

Honduran Sugar

*A Macro View of Today's
Industry*

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The Honduran Sugar Industry

Like its Central American neighbors, Honduras considers sugar to be an extremely important commodity. Its sugar industry exists as a means to increase trade in global markets, and thus increase the Honduran standard of living. Providing jobs for more than 20,000 Hondurans, the sugar industry represents around 1% of the country’s total Gross Domestic Product.

For centuries, sugarcane has been an established commodity in several countries of the Western Hemisphere. However, for Honduras, the crop did not gain importance until the early 1900s¹. The Honduran sugar industry began in the 1920s with the establishment of two mills – The Ingenio Sugar Company and Montecristo Mill – in the northern part of the country. The effects of the Great Depression of 1929 hit the Honduran sugar industry and as a result, these two mills were forced to halt operations.

By the late 1930s, the effects of the Depression had subsided. Azucarera Hondureña (CAHSA) was established in 1938. CAHSA’s first mill, “El Juguete” had a daily milling capacity of 150 tons of sugar. Ten years later, CAHSA established the “San José” mill, which produced at a rate of 600 tons of sugar milled per day. In the same year, 1948, Azucarera Chumbagua was established in the Quimistan and Santa Barbara valleys, just west of CAHSA.

The decade of the 1970s saw a rapid expansion of the Honduran sugar industry. Azucarera del Norte (AZUNOSA) was created in 1974, followed by the establishment of Azucarera Yojoa, Azucarera Cantarranas and Azucarera Central in 1976. Today, Azucarera Cantarranas and Azucarera Central are known as Azucarera Tres Valles and Azucarera La Grecia, respectively.

Today, the national Honduran sugar industry is comprised of seven main mills (below) and around 10,000 independent producers².

Sugar Producer	Acronym	Region	City	Year Founded	Daily Milling Capacity
Cia. Azucarera Chumbagua	CHUMBAGUA	North	San Marcos, Santa Bárbara	1948	3,000 tons
Azucarera Yojoa	AYSA	North	Rio Lindo, Cortés	1976	4,500 tons
Cia. Azucarera Hondureña	CAHSA	North	Villanueva, Cortés	1938	12,000 tons
Azucarera del Norte	AZUNOSA	North	Santa Rita, Yoro	1974	6,500 tons

¹ Suarez, Nydia. “The Central American Sugar Industry.” *Sugar and Sweetener* Dec. 1996.

² “General Aspects: History.” *Asociación de Productores de Azúcar de Honduras*. 6 Oct. 2008 <<http://www.azucar.hn/aspectosgrales.htm>>.

Azucarera Tres Valles	CATV	Central	San Juan de Flores, Morazán	1976	3,000 tons
Azucarera Choluteca	ACHSA	South	Marcovia, Choluteca	1966	4,000 tons
Azucarera La Grecia	LA GRECIA	South	Marcovia, Choluteca	1976	9,000 tons

Of the 50,000 hectares of sugarcane planted in Honduras, the majority is located in the northwestern part of the country. The two mills in Choluteca – southern Honduras – produce over a quarter of the country’s sugar. Azucarera Tres Valles in the central region produces the least amount of sugar³.

The extent of the sugar industry’s use of irrigation and/or rain feeding techniques is not known at this time. However, the Food and Agriculture Organization of the United Nations (FAO) recently reported that only 3.95% of the total area of cultivated land in Honduras is equipped for irrigation. The main type of irrigation utilized is surface irrigation. Systems of sprinkler and localized irrigation are not evident. For the reader’s reference, the FAO also reported that only 8.45% of the total area of cultivated land in the United States is equipped for irrigation⁴.

The graph below represents Honduran sugar exports between January to April, 2005 and January to April, 2008. The sugar variable is represented in Millions USD⁵.



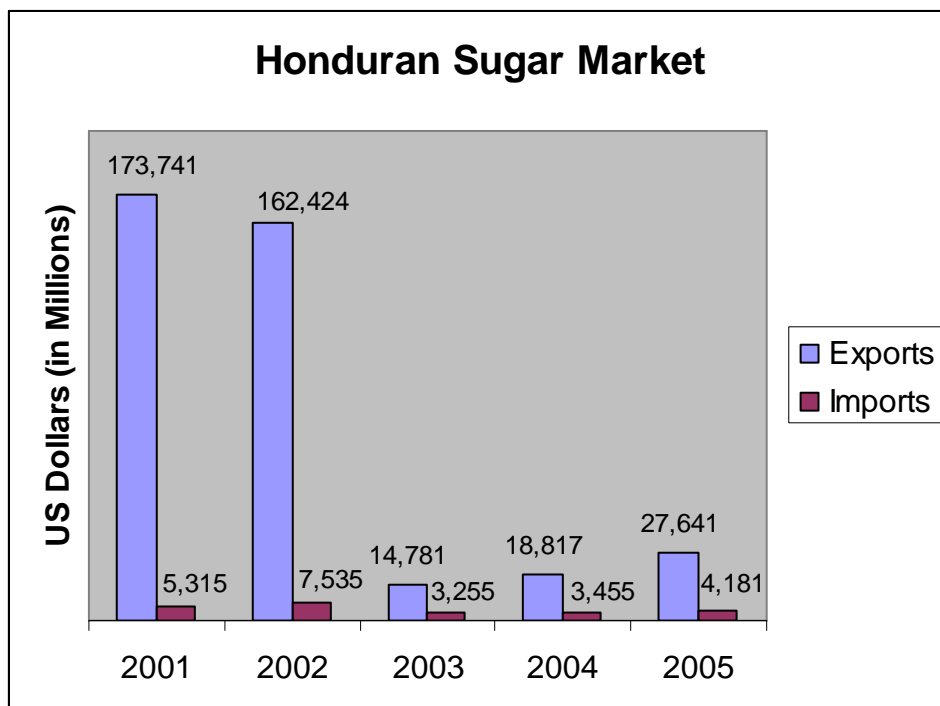
³ Melara, Carlos. Telephone Interview. 3 Nov 2008.

⁴ “Summary Factsheet Honduras” and “Summary Factsheet USA.” Food and Agriculture Organization of the United Nations. 2 Feb 2009.

⁵ “Estadísticas de Comercio Exterior Mercancías Generales: Período 2005-2008.” Instituto Nacional de Estadística. 6 Oct. 2008 <www.ine-hn.org>.

A recent study performed by the Association of Honduran Sugar Producers (APAH) provided insight into the destined markets for Honduran sugar. 68% of Honduran sugar is produced directly for domestic consumption. 5% is exported to the United States, as part of a quota. The other 27% of Honduran sugar is exported to the rest of the world, including the European Union, Canada, Taiwan and other CAFTA countries⁶.

The Honduran sugar market is an open market. The figure entitled “Honduran Sugar Market” shows annual Honduran sugar imports and exports between 2001 and 2005, in million US dollars. The figure shows sugar exports greatly exceeding imports. Because the majority of sugar domestically consumed in Honduras is domestically produced, imports are kept low⁷.



Despite the importance of sugar in Honduras, the industry is still relatively small when compared to its Central American counterparts. Taking into account the sugar industries of Guatemala, El Salvador, Nicaragua, Honduras and Costa Rica, Honduran industry is only larger than that of Costa Rica. When compared to its neighbors, the Honduran sugar industry is both smaller and younger⁸.

⁶ “Evolución de la Agroindustria Azucarera de Honduras.” *Congreso ATAHON 2008*. Nov 2008.

⁷ “Imports 2001-2005, Reporter: Honduras” and “Exports 2001-2005, Reporter: Honduras.” *International Trade Center*. 20 Feb 2009 <<http://www.intracen.org/tradstat/sitc3-3d/ir340.htm>>.

⁸ Melara, Carlos. Telephone Interview. 3 Nov 2008.

Surrounding Communities

Dependence for Work

There is little industry in Honduras. The country's main sectors are sugar, textiles, coffee, wood products and clothing⁹. In the areas surrounding sugar industry operations, sugar mills are generally the largest factories, both in sheer size and employee numbers. Thus, the sugar industry is often the largest industry where nearby villagers can find work. For example, in the southern region of Choluteca, there are around 20 villages surrounding the two sugar operations – La Grecia and Choluteca. Each of these villages has a population of around 2,000 to 4,000 people. Residents of this region can either be employed in the sugarcane or melon industries.

Central Honduras has the least amount of industry development of the country. The sugar mill in this region, Tres Valles, is near five different villages, also with populations ranging from 2,000 to 4,000 people. As other industries are under-represented in this area, residents from these five villages greatly depend on Tres Valles for work.

Population in the northern region is much denser. However, other industries remain under-represented in the areas in which the northern sugar mills are located (save for Azucarera Hondureña, the largest mill, which is located near a maquila). In general, the communities surrounding these mills also depend on sugar for work¹⁰. Because they are one of the largest employment options for nearby villages, the amount of direct influence they have over the communities is large.

As a result, the performance of the sugar mills can directly affect the standard of living in these nearby communities. When sugar producers experience a low zafra (the sugarcane harvest season occurs at the beginning of the year, between January and June), the number of workers contracted for employment at the mill or in the plantations decreases. These people are forced to search elsewhere for work in order to sustain a decent standard of living. The cases in which sugar operations are the only nearby option for work could be economically challenging overall due to the lack of other work options available to villagers.

Sugar Association Initiatives

The communities surrounding the sugar mills remain highly underdeveloped. They look to the sugar mills to obtain various kinds of economic support in such areas as education and health. Three years ago, the Honduran Association of Sugar Producers (APAH) created a foundation – FUNAZUCAR – to work towards initiatives that benefit both the surrounding communities and environments.

⁹ "Honduras." *Central Intelligence Agency: the World Factbook*. 16 Oct 2008
<<https://www.cia.gov/library/publications/the-world-factbook/geos/ho.html>>.

¹⁰ Melara, Carlos. Telephone Interview. 3 Nov 2008.

FUNAZUCAR works on projects combating illiteracy in local populations, organizing and supplying medical, dental and optometry brigades to surrounding communities, and certifying sugar for specific micronutrients including Vitamin A. As a philanthropic act for the community, in August 2008 APAH and FUNAZUCAR donated 60 tons of sugar (equivalent to over USD 54,000) to the World Food Program (PMA). The gift will benefit more than 17,000 children¹¹.

Moreover, APAH has an environmental committee that works towards the development of various projects for the betterment of the environment. Such projects include the planting of trees, the implementation of systems to minimize the environmental effects of sugar production (such as waste water treatment) and the production of energy from sugarcane waste¹². The APAH environmental committee helps to oversee that all seven sugar producers are moving towards the same direction in environmental progress. If one producer is under-performing in environmental projects, the committee helps by offering them oversight¹³.

Community complaints

Because of their economic importance, sugar operations have been scrutinized heavily by surrounding communities. In the recent past, groups have issued complaints regarding fish in nearby water systems being affected by sugar operations¹⁴.

Additionally, sugar producers have received complaints regarding the burning of the sugarcane directly before it is harvested by hand. Setting aside the immediate environmental concern associated with burning plantations before hand-harvesting (this will be discussed later), nearby communities have recently issued complaints about the resulting ash that permeates the air after the process. Nearby communities complain that the ash is an annoyance, sticking to their clothes¹⁵. APAH claims that burning takes place very infrequently¹⁶.

Child Labor

Perhaps the biggest issue plaguing the Honduran sugar industry today is that of child labor. Honduras has ratified International Labor Organization (ILO) Conventions 138: Minimum Age for Admission to Employment and 182: the Worst Forms of Child Labor. Despite such steps towards combating the issue, the National Institute of Statistics of Honduras estimated that in 2002, approximately 9.2% of Honduran children aged 5 to

¹¹ “APAH donó 60 toneladas de azúcar al PMA.” Hondu Diario. 20 Aug 2008. Hondu Diario Online. 6 Oct 2008 <www.hondudiario.com>.

¹² “Socket to me: sugar cane waste could hold the answers to Central America’s energy problems.” Business Services Industry. May 2005. B Net Business Network. 13 Oct 2008 <http://findarticles.com/p/articles/mi_m0BEK/is_/ai_n13790748>.

¹³ Melara, Carlos. Telephone Interview. 3 Nov 2008.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

14, were employed in some type of labor¹⁷. Moreover, United States State Department Reports on the State of Human Rights in Honduras have consistently noted every year since 2002 the prevalence of child labor in the agriculture sugar cane industry¹⁸.

FUNAZUCAR has implemented programs and strategies to address the issue of child labor on sugar plantations. Children are urged to attend the foundation schools established near the mills. APAH also notes that signs have been installed in buses used to transport workers from their homes to the plantations. These signs are there to explicitly prohibit children from using the bus, and thus, arriving at the sugar plantations¹⁹.

Various national programs have been established such as an ILO-International Program on the Elimination of Child Labor funded project addressing child labor within domestic work. Other national programs have been recently initiated to improve child access to basic education systems²⁰. Despite these country initiatives, the sugar industry still suffers largely from uncontrolled child labor.

Despite internal regulations and policies against child labor, according to industry research and an interview with the sugar association, it appears that the practice still occurs within the industry. However, according to third-party audit firms, the issue appears to be more of a concern on the plantations themselves as opposed to the actual mills.

According to an interview with the sugar association, it appears that children are present in the fields; however, they are not directly hired by the sugar producers. Instead, they are either brought by their parents, who are themselves employed on the plantations²¹, or they are hired through an independent contractor. Sugar producers give explicit orders to independent contractors to not hire children. Despite this demand, the practice still occurs²².

Applicable Laws

Article 120 from the Honduran Code on Childhood and Adolescence sets the minimum working age in Honduras at 14²³. Article 131 from the Honduran Labor Code addresses agricultural child labor, specifying that workers under the age of 16 can participate in

¹⁷ “Honduras.” United States Department of Labor – Bureau of International Labor Affairs. 13 Oct 2008 <www.dol.gov/ilab/media/reports/iclp/tda2004/honduras.htm#_ftn1978>.

¹⁸ “Honduras – Country Report on Human Rights Practices 2002 - 2007.” United States Department of State. 13 Oct 2008 <<http://www.state.gov/drl/rls/hrrpt/>>.

¹⁹ Melara, Carlos. Telephone Interview. 3 Nov 2008.

²⁰ “Honduras.” United States Department of Labor – Bureau of International Labor Affairs. 13 Oct 2008 <www.dol.gov/ilab/media/reports/iclp/tda2004/honduras.htm#_ftn1978>.

²¹ Pavon, Andres. Questionnaire. 29 Oct 2008.

²² Melara, Carlos. Telephone Interview. 3 Nov 2008.

²³ Code on Childhood and Adolescence, Decree 73, Art. 120. 1996.

agricultural work, as long as they are not younger than 14, and they have permission from either their parent, legal guardian or the Labor Inspector²⁴.

With regards to recordkeeping of child workers, article 133 of the Labor Code requires that every employer must keep detailed records of employees that are under the age of 16. These records must include information such as the age of the employee, his/her first and last name, his/her address, the name of his/her parents or legal guardian, the type of work to be performed, the work schedule, the wages to be paid, as well as additional information.

Possible Explanations for Child Labor

There are numerous reasons used to explain the occurrence of child labor on Honduran sugar plantations.

An underlying cause of child labor in the sugar cane industry is the extremely low level of wealth present in Honduras. Many Hondurans live below the poverty line, as their country is the second poorest country in Central America²⁵. Villages near sugar operations, especially in central Honduras, remain relatively poor compared to the rest of the country. Children from these areas work in the sugar plantations in order to bring additional income into their family²⁶. Moreover, the drug and crime rate in many parts of the country is exceptionally high. Plantation workers often times bring their children to work to prevent their children's involvement in criminal acts such as illegal drug involvement or gang activity. Such high level economic indicators can be cited as a root cause for child labor in the sugar industry.

At a more operational level, lax hiring practices can also be cited as a cause for child employment in sugar plantations. Sugar producers engage in heavy use of recruitment agencies in order to fill positions in both mills and plantations. According to third-party audit firms, it appears that although the majority of mill employees are hired by third party contractors. According to an interview with the sugar association, it appears that the majority of harvesting plantation work is subcontracted. Because sugar production is at the mercy of the zafrá, producers are reluctant to hire permanent employees, especially for plantation work. Therefore, they utilize third party channels to hire temporary work. This practice creates a clear divide between sugar producers and their workforce, especially in the plantation. The amount of control over ensuring there are no child laborers in their fields is greatly decreased. Sugar producers try to be clear and concise with contractors, demanding that minors under the minimum legal working age should not be hired. Yet, the practice still regularly occurs²⁷.

According to third-party audit firms, it appears that recruitment agencies do not require legal age documentation when hiring plantation workers. A lack of recordkeeping within

²⁴ Labor Code, Arts. 32, 33, 131. 1959.

²⁵ "Honduras." *Central Intelligence Agency: the World Factbook*. 16 Oct 2008
<<https://www.cia.gov/library/publications/the-world-factbook/geos/ho.html>>.

²⁶ Melara, Carlos. Telephone Interview. 3 Nov 2008.

²⁷ Ibid.

the hiring process greatly increases the chance of children being employed on the plantations. This practice represents a significant gap with the child recordkeeping law specified in the Labor Code²⁸.

Furthermore, it has been noted that the Honduran Ministry of Labor has been unable to enforce child labor regulations outside the apparel assembly industry²⁹. This represents the inability of national bodies to enforce current labor legislation.

Freedom of Association

As the sugar industry uses a subcontractor for plantation work, workers deal with a third party to settle stipulations regarding their work contracts. In general, sugar producers demand that every subcontractor follow the same guidelines with regards to setting the terms of the labor agreement for each plantation worker. In this way, plantation workers are all treated the same³⁰. However, it should be noted that increasing the number of subcontractors generally compromises industry-wide consistency.

There is moderate union representation within the Honduran sugar industry. According to an interview with the sugar association, there appears to be union representation in the larger sugar mills. This interview also demonstrated that sugar producers appear to be in compliance with national standards involving freedom of association³¹. However, it should be noted that union representation occurs mainly within mill work. According to an interview, one mill notes that plantation workers are not unionized³².

However, there has been recent headway among Honduran unions to try and unite sugar plantation workers. The Workers Union of the Sugar, Honey and Alcohol Industries (SITIAMASH), who has representation at the Compañía Azucarera Hondureña and the Compañía Azucarera Chumbagua, has recently initiated talks with sugarcane cutters in various communities close to sugar operations. The purpose of these talks was to initiate dialogue on the problems and needs that affect sugarcane cutters, and to motivate them to unionize³³. Despite this headway on the ground, the use of temporary work within the sugar industry might be a possible explanation for low union representation.

Temporary employees are less likely to unite for better working conditions as opposed to direct hire, full-time employees. Workers that only plan on working for a single zafra, or workers that do not see the benefit of paying union dues for a position that is not permanent might shy away from unionizing.

²⁸ Labor Code, Arts. 133. 1959.

²⁹ "Honduras – Country Report on Human Rights Practices 2007." United States Department of State. 13 Oct 2008 <<http://www.state.gov/g/drl/rls/hrrpt/2007/100644.htm>>.

³⁰ Melara, Carlos. Telephone Interview. 3 Nov 2008.

³¹ Ibid.

³² Flores, Dinorah, and Hernandez, Mario. Mill Questionnaire. 13 Nov 2008.

³³ "Temas informativos." SITIAMASH Blog. 7 Nov 2008 <<http://temas-sitiamash.blogspot.com>>.

Temporary Work

As stated in previous sections of this report, the Honduran sugar industry utilizes temporary workers for much of its field work. During the zafra period, between the months of September and March, there is high labor demand within, not just the sugar cane industry, but also other sectors such as coffee, melon, shrimp and banana. Temporary workers constitute a large portion of the work force not only in the sugar industries, but also these other sectors as well. In the non-harvesting months between March and August, during the “no zafra” period, there is a typically low demand for unskilled labor. In some cases, households that depend on these industries for work are forced to save income and stockpile food to last them throughout the non-harvest season³⁴.

Although salaries earned during the sugar harvest season are competitive (by Honduran standards), they are not enough to last throughout the entire non-harvest period. Many workers in this predicament travel elsewhere to find work. Costa Rica and Panama have high paying construction jobs. However, most seasonal sugar workers travel to the United States to find work. Money earned abroad is sent back home to their families. Due to this phenomenon, sugar producers are finding it increasingly difficult to find field workers readily available to work at current wages³⁵.

In a recent news article, APAH stated that due to the global financial recession and unstable job market, they expect workers that have emigrated abroad will return home and work in the sugar fields once again³⁶.

Health and Safety

Controlled Plantation Fires (Quemas)

In general, sugar cane is harvested manually in Honduras. During harvest time, plantation cutters use machetes to cut the standing cane. However, before the cutting process begins, the plantations are systematically burned in order to clean the fields of any dead plants or venomous wildlife³⁷.

Due to the obvious risk involved in the systematic burning of plantations before harvesting, the government issued Accord 11 in 2005 to outline procedures on how to safely burn plantations. This government accord is applicable to all sugar producers across the country. It requires them to follow procedures such as listing all equipment

³⁴ “Honduras: Situación de Seguridad Alimentaria.” USAID, del Pueblo de los Estados Unidos de América. 23 Feb 2009 <v4.fews.net/docs/Publications/Honduras_200612es.pdf>.

³⁵ “Sugar as Fuel for Honduran Growth.” US Embassy, Tegucigalpa, Honduras. Mar 2008. 23 Feb 2009 <honduras.usembassy.gov/root/pdfs/econ_sugar.pdf>.

³⁶ “Crisis y salarios reducen oferta laboral en zafra 2009.” *La Prensa Honduras*. 5 Feb 2009. 23 Feb 2009 <<http://www.laprensahn.com/Negocios/Ediciones/2009/02/06/Noticias/Crisis-y-salarios-reducen-oferta-laboral-en-zafra-2009>>.

³⁷ Melara, Carlos. Telephone Interview. 3 Nov 2008.

utilized in the burning process, appointing a supervisor to verify safety measures taken prior to the burning process, elaborating a plan of action – including the date and time of the burning process, etc³⁸.

Sugar producers are well-aware of this piece of legislation, and generally follow its procedures to ensure that the burning process is carried out in a safe manner³⁹. Trained people are assigned to carry out the procedures. Despite such precautions, there are rare instances in which accidental fires do occur. In the event of accidental fires, nearby city firefighters are notified. However in some cases, it can take up to 25 minutes for firefighter assistance to arrive at the plantation⁴⁰.

In November 2004, a controlled sugar cane plantation fire made international headlines when 13 children died. The children were between the ages of five and 17, and were reported to have been hunting armadillos and rabbits near the plantation when the fire got out of control and shifted direction because of winds. The accident took place at Azucarera Choluteca in southern Honduras. It was confirmed that the children were not engaged in any work⁴¹.

It should also be noted that controlling plantation fires are in the best interest of sugar producers, not only because of health and safety risks, but also because uncontrollable fires can lead to bad harvests⁴².

Medical Services

All mills have a hospital clinic that offers medical services administered by professional and trained personnel. These facilities are capable of attending to emergencies and providing medical care, including minor surgeries if needed. For major medical emergencies, workers are taken to the nearest hospital, which in the case of Azucarera del Norte, is 14 kilometers from the mill⁴³. The system in place to offer medical services to plantation workers is through the mill clinic. Such systems might be inefficient when an immediate emergency arises on plantations and an injured worker needs to be immediately cared for. However, there are medical personnel present within the surrounding areas of the plantation harvests⁴⁴.

Health and safety commissions are present in the mills, and generally have personnel from both the mills and the plantations, as well as contractor personnel. The persons affiliated with the commissions are those that have experience in attending to

³⁸ Accord No. 0011, Secretary of Natural Resources and the Environment, and the Secretary of Agriculture and Farming. 2005.

³⁹ Melara, Carlos. Telephone Interview. 3 Nov 2008.

⁴⁰ Flores, Dinorah, and Hernandez, Mario. Mill Questionnaire. 13 Nov 2008.

⁴¹ “Children Die in Honduran Sugar Cane Fire.” *CBC News Canada*. 30 Nov 2004. 6 Oct 2008
<<http://www.cbc.ca/world/story/2004/11/30/honduras-children041130.html>>.

⁴² Melara, Carlos. Telephone Interview. 3 Nov 2008.

⁴³ Flores, Dinorah, and Hernandez, Mario. Mill Questionnaire. 13 Nov 2008.

⁴⁴ Melara, Carlos. Telephone Interview. 3 Nov 2008.

emergencies, and can aid in transferring those in need to the mill clinics or the nearest hospital⁴⁵.

Personal Protective Equipment

The Center for Research and Promotion of Human Rights (CIPRODEH) based in Honduras noted that adequate protective equipment, such as protective clothing, footwear and facemask equipment were not utilized by workers in the sugar industry. However, they acknowledge that their information is dated three years ago⁴⁶. It has been reported that plantation workers are required by sugar producers to wear protective clothing, eyewear, gloves and boots. Moreover, mill workers are required to wear eye protection, respiratory equipment (when handling chemicals), gloves and protective clothing. Despite this requirement, sugar workers have been found by third-party audit firms not utilizing proper equipment. In order to minimize the risk of employees working without the proper protective equipment, safety trainings on such equipment need to be systemized in both mills and plantations in order to reinforce the importance of such equipment to the workers.

Environmental

Controlled Plantation Fires (Quemas) Revisited

As stated in the Health and Safety section, controlled plantation fires are used prior to the manual harvest of sugar cane in Honduras. One of the main environmental concerns of sugar operations, according to critics in nearby communities, is that of the air pollution caused by this activity. These environmental critics argue that the burning of sugar cane plant foliage prior to harvesting emits high levels of CO₂ into the atmosphere⁴⁷.

This critique of sugar operations does not just affect the Honduran sugar industry. In recent months, the global sugar industry has seen a push towards mechanical harvesting, which does not require the burning of the plantation before harvesting. This push has been impelled by various environmental groups as well as certification organizations. In September 2008, a group of farmers in Sao Paulo State, Brazil, agreed to produce sugar cane in a sustainable and environmentally friendly way⁴⁸.

The burning of sugar cane from an environmental standpoint is somewhat regulated in Honduras. There are regulations in place that deal with the burning of sugar cane near

⁴⁵ Flores, Dinorah, and Hernandez, Mario. Mill Questionnaire. 13 Nov 2008.

⁴⁶ Acevedo, Javier. CIPRODEH Questionnaire. 13 Nov 2008.

⁴⁷ Melara, Carlos. Telephone Interview. 3 Nov 2008.

⁴⁸ "Small Farmers to join Brazil Sustainable Cane Move." *Reuters*. 29 Aug 2008. 11 Nov 2008
<<http://www.reuters.com/article/environmentNews/idUSN2947242720080829>>.

both communities and airports. Sugar producers are aware of such legislation and implement burning policies and procedures to comply with this legislation⁴⁹.

In response to critics that condemn the negative impact of sugar operations on the Honduran atmosphere, sugar producers argue that there is an environmental balance that needs to be taken into account. As burning only occurs before harvesting time, sugar cane is actively releasing oxygen into the atmosphere for the rest of the year⁵⁰. The APAH Environmental Committee has estimated that sugar cane has released 40 tons of oxygen into the atmosphere, and has removed 60 tons of CO₂ from the atmosphere⁵¹. Sugar producers argue that critics need to take this balance into account.

Environmental Initiatives

Sugar producers have engaged in various environmental activities in an effort to offset any negative impacts on the environment that their operations might have. The APAH Environmental Committee stated that sugar producers invest more than USD 540,000 annually towards sustainable environmental projects⁵².

The Honduran sugar industry has recently invested a lot of time and money towards ethanol production. Because of the country's extreme dependence on foreign oil for domestic energy consumption, there has been a recent push for the sugar industry to work on producing domestic energy using sugar cane waste⁵³. Industry producers are currently working with the national government to study the possibility of systemizing the use of ethanol, mixed with gasoline, for domestic energy consumption⁵⁴. The Honduran sugar industry is investing \$54 million towards the clean energy project. This initiative is not only Honduras-based, but rather, a collective Central American sugar industry effort. The region is following the progress made in ethanol production by sugar producers in the United States and Brazil⁵⁵.

Sugar producers have been working on eradicating the use of pesticides. The APAH environmental committee has been working on implementing a system of biological control to combat pests and insects in sugar plantations. A specific type of fungus is used in place of pesticides. Laboratories have been installed as part of the biological control process. Sugar producers claim that this process is good for two reasons. Biological control of pests is good for the surrounding environmental as well as the

⁴⁹ Melara, Carlos. Telephone Interview. 3 Nov 2008.

⁵⁰ Ibid.

⁵¹ "Evolución de la Agroindustria Azucarera de Honduras." Congreso ATAHON 2008. Nov 2008.

⁵² Ibid.

⁵³ "Socket to me: sugar cane waste could hold the answers to Central America's energy problems." Business Services Industry. May 2005. B Net Business Network. 13 Oct 2008
<http://findarticles.com/p/articles/mi_m0BEK/is_/ai_n13790748>.

⁵⁴ "Evolución de la Agroindustria Azucarera de Honduras." Congreso ATAHON 2008. Nov 2008.

⁵⁵ "Socket to me: sugar cane waste could hold the answers to Central America's energy problems." Business Services Industry. May 2005. B Net Business Network. 13 Oct 2008
<http://findarticles.com/p/articles/mi_m0BEK/is_/ai_n13790748>.

health of the workers. Because of this, producers argue that the new process is good for business, as possible business prospects are attracted to this new process⁵⁶.

Other sugar industry initiatives include the maintenance of vast tracks of forest lands near sugar operations, the protection of various wild species in danger of extinction and the sale of carbon credits, or “green credits”⁵⁷.

Other Environmental-related Concerns

Honduran sugar producers have systems in place for the treatment of waste. The industrial sugar process produces a chemical discharge that is essentially acidic and caustic in nature. This discharge is neutralized the moment it is treated in oxidation lakes. Solid waste produced from sugar cane processes – “la cachaza” – is mainly composed of simple sugars, cane fiber, soil particles, wax and mineral elements. This solid waste is used for fertilizing purposes on the sugar cane fields⁵⁸. There have been recent reports of communities issuing complaints about dead fish in nearby water systems. As stated earlier, the sugar industry is one of the largest industries in many of these areas. Communities thus look to them for the cause of issues such as these. Dead fish could be attributed to the lack of foresight in waste treatment systems. However, research did not divulge any reason for a direct cause. Sugar producers are aware of this complaint and have claimed that they have looked into correcting it⁵⁹.

According to third-party audit firms, the last three years have seen issues regarding agrochemical application in sugar operations. Such issues include a low level of documentation in regards to agrochemical usage. Documents such as time and place of agrochemical application were not kept well. As a result, this information was not communicated effectively to workers. MSDS containing chemical information were not regularly catalogued. Sugar producers are aware of the need for safety measures regarding agrochemicals⁶⁰.

Work Hours

Working hours of sugar plantation employees is a topic of concern not only in Honduras, but in other Central American countries as well. Often times, plantation workers labor in sugar fields for extended periods of time in one day. Because in many cases they receive wages by the amount of cane they cut, workers push themselves to work as long as they can in order to increase their pay. This can expose workers to a number of different health risks. In Honduras, the zafra occurs at the beginning of the year, between January and June. Although the climate does not vary enormously in Honduras, the zafra months are generally the hotter months out of the year. Field workers can be exposed to high levels of ultraviolet rays, which can have damaging

⁵⁶ Melara, Carlos. Telephone Interview. 3 Nov 2008.

⁵⁷ “Evolución de la Agroindustria Azucarera de Honduras.” Congreso ATAHON 2008. Nov 2008.

⁵⁸ Flores, Dinorah, and Hernandez, Mario. Mill Questionnaire. 13 Nov 2008.

⁵⁹ Melara, Carlos. Telephone Interview. 3 Nov 2008.

⁶⁰ Ibid.

health effects in the long term. According to third-party audit firms, workers appear to work in excess of overtime amounts, as well as extended work weeks, for sugar plantation workers in Honduras.

It should be noted that there is strong rapport between plantation supervisors and workers. According to third-party audit firms, workers appear to be free to take as many breaks as needed during the day. Moreover, management has encouraged morning work as opposed to afternoon work, when temperatures become more extreme. However, it should be reiterated that due to the long work hours, and the resulting exposure to rough outdoor conditions, sugar plantation work can be damaging to the health of the worker in the long run.

Pricing and Wages

The price of sugar is set by the National Board of the Agro-Sugar Industry. The Board is comprised of state officials responsible for overseeing industry and commerce, agriculture and livestock, natural resources and the environment, and state finance. Additionally, two representatives from the Federation of Sugar Cane Producers, as well as two representatives from the Sugar Industry Sector comprise the Board.

As per Article 19 of Legislative Decree of No. 261-2005, Law for the Creation of the National Board of the Agro-Sugar Industry, “the price of sugar cane will be paid by sugar producing companies to their respective cane suppliers, will not be less than the international price, and will be determined by the National Board of the Agro-Sugar Industry in a way that takes into account the views of all involved parties. The resolutions on this theme shall require a majority of seven (7) votes”⁶¹.

Currently between 220 and 230 Lempiras (12.09 and 12.64 US Dollars) are given per short ton (2000 pounds) of cane. Refined sugar is sold at a retail price of 7.26 Lempiras (0.40 US Dollars) per kilogram and at a wholesale price of 7.04 Lempiras (0.39 US Dollars) per kilogram⁶². The average international price of sugar is 0.35 US Dollars per pound. Relatively, in Honduras, sugar is priced between 0.20 and 0.23 US Dollars per pound⁶³.

Sugar cane workers are paid according to the amount of cane they cut. Sunday work is compensated at an amount double the regular rate. Because sugar cane workers are paid “by piece”, daily wages differ between workers. On average, they earn between 300 and 400 Lempiras per day (16.50 – 21.98 US Dollars)⁶⁴.

⁶¹ Legislative Decree No. 261-2005, Law for the Creation of the National Board of the Agro-Sugar Industry (2005).

⁶² Coolidge, Frank and Gomez, Ana. “Honduras Sugar Annual 2003.” Foreign Agricultural Service: Gain Report. 15 Apr 2003.

⁶³ “Proceso de producción del azúcar Honduras.” Monografías. 23 Feb 2009
<<http://www.monografias.com/trabajos34/produccion-azucar/produccion-azucar.shtml>>.

⁶⁴ “Ocho mil empleos genera tiempo de zafra.” La Prensa, Honduras. 30 Jan 2009. 23 Feb 2009
<<http://www.laprensa.com/index.php/Pa%C3%ADs/Ediciones/2009/01/31/Noticias/Ocho-mil-empleos-genera-tiempo-de-zafra>>.

It should also be noted that the government has increased the minimum wage as of January 1, 2009. The current minimum salary for the rural sector is 4,055 Lempiras per month (222.79 US Dollars)⁶⁵.

Other Issues

According to CIPRODEH, there appears to be a concern relating to the transportation provided to field workers. As an employment benefit, field workers are provided transportation – via bus – from nearby communities directly to the fields. The human rights' NGO notes that in recent years, there were complaints that these buses were highly overcrowded. The breadth of the transportation benefit (specifically the number of buses) provided by sugar producers was questioned⁶⁶.

Compliance with National Standards

The sugar industry represents a considerable portion of total Honduran industry. Because of this large presence, the industry is under a considerable amount of national surveillance, both from the general public as well as the central government. There is a general concern that such a prominent industry must be in compliance with relevant laws. The environmental body of the government visits the larger sugar producers every three to six months. The labor body visits at a less frequent rate⁶⁷. Such visits take place to ensure that sugar producers are acting responsibly and complying with national standards.

Recently, compliance and responsibility have been stressed even further with the implementation of CAFTA-DR. Honduran sugar trade with the United States is now conditioned upon the fulfillment of various labor and environmental clauses within the CAFTA-DR agreement. Sugar producers acknowledge the importance of complying with relevant laws as it is both responsible and good for business⁶⁸.

Laws applicable to the Honduran sugar industry include, but are not limited to:

- The Honduran Labor Code**
- The Code on Childhood and Adolescence**
- General Law on the Regulation of the Environment**
- Governmental Accord 11 (2005)** – proper procedures to be taken during controlled sugar plantation fires

⁶⁵ “En vigencia nuevo salario mínimo.” *HonduDiario*. 6 Jan 2009. 23 Feb 2009
<<http://www.honduidiario.com/economia=2341.php>>.

⁶⁶ Acevedo, Javier. CIPRODEH Questionnaire. 13 Nov 2008.

⁶⁷ Melara, Carlos. Telephone Interview. 3 Nov 2008.

⁶⁸ Ibid.

Conclusion

When questioned about possible solutions to address the labor issues within the Honduran sugar industry, CIPRODEH firmly responded with a three-pronged answer. First and foremost, they stressed the education of the worker about his/her rights as an employee. Often times, plantation workers live in poor villages near to sugar operations. Such living conditions go hand in hand with low education levels. These workers have only modest knowledge about their basic rights as workers on sugar plantations. With greater knowledge of their labor rights, they would be able to determine the positives and negatives of their situation. Furthermore, education can be applied to inform workers about the importance of childhood. FUNAZUCAR has sponsored various education programs stressing the importance of childhood, as well as education itself. Such initiatives help to combat the issue of child labor.

Secondly, CIPRODEH stressed the need for sugar producers to be responsible corporate citizens, complying with relevant standards as well as providing for the communities that they operate in. Sugar producers have recently made headway in the areas of community and environmental outreach. However, producers need to ensure that labor rights, as per regulations and standards, are being respected. Being a responsible corporate citizen not only means giving back to the community with various philanthropic acts, but also means being accountable for the treatment of employees, and ensuring that this treatment is appropriate and within the bounds of national standards.

Lastly, CIPRODEH stressed the need for Honduran public institutions to ensure that all relevant laws are enforced. United State Department reports that in recent years, the Ministry of Labor has only been successful in enforcing child labor legislation within the Honduran apparel sector⁶⁹. Child labor in the informal agricultural sector has continuously remained outside of their radar⁷⁰. However, sugar producers report that various government ministries – Environment and to a lesser extent, Labor – do visit sugar operations frequently⁷¹.

In order to successfully address labor issues plaguing the Honduran sugar industry, root causes must be analyzed. CIPRODEH's three-pronged design provides solutions for root causes that are on a larger scale. The inefficiency of the Ministry of Labor, as a governmental body, is an institutional issue. There are root causes that exist within sugar producing operations themselves. Temporary workers might not feel the need to join a union as much as permanent workers would. The hiring demands of a sugar producer might not be understood correctly by a third party contractor. Current systems in place to monitor plantation employee hours might not be enough to ensure compliance with national work hour laws. As these root causes are more operational in nature, their respective solutions can also occur within the operational level.

⁶⁹ Acevedo, Javier. CIPRODEH Questionnaire. 13 Nov 2008.

⁷⁰ "Honduras – Country Report on Human Rights Practices 2002 - 2007." United States Department of State. 13 Oct 2008 <<http://www.state.gov/g/drl/rls/hrrpt/>>.

⁷¹ Melara, Carlos. Telephone Interview. 3 Nov 2008.

The state of Honduras continues to suffer from a low level of economic wealth. The country is the second poorest nation in Central America. There exists a wide inequality gap between upper and lower classes⁷². This paper has cited Honduras's low economic status as a possible root cause for child labor within the sugar industry. In some cases, families have no choice but to have their children work so that additional income is brought into the household. Unfortunately, the low level of wealth in Honduras cannot be fixed overnight. Other solutions, however, could help to alleviate the issue. Speaking to CIPRODEH's first solution, education is one of them.

Child Labor Control Points

Child labor control points are those actions that can be implemented during the hiring and labor process that can help mitigate the risk of child labor. Child labor control points in the Honduran sugar industry can include, but not be limited to, the following:

1) Documented procedures

If and when third party subcontractors are involved in the hiring of temporary field work, child labor policies held by the sugar mill(s) involved must be expressed to such third parties. Examples would be documentation provided by the mill to the subcontractor relating to child labor policies, or wording pertaining to child labor policies within the mill-subcontractor contract.

1) Age documentation/records

A system of documentation and recordkeeping should be adhered to during the hiring process so as to verify the age of temporary field workers. Age documentation can be implemented either by the hiring sugar mill or the third party subcontractor.

2) Roll Call

A roll call system should be implemented in order for field supervisors to verify workers at the time of transportation arrival for field work, at breaks and at the time of pay (end of day). Tools used should consist of documents identifying workers on the specific shift, including worker schedules or worker identification cards. Field supervisors should also perform intermittent checks throughout the work day to ensure that all workers present are official workers.

Core Areas of Concern

The chart below represents the core areas of concern within the Honduran sugar industry as discovered from this report.

⁷² "Honduras." Central Intelligence Agency: the World Factbook. 16 Oct 2008
<<https://www.cia.gov/library/publications/the-world-factbook/geos/ho.html>>.

Issue Area	Description	Possible Root Cause	Good Practice	Recommendation
Child Labor	1) Children cutting cane 2) Children present on sugar fields	1) Low income in Honduras - Children sent to work to bring in additional income for family 2) Use of third party contractors might not reflect views of / actions on child labor as sugar producer 3) Lack of systemized procedure for age documenting workers 4) Lack of effort by Ministry of Labor to enforce laws barring child work	1) FUNAZUCAR education programs for child development 2) Warning signs on buses prohibiting children 3) National programs aimed at reversing child labor and promoting educational development	1) Implement stringent recordkeeping strategies within hiring process, especially age verification documentation 2) Expand on educational programs to increase the awareness of child labor as an issue, and to stress the importance of a good education
Freedom of Association	1) Small union representation of plantation workers	1) Temporary workers do not feel the need to unionize	1) Sizeable union representation in mills	1) As part of the hiring process (through third-party contractors if necessary) inform field workers of their right to organize
Health and Safety	1) Accidental plantation fire risk 2) Low level of medical services for plantation workers	1) Lax plantation fire procedures and/or plantation security 2) Lack of incentive to provide for temporary workers	1) Sugar producers aware of Accord 11 (2005) for controlled plantation fires 2) Medical clinics and commissions provided at mills	1) Ensure strict compliance with Accord 11 (2005); Inform all employees and nearby communities of plans for controlled plantation fires 2) Ensure the presence of first aid brigades in plantations

Work Hours	<ul style="list-style-type: none"> 1) Excessive work hours 2) Extended work week 	<ul style="list-style-type: none"> 1) Wages by cane system 2) Lack of systemized procedures tracking hours worked in fields / enforcing work hour limits by management 3) Lack of effort by Ministry of Labor to enforce agricultural work hour laws 	<ul style="list-style-type: none"> 1) Field workers are encouraged to take as many rest breaks as needed during the day 	<ul style="list-style-type: none"> 1) Implement a system of tracking hours worked in the fields 2) Actively enforce work hour limits 3) Inform field workers of the health risks involved in working long hours 4) Actively encourage field workers to stay hydrated
Environmental	<ul style="list-style-type: none"> 1) Questionable documentation of chemical practices 	<ul style="list-style-type: none"> 1) Lack of systemized procedures regarding chemical documentation 	---	<ul style="list-style-type: none"> 1) Implement a system of retaining all documents related to chemical processes
Other	<ul style="list-style-type: none"> 1) Questionable overcrowding of buses to plantations 	<ul style="list-style-type: none"> 1) More workers than the benefit can provide 	<ul style="list-style-type: none"> 1) The transportation benefit itself 	<ul style="list-style-type: none"> 1) Scrutinize bus service to ensure that there are enough to provide for the number of field workers in need of such service