



SA FARMERS
DEVELOPMENT
Association

*Thriving rural communities
Thriving rural economies*

Thursday, 21 February 2019

Ms JL Fubbs
Chairperson: Parliamentary Portfolio Committee on Trade and Industry
P.O. Box 15
Parliament
Cape Town, 8000
Phone : 021 403 3822/3776
Fax : 021 403 33309
E-mail : jfubbs@parliament.gov.za

Dear Honourable Chairperson Fubbs

Appreciation for the sterling work of the 2014-2019 Trade and Industry Parliamentary Portfolio Committee in support of transformation in the sugar industry

I trust that you are well on your end.

I write on behalf of our association, the South African Farmers Development Association (SAFDA), to express our deep appreciation and acknowledgment of the sterling work of the Parliamentary Portfolio Committee (PPC) on Trade and Industry, which you lead. The Trade and Industry PPC has played a pivotal role in advancing the cause of the South African sugar industry, and in particular the mainstreaming of the transformation agenda that touches the lives of thousands of farmers associated with the sugar value chain.

Your committee has been at the forefront of ensuring a sustainable and thriving sugar industry. Members of your Committee drawn from all political parties, stood with us when we applied and fought for a better tariff to protect us against the onslaught of sugar imports. SAFDA, which is the voice of many black small-scale sugarcane farmers, owes its continued existence in the industry to the decisive interventions of your Committee, which played a major role in bringing about transformation in our industry.

Last year in March Chairperson, at short notice, you flew all the way from Johannesburg to Empangeni in rural KZN, on a Good Friday, to be part of a meeting between President Cyril Ramaphosa and industry leadership to discuss the urgent matter of raising the tariff to an appropriate and sufficient level. In that meeting, you were very supportive of the industry as it stated its case to the President of South Africa, for the protection of the local industry against cheap sugar imports.

South African Farmers Development Association
Registration number 163-564 NPO

KwaShukela, 170 Flanders Drive 031 508 7283
Mt Edgecombe, KwaZulu-Natal info@sa-fda.org.za
P.O. Box 1769
Mt Edgecombe Country Club, 4301 www.sa-fda.org.za



The support of the industry by this Committee saw Members of Parliament (MPs) particularly from the (ANC, DA and EFF) unusually, united and speaking in one voice. Eventually, as the result of this commendable concerted effort, the tariff was raised from \$566 to \$680 per ton, much to the relief and delight of hardest hit small-scale growers who were on the receiving end of negative bank statements due to sugar imports flooding our country and lowering prices.

Indeed, the battle for the survival of the industry is far from over, but as SAFDA we feel assured that this Portfolio Committee has consistently supported us and shown that they have the interests of our farmers at heart. The Committee is fully supportive of our calls for diversification – producing fuel ethanol from sugarcane to ensure the sustainability and survival of the industry. The Committee conducted two oversight visits to the industry last year – in January and November.

We are continuously in touch with the Committee as we also continue to engage relevant government departments regarding challenges facing the industry. The Department of Trade and Industry, in particular, as a result of the Committee's interventions, has been instrumental in facilitating support on production inputs and development from Departments of Agriculture, Forestry and Fisheries, and Rural Development and Land Reform – with which a Service Level Agreement was signed in November 2018.

As the Committee's term nears the end, we are convinced that the new one that will be constituted after the 2019 General Elections, will continue working together with the industry, especially as the sugar tax impact is wreaking havoc and bringing the industry to its knees. We thank all MPs from across political lines for their continued support and dedication to the people of South African and our farmers in particular.

Yours in the struggle for transformation and sustainability.



Siyabonga Madlala

Executive Chairman | South African Farmers Development Association

smandlala@sa-fda.org.za | 031 508 7283 | 071 216 7974

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