

SACGA'S KEY SUBMISSIONS TO THE PORTFOLIO COMMITTEE

1. SACGA urges the Committee to have close regard to the two [2] memoranda prepared by SACGA, referred to as the Standard Memorandum and the Memorandum submitted to the Competition Commission. These are to be found in the bundle as items 31 and 32. The memoranda comprehensively set out SACGA's response to the various issues raised by SAFDA. They also provide a very useful overview of the industry structure and as to the rationale therefor.
2. What SAFDA is proposing is a regressive, and not a progressive, step for the Industry. It effectively wants to undo the coming together, under SACGA, of all the race groups who are cane growers in the country and wants to revert to the racially divided past which we are striving to move away from.
3. Furthermore, the Industry, as presently structured, really amounts to all cane growers in the country forming a union so as to strengthen their bargaining position. Without this, the 18'000 odd small scale Black cane growers would, given time, not receive the same recoverable value for their cane as the large scale farmers do but would be exploited out of existence. What SAFDA seeks is a splintering of the growers into smaller unions, which will have the effect of destroying the bargaining position presently enjoyed by growers as a result of their belonging to one collective. This will not only decimate these small scale Black cane growers but will also have a direct and catastrophic effect on the hundreds of thousands of people whose survival depends upon these growers.
4. What is very concerning to SACGA, and its members, is SAFDA's lack of transparency and accountability. (Integrity and accountability are two [2] of the core values that SAFDA contends, from its presentation to the Portfolio Committee, it is

driven by). Despite being invited to do so, SAFDA has not disclosed the details of its membership nor has it provided any accounting for the R70-million odd that was given to it by the KwaZulu-Natal Department of Rural Development and Land Reform for drought relief for small scale cane growers in the country. Many of the small scale cane growers received no benefit from those monies whatsoever. What has happened to those monies?

At no stage has SAFDA ever explained what it is that it intends to do that is different from what it is that SACGA does for small scale cane growers. Are its members going to contribute to the Industry Premium Fund which pays an additional R31.00 per tonne to small scale growers (paragraph 34 of the Standard Memorandum)? Is it going to calculate the VAT flat rate and is it going to negotiate with the Receiver of Revenue to allow the Mills to pay the input tax of about R44.90 per tonne to the small scale growers (paragraph 36 of the Standard Memorandum)? Is it going to provide technical knowledge training (paragraph 39 of the Standard Memorandum)? Is it going to provide agronomy and financial training or are its members going to contribute to the costs thereof (paragraph 40 of the Standard Memorandum)? Are its members going to contribute to the costs of the Local Growth Support Officers (paragraph 41 of the Standard Memorandum)? Are its members going to contribute to the cost of the Regional Economic Advisors who are available to small scale growers for business plan compilation, budgetary support and financial queries (paragraph 42 of the Standard Memorandum)? Is it going to provide support in respect of pest and disease control and cane varieties (paragraph 43 of the Standard Memorandum)?

5. SACGA is not averse to changes to the regulatory framework. All it asks is that if this is to happen it must be very carefully considered and should not be a self-defeating exercise as will be the case if SAFDA's proposals are adopted.