

## **AGREEMENT**

on a set of principles which will underpin formation of an Association to represent  
cane growers in the South African Sugar Industry

between

Representatives of

**SOUTH AFRICAN CANEGROWERS NEGOTIATING TEAM (SACNT)**

and

**SOUTH AFRICAN FARMERS DEVELOPMENT ASSOCIATION  
(SAFDA)**

Hereinafter referred to as “Parties”

**WHEREAS**, the parties have met to engage on the principles to facilitate the process and determine the cornerstones of the work envisaged for a Task Team (TT) to be formed;

**And WHEREAS**, the parties have reached agreement on certain principles which will inform the above;

**And WHEREAS**, the parties have reached agreement on certain principles which will inform the structure and functions of the Association and that the TT will develop the requirement further;

**And WHEREAS**, the parties now wish to record their agreement in writing.

### **NOW THEREFORE IT IS AGREED:**

1. An Association will be established which would make provision for representation by multiple Pan Territorial Grower Representative Organisations (PTGRO) at the South African Sugar Association (SASA).
2. Provision will be established which would allow multiple PTGROs to participate in the Association on a proportional representation basis.
3. The system of proportional representation will manifest in the first instance at the Local Grower Council level in the following manner:

- 3.1 The system of representation at the Local Grower Council will be maintained on the basis that there will be an allocation of 12 seats each between Small Scale Growers (SSG) and Large Scale Growers (LSG); and
- 3.2 PTGROs may compete for seats in both the SSG and LSG categories on the basis of support from grower associations linked to their members' RV tons production volumes.
4. PTGROs in each Local Grower Council will nominate representatives in proportion to the level of representation they enjoy at the Local Growers Council and the Local Grower Councils shall-
  - 4.1 approve the appointments to the various local industry structures e.g. Mill Group Boards; and
  - 4.2 nominate members to the Local Pest, Disease and Variety Control Committees.
5. The Association will be represented by 18 delegates to SASA, who will appoint 11 SASA Councillors, 4 alternate Councillors in proportion to the aggregated representation at Local Grower Councils. The details of this process will be developed by the TT. It is envisaged that this be performed or overseen by an independent party.
6. The parties will jointly form the Task Team that will undertake the following:
  - 6.1 The Chairmen of the parties will take responsibility for convening the Task Team and setting the work schedule and terms of reference;
  - 6.2 The Parties will be equally represented on the Task Team;
  - 6.3 Consider the appointment of an independent Chairperson;
  - 6.4 Any further amendments to Memoranda of Incorporations' or Constitutions' required by local industry structures and Local Grower Councils and possible amendments to the SIA, MPD and SASA Constitution. In the event that amendments need to be made to Sugar Industry regulatory instruments, interim arrangements will be made to allow eligible PTGROs, through the Association, to participate in industry structures.
  - 6.5 Develop as a matter of priority a project plan which will detail objectives/milestones to be achieved, persons responsible and timeframes within which tasks will be successfully completed.
  - 6.6 Report on a monthly basis to **the dti** on the progress achieved; and
  - 6.7 The Parties will ensure that the Agreement is ratified by their respective decision making bodies by the 31st March 2017, which will allow the Task Team to commence its work by the 1<sup>st</sup> of April 2017 with the aim of making sufficient

progress to enable the implementation of the new structure that will nominate delegates to the SASA AGM in July 2017.

- 6.8 Consider changes that may be required to the SASA Constitution with regards to voting at SASA Council, in order to protect a group whose funding proportion of Industry Cost and democratic voice in Council is out of sync.
  - 6.9 The mechanism of Central Levy Collection shall remain and the TT to determine how it may be extended to all PTGROs.
  - 6.10 The TT has to determine the requirements to qualify as a PTGRO.
7. This Agreement on principles will be presented by each party to its constituency for consideration and ratification as soon as is reasonably possible.
- 7.1 In terms of SACGA's process this means that the Congress Of Growers has to endorse the signing of this agreement.

Agreed at Mt Edgecombe on .... March 2017.

Name \_\_\_\_\_

Capacity \_\_\_\_\_

SACNT \_\_\_\_\_

Name \_\_\_\_\_

Capacity \_\_\_\_\_

SAFDA \_\_\_\_\_