosso do Sul', São Paulo: Repórter Brasil. <http://reporterbrasil.org.br/documentos/emterrasalheias.pdf>
- 54 Farmers have been accused of shooting into the air to intimidate people, as well as sending bulldozers and other agricultural machinery to work on the land, as though it was uninhabited. M.H. Ferreira Lima and V.M. Bezera Guimarães (no date) 'Clean Biofuels and the Guarani Indians of Mato Grosso do Sul: Human Costs and Violation of Rights'.
- 55 Portaria MJ/GM Nº 499, April 2011.
- 56 Bunge's response can be found at: <http://www.business-humanrights.org/Links/Repository/1020853/jump>. After pressure from the State Prosecution Office (MPE), the Federal Prosecution Office (MPF), and the Federal Labour Prosecution Office (MPT), the other mill sourcing from the Jatayvary land, San Fernando, signed a commitment promising not to purchase or promote the planting of sugar cane in land traditionally occupied by indigenous peoples.
- 57 Based on Oxfam interview with Federal Prosecutor Marco Antonio Delfino de Almeida.
- 58 V. Glass (no date), 'Em Terras Alheias', op. cit.
- 59 Bunge (2012) 'Sugar & Bioenergy Overview', presentation for investors. <http://phx.corporate-ir.net/External.File?item=UGFYZW50SUQ9NDgwMTc3fENoaWxkSUQ9NTEzOT1fFR5cGU9MQ==&t=1>
- 60 <http://www2.warwick.ac.uk/knowledge/themes/sustainability/sugar/>
- 61 S. Bosley (2013) 'Sugar, not fat, exposed as deadly villain in obesity epidemic', *Guardian*, 20 March 2013. <http://www.theguardian.com/society/2013/mar/20/sugar-deadly-obesity-epidemic>; and A. Soosm (2013) 'Sugar and obesity', *Environmental News Network*, 18 January. [http://www.enn.com/enn\\_original\\_news/article/45484](http://www.enn.com/enn_original_news/article/45484)
- 62 Danone discloses that it purchases less than 0.02 per cent of world sugar production, mainly from Brazil and Mexico. The company directly purchases 400kt of sugar worldwide, 190kt of sugar cane, 110kt from Brazil and Mexico, and an estimated 70kt is indirectly purchased for animal feed (from Brazil). [http://www.danone.com/images/pdf/danone\\_forest\\_footprint\\_policy\\_en.pdf](http://www.danone.com/images/pdf/danone_forest_footprint_policy_en.pdf)
- 63 Unilever discloses that its purchases account for 0.26 per cent of the global sugar cane market. <http://www.unilever.com/mediacentre/pressreleases/2013/Unileversourcesoverthirdofagriculturalrawmaterials.aspx>
- 64 <http://www.coca-colacompany.com/our-company/stakeholder-engagement#TCCC>. Due to the lack of transparency, the actual amount of sugar purchased by Coca-Cola has not been confirmed.
- 65 Although there has been an increasing trend of blending high-fructose corn syrup (HFCS) with sugar to reduce total sweetener costs in the US, as a result of US government incentives and subsidies around corn, sucrose (sugar) is the main sweetener in soft drinks in the rest of world. A percentage of soft drinks sold globally are low-calorie products using alternative (largely non-sugar) sweeteners; however, the non-diet products still have a larger market share. Coca-Cola Company 10-K submission to the

- Securities and Exchange Commission (2012), p.13; and IBISWorld (2013) 'Global Soft Drink & Bottled Water Manufacturing', IBISWorld Industry Report C1124-GL, P25.
- 66 Ibid. p.25. PepsiCo states that it purchases less than 1 per cent of the world's sugar for the parent company, but could not confirm quantities of sugar purchased for its products via bottlers/franchisees.
- 67 The world's largest sugar company is Südzucker AG, which had a market share of 6.1 per cent in 2012. ABF's market share in 2012 was 4.3 per cent. IBISWorld (2012) 'Global Sugar Manufacturing', IBISWorld Industry Report C1115-GL, op. cit.
- 68 This includes 1.8m tonnes produced by Illovo Sugar and 400,000 tonnes produced by Azucarera, as well as a portion of the sugar ABF produces in China. Associated British Foods (2012) 'A Journey Through Our Business: Annual Report and Accounts', p.17.
- 69 Oakland Institute (2011) 'Understanding Investment Deals in Africa', Country Report: Zambia; <http://www.ipsnews.net/2012/09/malian-farmers-want-their-land-back/>; and <http://farmlandgrab.org/post/view/5578>. See also: [http://landmatrix.org/get-the-detail/by-investor-name/1225/?order\\_by=&starts\\_with=S](http://landmatrix.org/get-the-detail/by-investor-name/1225/?order_by=&starts_with=S). ABF disputes the facts of these reports and maintains that it has respected land rights.
- 70 This includes 1m tonnes produced by British Sugar and 400,000 tonnes produced by Azucarera, as well as a portion of the sugar ABF produces in China. Associated British Foods (2012) 'A Journey Through Our Business: Annual Report and Accounts', op. cit.
- 71 Usina Trapiche was originally a family-owned company, founded in 1887. In 1997, it was acquired by the privately held Serra Grande Group. Trapiche has 28,500 ha of land used for its sugar cane plantations.
- 72 L. Schneider (2010) 'A Sweeter Alternative for Whom? Sugarcane ethanol production and rural livelihoods in Northeast Brazil', Washington DC: American University.
- 73 State lands generally come to be used by traditional people such as the islanders of Sirinhaém through occupation, or '*regime de ocupação*'. In general, the state recognises whoever occupies the land as having the right to live there. According to the families' supporters, the state had recognised the right of the islanders to live in the Sirinhaém estuary since they began to occupy the area around 1914, given that their subsistence lifestyle did little harm to the ecosystem, and by providing sustenance for so many people this public land was viewed as serving an important social function. L. Schneider (2010) 'A Sweeter Alternative for Whom?', op. cit.
- 74 Trapiche is said to have first asked the state for control over the estuary and islands by entering into an '*aforamento*' as early as 1898, 16 years before the fishing families occupied the land. An '*aforamento*' grants a company the right to use public land for a ten-year period with certain conditions, including co-existence with surrounding communities and meeting environmental standards. Trapiche also requested an '*aforamento*' in the early 1980s, at which time the state refused, deciding in favour of the islanders. L. Schneider (2010) 'A Sweeter Alternative for Whom?', op. cit.
- 75 Based on Oxfam interviews with the Pastoral Land Commission (CPT) and other supporters of the islanders. On the CPT website there is additional information about the conflict, along with testimonies of the affected community. See: <http://www.cptne2.org.br/index.php/publicacoes/noticias/noticias/55-pe/3397-usina-trapiche-incendeiabarracas-de-pescadores-tradicionais-nas-ilhas-de-sirinhaem.html?highlight=YToxOntpOjA7czo4MDoic2lyaW50YcOpbSI7fQ>; and also L. Schneider (2010) 'A Sweeter Alternative for Whom?', op. cit.
- 76 According to the CPT, new conflicts happened on 31 May and 6 June 2012, involving 53 families. Based on Oxfam interview with Jose Bernardino de Lima; and CPT, op. cit.
- 77 Pastoral Land Commission (2012) 'Mesmo multada por diversos crimes ambientais, Usina Trapiche recebe prêmio da Assembleia Legislativa de PE'. <http://www.cptne2.org.br/index.php/publicacoes/noticias/noticias/55-pe/3613-mesmomultada-por-diversos-crimes-ambientais,-usina-trapiche-recebe-premio-daassembleia-legislativa-de-pe.html?highlight=YToxOntpOjA7czo4OjJ0cmFwaWN0ZSI7fQ>
- 78 L. Schneider (2010) 'A Sweeter Alternative for Whom?', op. cit.
- 79 Their current homes are on a steep hillside, and they must walk down a sharply inclined dirt path to reach the city centre, and from there make their way to the wharf and then paddle for nearly two hours to the estuary to fish. The islanders now depend much more on the meagre income they earn each week in the market to buy foodstuffs such as cassava, fruit, and fish, which previously they were able to provide for themselves. L. Schneider (2010) 'A Sweeter Alternative for Whom?', op. cit.
- 80 Based on Oxfam interview with the Pastoral Land Commission. See also Amnesty International video: <http://www.youtube.com/watch?v=OMzIshWJgOw>; and L. Schneider (2010) 'A Sweeter Alternative for Whom?', op. cit.
- 81 This includes products directly produced by these companies and branded products such as Coke and Pepsi which may be produced by the company or their franchisees. See endnote 41 for more information.
- 82 <http://www.behindthebrands.org/en/company-scorecard>
- 83 Transparency on sourcing of these (and other major agricultural commodities) is captured in the Behind the Brands Scorecard as part of the Transparency indicators, rather than the Land indicators. However, the indicators are highly interconnected as the lack of transparency and potentially the lack of sufficient knowledge by companies around their agricultural sourcing is a major barrier to the management of supply chain risks and impacts.
- 84 This information was provided by Bonsucro in conversation with Oxfam.
- 85 <http://bonsucro.com/site/in-numbers/>

- 86 Tate & Lyle Sugars has been suspended from the Bonsucro initiative until it fulfils a number of conditions or reaches a resolution of the dispute to both parties' satisfaction. In a response to Oxfam, Tate & Lyle Sugars said that Bonsucro's stated reasons for suspending it did not align with what the company was asked to do by Bonsucro, that time periods given were not adhered to, and that the company's ability to act on some areas was limited due to the UK Court action. Bonsucro's statement is available at: <http://bonsucro.com/site/about/complaints/>
- 87 Based on Behind the Brands Scorecard ranking. See: <http://www.behindthebrands.org/en/company-scorecard>
- 88 Nestlé (2013) 'Nestlé General Responsible Sourcing Guidelines for Materials of Agriculture, Forestry, Fishery and Aquaculture Origin'. <http://www.nestle.com/asset-library/documents/creating-shared-value/responsible-sourcing/nestle-responsible-sourcing-guidelines.pdf>
- 89 For more information, see Global Witness (2012) 'Dealing with Disclosure: Improved transparency in large land deals', London, Oakland, and Rome: Global Witness, Oakland Institute, and International Land Coalition; and Oxfam Australia (2010) 'Guide to Free, Prior and Informed Consent', Carlton: Oxfam.
- 90 Relevant information includes contracts, impact assessments, proposed benefit sharing, and legal arrangements. This is an ongoing process, since projects take many years to plan and implement, and the principle applies throughout the process.
- 91 Women must be included in consultation and negotiation and must directly benefit from compensation schemes, and mitigation plans must address women's specific needs. J. Bugri and R. King (forthcoming) 'Gender Dimensions of Agricultural Investments: Case studies from Ghana', IIED, London; C. Wonani, W. Mbuta, and A. Mkandawire (2012) 'Gender and Equity Implications of Land-Related Investments on Labour and Income Generating Opportunities: Zambia Country Study', draft report, June 2012, quoted in B. Vorley, L. Cotula, and M. Chan (2012) 'Tipping the Balance: Policies to shape agricultural investments and markets in favour of small-scale farmers', Oxford: Oxfam.
- 92 See, for example, Nielsen (2012) 'The Global, Socially-Conscious Consumer'.
- 93 PR Newswire (2012) 'Seventy percent of consumers avoid products if they dislike parent company, Weber Shandwick survey finds'. <http://www.prnewswire.com/news-releases/seventy-percent-of-consumers-avoid-products-if-they-dislike-parent-company-weber-shandwick-survey-finds-137559523.html>
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- 107 This and the other specific recommendations in this section have been developed with reference to recognised international norms, particularly the UN Guiding Principles on Business and Human Rights (UNGPR) and the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT).
- 108 Assessments should disaggregate impacts on women, since women are often disproportionately affected by land issues.
- 109 Joining a multi-stakeholder initiative (MSI), or even obtaining certification, does not absolve any company of its own individual responsibilities to address issues, and certainly does not, in itself, provide any guarantee of responsible behaviour on a company's part. MSIs merely ensure that companies are involved in a multi-stakeholder group that can guide their policy and practice, and can help them stay

accountable to stakeholders, particularly communities that are affected by their actions.

- 110 Including the Roundtable on Sustainable Palm Oil, Round Table on Responsible Soy, and Bonsucro (sugar). Or at least commit to those of the three which represent a statistically significant volume in the supply chains of the company in question.
- 111 Governments and traders have very different roles and responsibilities related to the issues described in this report. Trading companies that source commodities and own plantations have great influence in how land is acquired and managed. However, governments have the primary responsibility to ensure that their citizens' basic human rights are protected. The point here is not to confuse their roles, but to emphasise the advocacy actions that the Big 10 can take.

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