

CANE FOR GROWTH



ESWATINI CANE GROWERS ASSOCIATION QUARTERLY NEWSLETTER

ECGA
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EXECUTIVE EDITOR'S NOTE

I am pleased to welcome the ECGA family and friends to the 3rd issue of our in-house newsletter. This quarter we are privileged to have Ms Dolly Ziyanda Dlamini, an intern from Limkokwing University of Creative Technology who has been instrumental in the production of this issue. This issue comes at the end of Eswatini Cane Growers Association financial year which is the culmination of another adventurous campaign. It is now common knowledge that it was a record year in terms of sucrose and sugar yield. Sugarcane growers of all farm sizes played a part in producing a bumper crop of acceptable quality.

The year began with a modest sucrose price estimate. Subsequent estimates have shown slight improvements. In theory these trends should result in better grower revenue year on year. The unfortunate part is that growers entered the year with the obligation to pay back a debt resulting from lower prices the previous year (clawback). By now all growers ought to have paid back the debt and ready to face the new year (2019/20). Preliminary indications are that the 2018/19 price will still be better than that of 2017/18 and the clawback is less likely.

The coming year will see changes in the pesticides permissible for use in sugarcane. During the Fairtrade audits the industry learned that a number of herbicides historically used in the industry had been reclassified as unsafe hence they should be phased out. The latest was news that

Acetochlor will be banned through the Rotterdam Convention that Eswatini ratified. The industry is in the process of proactively phasing out the affected chemicals before December 2019. Growers are encouraged to consult their Extension Officers for the list of banned agrochemicals and advice on suitable alternatives.

Lastly the industry is fully aware of the principle of sustainable growing and processing of sugarcane for the future of the business and its markets. The industry has adopted a Shared Value Strategy on sustainability. The implementation of the strategy is in progress. An article on the subject is included in this issue. Further details are obtainable from the Sustainability Office at Eswatini Sugar Association (ESA) or through Extension Officers.

BY: Dr.S.V. Nkambule



About ECGA

The Eswatini Cane Growers Association (ECGA) is a member owned/funded non-governmental organization (NGO) and not for profit (NFP) entity established through a legal instrument (Cane Growers Act No.12 of 1967 as amended) with retrospective effect to October 1963. The ECGA is a body corporate with capacity to sue and be sued. The main purpose of the ECGA is to serve and support cane growers through promoting, advocating and fostering their collective interests, sustainability and progress.

The Act mandates the Minister of Agriculture to impose an annual levy on all growers upon the recommendation of the ECGA.

Historically the operations of ECGA have been funded almost exclusively by the levy which is charged per ton of sucrose supplied to and accepted by the miller.

The ECGA and the Eswatini Sugar Millers Association (ESMA) are equal owner partners (50% shareholders each) in the Eswatini Sugar Association (ESA).



Report Back Meeting at Phumulamcashi

In addition to the Act the entity is guided by a comprehensive constitution which spells out the objectives and functions of the Association.

Membership of the ECGA is voluntary and open to any person (or entity) that is a holder in his/her own name of a permit or quota, subject to approval by the ECGA Executive Committee.

Notwithstanding the generality of the membership the Constitution excludes from membership a grower who either:

- i. Is a member of any other Association of sugar cane growers in Eswatini;**
- ii. Is also a sugar miller in Eswatini; and/or**
- iii. Is a person in whom any sugar miller in Eswatini is directly or indirectly interested.**

Our Vision

Grower sustainability and development through optimum and equitable value from a stick of cane.

Our Strategic Objectives

- To build and sustain institutional capacity through attraction, development, and retention of people with appropriate skills.
- To promote and support realization of true value of sugarcane through positive influence on and constructive engagement with stakeholders.
- To ensure equitable, effective and informed participation of cane growers in the industry.
- To promote and support sustainability through adopting suitable financing model, anticipating and proactively adapting to changes in the sugarcane business environment.

GROWER PROFILING: NKAMBULE TRUST, A BUSINESS FOUNDED ON STRONG FAMILY TIES

The Nkambule Trust is pleased to be featured in the third issue of the Eswatini Cane Growers Association (ECGA) quarterly newsletter. The business was established by the late Nagane Timothy Nkambule of Siphofaneni in 1998 under the style “Sinceni Farm”. After the demise of the founder in 2005 the business name was changed to the “Nkambule Trust Fund”. The anchor crop has always been sugarcane that currently occupies 24-Ha. Plans are to grow the area under sugarcane to about 50-Ha in the next 2 or 3 years. The project is funded through a commercial loan facility from Nedbank Eswatini. The trustees are Thokozani Nkambule (Managing Director and Trustee), Matimbane Nkambule (Trustee) and Mphucuko Nkambule (Trustee), all sons of the deceased founder.

Our vision is “to be the best corporate entity”. The total title deed land area is 243.1-Ha. The area currently being utilized is about 97-Ha or about 40% of total land area. The business has persevered over the years despite some challenges. One such challenge was prohibitive electricity bills that averaged about E70 000 per month. The business was unable to pay the bills. As a consequence, a decision was taken to convert to gravity fed irrigation system that eliminated the exorbitant electricity costs.

In addition to the anchor crop (sugarcane) the Trust also grow banana, maize (green and dry), sugar beans, sweet potatoes, mangoes and leeches. The enterprise has created 6 permanent and 16 seasonal/casual jobs. The passion to grow the business is burning. However, there are some obstacles to be overcome. These include limitations such as tractors, implements and a pick-up van, among others.

This business is an example of the positive contribution of sugarcane to family wealth creation, food security and job creation. We aspire to see the Nkambule Family Trust grow to greater heights on the strength of strong family ties.

BY: Thokozani Nkambule

THE ESWATINI CANE GROWERS ASSOCIATION (ECGA) LISTENS TO AND TALKS TO MEMBERS

The association mandate requires that the ECGA regularly engage in two-way communication with members. Such communication is achieved through 4 quarterly and one annual general (AGM) meeting that are open to all (quota holders) that are independent of the mill.

Report Back

The last Annual General Meeting (AGM) was held on 3 October 2019 and the outcomes were reported during the round of Quarterly meetings held in November 2018.

The last round of quarterly meetings were held at Mhlume, Manzini (for Simunye) and Phumlamcashi Conference Centre (for Big Bend) on 12, 13 and 14 February 2019, respectively. During these meetings growers' awareness on sucrose pricing and child labour was created with the assistance of Eswatini Sugar Association (ESA). The members responded with enthusiasm to both presentations. Follow-up on the presentations will be arranged as per demand by members.

During the feedback meetings it was also communicated that the 2019 milling season would officially start on the following dates.

MILL	DATE OPENING
Mhlume	24 April 2019
Simunye	17 April 2019
Big Bend	10 April 2019

Growers were encouraged to send cane to the mills from the first day. This was to ensure that no grower is left out at the end of the season.

Growers also raised the issues for the attention of the Branch Executive Committees, ECGA Executive Committee and ECGA Office. Some of these were;

- Water, land and other problems facing

Vuvulane Irrigate Frams (VIF) growers

- Need to reduce cost of funding for growers
- Request to revisit concept of relative sucrose payment and other systems to mitigate impact of seasonal sucrose variations on growers and rateable delivery of cane.
- The Association is addressing the above matters and progress will be reported during the April 2019 round of branch feedback meetings.

Sucrose Pricing

Mr. Nyamane presented on the process followed in paying growers. He emphasized that growers must be accurate at all times when it comes to estimating how much sugarcane they can produce. He also took farmers through the equation they use to make all the sugar in the industry equal when it goes through the scale. Also, he spoke about the difference between molasses and the sugar and how it is sold.

He also described how growers are paid for both molasses and sugar. He narrated how the industry gets the production figures per season, Millers and Planters Group chairperson meet for crop verification in order to determine the quality of cane so to get the production estimates for the season.

Growers are paid within two weeks after the cane has been delivered based on estimates taking into account exchange rates. The money used to pay growers is borrowed from financial institutions before the actual sale of sugar. At the beginning of the season payment is based on estimate and there is a contingency amount that is normally withheld and this is paid round about July, the following year as the final price.

He briefly gave and explained production figures

per mill and the formula for converting the sucrose to sugar. Total production for the season was estimated at 804, 210 tonnes of sugar while the opening stock was 156, 236 tonnes.

The price of molasses is added on and that results in the different price paid per mill. This is due to the content of sugar found in the molasses.

Direct expenses incurred by the industry include: Refining, VHP, warehousing, costs of bags, haulage, insurance, agriculture, conditioning fees. Overheads include: administration, finance costs and taxation.



BY: Mrs. Dum'sile Zulu

Did You Know?

Sugar cane (*Saccharum Officinarum*) is a giant perennial tropical grass from which **sucrose** is extracted for the production of sugar.

Sugarcane plants are propagated by planting sections of the stem. Sugarcane planting when a new production area is required or for reforming existing sugarcane field when productivity is low (generally after 5 or 6 harvesting seasons). Sugarcane can be harvested after 8 to 12 months.

Sugarcane planting can be in Autumn (February to March)

- This timing, except for the risk of possible disruption by the rain, avoid declining temperatures towards May and June.

Sugarcane planting can also be in Spring (July to September)

- The bulk of the planting program is planned for this dry period and is usually on fields that have been ploughed out for management reasons after harvest between April and June.

Child Labour

Mrs. Zandile Mthembu was presenting about child work and child labour. She differentiated between child work and child labour. She stated that child work is when children are under the supervision of an adult when performing the work. She further stated that during child work, the child does not even perform any hazardous work in the process. Also, she added that the work does not interfere with the child's school work or put the child's health at risk.

On the other hand, she stated that child labour involves any work that is physically, mentally, emotionally or dangerously draining to a child. Work that prevents a child from attending school and work that is harmful to children. She

mentioned that children under the age of 18 should not be exposed to such work. Growers failing to listen to this warning will face a jail with an option of E3000 fine.

Furthermore, she mentioned that Growers using children in their farms do not impose harm to themselves only but to every grower and the country at large. This is because the international markets often want to know where the product they are sourcing actually comes, they want to know if there are no people being abused in the process. International markets take child labour as a very serious offence.

BY; Ms. Dolly Z. Dlamini



BUSINESS SUSTAINABILITY: ACTING SELFLESS NOW FOR A BRIGHT FUTURE

The Eswatini sugarcane industry is largely export oriented. Of the sugar produced in Eswatini less than 10% is consumed within the country. Over 90% is sold in various markets in Africa and beyond. In business the “customer is King (or Queen)”. Global customers have wide choices of sellers for the same product, such as sugar. There is no obligation to buy Eswatini sugar while other sellers can provide the commodity often times at cheaper prices. As such, consumers have the luxury of placing conditions on the producers of what they consume. The conditions include [safety](#) at work (real and perceived), product quality, respect of human rights (land rights, labour rights etc), social investments, environmental protection, etc.

Growers may have noticed that in the recent past there have been allegations of unacceptable practices within the industry, such as illegal evictions, deprivation of water rights, employment of child labour, violation of other labour rights, environmental degradation, etc. The Sustainability Programme sets standards and activities which will enable industry members to demonstrate responsible action in the areas

highlighted above. Members can then in turn, police or hold themselves accountable against these commitments, as well as serve as a common message to customers.

The industry has intensified efforts and investment to proactively develop a common sustainability strategy that can be presented to customers, and other stakeholders as a demonstration of our responsible production of sugar and [co-](#) products.

As a means to properly guide the Sustainability journey the industry was determined to embark on, in 2016, a team consultants was engaged to conduct a baseline study on the industry’s sustainability awareness and practices. The baseline report concluded that the industry was generally compliant whilst identifying significant deficiencies that needed to be addressed timely. To demonstrate its commitment to continuous improvement in Sustainability, the industry adopted a shared value statement as shown below;

The industry strives to meet all sustainability requirements by benchmarking itself against global sustainability standards for continuous improvement and alignment with best management practices, to create value for its sugar and by-products.

The statement applies to all members of the

industry (millers and growers) who should not only comply to it themselves but also ensure that their suppliers/contractors and employees abide by it. To back the statement, the industry has adopted a comprehensive Shared Value Strategy that is anchored on the pillars below;

- Good governance - Compliance to laws/standards/industry policies & reporting.
- Economic development – cost competitiveness, customer satisfaction & product liability, productivity and performance, new value creation.
- Human capital development -grower business skill development, institutional support.
- Environmental protection – climate change adaptation, responsible environmental management.
- Community development – corporate social investment.

The industry is rolling out the implementation plan that will be communicated to all players. Growers are advised to look out for further information on this noble initiative and be ready to take the appropriate actions in their respective spheres for the betterment of the industry.

BY: Dr.S.V. Nkambule

LOOKING FORWARD TO NEW CAMPAIGN IN 2019

The new milling season starts in April 2019. Preliminary indications and estimates are that the crop will be comparable to the 2018 season which, as previously mentioned, was a record crop. Initial estimates also indicate that the Sucrose Price could be about 6% higher than the last estimate of 2018. Growers are therefore encouraged to do all it takes to take advantage of the estimated production environment. The good crop poses the risk of extending the milling season into the wet months again. Growers are being encouraged to stick to the harvesting schedules for their own good and for the good of the industry. Crushing into the wet season results in quality deterioration and diluted price.

We take the opportunity to wish our members good rains, favourable growing conditions and better access to higher premium markets.

ECGA WELCOMES AN INTERN

It is such an honor that ECGA welcomed an intern Dolly Ziyanda Dlamini from the Limkokwing University of Creative Technology on the 11th of February.

Her internship program is to last till May 2019. She is two years into her Associate Degree, majoring in Business Management.

While at ECGA Ziyanda is proving to be of great assistance in the analysis of data in preparation for the Annual Report for the year ended 31 March 2019. Also, she is actually the brains behind this newsletter issue.

Asked about how she feels joining ECGA Ziyanda says, "I am fortunate enough to have been granted the opportunity by ECGA to do my internship program with them. My first few days of being here have been very experimental as I have attended several meetings, some of which were attended by the growers as well and they were very amazing. These meetings helped me understand more about being a sugarcane grower and everything that goes on in the fields. I have learned also what it takes to have a successful and fruitful meeting without crippling quarrels or

misunderstandings. I am still looking forward to spending more time and learning new tactics with ECGA till the end of my program which will be in May 2019". The Association takes this opportunity to thank Ziyanda and Limkokwing University for choosing ECGA. The association would like to wish Ziyanda a fruitful stay and all the best in the crafting of her career. ECGA is still expecting four more interns from America in May 2019.

By: Mrs Dum'sile Zulu



ECGA UPCOMING EVENTS

Apart from the meetings that have been held, ECGA is still to have more events lined up as we will be ending our year in March and beginning a new year in April. These are some of the important meetings highlighted below;

9th-11th April 2019-Report Back Meetings at Mhlume, Simunye and Phumulamcashi.

Also, early on 17 July 2019 there will be and Executive Committee meeting.

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