

Integrated Assessment of Trade-Related Policies and Biological Diversity in the Agricultural Sector in Mauritius:

Brief Summary

Assessment of the Adaptation Strategy for the Sugar Sector following the reform of the EU Sugar Protocol

The assessment focused on the social, economic and environmental impacts of Mauritius's Multi-Annual Adaptation Strategy (MAAS) 2006-2015 for the sugar sector. Sugar is the leading agricultural export for Mauritius. In response to the reform of the EU Sugar Protocol that phased out longstanding trade preferences with the EU (including guaranteed minimum prices), the MAAS introduced an accelerated restructuring programme for the sector. Between 2006 and 2010, the price of sugar dropped by 36 per cent, exposing Mauritius to competition from other countries for exports to the EU market.

The IA focused specifically on two aspects:

- Sustaining sugar cane production under current conditions taking into account the policies in the MAAS, including intensification, increasing value-added, by-product-use, regrouping of small scale sugar cane plots, centralization of factories, and reorganization of the labour market.
- Moving out of sugar cane production in marginal areas where cultivation is not profitable.

The biggest concern related to the EU Sugar Reform is its impact on rural livelihoods due to the loss of an estimated 40,000 jobs. The present study sees the policies associated with the MAAS as well suited to preserving the welfare, particularly through measures focused on retraining and early retirement schemes. The production of energy from sugar cane by-products could help to reduce dependence on imports of fossil fuel, and is environmentally friendly. The diversification to value-added sugar and the export of direct consumption sugar would require additional investment, upgrading of technology and improving cost-efficiency. The regrouping of farmers and centralisation of factories provides opportunities to lower the investment risk, increase cost efficiency and improve pollution controls. With respect to impacts on biodiversity, the regrouping of small-scale sugar cane planters into larger mechanized blocks could lead to the destruction of the habitat of beneficial organisms (such as natural enemies and predators) and a reduction in crop biodiversity. On the other hand, it could provide opportunities to better promote soil conservation and land management practices, and biodiversity conservation through the creation of ecological corridors. In marginal areas where sugar production is less profitable, the gradual abandonment of sugar cane land presents a risk in the short term of accelerated soil erosion and increased numbers of invasive species. Alternative land-use options (for example, conversion to other agricultural or non-agricultural uses, such as golf courses) need to carefully consider the impacts of the potential use of agrochemicals. This may lead to pollution of waterways and nearby lagoons, which are important for the tourism sector and the livelihood of artisanal fishermen.

Main recommendations:

- Support the industry to adopt modern technology and build capacity among growers to comply with existing standards.
- Upgrade existing laboratories with necessary skills and equipment to provide accredited testing services.

- Develop an inventory of existing agricultural biodiversity and build capacity with respect to the valuation of biodiversity
- Integrate the sustainable use and conservation of biodiversity into environment impact assessment for sectoral and cross-sectoral plans, programmes and policies.
- Build national capacity with respect to implementing the integrated assessment methodology and formulating policy in other sectors.
- Develop land-use plans for marginal areas where sugar cane production was likely to cease.

In response to this study, a training programme was implemented for farmers on aspects such as soil fertility and soil degradation, judicious use of agrochemicals, good management practices and biodiversity conservation through ecological corridors. The integrated assessment approach was presented to other ministries in a workshop, and a training course on valuation of biodiversity was held. In addition, a more detailed analysis of alternate land-use options for marginal land was initiated.

The study was led by the Ministry of Agro-Industry, Food Production and Security and was implemented by the Agricultural Research and Extension Unit (AREU).