**MEDIA STATEMENT**

**TRADE AND INDUSTRY PORTFOLIO COMMITTEE WANTS SUGAR LEVIES TO CANE GROWERS’ ASSOCIATION SUSPENDED IMMEDIATELY**

**Parliament, Friday, 10 November 2017 –** Parliament’s Portfolio Committee on Trade and Industry today encouraged the South African Farmers Development Association (Safda) and the South African Cane Growers’ Association (Sacga) to do everything in their power to find a mediated agreement to ensure that one association is born out of the two.

The Committee today met with the South African Sugar Association (Sasa), Sacga, the South African Sugar Millers’ Association (Sasma), Safda and the Department of Trade and Industry (DTI) in an attempt to resolve the dispute in the sector, which was previously presented by Safda.

The Committee heard that the DTI has been involved for some time in trying to find a mediated settlement between Safda and Sacga. Despite the intervention of a skilled mediator, Sacga refused to relinquish its dominance, rejecting the DTI’s suggestion of a 50/50 split between the two, even though an ideal solution is the formation of one federation equally representing all interests. The DTI indicated that it would continue to try to resolve the dispute.

Sasa highlighted that the Sugar Act only recognises two members, Sacga and Sasma, and is awaiting a decision from Sacga on a way forward. Sacga stated that it welcomes change and believes that, “Safda is an anarchist who want to destroy the federation”. Sacga informed the Committee that it has done a lot for transformation. It also claimed that allowing the two federations to continue to exist would see the industry reverting to the racial divisions of the past.

G6 Small Scale Cane Growers’ Association indicated that it is not represented by Safda and asked to be considered for recognition as a third legitimate growers’ association. “We support Sacga because it’s an old structure under which we have been serving.”

Safda told the Committee that it left Sacga, as Sacga was not a transformed organisation and did not represent its interests. When other industries transformed post-1994, the sugar industry was left behind.

The Portfolio Committee Chairperson, Ms Joanmariae Fubbs, urged the DTI to be firm in its approach in dealing with the industry, and to do a broad-based, black economic empowerment verification/audit of Sacga’s leadership and membership to determine the extent of black farmers’ representation. This was after Safda made it clear that although Sacga had thousands of black growers as members, few actively participate in its administration or actively contribute in fora. The Portfolio Committee emphasised the need for transformation and said black and small-scale farmers’ interests must be acknowledged and pursued.

The Committee further resolved that levies, paid by Safda members, be suspended by Sasa and not be paid over to Sacga, with immediate effect. The DTI recommended that Sasa must amend its constitution to ensure that it recognises Safda as a player in the sugar industry and then report back before Parliament rises at the end of the month. Failure to do so will see the DTI, with the support of the Committee, dissolve Sasa’s constitution until the Sugar Act has been amended.

The Committee further indicated that it would consider requesting the Speaker of Parliament to approve an oversight visit on the sugar industry. The Committee said the Sugar Act of 1978, amended in 1992, was outdated and is being exploited to maintain the *status quo*. The Committee also decided to request the Portfolio Committee on Labour to look into working conditions in the sugar industry.

The Committee emphasised that this work must be done before the end of this year as the poor are suffering.

**ISSUED BY PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON TRADE AND INDUSTRY, MS JOANMARIAE FUBBS**