

Presentation to the PPC of Trade and Industry 5 December 2018



Since 1927

SA
Canegrowers

Transformation is essential

- Some progress towards transformation has taken place with about 25% of the sugarcane produced by black growers.
- Although many interventions have been funded through the industry, we believe that more needs to be done.
- These interventions must succeed in establishing a sustainable and profitable black grower sector in an industry where costs are high and revenue volatile

Proud history of black representation

- The unity of all race groups was progressed in 1986 when SACG amended its constitution to give representation to all grower organisations, including full voting rights.
- In 1992, the African, Indian and Coloured grower associations dissolved and all races participated in SACG on an equal footing.



SA Canegrowers Structure



Equal grower representation

Diverse grower representation at Congress (45% black, of which 13% are women)

Structure enables efficient communication

Democratic election process from Congress to Board

Grower is a grower



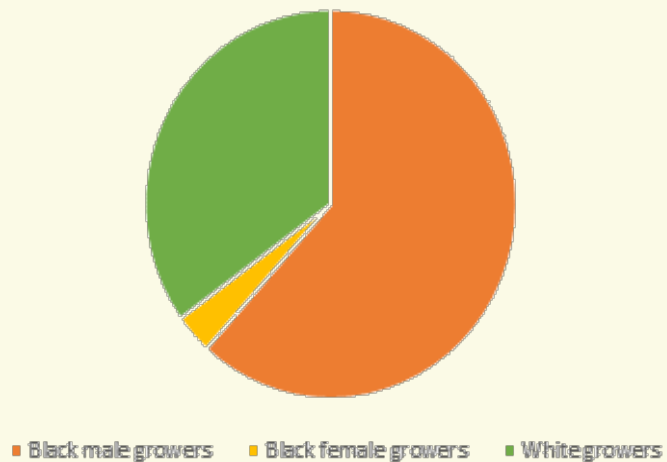
Current Demographics

- Board of Directors of SA Canegrowers elected by its Congress at the 2018 AGM and is made up of 6 Black male growers, 1 Black female grower and 7 White male growers.
- The current Vice Chairman of the Board is a black female.
- Of the 10 elected SASA Councillors, 5 are Black growers.
- SA Canegrowers has had a Black Chairman and has provided a Black Chairman o SASA for the past decade.
- Black cane farmers are represented at the highest level in SA Canegrowers and the Industry.

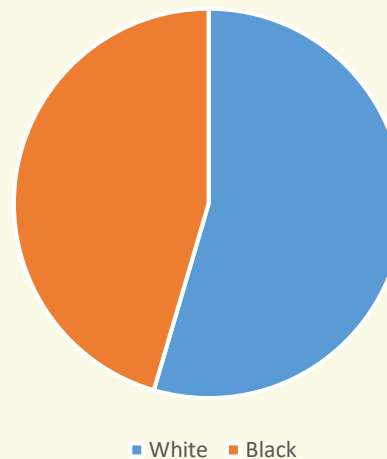


SA Canegrowers Congress Profile

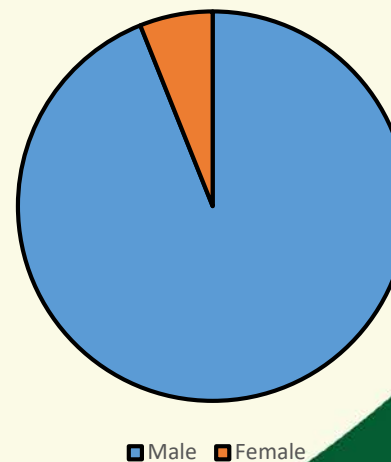
Congress members 2015/16



Congress 2017/18



Congress 2017/18



SA Canegrowers Growers Demographics

Sugarcane Grower Numbers in South Africa	
Number of registered growers	21 512
Number of LSGs	966
Number of LSGs - beneficiaries of land reform	323
Total Hectares transferred (22.3%)	76 538
Restitution transfers (hectares)	46 896
Redistribution transfers (hectares)	29 896
Area under claim (40%) (hectares)	148 664
Number of SSGs < 30h	20223
Number of CPAs	231
Annual number of delivering SSGs	10 594
LSG cane production incl LRGS	83.3%

Industry Statistics

Dependent rural livelihoods	1 million people
Direct Job Opportunities	85 000
Indirect employment	350 000
Total Average Revenue	R14 billion
Grower Share of Revenue (64%)	R9 billion
Contribution to GDP	0.4%
Export Earnings	R3.7 billion
Average Annual Cane Production	17 million tons cane
Number of growers registered	21 512
Direct on-farm jobs	79 000
% total agricultural workforce	11%

Supporting black growers

- ***Dedicated Services***

- Institutional support
- Leadership support
- Business Plan development
- Agronomic Training
- Business Training
- Diversification project plans
- Budgets; feasibilities
- Special projects

- ***Financial Contribution***

- All growers contribute 64% to the costs of the Sugar Association activities including the R172m immediate interventions.
- Within SA Canegrowers R15m spent on direct support for SSG and LRGs.

Transformation

- We need to grow the revenue of the sugar industry to provide for transformation opportunities.
- To make a meaningful difference in the deep rural areas of KZN and Mpumalanga we need to increase the total amount of cane grown by black growers as well as the total number of black growers.

Transformation

- SA Canegrowers members are committed to increasing the amount of cane delivered by black growers to more than 51% within the next 10 years!
- If possible to increasing the total number of black growers to 30 000 within the next 10 years.
- This needs a carefully designed transformation plan with all stakeholders putting the future of the industry first!

Transformation

- Real grass-roots empowerment must take place to make a difference in deep rural areas.
- This requires a partnership approach between small-scale, land reform and established farmers.

Transformational Partnership

- Commercial farmers to partner with neighbouring communities to share knowledge, technology and skills.
- Continue with skills training and business support
Subsidise fire and drought insurance facility for SSGs.
- Subsidise electricity and water costs for SSGs.
- Utilise SACG innovations like the biodigester technology to reduce electricity costs through green energy
- Blended finance model for cane development and ratoon management required.
- Prioritise projects that focus on women and youth



Thank you