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CANE FOR GROWTH

SWAZILAND CANE GROWERS ASSOCIATION QUARTERLY
NEWSLETTER



EDITORIAL NOTE

It is my pleasure and pride to introduce to you the second issue of our quarterly newsletter. The issue is published at an interesting time leading to 2 important events in the country and industry. On 3 October 2018 SCGA will hold an Annual General Meeting where among other things members will be called upon to rename the Association following the change in the country's name. On 12 October 2018 the industry small grower competition will be held. At the time of writing the country was going through the national elections.

As I mentioned in the inaugural issue I am still nursing the hope that members of SCGA will in future contribute articles to their newsletter. Our American intern, Rebekah Marrufo, who played an important role in the compilation and production of the first publication of the newsletter has since returned home. We are very grateful to her for that. The onus is now on all of us to sustain the initiative through contributions of news material. We trust you will all enjoy reading it. Regular feedback will be useful for improvement, relevance and alignment with our mandate.

S.V. Nkambule, CEO

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The Sugarcane Business: A forever changing landscape

By SV Nkambule

A popular axiom goes “the only sure thing is change”. It is doubtful if there is an industry where this is truer than in agriculture in general and cane growing in particular.

In our inaugural edition (June 2018) we briefly covered how the sudden strengthening of the Lilangeni together with low global sugar prices brought discomfort in the sugarcane industry. The global sugar stocks remain in surplus hence world prices are still down south. An unexpected development has been the sudden weakening of the local currency. The net impact of the 2 trends is still a low price. Positive news has come from an improved local (SACU) price due to favourable Governments’ policy decisions in the Republic of South Africa, with full support from Eswatini Government.

The policy decisions have single handedly brought a glimmer of hope for early recovery in the net price received by Eswatini growers from the basket of markets. Preliminary estimates are that the 2018/19 price could be about 10% better than budget but still about 10% down compared to 2017/18 final price.

From a production perspective there has been a welcome upward adjustment in volume thanks to good rains during the growing season. It is anticipated that the better yields will at least partially mitigate the price decline.

About SCGA

The Swaziland Cane Growers Association (SCGA) 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 SCGA is a body corporate with capacity to sue and be sued. The main purpose of the SCGA 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 SCGA.

Historically the operations of the SCGA have been funded almost exclusively by the levy which is charged per ton of sugar supplied to and accepted by the Miller.

The SCGA and the Swaziland Sugar Millers Association (SSMA) are equal owner partners (50% shareholders each) in the Swaziland Sugar Association (SSA).

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 SCGA 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 SCGA 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 Swaziland;**
- ii. is also a sugar miller in Swaziland; and/or**
- iii. is a person in whom any sugar miller in Swaziland is directly or indirectly interested.**

Our Vision

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

Our Strategic Objectives

1. To build and sustain institutional capacity through attraction, development, and retention of people with appropriate skills.
2. To promote and support realization of true value of sugarcane through positive influence on and constructive engagement with stakeholders.
3. To ensure equitable, effective, and informed participation of cane growers in the industry
4. To promote and support sustainability through adopting suitable financing model, anticipating and proactively adapting to changes in the sugarcane business environment
5. To align the SCGA to good corporate governance, management practices, and corporate citizenship

The news of severe drought is grossly exaggerated

BY S.V. NKAMBULE

At the time of writing this article there was a news frenzy about a “pending repeat of severe drought”. Such news has the potential of prematurely dampening

the spirits of cane growers when they need every reason to support faith in their business.

The published forecasts unambiguously indicated that during the October to December 2018 (OND) period rainfall is expected to be normal with a chance of being above. The pessimism has been fueled by use of the feared word “El Nino” in reference to the January-February-March 2019 (JFM) period. The National Meteorological Services have attempted to clarify that the

published forecasts are not necessarily being of a drought. However, it is not certain how much this clarification has filtered to the grassroot cane farmer. It is therefore important for cane growers to understand the news in context. First there is no forecast for catastrophic drought. Secondly there is reasonably enough water in the rivers and dams to sustain the crop into the summer season. The possibility of distant below normal rainfalls should motivate for improved water use efficiency rather than business suicide.



The 2018 SCGA AGM: We come together, take stock and map the way forward.

By SV Nkambule

In terms of their Constitution cane growers are required to hold an annual general meeting (AGM) by September of each year. However, the Constitution mandates the Executive Committee (ExCo) to shift the date for good reason. The month of September 2018 was busy one in Eswatini with Umhlanga ceremonies and national elections. The ExCo decided to shift the meeting to October in order to enable growers to attend to both events.

The SCGA AGM is scheduled as follows;

Date: 3 October 2018
Time: 09H00
Venue: Mhlume Country Club

The meeting is open to one delegate from each member or member organization. Members who cannot be present in person are entitled send a representative by signing a proxy and sending it to the SCGA Office not later than 24 hours before the meeting is due to start i.e. not later than 10H00 on 2 October 2018.

Key agenda items are as summarized below;

1. Audited Financial Statements and Annual Report for year ended 31 March 2018
2. Appointment of Auditors for year ending 31 March 2019
3. Budget Estimates and proposed levy

for year 2019/20 (1 April 2019 to 31 March 2020.

4. Change of Associations name in light of country change of name.
5. Election of Office Bearers/Representatives for the next 12 months

Invitation cards and documents were delivered to the usual places on 18 September 2018. Members are encouraged to collect them at their earliest convenience. Members are reminded to bring the invitation cards to enable them to register and participate in the meetings. Transport will be provided from Malkerns, Siphofaneni, Phumlamcash and Big Bend. Pick up times will be announced closer to the date through radio and short message systems. We look forward to seeing you at the meeting.



Time for Small Grower Competition: A proud day to be a Cane Grower

By SV Nkambule

For several years the industry has recognized small growers through the competition. In the industry context small growers are those farmers who are either an Association/Company or farm less than 50-Ha. Most of cane growers in this category are under Swazi Nation Land (SNL).

In the year ended on 31 March 2018 a total of **449** cane growers under the small-scale grower (SSG) category delivered cane to the 3 mills. In total this category of growers contributes about 25% (about 160 000 tonnes in 2017/18) of the sugar milled and marketed by the industry. It is estimated that they generate about E700-million gross revenue i.e. before deducting costs of production.

Important and critical as this category of growers is they still lag behind in terms of productivity per unit of land meaning there is plenty of room for improvement in their profitability and contribution to the economy. The competition among other things seeks to improve the performance by this category.

The competition recognizes both technical and business performance. This day has come to be recognized as a great one for growers in the country. Several esteemed sponsors have come forward to identify with the competition. This year the competition is scheduled as follows;

Date: 12 October 2018

Time : 09H00

Venue: Phumlamcashi past Siphofaneni on way to St Philips

As the mouthpiece and representative of cane growers SCGA take the opportunity to thank the industry, organizers and sponsors for making the event possible on an annual basis.

We look forward to celebrating excellence among our own.



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