



“Cane For Growth”

Eswatini Cane Growers Association Quarterly Newsletter

June 2021
15th Edition

Executive Editor’s Note

This newsletter is critical in that it covers the conclusion of the 2020-21 season. Furthermore, it is published at challenging times for the sugarcane industry and the country at large. The country is gripped by the 3rd wave of the Covid-19 pandemic as well as unprecedented and destructive unrest that has caused damage to business and loss of human life. At the time of writing about 27 people had been confirmed dead. The Association extends condolences to the families who lost loved ones during this sad chapter in the life and history of the country. The Association is also conscious of the economic loss occasioned by damage to property and interruptions of business and livelihoods for people, including members. An article herein gives members an update on the pandemic as well as the unrest at the time of writing. Members are encouraged to protect themselves and take vaccines at the earliest opportunity.

The Association records the departure of Mrs Zinhle Dlamini-Ndlovu and appreciates her enormous contribution during her 18 months stay with ECGA. We wish her the best in her future endeavours. In the same vein we welcome the new Grower Support Manager, Barry Makhosonkhe Nxumalo. Barry brings wealth of experience in grower facilitation, grower sustainability and agriculture financing.

The ECGA further takes the opportunity to present, in a simplified manner, the payments approved by ESA Council in July 2021. In the absence of physical feedback meetings we hope this information will be useful for members.

We trust members will enjoy reading. We wish to reiterate our encouragement for members to make contributions to future publications of the document.

– Dr. S. V. Nkambule

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Grower Support Manager

By Nomathemba Dladla-Msibi

The Association is pleased to report that the Grower Support Manager (GSM) office has been occupied. We are pleased to announce that Mr Barry Makhosonke Nxumalo joined the Association as the new GSM, with effect from 1 June 2021. Mr Nxumalo holds a BSc Degree in Agricultural Economics and Business Management as well as a Certificate in Project Investment Appraisal and Risk Management. His experience within the Agricultural sector is vast, where he has worked as a Relationship Manager Agriculture based in FNBs Commercial & Corporate Investment Banking offices; a Business Development Team Leader in the Eswatini Water and Agricultural Development Enterprise (ESWADE) under the Lower Usuthu Small Irrigation Projected (LUSIP) and as a Business Development Facilitator within the sugarcane producing regions. Mr Nxumalo's presence has already brought noticeable change that is adding value to the Association. We welcome Mr. Nxumalo and we wish him well as he works with the Association.



Figure 1: Mr. Barry Makhosonke Nxumalo – New Grower Support Manger @2021

Grower Database Update

Bu Nomathemba Dladla-Msibi

We are excited to inform you that our Grower database has been further developed, where we have explored crop production statistics. This work could not have been done without Meagan and Caroline's input. Our sincere gratitude to the both of them for the exceptional work they have done. From the compilation of the Grower information, we have managed to conduct an economic analysis that looked into the production yield (Tonnes Sucrose per Hectare) by location and scale of the Grower as well. Not only was the yield of cane analysed according to scale and location, but it was also explored according to the male and female led Grower groups. This analysis revealed that female led Grower farms have a higher profitability (i.e. yield by gender x sucrose price by location – average operating cost). Future analysis will explore the reasons behind the observed gender differences.

Moreover, the revenue and profitability of the Growers was explored through production costs, such as electricity, haulage, fertiliser and more. The findings in this study has led the Association to work on a Grower survey that will intricately and critically look into how these costs affect Growers. We look forward to conducting this survey as it will assist the Association to have better strategic objectives that enhance the Grower's socio-economic status.

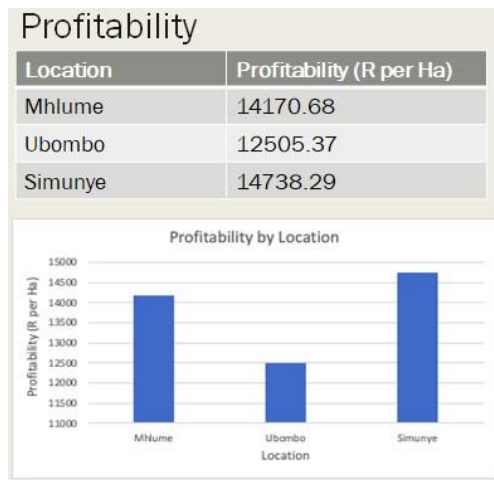


Figure 2: ECGA Grower Profitability analysis

ECGA Internship Programme

By Dr. S. V. Nkambule

The new financial year started on a great note, as we welcomed the new GSM and we also started working with two interns from the United State of America who are currently studying at the University of Arkansas on a virtual internship. Both Maegan Pelletier and Caroline Spence have been of great value to us, especially in assisting us to further develop our Grower database.

Meet Maegan Pelletier:

Hello, my name is Maegan Pelletier and I am a junior at the University of Arkansas studying Business Management. I have had the amazing opportunity to intern at the Eswatini Cane Growers Association this summer with their incredible staff. I worked on a project analyzing production data that was collected the past few years to identify the productivity and efficiency of sugarcane growers. I hope that my research will help the ECGA to continue to assist the farmers. During my internship, I hope to use my learned skills of research and analysis to serve the community. I am inspired by ECGA's mission to support and positively influence sugarcane farmers and the industry. It has been a wonderful experience to work with ECGA and the staff.

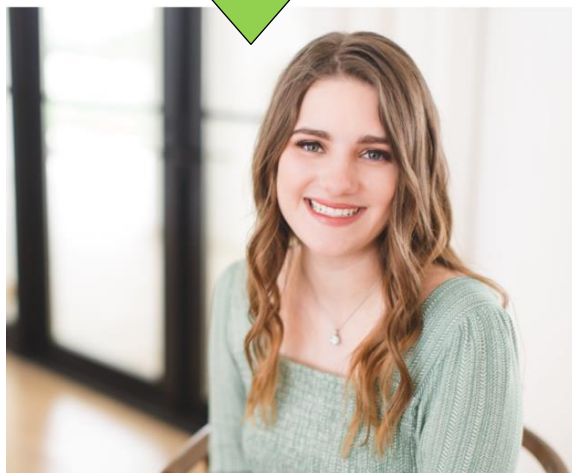


Figure 3: Maegan Pelletier

We greatly appreciate their commitment to their projects within the Association. The involvement and support of their University Lecturers is immensely esteemed as well. We look forward to further growth of the relationship we have with the University

Meet Caroline Spence:

My name is Caroline Spence and I am currently a senior studying finance at the University of Arkansas! This summer I have had the opportunity to apply what I have learned to the ECGA's goal of helping the country's sugarcane farmers. I sincerely hope that I have helped the Association further their mission by analyzing data and providing insight into complex statistical problems regarding yield and profitability. I have grown tremendously through this experience by learning how to work first-hand with actual datasets and by learning about the sugarcane industry! The ECGA staff has been a tremendous help throughout this process and I look forward to seeing the innovative ways in which they continue to solve problems in the sugarcane sector!



Figure 4: Caroline Spence

Men's Health Month

By Mr Barry Nxumalo – GSM



The month of June is significant in the health sector of the country as it is designated “Men’s Health Month” by the Ministry of Health. The whole month is dedicated to creating awareness of preventable health problems and encourage early detection and treatment of diseases among men. Eswatini is currently battling with triple threat of HIV/AIDS, Tuberculosis (TB) and the novel Corona Virus (COVID-19). Seeking preventative services, the early detection and treatment, along with practicing safe behaviours are critical aspects to slowing their spread, especially among men.

There is no doubt that men’s health is very important in ensuring a healthy nation. When it comes to prevention and early detection, men's health often lags behind to women's health despite the fact that more men engage in risky health behaviours which leads to less healthy lifestyles. It is, therefore important for men to understand their risk factors and how to improve their overall health. Men are encouraged that when they make a habit of frequently visiting health facilities, not only when they are sick, but just for a comprehensive check-up, it will help in the early detection of some of health conditions.

Covid-19 Update

By Mr Barry Nxumalo – GSM

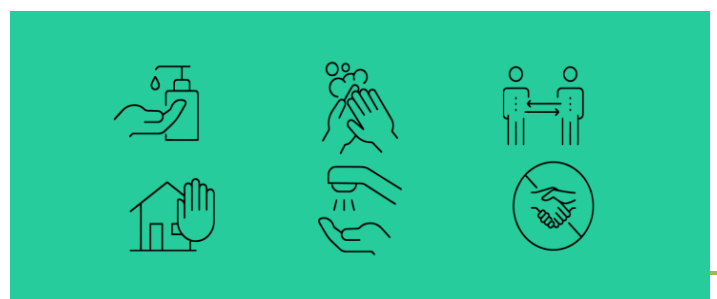
COVID-19 is caused by a coronavirus called SARS-CoV-2. Older adults and people who have severe underlying medical conditions like heart or lung disease or diabetes seem to be at higher risk for developing more serious complications from COVID-19 illness. The new Delta variant of the COVID-19 virus first discovered in India, is fast becoming the dominant strain across the world including in neighboring South Africa.

COVID-19 infections have been increasing in recent weeks averaging 14% daily infection rates. This means that 14% of daily tests done are likely to be COVID-19 positive. At time of writing the latest statistics show that the cumulative number of confirmed cases stands at 20,280 with a 91% recovery rate (18 533 recovered). The vaccination role out has been sluggish with 37 558 having received the 1st dose and 13 893 fully vaccinated (1% of population).

New infection rates are expected to continue trending upward and we encourage growers to exercise caution and follow Government laid out COVID-19 prevention protocols which include:

- Wash your hands with soap and water or use an alcohol-based sanitizer
- Always wear your mask and cover your nose and mouth
- Observe social distancing of at least 1 to 2 meters

Let us protect ourselves, our loved ones and our industry, together we can flatten the curve of new infections.



Cane growing business In the face of a triple alliance of tragedies

By Dr. S. V. Nkambule – CEO

At the time of writing this article growers and the country at large are engulfed by anxiety over recent disturbances. What started off as protests degenerated to arson and looting. Newspaper reports estimate that since the unrests started (on or about 29 June 2021) more than 25 people have lost their lives. The Eswatini Cane Growers joins all concerned in conveying condolences to all bereaved families.

In addition, to the loss of life there has been unprecedented economic damage. Growers have incurred losses that are not yet fully quantified. Available reports are that 10 members of ECGA lost about 120-Ha of sugarcane fields through arson. The affected Growers range from 8 small scale growers at Vuvulane under Mhlume Planters Group, 1 medium scale grower under Big Bend Planters' Group to 1 large scale grower under Mhlume Planters' Group. Preliminary estimates are that the financial losses total about E4-million. This estimate does not include losses incurred in fields owned by the milling companies. The loss could have been double have the millers and growers not cooperated in milling the damaged cane ahead of schedule.



The loss resulting from stoppages of sugar mills has a boomerang effect on growers in that ready crop deteriorates and milling is pushed to poor quality wet summer months. The ECGA's hope rests on meaningful and effective dialogue to resolve the unfortunate situation facing the country.

The second arm of the tragedies is civil unrest in our neighboring country, South Africa. The current shortage of liquid fuel arising from unrest both locally and in South Africa will result in further losses of production. This also means delayed delivery to customers who may switch to other competing sugar suppliers. Stakeholders such as Business Eswatini, Fuel Retailers and Government are continually exploring relief alternatives with some measure of success. The ECGA is an active member of Business Eswatini and serves as a conduit of information about developments relevant to growers.

The third arm of the unholy alliance is the silent Covid-19 pandemic. The pandemic flourished during the heightened turbulence emanating from the activities of the past few days. Government's published figures indicate that before the disturbances the number of positive cases reported were 49 out of 829 tested or 5.9% positivity rate and 0 deaths (24 June 2021). On the day of writing (15 July 2021) there were 204 positive cases out of 983 tested or 21% positivity rate and 2 deaths. Government has declared that we are in the 3rd wave of the pandemic. The ECGA office is not qualified to confirm any cause-effect relationship. The intention is to advise members that while preoccupied with the current events, we should not become complacent towards the pandemic. We recommend that members observe all the protocols from Government and World Health Organization (WHO) including taking vaccinations as soon as these become available.

The ECGA's hope rests on meaningful and effective dialogue to resolve the unfortunate situation facing the country.

Grower Report

By Dr. S. V. Nkambule – CEO

The Eswatini Sugar Association (ESA) Council held a meeting on 6 July 2021 wherein Estimate 6 of year ended 31 March 2021 and Estimate 2 of Year ending 31 March 2022 were approved. The Table below summarises the approved prices and applicable payments to growers.

Mhlume Planters' Group

| 2020-21 | | | |
|----------|-------------|----------|-----------------|
| Estimate | Start Month | Price | Back Pay (E/TS) |
| | | | |
| 5 | Mar. 2021 | 4 217.37 | |
| 6 | July 2021 | 4 350.10 | 132.73 |
| | | | |
| 2020-21 | | | |
| | | | |
| 1 | Mar. 2021 | 3 979.54 | |
| 2 | July 2021 | 4 082.17 | 102.63 |
| | | | |

Simunye Planters' Group

| 2020-21 | | | |
|----------|-------------|----------|-----------------|
| Estimate | Start Month | Price | Back Pay (E/TS) |
| | | | |
| 5 | Mar. 2021 | 4 301.37 | |
| 6 | July 2021 | 4 432.06 | 130.69 |
| | | | |
| 2020-21 | | | |
| | | | |
| 1 | Mar. 2021 | 4 065.05 | |
| 2 | July 2021 | 4 170.05 | 105.00 |
| | | | |

Big Bend Planters' Group

| 2020-21 | | | |
|----------|-------------|--------------|-----------------|
| Estimate | Start Month | Price (E/TS) | Back Pay (E/TS) |
| | | | |
| 5 | Mar. 2021 | 4 128.27 | |
| 6 | July 2021 | 4 266.37 | 138.10 |
| | | | |
| 2020-21 | | | |
| | | | |
| 1 | Mar. 2021 | 3 908.81 | |
| 2 | July 2021 | 4 006.42 | 97.61 |
| | | | |



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