

## **STATS AND FACTS DOCUMENT – LAND AND SUGAR SPIKE**

**Signed off September 13, 2013**

### **LAND**

The 2008 boom in food prices 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>i</sup>

More than 60 per cent of foreign land investors in developing countries intend to export everything they produce on the land.<sup>ii</sup>

Two thirds of agricultural land deals by foreign investors are in countries with a serious hunger problem.<sup>iii</sup>

Since 2000, nearly 800 large-scale land deals by foreign investors, covering 33m hectares globally, have been recorded.<sup>iv</sup> Lack of transparency around land acquisitions means the real number could be much higher. Nearly half of these deals are in Africa<sup>v</sup> and many have taken place in countries with weak land governance<sup>vi</sup> or with 'alarming' levels of hunger, including Mozambique, Sudan, and Zambia.<sup>vii</sup>

The five countries with the largest total land acquisitions by area, covering a total of over 16 million hectares are South Sudan, Papua New Guinea, Indonesia, Democratic Republic of the Congo, and Mozambique<sup>viii</sup>.

The countries with the highest number of large scale land deals are Cambodia, Indonesia, Mozambique and Ethiopia – 366 of the 800 land deals (46 per cent) which took place since 2000 occurred in these four countries. Cambodia has experienced the most deals, with 104 concluded since 2000.<sup>ix</sup>

### **SUGAR**

Sugar, soy and palm oil production collectively use 150 million hectares of land – an area almost 3 times the size of Spain - <sup>x</sup> and have been linked to almost 50 percent of recorded large-scale land deals since 2000 (more than 380 large-scale land acquisitions since 2000).<sup>xi</sup>

51 per cent of sugar produced is used in processed foods such as soft drinks, confectionery, baked goods, and ice cream.<sup>xii</sup>

Sugar is produced on 31m hectares of land globally<sup>xiii</sup> - an area the size of Italy with at least 4 million hectares linked to 101 large-scale land deals concluded since 2000<sup>xiv</sup> although the number of land deals could be bigger.

Sugar production has increased by approximately one fifth in the last ten years from 148 million tonnes in 2002 to 176 million tonnes of sugar in 2012<sup>xv</sup>.

Palm oil uses half as much land as sugar. Soy is the biggest land user by far,<sup>xvi</sup> but just 16 per cent of soy is used directly in food products.<sup>xvii</sup>

Global consumption of sugar more than doubled between 1961 and 2009.<sup>xviii</sup> Globally we consume over 139 million tonnes of sugar every year. Demand for sugar is set to rise by a further 25 per cent by 2020.<sup>xix</sup>

Brazil accounts for 20 per cent of the world's sugar supply and close to 50 per cent of all exports – a figure that is forecast to rise to 60 per cent by 2020.<sup>xx</sup> Nearly 9.5million hectares of land in Brazil were devoted to sugar production in 2011, accounting for an eighth of the country's arable land.<sup>xxi</sup> This is nearly double the area of land under sugar production in India – the second largest sugar cane producer by area<sup>xxii</sup>.

The huge expansion of large scale agriculture in Brazil has led to a rise in violence and conflict over land – many linked to indigenous and other community land rights.<sup>xxiii</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.<sup>xxiv</sup>

North America, Europe, Australia and New Zealand accounted for 13 percent of sugar production (by volume) and 28 percent of sugar consumption in 2009. The global South (all the other countries) accounted

for 87 percent of sugar production (by volume) and 73 per cent of global consumption.<sup>xxv</sup>

Sugar consumption varies hugely across the globe - Africa's per capita sugar consumption is approximately half that of Europe or North America (15 kg of sugar per capita per year in Africa, 33 kg per of sugar per capita per year in North America and 34 kg of sugar per capita per year in Europe)<sup>xxvi</sup>

In 2011 the world trade in raw sugar was worth \$47bn, up from \$10.2bn in 2000.<sup>xxvii</sup>

## COMPANIES

### Associated British Food

Associated British Foods is the world's second biggest sugar producer<sup>xxviii</sup> and Africa's biggest producer. It has the capacity to produce 5.5 million tonnes of sugar globally each year<sup>xxix</sup> - roughly 4.3 per cent of the world's total supply.<sup>xxx</sup> Over half of ABF's sugar comes from sugar cane<sup>xxxi</sup>, most of it produced by Illovo Sugar in six African countries: Malawi, Mozambique, South Africa, Swaziland, Tanzania, and Zambia.

Associated British Food products include Silver Spoon Sugar, Ovaltine (outside the US), Kingsmill Bread and Patak's curry sauces and ready meals.<sup>xxxii</sup>

### PepsiCo

PepsiCo is the world's second biggest soft drink company - controlling 18 percent of the global soft drink market.<sup>xxxiii</sup>

PepsiCo owns 21 brands include Pepsi, Tropicana, Doritos, Lipton Teas and Walkers.<sup>xxxiv</sup>

50 percent of PepsiCo's revenue comes from outside the US.<sup>xxxv</sup>

In 2010 Pepsi sold 892 million cases of Pepsi Cola.<sup>xxxvi</sup>

### Coca-Cola

Coca-Cola is the world's largest purchaser of sugar<sup>xxxvii</sup>

Coca-Cola is the world's biggest soft drink company and controls 25 per cent of global soft drink market share.<sup>xxxviii</sup>

Coca-Cola has a portfolio of more than 500 brands – including 16 'billion dollar' brands. Its brands include Sprite, Fanta and Coca-Cola.<sup>xxxix</sup>

Coca-Cola sells more than 3500 products.<sup>xl</sup>

Coke is officially available in every country in the world except Cuba and North Korea.<sup>xli</sup>

Consumers in more than 200 countries drink a Coca-Cola beverage at a rate of 1.8 billion bottles of Coke a day.<sup>xlii</sup>

20,833 Coca-Cola branded drinks are consumed each second globally.<sup>xliii</sup>

Coca-Cola is one of the most recognised brands in the world - 94 per cent of the world's population recognize the Coca-Cola logo.<sup>xliv</sup>

Roughly 70 percent of Coca-Cola's revenue comes from outside the US and the company plans to spend \$30 billion on international expansion over the next five years in China, India, the Middle East, and Russia.<sup>xlv</sup>

Coca-Cola was listed as having the highest brand value of any company in the world in the 2011 Best Global Brands list with a brand value estimated to be US\$71.9-billion - more than IBM (US\$69.9-billion) and Microsoft (US\$59-billion).<sup>xlvi</sup>

In 2011 Coca-Cola's 29 percent of sales were in Latin America, 22 percent in North America, 18 percent in the Pacific, 16 percent in Eurasia & Africa and 15 percent in Europe.<sup>xlvii</sup>

## Consumption of sugar in brand products

A can of Coke (330 ml / 11 fl ounces) contains 35 grams of sugar (approximately 7 teaspoons) according to the Coca-Cola's GB website.<sup>xlviii</sup>

A can of Pepsi (12 fl ounces / 355 ml) contains 41 grams of sugar (approximately 10 teaspoons)<sup>xlix</sup>

A serving of Ovaltine contains 22.2 g of sugar (approximately 6 teaspoons).<sup>i</sup>

<sup>i</sup> 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>.

<sup>ii</sup> W. Anseeuw, et al (2012) op. cit

<sup>iii</sup> [http://www.oxfam.org/sites/www.oxfam.org/files/bn-land-lives-freeze-041012-en\\_1.pdf](http://www.oxfam.org/sites/www.oxfam.org/files/bn-land-lives-freeze-041012-en_1.pdf) (page 2)

<sup>iv</sup> This data includes only transnational deals which have been 'concluded', based on the Land Matrix. 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/>

<sup>v</sup> Based on concluded deals by transnational investors. Data is accurate as of 13 August 2013. <http://landmatrix.org/>

<sup>vi</sup> 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.

<sup>vii</sup> See the International Food Policy Research Institute's 2012 Global Hunger Index for classification of countries by level of hunger.

<sup>viii</sup> <http://www.ifpri.org/sites/default/files/publications/b70.pdf>

<sup>ix</sup> Based on concluded deals by transnational investors. Data as of 28 August 2013. <http://landmatrix.org/get-the-idea/web-transnational-deals/>

<sup>x</sup> Based on concluded deals by transnational investors. Data as of 28 August 2013. <http://landmatrix.org/get-the-idea/global-map-investments/>

<sup>xi</sup> Based on FAO crop production figures for soybeans, sugar cane, oil palm fruit and sugar beet for 2012. <http://faostat.fao.org/>

<sup>xii</sup> This data includes deals which 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/>

<sup>xiii</sup> 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. IBIS World (2012) 'Global Sugar Manufacturing', IBIS World Industry Report C1115-GL, p.15.

<sup>xiv</sup> This figure is based on FAO crop production figures for 2012 and includes 26m hectares of sugar cane and 5m hectares 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% 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>.

<sup>xv</sup> This data includes 'concluded' foreign and domestic deals, based on the Land Matrix, for sugar (both sugar cane, sugar beet and sugar no specification). The data is accurate as of 28 August 2013. See: <http://landmatrix.org/>

<sup>xvi</sup> <http://faostat.fao.org/>

<sup>xvii</sup> Based on FAO crop production figures for 2012, 107 million ha of land are used for producing soybeans. <http://faostat.fao.org/>

<sup>xviii</sup> 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.

<sup>xix</sup> "No Sweet Deal" (NSD)

<sup>xx</sup> B. Lee, F. Preston, J. Kooroshy, R. Bailey, and G. Lahn (2012) 'Resources Futures', London: Chatham House, p.14.

<sup>xxi</sup> 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.

<sup>xxii</sup> Based on latest FAO crop production and arable land figures for Brazil. <http://faostat.fao.org/>

<sup>xxiii</sup> <http://faostat3.fao.org/faostat-gateway/go/to/home/E>

<sup>xxiv</sup> See for example, CIMI (2012) 'Violência contra os povos indígenas no Brasil 2011'. <http://www.cimi.org.br/pub/CNBB/Relat.pdf>

<sup>xxv</sup> 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 RepórterBrasil.

<sup>xxvi</sup> Based on 2009 FAO "Food Balance Sheet" for Sugar (Raw Equivalent) <http://faostat3.fao.org/faostat-gateway/go/to/download/FB/F/E>

<sup>xxvii</sup> Based on 2009 FAO "Food Balance Sheet" for Sugar (Raw Equivalent). <http://faostat3.fao.org/faostat-gateway/go/to/download/FB/FB/E>

<sup>xxviii</sup> [http://www.fairtrade.org.uk/includes/documents/cm\\_docs/2013/F/Fairtrade%20and%20Sugar%20Briefing%20Final%20Jan13.pdf](http://www.fairtrade.org.uk/includes/documents/cm_docs/2013/F/Fairtrade%20and%20Sugar%20Briefing%20Final%20Jan13.pdf)

<sup>xxix</sup> The world's largest sugar company is Südzucker AG, which had a market share of 6.1 percent in 2012. ABF's market share in 2012 was 4.1 percent.

<sup>xxx</sup> IBISWorld (2012) 'Global Sugar Manufacturing', IBISWorld Industry Report C1115-GL.

<sup>xxxi</sup> ABF's production figure can be found in Associated British Foods (2012) 'A Journey Through Our Business: Annual Report and Accounts', p.17. The percentage of global supply is calculated based on global raw sugar production of 172 million metric tonnes from Commodity Research Bureau (2013) 'The CRB Commodity Yearbook'

<sup>xxxii</sup> [www.IBISWORLD.com](http://www.IBISWORLD.com) Global Sugar Manufacturing, June 2012 Page 30.

<sup>xxxiii</sup> This includes 1.8 million 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', op. cit.

<sup>xxxiv</sup> Associated British Foods plc, "Our Grocery Brands," [http://www.abf.co.uk/about\\_us/our\\_group/our\\_grocery\\_brands](http://www.abf.co.uk/about_us/our_group/our_grocery_brands) (last visited 9/9/2013)

<sup>xxxv</sup> IBIS World (2013) 'Global Soft Drink & Bottled Water Manufacturing', IBIS World Industry Report C 1124-GL, p. 25. PepsiCo states that it purchases less than 1per cent of the world's sugar for the parent company, but could not confirm sugar purchased for its products via bottlers/franchisees.

<sup>xxxvi</sup> PepsiCo, "Top Global Brands," <http://www.pepsico.com/Brands/BrandExplorer> (last visited 9/9/2013).

<sup>xxxvii</sup> PepsiCo Inc, "2011 Annual Report" p.7 [http://www.pepsico.com/annual11/downloads/PEP\\_AR11\\_2011\\_Annual\\_Report.pdf](http://www.pepsico.com/annual11/downloads/PEP_AR11_2011_Annual_Report.pdf).

<sup>xxxviii</sup> Beverage-Digest, Special Issue: Top-10 CSD Results for 2010, p.1, [http://beverage-digest.com/pdf/top-10\\_2011.pdf](http://beverage-digest.com/pdf/top-10_2011.pdf)

<sup>xxxix</sup> Coca-Cola Co., "Stakeholder Engagement," <http://www.coca-colacompany.com/our-company/stakeholder-engagement>

<sup>xl</sup> Footnote: IBISWorld (2013) 'Global Soft Drink & Bottled Water Manufacturing', IBISWorld Industry Report C1124-GL, P

<sup>xli</sup> <http://www.coca-colacompany.com/brands/the-coca-cola-company/>

<sup>xlii</sup> <http://www.coca-colacompany.com/>

<sup>xliii</sup> BBC News Magazine, "Who, What, Why: In which countries is Coca-Cola not sold?" (Sept. 11, 2012) <http://www.bbc.co.uk/news/magazine-19550067> and

<sup>xliiii</sup> Atlanta Journal-Constitution" article : <http://www.ajc.com/news/business/coca-cola-to-spend-30-billion-to-grow-globally/nR6YS/>

<sup>xliiii</sup> <http://www.coca-colacompany.com/brands/the-coca-cola-company/>

<sup>xliiii</sup> <http://www.coca-colacompany.com/brands/the-coca-cola-company/>

<sup>xliiii</sup> Coca-Cola Co. "Who We Are," <http://www.coca-colacompany.com/careers/who-we-are-infographic>

Feldfunktion geändert

---

<sup>xlvi</sup> <http://www.theglobeandmail.com/technology/tech-news/apple-cracks-interbrands-best-global-brands-top-10-list/article555780/>

<sup>xlvii</sup> <http://www.coca-colacompany.com/annual-review/2011/operating-groups.html> and Coca-Cola Co. "Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934" p. 57, 2012, [http://www.coca-colacompany.com/annual-review/2012/pdf/form\\_10K\\_2012.pdf](http://www.coca-colacompany.com/annual-review/2012/pdf/form_10K_2012.pdf)

<sup>xlviii</sup> <http://www.coca-cola.co.uk/brands/category/fanta.html> and <http://www.coca-cola.co.uk/brands/coca-cola.html> The grams to teaspoon conversion based on there being 5 g in a teaspoon <http://www.convertunits.com/from/g/to/teaspoon>

<sup>xlix</sup> [http://www.pepsicobeveragefacts.com/info/product.php?prod\\_type=1026&prod\\_size=20&prod\\_catg\\_id=1062&brand\\_fam\\_id=1051&brand\\_id=1000&product=Pepsi](http://www.pepsicobeveragefacts.com/info/product.php?prod_type=1026&prod_size=20&prod_catg_id=1062&brand_fam_id=1051&brand_id=1000&product=Pepsi)

<sup>i</sup> A serving is defined by the company as 25 g of Ovaltine with 200 ml of semi skimmed milk <http://www.ovaltine.co.uk/explore-the-range/ovaltine-original/original-ovaltine-add-milk/>