



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

OFFICE OF THE DIRECTOR-GENERAL

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Mr Tim Murray
Chairman
SA Cane Growers Association
PO Box 700, Mount Edgecombe
Durban
4300

Per email: Executive.Pa@canegrowers.co.za

Dear Mr Murray

RECOGNITION OF SA FARMER DEVELOPMENT ASSOCIATION BY THE SA SUGAR INDUSTRY

In the last half of 2016, I met with SA Farmer Development Association (SAFDA) who lodged a complaint against the SA Cane Growers Association (SACGA) outlining their reasons for setting up a new organization called SAFDA. In this engagement, SAFDA requested **the dti's** intervention in facilitating an amicable separation between the two organisations, which separation should assist SAFDA to gain recognition within the Sugar Industry structures.

In my meeting with yourselves on 18 September 2016, I impressed upon yourselves the urgency and need to create a vibrant and growing industry as well as the importance of the sugar industry to the South African economy. I further proposed that yourselves and SAFDA meet urgently to address the challenges facing the sugar cane growers and the establishment of this new cane grower body.

I further impressed upon yourselves the need for economic transformation in the sugar industry, specifically the importance of accommodating black players in this industry - the status quo cannot be allowed to continue. It is therefore imperative to allow for the co-existence of the two structures within the framework of the sugar industry. In this regard, I offered **the dti** to facilitate a mediation between yourselves and SAFDA – in the appointment of Mr. Charels Nupen. This mediation resulted in an agreement which was signed by both parties on 24th November 2016. The agreement centred on the establishment of an umbrella body comprising of SACGA and SAFDA. SACGA then came back to advise that their members did not ratify the agreement. A further consultation process was arranged and supported by SA Sugar Millers Association, which culminated in another agreement dated 19th January 2017 which centred around the recognition of both SACGA and SAFDA at SA Sugar Association Council.

We were taken aback on the news of a breakdown in the negotiations to unpack this agreement for implementation purposes.

Based on recent developments, the negative impact on SAFDA as a result of not concluding the recognition process that enables SAFDA to effectively participate as a player in the sugar industry as well as the risks associated with above, it is not negotiable for the sugar industry to recognize SAFDA as a player in the industry and therefore implement the following:

1. SAFDA should be accorded the same status as SACGA in the sugar industry and at SA Sugar Association level.
2. The portion of grower levies due to SAFDA and its members should be allocated and directly released to them accordingly by the SA Sugar Association.
3. Any further engagements to concretise deliberations between SACGA and SAFDA will be undertaken by the parties whilst above in points 1 and 2 are implemented.
4. Implementation of above points i.e. 1, 2 and 3 is with immediate effect.

I would like to remind the sugar industry in its entirety that the engagements and support with government is at a reciprocal level and not one-sided and trust that you will provide the department with a written report on the implementation of above proposals by the 30th of April 2017.

By copy of this letter to the SA Sugar Association (SASA), SASA is expected to implement above proposals as relevant to them with immediate effect and also provide a written report to the department by 30th April 2017.

Yours sincerely,



Lionel October
Director General
Date: 20.10.4.../2017

CC: Trix Trikam – Executive Director: SA Sugar Association
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