

SA Canegrowers expands support to small-scale growers

Since the start of the year, the sugar industry has distributed more than R225m to small-scale growers. The recent approval by the sugar industry of an additional R47,7m for release for this purpose during the remainder of 2022 will bring the total to more than R 272m and provide much-needed relief to growers hit hard by a number of crises over the past year.



These figures were presented at the SA Canegrowers Annual General Meeting held in Umhlali, KwaZulu-Natal.

The occasion marked the association's 95th anniversary and provided the opportunity for growers to reflect on the industry's resilience, employment creation, and contribution to rural communities over nine decades, and on the collaborations and partnerships that have made its success over this period possible.

Recent crises

The unrest that rocked KwaZulu-Natal last July saw over 500,000 tonnes of cane burned. 135,222 tonnes were rendered unmillable, and growers lost more than R84,5m.

The majority of small-scale growers had no form of insurance to cover the losses they faced in light of their cane being burnt by arsonists. However, thanks to the intervention of SA Canegrowers and the Industrial Development Corporation (IDC), growers who suffered R1 million or less in damages were able to receive grants, while those who suffered damage over R1m received loans for the amount exceeding R1m. This intervention was vital for the survival of the industry and SA

Canegrowers remains grateful for the assistance of the Department of Trade, Industry and Competition (DTIC) and the IDC at a time of crisis.

The industry's relief was, however, short-lived as the Russian invasion of Ukraine in February caused severe price shocks as supplies of fuel, fertilisers and other basic commodities were disrupted. Once again, the collective advocacy of partners like AgBiz, Agri SA and others has provided pockets of relief, like the suspension of the fuel levies, despite the ongoing challenges for growers.

2022 has continued to deal the industry heavy blows, most recently due to the floods in April which damaged more than 2516.65 hectares of cane and incurred a total loss exceeding R222,9m.

These crises over the past year have been particularly difficult for the industry's small-scale growers, and the support of government, industry stakeholders and South African consumers has been invaluable. Nowhere has this been more clear than in the progress made towards the full implementation of the Masterplan.

Sugar Industry Masterplan mid-point

Signed in November 2020, the Sugar Cane Value Chain Masterplan is an important part of positioning the industry for the future. Under the Masterplan, the SA Canegrowers Home Sweet Home campaign to restore local demand has met with incredible support.



Sugar masterplan signing welcomed by industry stakeholders

20 Nov 2020



Since its launch, the campaign has been endorsed by partners including Proudly South African and retail giant Shoprite Checkers. And thanks to the South African consumers, the industry was able to exceed the Masterplan's one-year target of restoring more than 150,000 tons of local demand for sugar.

The AGM also marked the midpoint of the three-year period of the implementation of the Masterplan and there remain crucial objectives to be met in this second half of the period.

SA Canegrowers says that it would like to see government use its purchasing power in departments and state-owned entities to support the local industry, and to see South African sugar and sugar-containing products appropriately designated under the Preferential Procurement Policy Framework Act. The company also needs to fast-track legislative efforts to implement a regulatory framework for the development of the Sustainable Aviation Fuels industry.

And while the increase in the Health Promotion Levy has been suspended, it is SA Canegrowers' plea that government must remove the threat to growers with finality. The first step is to complete a review of the effectiveness of the HPL in reducing obesity. With the very survival of the sugar industry at stake, SA Canegrowers reiterates its call for the HPL to be scrapped entirely, and for the creation of a more holistic approach to South Africa's healthcare challenges.

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