



## **STANDING COMMITTEE ON ECONOMIC AFFAIRS**

### **Consolidated Report on the Review of Sugar Cane Growers Fund 2009 – 2018 Annual Reports.**



**PARLIAMENT OF THE REPUBLIC OF FIJI  
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## Chairperson's Foreword

The Standing Committee on Economic Affairs is pleased to submit to Parliament, the consolidated Review report of the Sugar Cane Grower's Fund 2009 – 2018 Annual Reports.

The SCGF provides loans to sugar cane growers for various reasons which include but are not limited to increasing production of sugar cane, improving efficiency in planting, growing, harvesting and transporting of sugar cane, carrying out rehabilitation and maintenance works as well as to enable cane growers to participate in commercial ventures.

Earlier in 2020, the Committee had visited SCGF's headquarters in Lautoka to better understand its functions and operations. The Members met with the CEO and his team and were provided with a comprehensive presentation on the mandates of the organizations and the progress that have been made over the years.

Members of the Committee was made aware of the substantive internal reforms that have taken place over the period of the report. This was done to ensure that the internal policies and procedures align with the mandates of the organization.

During its meeting with the SCGF team, the Committee was pleased to note that our sugar industry has received various forms of support from international bodies such as the European Union to assist towards Cane Planting Programmes. The Committee strongly believes that such initiatives will take the Industry forward and encourages SCGF to continue to explore similar opportunities with other international development agencies to enhance the sustainability of the sugar industry.

The Committee noted that South Pacific Fertilizers Limited (SPFL) is a subsidiary of SCGF with SCGF holding 92.6% shares and Sugar Cane Growers Council (SCGC) holding 7.4%. During the period of review, SPFL had borrowed funds for procurement of raw materials for supply of Government subsidised fertilisers to farmers. The Committee noted that all borrowings had been repaid as at 31 December 2017 and commends the Fijian Government, SCGF and SPFL for ensuring reliable supply of fertilisers to farmers.

Furthermore, while the Committee appreciates the introduction of Bundled Insurance in 2018, it believes that SCGF should explore other non-covered areas such as natural disasters.

I would like to take this opportunity to extend our appreciation to all Stakeholders for their valuable input. The Committee would like to acknowledge the CEO of SCGF and his team members for being prompt in answering the various queries and questions raised by the Committee.

Finally, I would like to thank our Committee Members who were part of the team that produced this report: - Deputy Chairperson Hon. Veena Bhatnagar, Hon. George Vegnathan, Hon. Inosi

Kuridrani and Hon. Ro Filipe Tuisawau. I also take this opportunity to acknowledge and thank the Parliamentary Staff who have given us invaluable support.

On behalf of the Standing Committee on Economic Affairs, I commend the Review of the Sugar Cane Grower's Fund 2009 – 2018 Annual Reports to Parliament.

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**Chairperson – Hon. Vijay Nath**

## **1.0 Introduction**

### **1.1 Background**

The Sugar Cane Growers Fund (“SCGF”) was established under the Sugar Industry Act No. 9 of 1984. All monies and assets of the Sugar Cane Price Support Fund were transferred to the Growers Fund under the Act. While its headquarters is located in Lautoka, it has offices set up in all cane growing districts.

The SCGF is a statutory body that works with the core function of providing loans to registered cane growers and have at times provided loans to Sugar industry Stakeholders such as FSC and SPFL. These loan schemes are given with the intention of increasing production of sugarcane, improving efficiency in planting, growing, harvesting and transporting of sugarcane, rehabilitating farms that may have been damaged or destroyed due to natural disasters and so on.

### **Committee Remit and Composition**

The Committee is made up of five (5) Members of Parliament, three (3) of which are Government members and two Opposition members. According to Section 109(2) (a) the Standing Committee is responsible to look into matters related to economic development, finance, banking and taxation.

## 2.0 Findings and Recommendations

1. The Committee noted that in January 2009, the SCGF advanced a sum of \$380,000 to SCGC to acquire additional shares in SPFL which was repaid gradually over a 3 year period from 2010 to 2012. This form of collaboration which enhances the viability and sustainability of such commercial ventures is highly commendable.
2. During the period of review, the Committee noted that SPFL had borrowed funds for procurement of raw materials which had been repaid as at 31 December 2017 and commends the Fijian Government, SCGF and SPFL for ensuring reliable supply of fertilisers to farmers.
3. The Committee commends the EU for the assistance towards the Cane Planting Programme and recommends SCGF to continue to explore similar opportunities with other international development agencies to enhance the sustainability of the sugar industry.
4. The Committee noted that in 2012, 2013 and 2015, SCGF recorded losses while the other years were positive peaking with record profits in 2017. The Committee commends the Management for its internal reforms and initiatives thus resulting in positive outcomes.
5. The Committee noted that SCGF had advanced F\$8.4M to FSC for Cane Payment top up in 2010. Whilst F\$4.2M was repaid on 31 March 2012, the other F\$4.2M remained outstanding as at 31 December 2018 with the interest balance settled by the Ministry of Sugar on 13 July 2016. The Committee recommends that FSC take urgent measures to settle the outstanding balance of \$4.2M.
6. The introduction of Bundled Insurance in 2018 is highly commendable and the Committee recommends that SCGF explore other non-covered areas such as natural disasters.

### **3.0 Gender Analysis**

The Committee noted that Sugar Cane Growers Fund had been working towards introducing special loan packages to encourage more women to join the Industry and looks forward to receiving updates in upcoming reports.

## **4.0 Conclusion**

The Committee commends the overall performance of the Sugar Cane Grower's Fund and its commitment towards assisting cane growers and other stakeholders.


However, to ensure growth and sustainability of the sugar industry, the Committee encourages SCGF to continuously enhance and improve the quality of services they provide to the farmers.



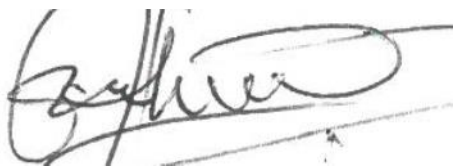
## Members Signature

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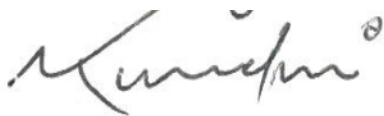
**Hon. Vijay Nath (Chairperson)**  
**Chairperson)**

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**Hon. Veena Bhatnagar (Deputy**  
**Chairperson)**



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**Hon. George Vegnathan (Member)**



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**Hon. Inosi Kuridrani (Member)**



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**Hon. Ro Filipe Tuisawau (Member)**

