



# Presentation to the Portfolio Committee on Trade & Industry

## Progress Report

Date: 29 November 2017



**the dti**

Department:  
Trade and Industry  
REPUBLIC OF SOUTH AFRICA



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# Background

- The Department appeared before the Portfolio Committee on Trade & Industry on the 12 October and 10<sup>th</sup> November 2017 with regards to the on-going dispute between SA Cane Growers Association (SACGA) and SA Farmer Development Association (SAFDA).
- The Portfolio committee regards the matter as a crisis and as such mandated the dti to find a speedy resolution to the impasse and report back to the Portfolio Committee on the 29th November 2017.

# Background

- SAFDA argues that the sugar industry does not recognise them as an independent cane growers association representing mainly the land reform beneficiaries in the sugar sector.
- SAFDA broke away from SACGA in 2015.
- Key is access to their contribution of the levies collected by the SA Sugar Association (SASA) as legislated in the Sugar Industry Agreement and Sugar Act of 1978 as amended, in order to be able to undertake their own development.

# Resolutions of the Portfolio Committee

## 10 November 2017

- The SASA and SACGA should comply with the instructions issued by the dti in letters dated 20 April and 20 October 2017.
- the dti should report back to the PC on its progress in resolving any non-compliance.
- In the event of SACGA not implementing the instruction of the dti, the Committee would request SASA to review the membership status and payment of levies to SACGA.
- The Minister is advised to amend the regulations and the Sugar Act to permit SAFDA to be recognized under the Constitution and Act to be a member of SASA.

# Progress on Portfolio Committee Recommendations

## Department of Trade & Industry (the dti)

- Directed SASA to take leadership in drafting the requisite changes to the SASA Constitution as directed by government in order to effect the requisite changes.
- The Department has received the inputs from the SA Millers regarding the necessary amendments to achieve the desired outcomes.
- SASA has been encouraged to use that input as a baseline for the requisite amendments.

# Progress on Portfolio Committee Recommendations

The Department has commenced with a review of the BEE status of the SACGA as per recommendations of the Portfolio Committee on Trade & Industry as follows:

- Information on B-BBEE certificate of the Association;
- The organisational structure;
- Latest Audited Financial Reports; and
- Employment Equity Plan and Report of the company.

# Progress on Portfolio Committee Recommendations

## South African Sugar Association (SASA)

- SASA must amend the SASA Constitution to reflect SAFDA as a recognized grower body within SASA.
- The intention is to recognize SAFDA on an equal basis with SACGA i.e. 50:50 terms in all respects.
- Above will be an interim arrangement until both SAFDA and SACGA collectively come up with alternative arrangements in this regard.



# Progress on Portfolio Committee Recommendations

## South African Sugar Association (SASA)

- That a special general meeting be convened from 16 November 2017 for adoption of the requisite changes.
- That SA Millers Association sends copies of their inputs on the proposed amendments to the SASA constitution and Sugar Industry Agreement, to the Chairman of SASA for consideration.

# Progress on Portfolio Committee Recommendations

## South African Sugar Association (SASA)

- Failure to resolve this impasse at the special general meeting will trigger Minister's powers to amend the sugar legislation.
- the dti will appoint a mediator, preferably Charles Nupen of Strat-align to assist with any mediation required to operationalize the amendments to the SASA Constitution.

## Conclusion

- Notice has been issued by SASA Chairman for the Special Meeting of the South African Sugar Association delegates to consider amendments to SASA constitution as proposed by the Miller's Association.
- The Special Meeting is to be held on the 12 December 2017 in KWA-SHUKELA, MOUNT EDGECOMBE.
- Subject to the provisions of the Sugar Regulation at least 21 days' notice of every general and/or special meeting of the Association, shall be given to all delegates.



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Do you have any  
questions? Thank you  
for your attention



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