



## **DEAN WILLIAM MACPHERSON MP**

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Dear Joan Fubbs MP  
Chairperson of the Portfolio Committee for Trade & Industry

### **RE: Impending danger to Sugar cane industry**

I would like to formally request an urgent joint meeting of the Portfolio Committees for Trade & Industry, Agriculture and Land Reform to discuss the immediate danger that the sugar cane industry is now facing.

It is critical that we discuss the following matters and find urgent solutions to the following:

#### **1 - Drought conditions:**

KwaZulu-Natal has suffered a three-year drought which has cost the industry R2 billion.

During this time and to date, very little to no assistance was provided to farmers including the unexplained disappearance of drought relief funds in the Provincial Government.

#### **2 - Depressed prices:**

It is estimated that 500 000 tonnes of imported sugar arrived in 2018 which could be viewed as 'dumped' sugar as it is below the cost of production.

We know this has had an adverse affect on production in South Africa and will lead to job losses if this price does not recover soon.

#### **3 - Inadequate tariff protection:**

Despite strong lobbying and agreement by all stakeholders in the industry, ITAC refused to accede to an increased Dollar Based Reference Price of \$856 per ton. The result is that cane growers and other industry members are unable to recover their full cost of production.

**Conclusion:**

What we see happening is what the industry is terming a ‘perfect storm’ which left unchecked, will wreck an industry that contributes R14 billion and employs 350 000 people across the spectrum. As a country, we simply can not afford this.

It is up the committee to urgently intervene in this matter and find solutions before it is too late.

I urge you to treat this with the necessary attention it deserves.

With kind regards,

Mr Dean Macpherson

Member of Parliament (DA)  
Shadow Deputy Minister: Trade and Industry