

PRESS STATEMENT BY SA CANEGROWERS ASSOCIATION
10 June 2021

Black sugarcane farmers boosted by R128 million transformation spend but still stifled by sugar tax

Over the past year, South African cane growers contributed R128 million to the sugar industry's annual transformation projects, which received R200 million overall. This funding provided much needed relief to small-scale and largely black growers. Devastatingly, this group of growers' revenue was 15% less than the previous year due to the continued imposition of the Health Promotion Levy (the HPL or 'sugar tax').

These figures were presented at the SA Canegrowers 94th Annual General Meeting that took place yesterday, 9 June, which also saw the election of the new chairpersons and board for the upcoming year.

Most of the R200 million was split across a variety of programmes including:

- R138 million was distributed through a premium price for sugarcane supplied by black small-scale growers and land reform growers
- R20 million subsidised transport costs for black small-scale growers
- R10 million was spent on black youth and women's programmes
- R5 million to augment the Sugar Industry Trust Fund for Education
- R 5 million on an agricultural training top-up for black growers via SASA's Grower Development Account.

Masterplan milestone

The signing of the Sugar Industry Masterplan in September was a significant milestone.

"While the Masterplan is still barely out of the seedbed, a number of the commitments are already being implemented and are showing promising signs of contributing to the much hoped-for recovery. This should assist in sustaining the livelihoods of over one million people who depend on the sugarcane growing and processing ecosystem. This includes not only vulnerable small-scale growers who receive the same basic sugarcane Recoverable Value ('RV') Price as all growers, but crucially also of commercial growers who collectively employ over

80 000 farmworkers who represent some 11% of all agricultural workers” said Vice-Chairperson Andrew Russell.

Seedcane successes

SA Canegrowers also received R600,000 from Coca Cola’s Mintirho Foundation to establish seedcane plots for small-scale growers in Mpumalanga and KwaZulu-Natal. The project focused on supplying quality, clean and disease-free seedcane to growers and to improve cane varieties on their farms. The sale of seedcane grown on these plots brought in more than R1 million, which was reinvested to plant an additional 104 hectares of new seedcane. This programme not only improved the quality of small-scale growers’ yields but also created employment opportunities for local communities who helped plant the new seedcane.

Funeral benefits programme

The SA Canegrowers’ funeral benefit scheme also continued to provide financial support to families of participating farm workers who lost their loved ones over the past year. More than 12 000 small-scale growers were also signed up to the programme with their premiums being covered by SA Canegrowers, receiving insurance coverage worth more than R260 million.

“We are pleased that the scheme has been able to offer affordable products to black growers who had limited access to these kinds of services in the past” said Vice-Chairperson Dipuo Ntuli.

Dedicated action ahead

Outgoing Chairman Rex Talmage said: “Although there’s still a long way to go, there are finally positive signs of recovery. We have seen a 14% growth in sugar sales resulting from reduced sugar imports and the offtake commitments from the social compact partners procuring more locally produced sugar, which is a promising glimmer of what is possible if we all work together to meet the challenges our industry continues to face like the sugar tax. SA Canegrowers is fully committed to making the Masterplan a success in order to ensure the long-term sustainability and profitability of the sugar industry as a whole. We will continue working with government and our sector partners towards its implementation.”

SA Canegrowers Board for 2021/2022

The AGM also saw the election of new chairpersons and members of the SA Canegrowers Board for 2021/2022:

Chairman: AM Russell (Andrew)
Vice Chair: NS Mzoneli (Nolusizo)
Vice Chair: GD Stainbank (Graeme)

Directors: GDP Littlely (Dave)
DH Lütge (Dieter)
PH Mdluli (Higgins)
MM Msimango (Mfundo)
TJ Murray (Tim)
ST Naidoo (Suresh)
RM Ncwane (Rejoice)
DR Ntuli (Dipuo)
P Sharma (Pratish)
TB Sibisi (Tim)
REG Talmage (Rex) (SASA Grower Nominee)

ENDS.

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