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## AGRICULTURE

# Ethanol fuels hope for Caribbean sugar

## The struggling Caribbean sugar industry stands to benefit from a worldwide increase in the consumption of ethanol.

By Jonathan M. Katz

Associated Press

**GUERRA, Dominican Republic** - After declining for years, the Caribbean sugar industry is suddenly looking sweet again as a source of ethanol -- the alternative fuel that some see as an answer to sky-high oil prices.

Ethanol, a cleaner-burning alternative fuel that can be made from corn or sugar cane, is also drawing renewed government interest and is expected to be a key topic for leaders from Central America, Mexico, Colombia and the Dominican Republic meeting this weekend in the coastal city of La Romana, which bills itself as the Dominican sugar capital.

Markets for ethanol are growing due to the insatiable demand for fuel and increasing demand for alternative energy sources. But Caribbean sugar is particularly attractive because of the region's preferential trade access to the U.S. market.

In the Dominican province of Monte Plata, a consortium led by Belgium-based Alcogroup has announced plans to build an ethanol plant, while the Dominican sugar cooperative says it is in talks with other partners to convert at least one sugar mill into an ethanol distillery.

### MILL MANIA

"People are sort of tripping over one another to put up the mills," said Lester Lave, an economics professor at Carnegie Mellon University in Pittsburgh who studies alternative fuels.

In Jamaica, a company based in Brazil -- one of the world's leading ethanol producers -- is seeking to buy out the struggling state-owned sugar producer so it can enter the U.S. market without paying tariffs under a regional free-trade agreement.

Brazil has also announced plans to advise other countries, including Haiti and Guatemala on producing the fuel.

"In the next 10 to 15 years, ethanol will be the king of fuels," said Juan Antonio Japa, general manager of the Dominican Republic's national sugar cooperative.

## **SWEET TURNAROUND**

This wave of interest comes just as sugar was fading fast throughout the Caribbean, with growers turning to other crops and sending fewer machete-wielding workers into the cane fields. The industry has fallen on hard time because of free-trade deals and competition from cheaper sources of sugar such as Brazil.

In the Dominican Republic, which has lost tens of thousands of sugar jobs over the past 20 years, the industry is still key to the identity in sugar growing areas like La Romana, the coastal city where the energy ministers are meeting.

Vendors sell fresh cane stalks on the street. The local baseball team is called the "Sugar Growers," and it's still common to see men with machetes clutched in gnarled hands -- mostly illegal immigrants from Haiti who make about \$2 a day -- heading off to backbreaking work in the cane fields.

But the work crews are much smaller than they used to be and longtime growers have steadily moved to other products as sugar waned, mostly because trade pacts and competition from cheaper producers elsewhere in the world has made Caribbean cane much less profitable.

"Sugar is not viable any more," said Teodulo Roque Rosario Jackson, whose family has grown sugar cane for three decades near the town of Guerra, 14 miles east of the capital, Santo Domingo.

Many growers say they are not ready to take the plunge into ethanol production. Rosario said he's not convinced there is a market for the fuel, and he's decided to wait, while continuing to plow money into chicken and other agricultural products.

But Japa said he believes that switching to ethanol will eventually triple the Dominican sugar workforce and bring badly needed investment to the country.

"We could be a leader once again in sugar production," he said.