



SOUTH AFRICAN SUGAR MILLERS' ASSOCIATION (SASMA) PERSPECTIVE ON RECOGNITION CHALLENGES IN THE GROWING SECTION

Presentation to the Portfolio Committee on Trade and
Industry – 10 November 2017

SASMA REPRESENTED BY:

1. Martin Mohale – Chairman
2. Gerhard van der Walt – Vice Chairman
3. Deane Rossler – Chief Executive Officer

SASMA MEMBERS (MORE THAN ONE MILL AND REFINING OPERATIONS)

SASMA is an Association formed to represent South African Sugar Millers and Refiners and its members are as follows:

ILLOVO SUGAR (SOUTH AFRICA) LTD

Operates four sugar mills, one of which has a refinery. Illovo SA also produces a variety of downstream products.

TONGAAT HULETT SUGAR (SOUTH AFRICA) LTD

Operates four sugar mills in South Africa, a central refinery in Durban and an animal feeds operation.

RCL FOODS SUGAR & MILLING (PTY) LTD

Operates three sugar mills, two of which have refineries, cane and sugar transport and an animal feed division.

SASMA MEMBERS (CONTINUED) – SINGLE MILL OPERATIONS

GLEDHOW SUGAR COMPANY (PTY) LTD

The Mill produces refined sugar and supplies the food and beverage industries.

UCL COMPANY (PTY) LTD

UCL bags high quality VHP brown sugar.

UMFOLOZI SUGAR MILL (PTY) LTD

Umfolozi bags high quality VHP brown sugar.

GROWER RECOGNITION IMPASSE – IMPACT ON THE INDUSTRY

1. Millers and growers are inter-dependent and both parties rely on each other for continued sustainability.
2. The performance and survival of the sugar industry requires an understanding of the inter-dependence between millers and growers, both at a SASA and at a local mill area level.
3. The growing section has to represent and be cognisant of the broad range of farmers from small-scale growers to large commercial operations, including land reform projects, through to dryland and irrigated operations.
4. South African sugar mills are operating significantly below crushing capacity and a number of mills would be under threat without stability in cane supply and grower affairs. A disharmonious growers section could fundamentally compromise an industry already facing significant challenges like:
 - Exposure to Sugar Imports
 - Pest and disease issues

THE GROWER RECOGNITION DEBATE

1. The diversity of growers has increased requiring a different structure to represent the views of such diversity.
2. SASMA, together with the DTI, supported and funded an external mediation process to find a different representative structure.
3. SASMA actively participated in the foregoing mediation process by attending and contributing to both the November 2016 and January 2017 mediated agreements.
4. SASMA continues to assist and make contributions to the DTI in accordance with the mediated agreements.

THE IMPORTANCE OF FINDING A SOLUTION

1. The South African sugar industry remains within the top 20% of the most efficient sugar producers in the world. The industry is a national asset which can continue to contribute to the development of the provinces, country and all its people.
2. The inter-dependence of millers and growers underpins their sustainability which is enhanced by the regulatory framework.
3. The inter-dependence amongst growers is equally important in combatting pest and diseases, fires, and other local issues which may arise from time to time.

Thank you!
