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**SONA 2023: SUGAR INDUSTRY HAS PAID R216 MILLION TO HELP SMALL-SCALE GROWERS;
GOVERNMENT MUST AID THESE EFFORTS**

SA Canegrowers welcomes the disbursement of more than R79 million in transformation funding for small-scale growers at the end of January 2023. The payment, made by the South African Sugar Association, brings the total for transformation funding this season to R216 million. However, while this funding is vital, it will not be enough to save the country's more than 21,000 small-scale growers due to a number of headwinds facing the industry. It is therefore critical that President Cyril Ramaphosa uses his State of the Nation Address on Thursday to announce substantial measures to save the one million livelihoods that depend on the sugar industry.

This transformation funding, of which canegrowers contribute 64%, falls under the commitment made by the industry to invest R1 billion into transformation interventions over five years. This programme is in its fourth year, with more than R800 million paid to date. A further R60 million is paid annually under the Sugarcane Value Chain Masterplan, a social compact between the industry, government, value chain stakeholders.

Notwithstanding the monumental effort on the part of the industry to save South Africa's small-scale growers, government action when it comes to its commitment under the Masterplan appears to be lacking.

To date, government has not provided any information on its progress in fulfilling its commitment under the Masterplan to promote the procurement of locally produced sugar in all government departments and state-owned entities. Nor has there been any indication that government is reevaluating the Health Promotion Levy in accordance with the Masterplan commitment, namely reviewing the industry's tax policy. These are just two of the measures that are within government's exclusive authority that can provide significant relief to embattled sugarcane growers, workers, and dependent communities.

Sugarcane growers have suffered tremendously in recent years as a result of destructive unrest in KwaZulu-Natal, devastating floods, and skyrocketing input costs. This was all exacerbated by the placement of sugar milling giant Tongaat Hulett under business rescue in October 2022. More recently, SA Canegrowers data revealed that the industry is expected to lose R723 million in 2023 alone as a result of loadshedding-related irrigation challenges. As growers strain under the weight of these challenges, the industry is making every effort to support the most vulnerable industry participants. We need to hear from the President that government is doing the same.

Where the President leads, government will follow. He must therefore make clear the importance of the sugar industry in particular, and of rural economies in general.

SA Canegrowers is therefore calling on President Ramaphosa to use his SONA to highlight the measures that government is taking to match the industry's commitment to saving South African growers, businesses, and jobs. Government action steps should include scrapping the job-killing HPL; reiterating its commitment to procuring only locally produced sugar and ensuring departments are complying; and providing short-term relief to growers to mitigate the impact of loadshedding including a higher diesel rebate and tax incentives for alternative energy sources.

The industry remains committed to ensuring the success of the Masterplan and working in partnership with government in order to ensure the industry survives the current turmoil and valuable livelihoods are preserved.

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