

SA sugar industry surpasses R1bn transformation investment target

SA Canegrowers has announced that, with the disbursement of transformation funding this month, the sugar industry has met its objective of investing more than R1bn in transformation funding over five years. Despite facing various challenges in the last five years, this funding has played a pivotal role in supporting over 21,000 small-scale growers and their farm workers.



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In January 2024, the South African Sugar Association distributed nearly R176m in dedicated transformation funding alone. This brings the total paid out to small-scale and black growers as well as land reform beneficiaries between 2019/2020 and 2023/2024 to more than R1bn. These payments, to which growers contribute 64%, have been distributed biannually over the five years.

Through these payments, the industry has been able to help the most vulnerable absorb the shocks caused by drought and floods, cheap sugar imports, the Health Promotion Levy, Covid-19, and the ongoing crisis in parts of the milling industry

The funding commitment also supported the objectives of the Sugarcane Value Chain Masterplan, the first three-year phase of which concluded in 2023. Since the conclusion of that phase, industry stakeholders have worked together to conceptualise a framework for a second phase of the Masterplan. This new phase would help to continue the work of the first phase, protecting vital jobs within the industry and restructuring it for a sustainable, diversified future.

Call for government support

As Parliament resumes, SA Canegrowers has emphasised the critical need for government support. This includes reiterating the commitment to prioritise locally produced sugar in procurement and reconsidering plans to increase the 'sugar tax,' a factor contributing to industry hardships.

"SA Canegrowers is committed to preserving and expanding opportunities in the industry for young, black and women growers among others. But to achieve this, we have to overcome the challenges the industry faces and work together with all industry stakeholders – especially government – to create a policy environment within which new growers can find a foothold and build sustainable livelihoods," says Andrew Russel, chairperson at SA Canegrowers.

"As we look forward to the imminent State of the Nation Address as well as the Budget Speech, SA Canegrowers urges President Ramaphosa and Minister of Finance, Enoch Godongwana, to announce critical measures to help us protect the one million livelihoods the industry supports, including the suspension of the Health Promotion Levy."

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