

Opinion: Coca-Cola fights for farmers

By Joel Brinkley

Many Southeast Asians and others around the world owe their thanks to the Coca-Cola Company.

No, I'm not expressing gratitude for the sugary drinks that can help make people fat. But to make those drinks, Coke is one of the world's largest sugar consumers. The company buys sugar from distributors all over the world.



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Well, it happens that some of the largest growers and distributors are in Thailand and Cambodia. And as a recent lawsuit made clear, much of the Cambodian sugar is grown on large plantations that used to be farmland for hundreds of poor family farmers.

Across Asia, many countries are guilty of baldly seizing their citizens' land without significant compensation and then selling it to corporations or developers, leaving the owners homeless and often destitute. Arguably, however, Cambodia has the biggest problem. Over time, the Cambodia Daily newspaper reported recently, the government has seized almost 5 million acres – about 10 percent of the nation's entire land mass.

In Cambodia, human-rights advocates and others are now calling

the crop produced on this illegally seized land “blood sugar.” (Sometimes landowners who refuse to leave their property are jailed – or shot and killed.)

The Cambodian government contends that the land seizures are actually lifting citizens out of poverty because the companies that buy the land create jobs. But in truth, it’s a net loss because the landowners are thrown off their property and most often find themselves unemployed.

It happens that the sugar grown on the seized land in question was processed first in Cambodia and then in Thailand until finally it wound up with Tate & Lyle Sugars, Britain’s largest sugar marketer.

Earlier this year, Mark Moorstein, a Northern Virginia land-use lawyer, took on a “blood sugar” case as pro-bono, charitable work. He and a partner firm in London sued Tate & Lyle. The suit claimed that “pursuant to Cambodian law, the claimants,” 200 villagers, “are the owners of the land” and “are entitled to the sugar cane.” Tate & Lyle, it added, “knew that the villagers were the owners of the raw sugar or ought to have known.”

As soon as the lawyers filed their suit, Tate & Lyle seemed to panic. Very quickly, it sold its entire sugar-production unit to American Sugar Refining, better known in the United States for its name-brand product: Domino Sugar. That company became the defendant.

Enter the Coca Cola Company. As the lawsuit rolled forward, the company apparently realized that its soft drinks were being made with “blood sugar.” Or perhaps the company already knew that – but grew contrite. After all, a Thai sugar-producing giant, Mitr Phol, gets much of its sugar from Cambodia and is one of Coke’s top three suppliers.

“The Coca-Cola Company commits to zero tolerance for land-grabbing,” the company announced in a statement last month.

Coke committed to hire third-party investigators to look at its sugar suppliers to be sure none of them is buying “blood sugar.”

Cambodian human-rights groups lauded the move. “Coke’s statement is a watershed moment for the communities” victimized by land grabbers, said Eang Vuthy, executive director of Equitable Cambodia. But he and others said they hoped that forceful action will follow Coke’s laudable statement.

Land-grabbing is endemic to Asia, including China, Myanmar, Laos and Vietnam. All those nations, including Cambodia, are thoroughly corrupt with court systems that often do nothing but mirror the government’s view.

In fact, a Cambodian human-rights group filed suit against a sugar-farm seizure in 2007, and to date the court still has not issued a judgment. Now, as one major Cambodian human-rights organization puts it: “In Phnom Penh and the 12 provinces” around it “land-grabbing has affected an estimated 400,000 Cambodians since 2003, helping to create a sizable underclass of landless villagers with no means for self-sustenance.”

That’s why Coke’s decision – if in fact the company follows through – is quite important.

Following Coke’s lead, PepsiCo investors filed a shareholders resolution urging that company to account for alleged land-rights violations in Cambodia, where much of its sugar comes from as well.

“As shareholders we want to know what PepsiCo is doing to ensure that its suppliers are behaving responsibly and preventing land conflicts from undermining its reputation and operations,” a shareholders group said. These people promised to bring up the resolution at Pepsi’s annual meeting early next year.

All of this holds the potential to benefit tens of thousands of poor Southeast Asian people whose governments are mercilessly victimizing them. The corporate "blood sugar" customers hold the greatest power to put a stop to these vile acts.

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