

# APPENDIX

# APPENDIX 1: PUBLIC ACCOUNTS COMMITTEE QUESTIONS

## **PAC SUPPLEMENTARY QUESTIONS AFTER REVIEWED THE MINISTRY OF SUGAR INDUSTRY'S INITIAL RESPONSE**

1. Issue 3.2 –Assessment of Grant Application – Please explain what sort of awareness were carried out for farmers in regard to the Grants that were available and the process to access it?
2. Grant Application – Please explain what sort of assistance were given to farmers who need assistance in filling the forms.
3. What assistance was given to those farmers who genuinely missed out in getting the assistance in the first place?
4. What was the success rate of this Grant Assistance that were given out?
5. What sort of monitoring and evaluation was carried out by the Ministry and the Fiji Sugar Corporation ('FSC') to see that the assistance was used for the purpose it was given for?
6. How effective is the monitoring processes of the Sugarcane Development and Farmers Assistance Program ('SDF') Grant?
7. Can the Ministry explain why its (Ministry and FSC) monitoring processes are not consistent with the requirements of the Annual Work Plan of the SDF which exposes risk of grants not being utilized appropriately?
8. Please explain what are the mechanisms in place to recover funds from those farmers who did not utilize the funds for its intended purpose?
9. What is the status of the Cane productivity pre and post SDF Grant period, particularly from 2010 to 2015, 2016 to 2019 and 2020 to 2022?
  - Types of subsidy provided by Government to farmers on yearly basis?
  - Number of Farmers assisted and amount for planting new sugarcane on yearly basis
  - Number of Farmers against hectares of plantation done
  - How many hectares of land were utilized from the existing farm and how many hectares of land preparation was done on new land under the scheme?
10. What is the current Tonnes of Cane to Tonnes of Sugar ('TCTS')?

11. What is the difference in tonnage comparing the new crop that has been planted on by existing farmers?
12. What is the Ministry plan in self sustain the industry in the next five (5) years and by how much reducing the subsidies provided by the Government to the farmers?
13. What is the Ministry plan to provide support to underperforming farmers?
14. Please provide breakdown on the total tonnages of cane that was transported from Penang to Rarawai Mill?
15. In terms of transparency, can the Ministry explain how it has strengthened the application process through which Grant recipient are selected and compare it to the process that was previously followed to vet the application?
16. Was there any evaluation carried out to on the effectiveness, efficiency and economic viability of the SDF Grant implementation?
17. Grant Monitoring Framework – what is the current status of the GMF?
18. Does the Ministry have the procedures and processes in place to ensure the integrity of the Grant Administration process such as covering conflict of interest and fraud?
19. How the Ministry does ensures that the FSC maintains proper records of Grant payments and provides when requested for audits?
20. How bad was the cases that were submitted to the FICAC?
21. What is the current statistics for Sugarcane Production in relation to farmers Tonnes of cane?
22. Provide clarification on the \$1.8 million Sugar levy, what is it paid for and what benefit it brings to the industry?
23. Can the Ministry explain was there any cost benefit analysis done on the fertilizer subsidy of \$46.3million?
24. Without subsidy, can the Ministry provide the costs of producing 1 tonne of sugarcane?

# APPENDIX 2: PUBLISHED WRITTEN EVIDENCE

## **Clarification of Issues – Performance Audit on the Monitoring of Implementation of the Sugarcane Development and Farmers Assistance Programme – (PP.107 of 2021)**

### **Issue 3.1 Grant Monitoring Framework**

The Committee noted from the report that there was absence of Grant Administration and Monitoring framework. The Committee also notes that the Ministry is in the process of drafting a Grant Monitoring framework.

1. Can the Ministry update the Committee on the progress of draft Grant Administration and Monitoring Framework?

The Grant Administration and Monitoring Framework is still in its draft process. As consolidation process is ongoing, more issues and gaps being identified and are being incorporated, thus needing additional time to complete the consolidation of the framework.

2. What is the timeline for this framework to be completed?

The timeline for fully completion, endorsement and passing of this framework is by August 2022. From completion of write up, the framework will be circulated to all capital program implementing agencies within sugar industry for the comments and views prior to comments and endorsement of Senior Management of the Ministry of Sugar Industry. Thus, the need for additional time till beginning of new financial year.

### **Issue 3.2 Assessment of Grant application**

The Committee notes from the report that there were internal control issues where assessment of grant application was not properly documented.

3. What are the plans for the Ministry to ensure proper documentation is done for the grant assessment?

Ministry has incorporated the key requirements into the Sugarcane Development and Farmers Assistance program workplan for 2021-2022. Please find attached the 2021-2022 work-plan. Also there is a checklist that is provided to applicants when preparing and submitting their applications for respective grants. The checklist is attached to the application forms.

4. What is the criteria for assessing Grant application?

First and foremost criteria is the submission of all required documents and all applications are submitted by the defined due date. This is the first level of elimination

Grant is on first come first serve basis; however, priorities will be given to growers that did not receive any cane planting grant in last two years.



### **Issue 3.3 Grant Allotment System**

The Committee notes from the Report that allotment of grant was on first come first serve basis. The Committee also note from the recommendation of the Auditor General that an effective appraisal system should be developed.

5. Please advise the Committee on the appraisal system being developed to assess the applicants based on merit instead of first come first serve basis?

Ministry has reviewed the merits of “first come first serve” basis and determine and currently this serves as the best system which is not discriminatory against any farmer. Ministry is open on the idea that if there were a better alternative to the current system, Ministry will review and possibly adopt this system.

The notion behind applying the “first come, first serve basis” is to encourage the immediate submission of applications from individuals considering the limited funding allocated for grants. However all applications received will be scrutinized not only on one criteria of first come first serve basis but other grounds such as review of farming plans, ability to produce more, etc.

### **Issue 4.1 Record Management System**

Deficiencies were identified in Records Management System in Auditor-General’s report. Due to this there were missing grant agreements and payment vouchers.

6. What are the plans to improve the record management system?

The majority of the missing agreements are from 2015 to 2018. During this time till date FSC has been keeping manual records of all agreements. However Ministry has advised FSC to identify if they can keep soft copies of all the individual agreements with farmers on a database on a server for better record maintenance. In the meantime, Ministry is actively doing quarterly audits of sector offices to ensure that current year’s agreements are in place and properly stored.

### **Issue 4.4 Delayed Grant Payments to Farmers**

The Committee notes from Auditor-Generals report that payments to growers were delayed. One of the reason for the delay is the quarterly grant receipt from Ministry of Economy which is not in line with the 2 planting windows. The other factor is the grant acquittals not being submitted to Ministry of Economy in a timely manner for the release of the grant.

7. What measures are put in place by the Ministry to address the above issues?

Ministry has incorporated the funding timelines in its Annual work-plan 2021/2022. Please find attached the work-plan for 2021-2022.

#### **Issue 4.5 Monitoring of SDF Assistance at Farm levels**

The Auditor-General's report found inadequate monitoring of the grants.

8. How is the Ministry and FSC with other relevant stakeholders ensuring that adequate monitoring is performed of the Grant recipients?

Ministry lacks sufficient Monitoring staff. Ministry has also requested for additional staffs through its yearly budget submissions to Ministry of Economy in 2018/2019, 2019/2020, 2020/2021 and 2021/2022.

However, in the meantime, Ministry has engaged stakeholders and started off with monitoring at farm levels. Please find attached the monitoring reports.

#### **Issue 5.3 Deficiency in grant assessment process**

The Auditor-General's report highlighted instances where grant recipients have not fully complied with the allotment criteria. In the response, the Ministry has indicated that it will ensure full compliance of the processes.

9. Can the Ministry update the Committee what improvements have been done to the processes of grant application assessment to ensure full compliance?

The Ministry has incorporated this in the Standard operating Procedures (SOP) within the work-plan. The Ministry will also ensure that FSC adhere to the SOP in the work-plan. Attached is the 2021-2022 work- plan.

#### **Issue 6.0 Review, evaluation, and performance reporting**

The Auditor-General's report has highlighted the lack of appropriate system for evaluation and reporting of grant utilization.

10. Can the Ministry update the Committee on their plans to improve evaluation and reporting of grant utilization?

The Ministry has incorporated this in the Project evaluation and policy review within the work-plan.

**PAC SUPPLEMENTARY QUESTIONS AFTER REVIEWED THE MINISTRY OF SUGAR  
INDUSTRY'S INITIAL RESPONSE**

1. Issue 3.2 –Assessment of Grant Application – Please explain what sort of awareness were carried out for farmers in regards to the Grants that were available and the process to access it?

Awareness's pertaining to Cane Planting Grant are carried at different levels which includes:

1. National Level

i. Advertisement in News Papers

Full Page Advertisement is placed in Saturday's Newspapers which provides information pertaining to application process, grant criteria and deadline for Cane Planting Grants. These advertisements are placed at the beginning of each government fiscal year to provide adequate time for farmers to apply for the grant before due date.

ii. Radio Talk Back Shows

Ministry in conjunction with its stakeholders also participate in radio talk back shows and raise awareness on each grant including Cane Planting Grants. Through this, any stakeholders including the farmers can seek clarifications, raise their concerns, and provide suggestion for improvement. Details of number of Radio Talk back shows are as follows for last 4 years are

Year	No of Talk Back Show Attended.
<input type="checkbox"/> 2019	6
<input type="checkbox"/> 2020	5
<input type="checkbox"/> 2021	5
<input type="checkbox"/> 2022	4

iii. National Steering Committee (NSC) Meetings.

NSC which consists of Head of Sugar stakeholders which is chaired by Ministry. Meetings are convened at regular basis to address emerging issues or policy changes that is required. These changes are then relayed to all staff to advise the farmers of the new changes.

2. Mill Level

Once Work Plan is finalised and approved, awareness workshops are conducted with all sector officers and Senior Executive Officers of Sugar Cane Growers Council (FSC and SGGC being the major contact points for farmers) at all three Mills are organised. This provides opportunities to clarify changes so that officers very well versed with the eligibility criteria, application processes, and documentation requirements.

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3. Farmers Level

i. Consultation with Farmers (on-going program)

Number of pocket meetings are organised with farmers by Ministry and sugar stakeholders on daily basis where not only issues faced by the farmers are discussed, but also awareness of the grants which includes but not limited to eligibility criteria, requirements, and changes to policies.

ii. Meeting with Farmers who visit Office.

Number farmers visit office of Ministry and Sugar Stakeholders on daily basis. This provides opportunity for officers to raise awareness on grants.

iii. Visiting farmers while attending complains or on routine runs.  
Officers from Ministry and Sugar Stakeholders attend complains and visit farmers on daily basis. This provides opportunity for officers to raise awareness on grants and discuss challenges faced by them.

iv. Toll-free line with FSC

**2. Grant Application – Please explain what sort of assistance were given to farmers who need assistance in filling the forms?**

Farmers are provided guidance, information, and assistance throughout the application process. The officers at Ministry, Sector Office and SCGC office help farmers understand the requirements, gather necessary documents, and complete the application accurately. For ease of understanding the officers, explain the eligibility criteria, requirements, and penalties in the vernacular language which farmers understand.

Where farmers still find difficulty in filling the forms, these officers assist farmers by filling the form on behalf of them.

**3.What assistance was given to those farmers who genuinely missed out in getting the assistance in the first place?**

There are two ways

- i. On the outset it is imperative to note that FSC assess all farms and maintains the Planting Database which records all the famers who have planted cane during the season (irrespective of whether the farmer is assisted through grant or not). The following information are update regularly in the database:
- ☐ assisted through grant in previous years.
  - ☐ amount assisted;
  - ☐ keep records of farmers have poor track records from previous years grant; and
  - ☐ defaulting growers who in previous years have abused the grant

Considering all the above information, farmers that have not been assisted in previous years and are producing growers with good proven records are given priorities. However, in circumstances where the recipient of grants fails to meet its obligations, then funds are diverted to farmers who genuinely missed out in getting grant.

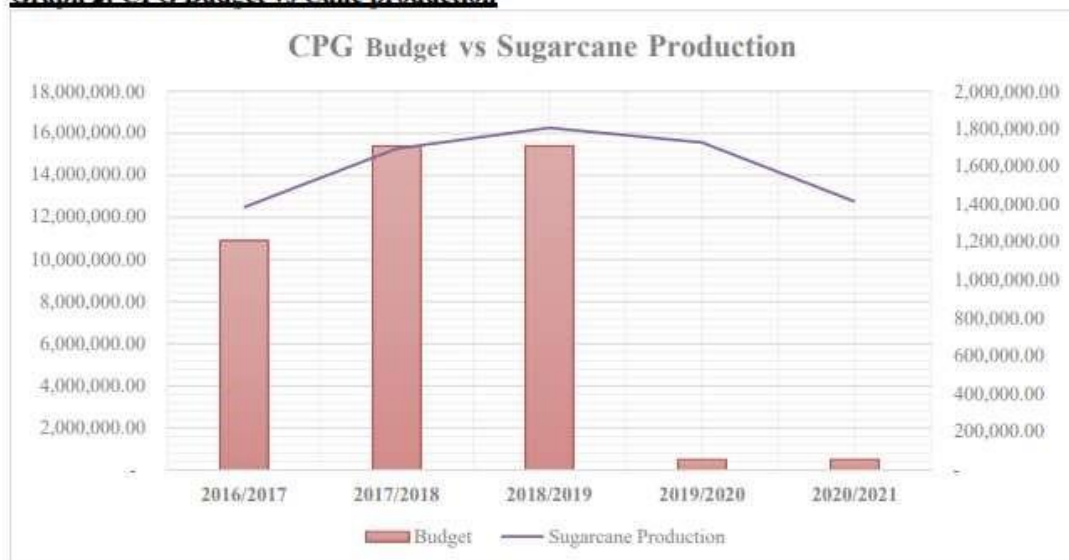
- ii. Ministry in partnership with Sugar Cane Growers Funds have Cane Development revolving facility (CDRF). It is an interest free loan facility for farmers. Under this facility, who genuinely missed out in getting assistance in the first place, can be assisted with CDRF facility where it is interest free for active growers.

#### 4. What was the success rate of this Grant Assistance that were given out?

It's worth noting that there are various factors either directly and indirectly affecting the success rate which of are within control (such as farm husbandry practices) and also beyond the control due to the impacts of climate change (unfavourable Weather, natural disasters, manpower etc). It is therefore, imperative to take into consideration these factors before determining a singular, definitive figure for success rates.

The study covered five-year period. It was revealed that there is a direct correlation between the grants provided and sugarcane production. Notably, an upsurge in cane production aligns with increased funding, while a decrease in funding corresponds to a reduction in production. Graph below illustrates positive correlation between grant and production.

**Graph 2: CPG Budget vs Cane production**



5. What sort of monitoring and evaluation was carried out by the Ministry and the Fiji Sugar Corporation ('FSC') to see that the assistance was used for the purpose it was given for?

There are 3 levels of monitoring: -

Level 1

FSC Field Officers and Farm Advisors do daily monitoring, and the report is captured in a Cane Planting Grant (CPG) register maintained in the sector offices. The grant allocation details are accessible in the FIS (Field Information System) and Quarterly Reports submitted to MoSI by FSC.

Level 2

20 % of beneficiaries were monitored by SCGC and report submitted to MoSI.

Level 3:

random monitoring of 5 % of beneficiaries was done in every quarter by MoSI Grants unit.

Daily monitoring is done by respective sector Field Officers, Farm Advisors and also by ASMs.

Details of these visits and verifications are captured in CPG Registers kept at each sector Office and audited internally. A copy – from Naloto Sector of Rarawai Mill and the Waiqele sector in Labasa Mill is shown below as an example.

to	Time	Gang	Farm	Farm	Phone	San	to
09/08/23	08:00am	01	833	Puran Singh			
09/08/23	08:15am	05	896	Jane. C			
	08:15am	07	835	Uma Nond			
	10:30am	44	22152	David. Khan			
	10:45am	34	22127	Shyam Narayan			
	11:10am	37	22180	Ajit Kumar			
	11:25am	33	22119	Ponath Narayan			
	12:15pm	84	22027	Emosi. N			
	12:35pm	30	18275	Sakura. T			
	02:35pm	29	18197	Ash. D. R.			
09/08/23	07:45am	13	32058	Uma Dat			
	07:30am	13	32088	Ponath Dev			
	11:40am	03	800	Rina Devi			
	1-20pm	28	8513	San. P.			

23	GROWER NO	GANG	GROWER NAME	AREA	VARIETY	COMMITTED DATES
23/3/23	10239	15	RITESH NARAIN	0.4	ND	30/5/23
✓	10149	40	JOSEFA.	0.8	ND.	30/5/23
✓	10046	66	AVINESH	0.8	ND.	30/5/23
25.3.23	10165	90	DANGHARAN	0.4	ND.	30/5/23
✓	10192	94	APTE	0.4	ND.	30/5/23
✓	10273	54	SIMONE	0.8	ND	30/5/23
✓	10272	58	DHARMAN	0.4	1/R	30/5/23
19 ✓	10248	58	DHARMAN	0.8	1/R	30/5/23
25.3.23	10130	49	JONE	0.8	ND	10/07/23
✓	3213	10	ST GAYA PSD	0.4	AIWA	1/10/23
✓	3241	03	RAT KARI	0.4	ND	02.2.23
✓	3244	78	AJOSH TAVATA	0.6	ND	06.2.23
02.4.23	10242	95	MONA DIRM	0.5	ND	06.12.22
✓	10275	94	EMILI M	0.5	ND	04.6.22
✓	10162	34	ANNA TAVATA	0.6	ND	05.1.22
20 ✓	3228	80	THOMAS CHAND	0.4	ND	05.7.23
✓	3235	30	ANAND TAVATA	0.4	ND	06.1.23
06.4.23	3592	12	ANAND TAVATA	1.2	ND	15.5.23
✓	10191	58	HARMAN ANITA	0.8	ND	20.1.23
✓	10004	95	VIRMA KUMAR	0.8	ND	15.12.22
10.4.23	10058	84	ANAND TAVATA	0.4	ND	5.4.23
✓	10089	66	NITESH CHANDAN	0.5	ND	05.12.22

## 6. How effective is the monitoring processes of the Sugarcane Development and Farmers Assistance

### Program ('SDF') Grant?

Despite its limited resources, the Ministry has demonstrated commendable efforts in monitoring the grant programs. In recent years, auditors have emphasized the necessity of augmenting the monitoring team within the Ministry.

Some activities carried by Ministry to ensure capable monitoring are:



Quarterly Data Collection: Effective monitoring involves collecting relevant data at quarterly stages of the program. This data includes information on the number of applicants assisted, disbursed funds, project progress, and outcomes.

On-Site Visits and Field Inspections: Field visits by grant officers provide firsthand insights into project implementation and allow for verification of reported progress.

Farmers Feedback: Gathering feedback from farmers who received grants provides valuable insights into the program's impact, challenges, and areas of improvement.

Documentation and Reporting: Proper record-keeping and documentation of program activities, expenditures, and outcomes ensure transparency and accountability.

It is important to acknowledge that the Ministry of Sugar Industry operates with one of the most modest budgets among Ministries of comparable scope and function.

Below is an analysis of the distribution of budget operations of Sugar against other comparable Ministries;

2023-2024					
Economic Services	Operating	Capital	Total (000)	Operating %	Capital %
Ministry of Agriculture	\$31,439	\$57,452	\$88,891	35%	65%
Ministry of Fisheries	\$11,282	\$7,368	\$18,650	60%	40%
Ministry of Forests	\$12,119	\$7,723	\$19,842	61%	39%
Ministry of Sugar Industry	\$1,553	\$48,126	\$49,678	3%	97%

2022-2023					
Economic Services	Operating	Capital	Total (000)	Operating %	Capital %
Ministry of Agriculture	\$25,342	\$36,933	\$62,275	41%	59%
Ministry of Fisheries	\$9,832	\$3,188	\$13,020	76%	24%
Ministry of Forests	\$10,932	\$5,990	\$16,922	65%	35%
Ministry of Sugar Industry	\$1,075	\$44,229	\$45,305	2%	98%

2021-2022					
Economic Services	Operating	Capital	Total (000)	Operating %	Capital %
Ministry of Agriculture	\$29,236	\$29,425	\$58,660	50%	50%
Ministry of Fisheries	\$10,656	\$4,092	\$14,748	72%	28%
Ministry of Forests	\$10,197	\$3,160	\$13,357	76%	24%
Ministry of Sugar Industry	\$1,052	\$82,267	\$83,319	1%	99%

2020-2021					
Economic Services	Operating	Capital	Total (000)	Operating %	Capital %
Ministry of Agriculture	\$29,248	\$33,720	\$62,968	46%	54%



Ministry of Fisheries	\$10,538	\$4,770	\$15,308	69%	31%
Ministry of Forests	\$10,080	\$4,898	\$14,978	67%	33%
Ministry of Sugar Industry	\$1,145	\$63,739	\$64,883	2%	98%

2019-2020					
Economic Services	Operating	Capital	Total (000)	Operating %	Capital %
Ministry of Agriculture	\$27,955	\$31,490	\$59,445	47%	53%
Ministry of Fisheries	\$10,791	\$4,527	\$15,318	70%	30%
Ministry of Forests	\$11,599	\$2,666	\$14,265	81%	19%
Ministry of Sugar Industry	\$1,445	\$111,020	\$112,466	1%	99%

**7. Can the Ministry explain why it's (Ministry and FSC) monitoring processes are not consistent with the requirements of the Annual Work Plan of the SDF which exposes risk of grants not being utilized appropriately?**

Monitoring procedures are established and operational. The three levels of monitoring as stated in the workplan are working very well. Initial monitoring, executed by Sector Officers, is documented on work order forms and retained by each respective officer. A subsequent layer of monitoring, performed by the SCGC office, is chronicled within quarterly reports submitted to the Ministry. The Ministry undertakes a third phase of monitoring, drawing upon the data from the aforementioned reports. While acknowledging that the reports may not align entirely with audit preferences due to their voluminous nature, the Ministry mitigates this through the submission of assisted farms listings and random inspections.

The comprehensive monitoring mechanisms required by audit are not feasible for Ministry due to the following:

**Resource Limitations:** The Ministry has faced resource constraints, including manpower, technology, and financial resources, which have impacted the ability to execute comprehensive monitoring activities. The lack of resources has also been highlighted in auditor general's report for the Ministry.

**Operational Challenges:** The complexity of coordinating and implementing monitoring processes across multiple grant programs and regions have presented operational challenges. Due to the number of grants and beneficiaries spread out geographically, it has always been a challenge for the Ministry to provide ample oversight to the grants being disbursed.

To ensure that Ministry keeps strengthening the monitoring processes, the Ministry is committed to taking the following actions:

**Review and Alignment:** Conduct a comprehensive review of existing monitoring processes and align them more closely with the requirements of the Annual Work Plan to mitigate risks associated with inappropriate grant utilization.

**Resource Allocation:** Seek to allocate additional resources, including personnel, technology, and funding, to strengthen monitoring capabilities and ensure more consistent adherence to the monitoring plan. For the financial year 2023-2024, Ministry has been given three (3) additional grant/monitoring officers to ensure wider reach of the grant monitoring team.

**Training and Capacity Building:** Provide training and capacity-building opportunities for monitoring staff to enhance their skills and expertise in carrying out effective monitoring.

**Continuous Improvement:** Implement a system of continuous improvement, where lessons learned from past monitoring experiences are used to refine and optimize future monitoring processes.

By taking these steps, the Ministry aims to enhance the effectiveness and consistency of their monitoring efforts, ultimately ensuring that the grants provided through the SDF program are utilized appropriately and in accordance with the Annual Work Plan.

**8. Please explain what are the mechanisms in place to recover funds from those farmers who did not utilize the funds for its intended purpose?**

Here are some mechanisms that are being used to ensure there is provision to recover funds from farmers:

**Grant Agreement:** It is mandatory for recipient of grant funds to sign an agreement with FSC. This agreement outlines the terms and conditions of the grant, including the intended use of funds, reporting requirements, and consequences of non-compliance.

Particularly clause 6 and 7 which highlights the recovery process. Below is clause 6 and 7 of the agreement

6. In case of misuse of the Sugar Cane Development and Farmers Assistance grant which includes but not limited to non-planting of cane for area assisted for land preparation, stand over cane, sale of cane for seedling purpose, farm sale, and planting of non- sugarcane crops, recipient grants authority to FSC to deduct the full cost of the grant provided and an additional 25% of the said amount to cover from his/ her cane proceeds.

7. In case where the cane proceeds are not sufficient to meet the total cost of grant including 25% administration cost, the recipient will make necessary arrangement to settle the balance. Failure will result in legal actions taken against the recipient by FSC

Sample Agreement provided below;

## SUGARCANE DEVELOPMENT AND FARMERS ASSISTANCE PROGRAM

Year: 2023-2024

### GRANT AGREEMENT

Between

Fiji Sugar Corporation Limited (FSC) &

Recipient

Name: \_\_\_\_\_

Farm No: \_\_\_\_\_

Sector: \_\_\_\_\_

Mill: \_\_\_\_\_

Both FSC and the registered grower as the recipient **AGREES**: -

1. That FSC will administer the Grant on recipient's behalf and provide necessary guidance and supervision to ensure proper utilization of the grant;
2. To adopt recommended farming practices with regards to crop rehabilitation, land preparation, seed cane selection and treatment, cane planting, fertilization, cultivation and weed control;
3. That the activities mentioned in each **Work Order** must be completed within 45 days from the issuance date. The recipient must immediately notify the sector office upon completion and FSC Sector officer must undertake verification within a week of notification.
4. Failure to comply within 45 days will deem the Work Order **Null and Void** and will result in the **non-payment** of the grant.
5. In case of unforeseen circumstances that is beyond human control including but not limited to Tropical cyclone, drought, flooding, death of an immediate family, the grower should immediately inform in writing to the FSC Sector Officer for perusal for which FSC needs to provide written response within five (5) working days.
6. In case of misuse of the Sugar Cane Development and Farmers Assistance grant which includes but not limited to non-planting of cane for area assisted for land preparation, stand over cane, sale of cane for seedling purpose, farm sale, and planting of non-sugarcane crops, recipient grants authority to FSC to deduct the full cost of the grant provided and an additional 25% of the said amount to cover from his/her cane proceeds.
7. In case where the cane proceeds are not sufficient to meet the total cost of grant including 25% administration cost, the recipient will make necessary arrangement to settle the balance. Failure will result in legal actions taken against the recipient by FSC.

8. All efforts will be made from recipients end to harvest cane assisted under this Sugar Cane Development grant.
9. Recipient will not deny access to his/her farm to any Sugar Industry Stakeholders for monitoring purposes.
10. FSC will process first payment as per 6.5 (i) of grant amount to recipient or contractor (based on recipient advice) upon satisfactory completion of 1st land preparation with two weeks for verifications. FSC will not be responsible for any arrangement made between the recipient and the contractor including cooperatives for land preparations.
11. FSC will process second payment as per 6.5 (ii) of grant amount to recipient or contractor (based on recipient advice) upon satisfactory completion of 2nd or final land preparation with two weeks for verifications. FSC will not be responsible for any arrangement made between the recipient and the contractor including cooperatives for land preparations.
12. FSC will credit final payment as per 6.5 (iii) of grant amount to recipient (based on recipient's advice) within six to eight weeks after verification upon Application of AgLime, use of good seed and successful germination, proper weed control, application of Blend A and B fertilizer and first round of inter- row cultivation. FSC will not be responsible for any arrangement made between the recipient and the contractor including cooperatives for planting.

The above-mentioned conditions were explained to me in English/Hindi/ I-Taukei language and I fully understood and agree to the above-mentioned conditions.

.....  
Signature or left thumb print of Grower

.....  
Signature of FSC Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

To-date FSC has recovered \$3,645 as CPG and \$372 as Administration fee from 5 growers and is with FSC.

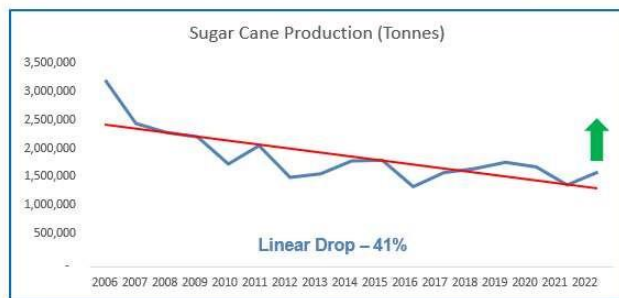
The recovery fee in 2023 increased from 10 % in previous years to 25% of the entire/funded grant amount for defaulting farmers to ensure deterrence on improper grant utilisation.

**9. What is the status of the Cane productivity pre and post SDF Grant period, particularly from 2010 to 2015, 2016 to 2019 and 2020 to 2022?**

The impact on production of cane before government grants and after government grants is shown through the graphs below;

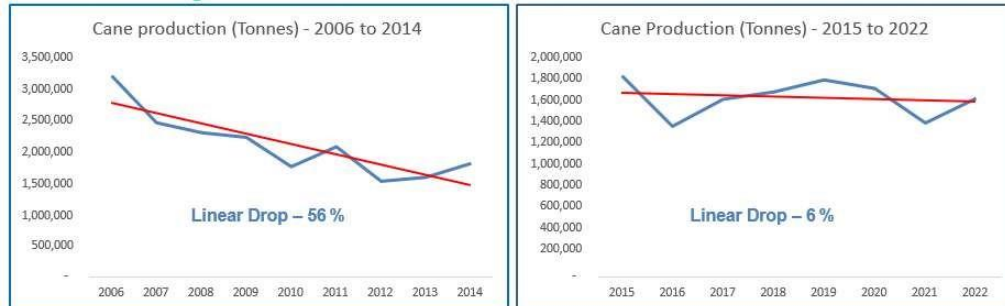
The data shows that cane production has been in perpetual decline over the years from a high of 3.2m in 2006 to a low of 1.3m in 2016. However, due to the introduction of government grants and subsidies, the declined was stemmed from a sharp decline of 56% to only a smaller decline of 6%

### Declining Cane Production



SUGARS OF  
**FIJI**  
FACILITATING SUGAR FOR THE FUTURE

### Cane Planting Grant & Other subsidies combined has stemmed the decline in Cane Production



2 Million tonnes were last harvested in 2011 from 39,500 Ha with a productivity of 53 tonnes per Ha and supplied by 13,250 producing farmers.



### ☐ Types of subsidy provided by Government to farmers on yearly basis?

Ministry of Sugar Industry								
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Grand Total
Sugar Development and Farmers Assistance Programme	\$ 10,890,000	\$ 15,400,000	\$ 15,400,000	\$ 500,000	\$ 1,200,000	\$ 500,000	\$ 1,000,000	\$ 44,890,000
EU Funding	\$ 100,000	\$ 115,000	\$ -	\$ -	\$ -	\$ -		\$ 215,000
Cane Access Roads	\$ 3,688,844	\$ 7,254,248	\$ 6,300,000	\$ 2,000,000	\$ 1,000,000	\$ 3,000,000	\$ 6,700,000	\$ 29,943,092
Sugarcane Rehabilitation Small Grant Scheme	\$ -	\$ 1,015,000	\$ 1,000,000	\$ 2,000	\$ -	\$ -		\$ 2,017,000
Sugarcane Farm Mechanization Program	\$ -	\$ 1,890,000	\$ 1,215,000	\$ 250,000	\$ -	\$ 90,000		\$ 3,445,000
Subsidy for Special Payment for Cane Farmers	\$ -	\$ 8,000,000	\$ -	\$ -	\$ -	\$ -		\$ 8,000,000
Cane Cartage Program	\$ -	\$ 4,228,028	\$ 5,659,907	\$ 3,999,994	\$ 3,000,000	\$ 3,768,823	\$ 4,961,098	\$ 25,617,850
Weedicide Subsidy	\$ -	\$ 6,318,000	\$ 6,318,000	\$ 500,000	\$ -	\$ 750,000	\$ 600,000	\$ 14,486,000
Fertiliser Subsidy	\$ 9,722,100	\$ 15,354,000	\$ 15,354,000	\$ 15,620,136	\$ 14,420,126	\$ 25,340,847	\$ 25,340,847	\$ 121,152,056
New Farmers Assistance	\$ -	\$ 1,000,000	\$ -	\$ 277,910	\$ 96,090	\$ -		\$ 1,374,000
Tractor - mounted harvester	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -		\$ 500,000
Support to FSC	\$ -	\$ -	\$ -	\$ 50,000,000	\$ -	\$ -		\$ 50,000,000

Sugar Stabilisation Fund	\$ -	\$ -	\$ -	\$ 30,000,000	\$ 41,107,976	\$ 46,984,334	\$ 2,820,361	\$ 120,912,671
Cane Top-Up	\$ -	\$ 16,909,373	\$ 6,003,460	\$ -	\$ -	\$ -		\$ 22,912,833
Micro Insurance	\$ -	\$ -	\$ -	\$ 300,732	\$ -	\$ -		\$ 300,732
TC Yasa	\$ -	\$ -	\$ -	\$ -	\$ 1,153,910	\$ -		\$ 1,153,910
Capital Grants (SEG 10)	\$ 24,400,944	\$ 77,483,649	\$ 57,750,367	\$ 103,450,772	\$ 61,978,102	\$ 80,434,004	\$ 41,422,306	\$ 446,920,143

□ Number of Farmers assisted and amount for planting new sugarcane on yearly basis

Programs ↓/ Year →	2014	2015	2016	2017	2018	2019	2020	2021	2022
No of Farmers Assisted	4,568	3,696	3,444	5,785	6,168	5,949	2,862	1,298	1,159
Amount in Million \$	8.4	5.0	4.6	9.0	15.4	15.4	0.5	1.2	0.5
Area planted (Ha.)	4,993	2,755	2,601	5,216	5,259	5,875	789	1,002	442

□ Number of Farmers against hectares of plantation done

Programs ↓/ Year →	2014	2015	2016	2017	2018	2019	2020	2021	2022
No of Farmers Assisted	4,568	3,696	3,444	5,785	6,168	5,949	2,862	1,298	1,159
Amount in Million \$	8.4	5.0	4.6	9.0	15.4	15.4	0.5	1.2	0.5
Area planted (Ha.)	4,993	2,755	2,601	5,216	5,259	5,875	789	1,002	442

□ How many hectares of land were utilized from the existing farm and how many hectares of land preparation was done on new land under the scheme?

Programs ↓/ Year →	2014	2015	2016	2017	2018	2019	2020	2021	2022
Area planted (Fresh planting) – Ha.	4,645	2,643	2,244	3,368	4,053	4,647	530	1,002	256
Replanting – Ha.	348	112	357	931	1,206	1,228	259	-	186
Total – Ha.	4,993	2,755	2,601	5,216	5,259	5,875	789	1,002	442

10. What is the current Tonnes of Cane to Tonnes of Sugar ('TCTS')?

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
TCTS	8.1	8.3	9.9	9.0	10.6	10.7	11.4	10.6	10.5

11. What is the difference in tonnage comparing the new crop that has been planted on by existing farmers?

The difference is around 7-8 tons depending on soil condition and rainfall farming and other factors

Tonnage ratoon (old crop)	Tonnage New Crop	Difference in tonnage
---------------------------	------------------	-----------------------



49.2 tons	57.0 tons	7.8 tons
-----------	-----------	----------

## 12. What is the Ministry plan in self-sustain the industry in the next five (5) years and by how much reducing the subsidies provided by the Government to the farmers?

Currently Ministry is in the process of developing a vibrant Strategic plan. The government in the 2023-2024 budget has provided a budget of \$150,000.

Designing a comprehensive plan to self-sustain the sugarcane industry while reducing government subsidies requires careful consideration of various factors and a multifaceted approach. Here's a generalized outline of a Ministry plan<sup>1</sup>. Diversification and Value Addition:

Promote the development of value-added products such as ethanol, biofuels, and other sugarcanebased products to create additional revenue streams. The Minister for Sugar Industry has a plan to introduce the following new products to ensure that the industry remains viable;

- i. Establishing a sugar refinery entails significant upfront investment, with initial setup costs exceeding \$100 million. Despite the substantial initial expenditure, the potential for long-term gains is promising. The products from the sugar refinery command a price that is much higher that of conventional brown sugar.
- ii. Establish an Ethanol (Bio fuel) plant to reduce dependency on fuel imports.
- iii. Engaging in co-generation, which entails supplying power to the EFL grid, will generate supplementary income for the FSC.

### 2. Capacity Building and Training:

Provide training and capacity-building programs for farmers to improve their skills in modern farming techniques, crop management, and sustainable practices.

### 3. Financial Support Transition:

Gradually reduce government subsidies while simultaneously providing targeted financial support to help farmers transition to more sustainable practices.

Offer incentives for adopting efficient and sustainable farming practices.

### 4. Public-Private Partnerships:

Foster partnerships with private sector stakeholders, including processing companies, to share resources, expertise, and risk in achieving self-sustainability.

### 5. Environmental Stewardship:

Promote sustainable land management practices, including soil conservation, water management, and reduced chemical usage, to enhance long-term productivity and environmental health.

It's important to note that Ministry will take a consultative approach to develop a new strategic plan. This will include getting all the industry stakeholders on board, approach private public partnerships to get the industry to self-sustain and become profitable as it was before.


### 13. What is the Ministry's plan to provide support to underperforming farmers?

The following are being practised to assist and provide support to farmers;

#### Capacity Building and Training:

FSC and SRIF are offering training programs on modern and sustainable farming techniques, crop management, pest control, and soil health. These workshops educate farmers on the best practises of farming and equip them to improve their production. FSC has embarked on a targeted yield maximisation demo plot exercise of mid-range and underperforming farmers in 150-200 tonnes and 3040 tonnes productivity levels, providing a comprehensive technology package for improvement. 260 farmers are to be taken up and developed across the three mills in 2023 through this program, and these farmers will be the ambassadors of change in the ensuing years.

#### Crop Monitoring protocol and schedule for Yield Maximisation plots

RATOON CROP MANAGEMENT PRACTICES - HISTORY SHEET		** Ratooning date is taken as Day 1		Carried out date
Details	Type of entry	Recommended day of activity	Recommended date / Entry	
1. Sector	No (or) Name			
2. Gang no.	No			
3. Farm no.	No			
4. Plot no.	No			
5. Area (ha.)	No			
6. Terrain	Flat / Rolling /Hilly			
7. Soil reclamation				
A. Aglime	Date	-1 to -3		
(Bags)	Nos			
B. Mill mud	Date	-1 to -3		
(Tonnes / Loads)	Nos			
8. Variety	Name			
9. Trash retention	Date	-1		
10. Ratooning date	Date	1		
11. Trash removal from Stubble	Date	7 to 10		
12. Stubble shaving	Date	7 to 10		
13. Off -barring (or) Ripping	Date	10 to 15		
14. Pre- Emergence weeding (along cane rows)	Weedicide name			
	Date	15-20		
15. First fertiliser dose - Side dressing (Blend C)	Date	<20		
(Bags)	Nos	8 or 15		
16. Urea Spray (6-8 Kgs per acre)	Date	40		
17. Gap filling (or) Tuntum (1st time - Seedling or stubble or Pre- germinated setts or setts)	Date	30 to 60 days		
18. Irrigation if dry	Nos	NA		
19. Early Post Emergence weeding	Manual (or) Mechanical & Weedicide name	50-60		
20. 2nd Fertiliser dose - Side dressing (Blend C)	Date	60-70		
(Bags)	Nos	7 or 0		
21. Intercultivation with plough (or / and) earthing up	Date	90		
22. 3rd Fertiliser dose - Side dressing (Blend B)	Date	90-100		
(Bags)	Nos	4		
23. Urea Spray (6-8 Kgs per acre)	Date	120		
24. Gap filling (2nd time - Cane from Stubble breaking)	Date	135-150		
25. Murate of Potash spray (Drought situation) 5 gms/Ltr	Date	NA		
26. 2,4 D Amine spray for creepers (or) 2,4 D amine + Diuron spray for creepers and grasses	Date	150		
27. Crop inspection and status	Date	270		
	Good / Moderate / Poor			
28. Field weed status	Weed free / Moderate / Heavy	270		
29. Detrashing before harvest	Yes/ No	300-330		
30. Cane Yield Estimate (Tonnes )	No	300-330		

\*\* Recommended days may vary based on crop status and can be based on physical inspection and judgement

#### Financial Assistance:



Sugar Cane Growers Fund offers low-interest loans, grants, or subsidies to help farmers invest in equipment, infrastructure, and inputs.

#### Risk Management and Insurance:

Crop insurance programs have been introduced through SCGC to protect farmers from losses due to adverse weather, pests, or market fluctuations.

#### 14. Please provide breakdown on the total tonnages of cane that was transported from Penang to

##### Rarawai Mill?

Mill Area	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Budget (\$M)	5.12	5.66	4.0	3.0	3.77	4.96
Tons of Cane Transferred (Penang to Rarawai)	118,240	139,939	145,809	152,984	133,683	132,461

#### 15. In terms of transparency, can the Ministry explain how it has strengthened the application process through which Grant recipient are selected and compare it to the process that was previously followed to vet the application?

Ministry is still using the "First come, first served" grant disbursement method. It is a method in which applicants are served in the order they apply, with no preference given based on any other criteria.

##### Advantages of First Come, First Served Grant Disbursement:

Transparency: Applicants are served in the order they apply, ensuring no farmer is discriminated against.

Equal Opportunity: All applicants have an equal chance of receiving the grant, regardless of their background or circumstances. This promotes inclusivity and prevent biases.

Encourages Prompt Application: The urgency to apply early motivates farmers to act promptly, ensuring that funds are utilized efficiently.

##### Considerations:

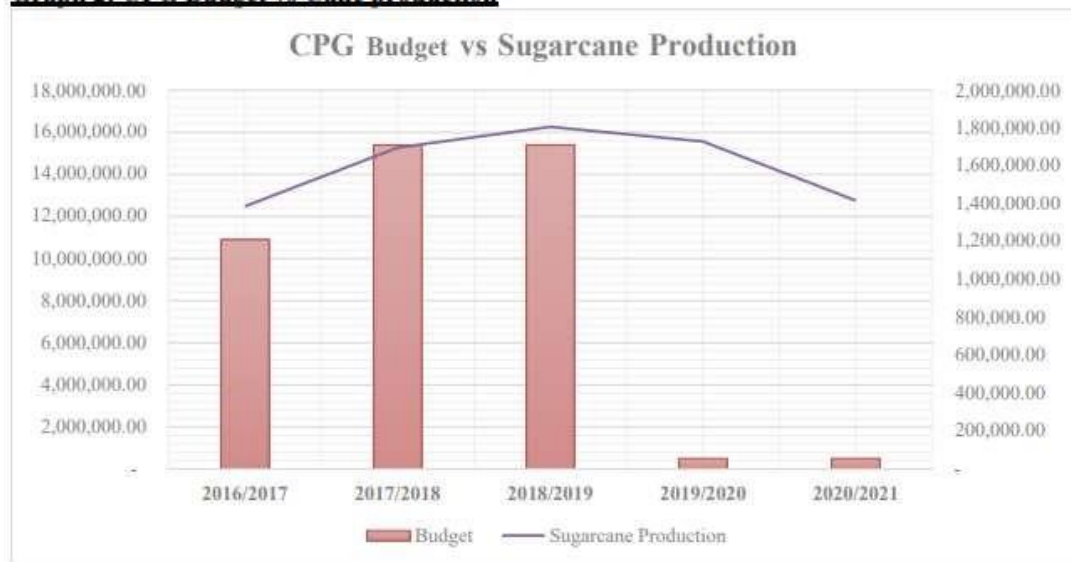
Ministry also understands that due to the “First Come first serve”, there may be some farmers who miss out in the first instance. However, Ministry has catered to these farmers by ensuring that the farmers who miss out in the first year are the first priority for assistance in the coming year. This has been captured in the workplans. Apart from this, farmers can also access the CDRF loan facility which is purely for Cane Planting at zero percent interest rate.

**16. Was there any evaluation carried out to on the effectiveness, efficiency and economic viability of the SDF Grant implementation?**

An impact assessment study was conducted by the Ministry's Grants team in 2022. This study covers the previous five years and reveals a clear correlation between the grants awarded and sugarcane production. Notably, an upsurge in cane production aligns with increased funding, while a decrease in funding corresponds to a reduction in production.

This is demonstrated by the graph below

**Graph 2: CPG Budget vs Cane production**



**17. Grant Monitoring Framework – what is the current status of the GMF?**

The Grant Monitoring framework is in place now.

**18. Does the Ministry have the procedures and processes in place to ensure the integrity of the Grant Administration process such as covering conflict of interest and fraud?**

There is a conflict-of-interest Policy which has to be signed by the FSC officers handling the grants. Ministry staff also check the paper work submitted by Sector Officers to ensure that there is no conflict or any item of fraud.

**19. How the Ministry does ensure that the FSC maintains proper records of Grant payments and provides when requested for audits?**

The Ministry employs several mechanisms to ensure that the FSC maintains accurate and transparent records of grant payments and promptly provides them during audits. These mechanisms include:

**Documented Guidelines:** The Ministry, through the Annual Workplan and signed Grant Agreements, establishes clear and comprehensive guidelines outlining the requirements for record-keeping, documentation, and reporting of grant payments. This helps ensure consistency and standardization in the recording process.

**Regular Reporting:** FSC is required to submit quarterly reports detailing the disbursement of grant payments. These reports include information about the recipients of subsidies and the amount disbursed.

**Audit Trail:** The Ministry requires FSC to maintain a clear audit trail for all grant payments. This includes keeping records of payment transactions, supporting documents, approval processes, and any changes made to the subsidy allocation.

**Random Audits:** The Ministry conducts random audits or inspections to verify the accuracy of the FSC's records and ensure compliance with subsidy guidelines. These audits serve as a deterrent

against improper record-keeping practices. Ministry also visits some farmers who have been assisted under the program to verify that assistance has reached to the farmer as has been intended under the programs.

**External Auditors:** Office of the Auditor General has conducted their own yearly audit checks of FSC's record keeping and documentation which has provide an unbiased assessment of the accuracy and transparency of records.

## 20. How bad was the cases that were submitted to the FICAC?

The case is before the courts and therefore Ministry will not be able to comment on an ongoing case. However, this deception was caught by the checks that are in place by Ministry of Sugar Industry and FSC.

## Former Fiji Sugar Corporation Team Leader Charged

*It is alleged that he cashed two FSC cheques of \$1300 and \$600, which were not issued to him and dishonestly gained a total of \$1900. He is further alleged to have falsified Work Orders under the Cane Payment Grant with the intention of obtaining a gain from the FSC, which is a Government entity.*

By **Fiji Independent Commission Against Corruption**

21-Jul-2020 16:28



A former Fiji Sugar Corporation (FSC) team leader was produced at the Labasa Magistrates Court yesterday on allegations of corrupt practice.

The Fiji Independent Commission Against Corruption (FICAC) charged Roneel Chand with two counts of Obtaining a Financial Advantage and one count of Falsification of Documents.

It is alleged that he cashed two FSC cheques of \$1300 and \$600, which were not issued to him and dishonestly gained a total of \$1900. He is further alleged to have falsified Work Orders under the Cane Payment Grant with the intention of obtaining a gain from the FSC, which is a Government entity.

The accused was released on bail. The matter was adjourned to October 9.

**Feedback:** [rosi.doviverata@fijisun.com.fj](mailto:rosi.doviverata@fijisun.com.fj)

### MORE ON CRIME & COURT

**Vakarisi Pleads Not Guilty; Bail Refused**  
2022-10-06

**Father Further Remanded For Allegedly Attempting To Murder Son**  
2022-09-06

**Autopsy Result Of Sigatoka Man Received**  
2022-08-30

**Court Awaits Records, Judge's Notes In Vasu And Kunatuba Case**  
2022-08-19

NEWS / LOCAL NEWS

## Former FSC employees in court

ANISH CHAND | 21 December, 2019, 5:28 am



Picture FILE

TWO former employees of the Fiji Sugar Corporation were charged with corruption related offences and presented in the Lautoka Magistrates Court on Thursday.

The Fiji Independent Commission Against Corruption (FICAC) charged Samuela Raihoa with one count of obtaining a financial advantage.


It was alleged Mr Raihoa, who was based in the Lautoka office, falsely stated that he cultivated a piece of land in Labasa belonging to a registered FSC grower and obtained \$5000 under the 2015 Sugarcane Planting Program Government Grant.

Another former FSC worker, Mohammed Aiyubi was charged with one count of aiding and abetting an act of obtaining a financial advantage.



More in today's edition of *The Fiji Times*.



**Court**  
**Former Fiji Sugar Corporation Limited employees charged**

 **Josala Nunuqa**  
 Multimedia Journalist / Taukei Desk  
 josala@fbc.com.fj

DECEMBER 21, 2019 1:14 PM

Two former employees of the Fiji Sugar Corporation Limited have been charged with corruption-related offenses.

The Fiji Independent Commission against Corruption charged Samuela Railoa with one count of obtaining financial advantage, while Mohammed Aiyub faces one count of Aiding and Abetting Obtaining a Financial Advantage.

It is alleged that between August 2016 and April 2017, Railoa falsely stated that he cultivated a piece of land in Labasa belonging to a registered FSC Grower in order to obtain \$5000 under the 2015 Sugarcane Planting Program Government Grant.



ARTICLE CONTINUES AFTER ADVERTISEMENT

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Aiyub, on the other hand, is alleged to have helped Railoa obtain the money by entering Railoa's name into the work order form for the payment of the grant instead of the name of the registered owner.

FICAC State Counsel Adrian Sharma appeared for Prosecution and informed the court that first phase disclosures were served.

The duo has been released on bail and a stop departure order has been issued against them.

They were also instructed to surrender their travel documents, not to re-offend and

## 21. What is the current statistics for Sugarcane Production in relation to farmers Tonnes of cane?

Season	2022	2023
No of Registrations	16,971 (10,872 Producing growers)	16,971
Area Under Cane	34,921	33,801
Production	1,639,004	1,657,340 (Est)
Production as tonnes per Ha.	49.8	52.9

## 22. Provide clarification on the \$1.8 million Sugar levy, what is it paid for and what benefit it brings to the industry?

Under the Sugar Industry Act No.8 of 1984, the Sugar Cane Growers Council (SCGC) was established with specific functions to protect and further the interests of registered cane growers in Fiji. It is the peak cane growers' organization representing the interests of all registered cane growers in Fiji.

The Council used to be fully funded by the cane growers themselves through a levy from the cane proceeds to accommodate the administrative and operational expenses of the Council.

From the year 2016, the Government is providing annual grant to the council for its operating and administrative expenses in the sum of \$600,000 (VIP) per annum which was increased to \$800,000 (VIP) from 2021-2022 financial year. The Government Grant to SCGC was put in place to relieve the burden on cane farmers of the levy which used to be deducted from the farmers' cane proceeds to fund the SCGC's operations and it also forms part of the Government's current reforms for SCGC. The abolishment of the levy reduces the expenses for cane farmers and increases available income, which could be utilised by the farmers to meet daily obligations or be put to use in increasing cane production.

It also provides a fixed source of funds for the SCGC which is not dependent on variables as the levy from cane farmers was. This has assisted the SCGC in its planning processes and the delivery of its services to cane growers of Fiji which include but not limited to Legal services, weedicide distribution, assisting farmers in Income Tax Returns, Substitute Agreements, MOGA, Increase in Harvesting Rates, Gang disputes/meetings, Land Rent Appeal/Renew, Cane Planting Program, Cane Payment, Cane Access Road, Cane Knife distribution etc.

### 23. Can the Ministry explain was there any cost benefit analysis done on the fertilizer subsidy of \$46.3million?

Providing a fertilizer subsidy to sugarcane farmers can be justified based on the specific challenges and circumstances faced by these farmers within the context of sugarcane cultivation:

**High Input Costs:** Sugarcane farming requires significant inputs, including fertilizers, to achieve optimal yields. Fertilizers contribute to improved soil fertility and crop health, which directly impacts sugarcane production. By offering a subsidy on fertilizers, the government has alleviated the financial burden associated with these necessary inputs.

**Sensitivity to Market Prices:** Sugarcane prices are influenced by market fluctuations and international competition. When market prices are low, the cost of inputs like fertilizers can represent a significant portion of a farmer's expenses. The subsidy has ensured farmers' financial situation remains stable during periods of low market prices.

**Long Growth Cycle:** Sugarcane has a relatively long growth cycle before it can be harvested. During this period, farmers need to invest in inputs like fertilizers without immediate returns. A subsidy supports farmers during this extended period of investment by reducing their financial strain.

**Income Stability:** Fertilizer subsidies contribute to more consistent and reliable sugarcane yields. This stability in production translates into more predictable income for sugarcane farmers, allowing them to plan their finances better and reducing the risk of income fluctuations.



## Context

Fertilizer is an integral component of sugarcane production. Sugarcane crops require between 120 – 150 kg/ha of Nitrogen and it's crucial that farmers apply fertilizer at the appropriate times, whether it is after planting of cane or simply for ratoon maintenance cannot be understated.

Currently, the rate of Nitrogen application hovers around 70 – 80 kg/ha. Soils of the sugarcane regions cane lands have been “mined” of major nutrients as cane growers do not apply the recommended rates at the right time and in the right manner. Due to crop nutrient deficiency the sugarcane yield is declined to below 50 tonnes per hectare. Therefore, the aim to increase to 55 tonnes per hectare.

The blended fertilizer sold by the South Pacific Fertilizer Limited (SPFL) helps provide the Nitrogen, Potassium and Phosphorous needed by cane to be able to germinate and propagate successfully and cannot be disregarded in the cultivation of cane. The prices of raw materials e.g., Muriate of Potash and Di-Ammonium Phosphate have increased steadily in past years like other inputs costs.

Due to increasing import costs, the SPFL had raised the prices for blended fertilizer to farmers to cover its increasing costs. This increase had reduced income available for farmers, making it difficult to afford the fertilizer cost.

Between 2009 and 2022/2023, the Government has spent \$147.84 million to subsidize fertilizer input costs for farmers. The Government contributed \$14.09 per bag of 50kg fertilizer as a subsidy from 2009 to 2016/2017 while the farmers paid \$31.50 of the total cost of \$45.59 per bag of fertilizer supplied by SPFL. From 2017/2018, the Government increased subsidy to \$25.59 per bag while the grower's contribution reduced to \$20.00 per bag. From 1 April 2022, the Government further increased the subsidy to \$60.90 per bag whilst the growers continued to contribute \$20.00 per bag. This was due to an increase in global fertilizer price.

In the 2023/2024 budget, a total of \$20 million has been allocated for fertilizer subsidy. The fertilizer subsidy is purely aimed to make the cost of fertilizers more affordable for cane farmers and encourage fertilizer usage on farms at the industry's recommendation rate of 15-18 bags/hectare or 750-900 kg/ha.

### 24. Without subsidy, can the Ministry provide the costs of producing 1 tonne of sugarcane?

Subsidy / Ha. (\$)

Planting – 1500

Fertiliser – 1300

Weedicide – 90

Total - 2890

Cost of cane cultivation /Ha (\$)	Plant crop	Ratoon crop
With Subsidy	4,955	2,359
Without subsidy	7,845	3,424

	Inclusive of Harvest & Transport		Exclusive of Harvest & Transport	
	Plant	Ratoon	Plant	Ratoon
Productivity /Ha (Tonnes)	57	49.2	57	49.2
Cost per tonne with subsidy (\$)	86.93	47.95	45.19	6.21
Cost per tonne without subsidy (\$)	137.63	69.59	95.89	27.85

The cost assumptions are based on the majority of farmers who do normal cultivation practices under conducive climate conditions and on the 2022 season yield analysis.





# **“Performance Audit on Sugarcane Development & Farmers Assistance Program”**

Presentation to  
Public Accounts Committee by  
Ministry of Sugar Industry

**30 August 2023**

1

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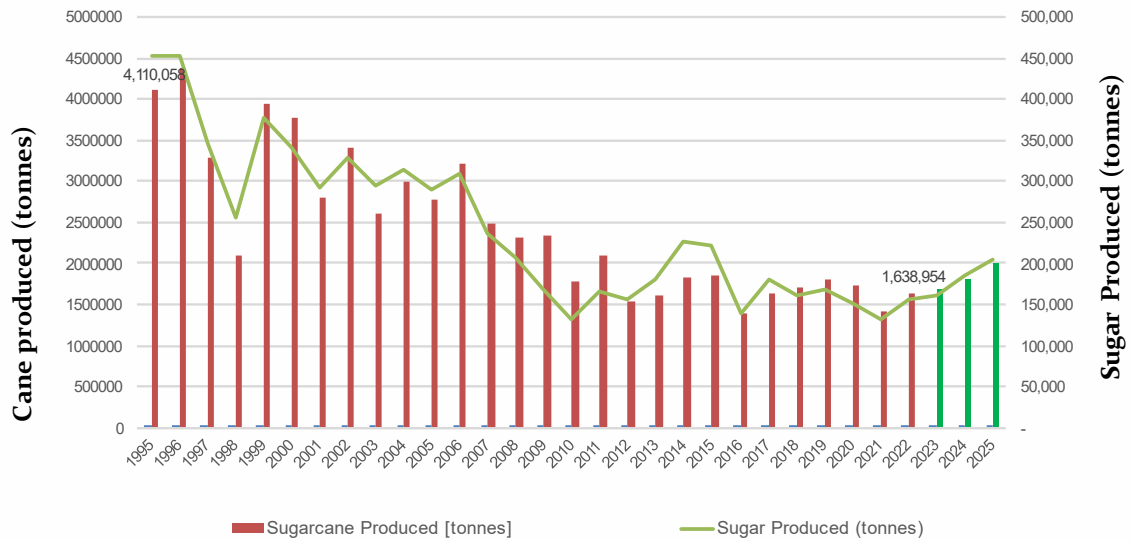
## **Presentation Outline**

- Overview of Sugar Industry
- Market Outlook
- Background and Ministry of Sugar Industry
- Major Stakeholders and their roles in implementing Sugarcane Development & Farmers Assistance Program
- Discussion on Sugar Development and Farmers Assistance Program and clarification of issues highlighted by PAC
- Plans of the Sugar Industry
- Any other issues highlighted by PAC
- Questions



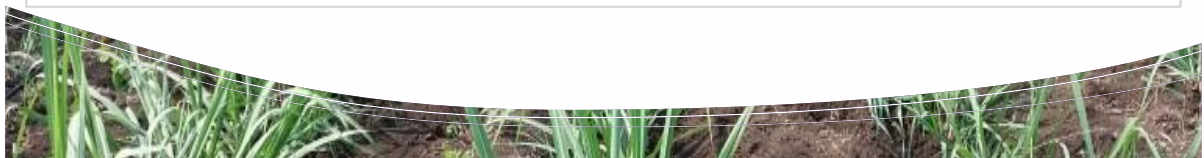
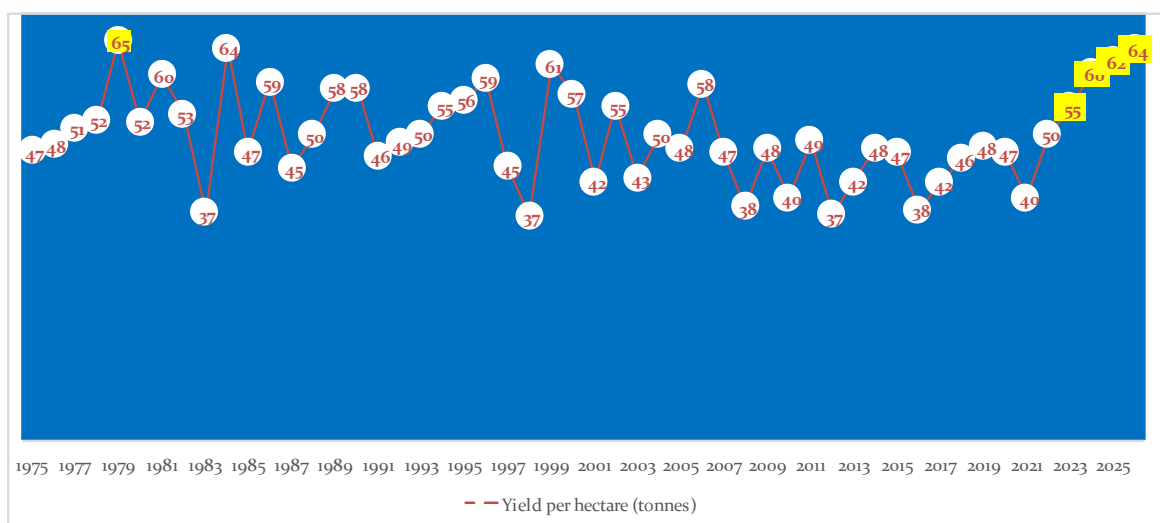
# Production Trend

## Sugarcane and Sugar Production

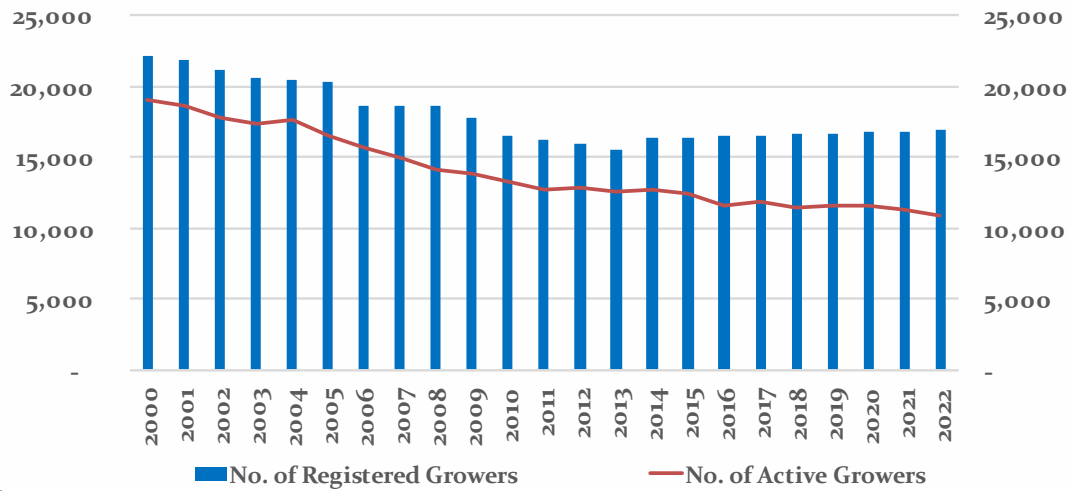


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## Sugarcane Yield Trend actual vs Forecast



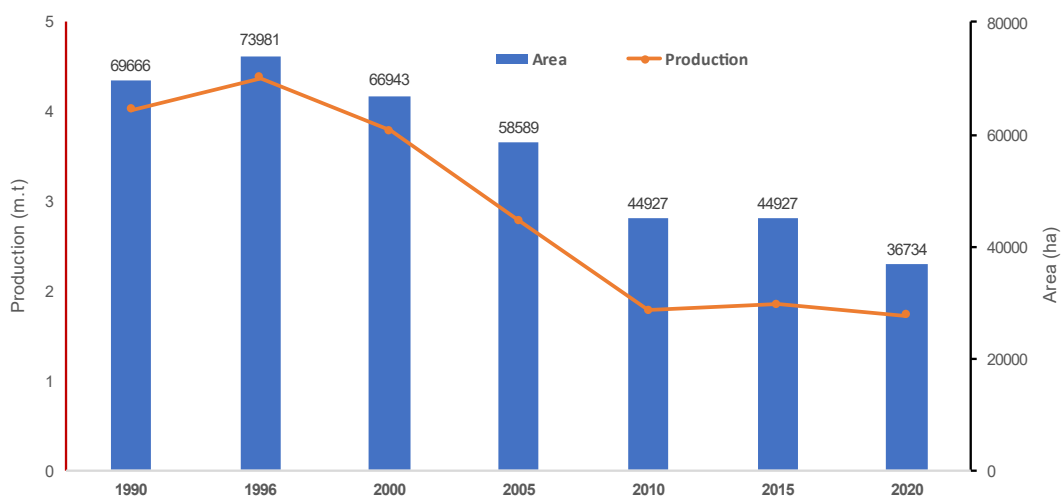
## Registered vs Active Growers



Sample Footer Text

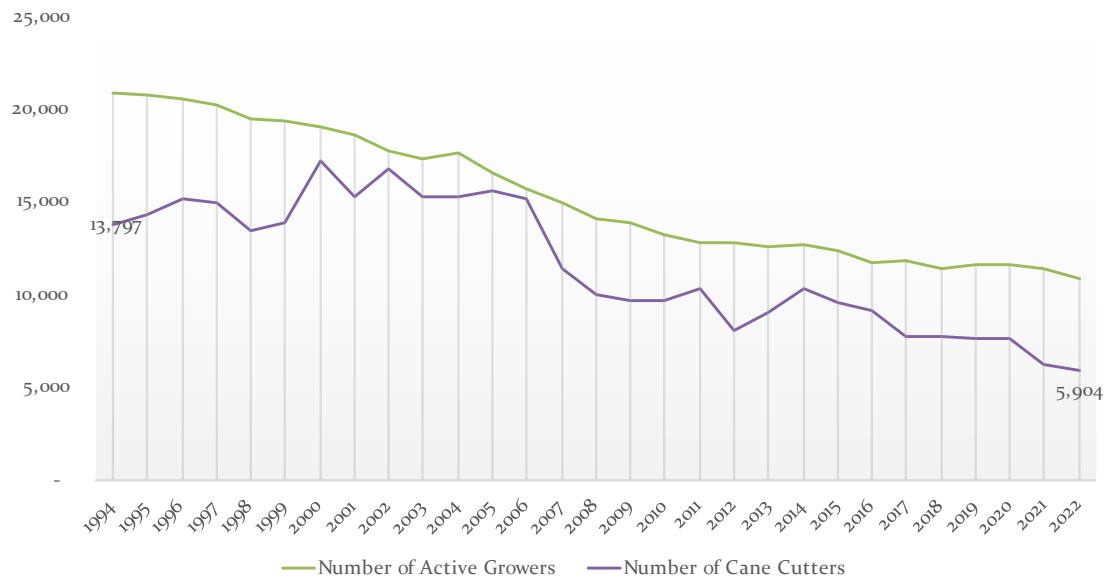
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## Area vs Cane Production



Source: SRIF, 2023

## No. of Active Growers vs No. of Cane Cutters



Source: FSC, 2022

Average cane harvested by cane cutter is 167 tonnes per season in 2022 (60% manual) compared to 220 tonnes in 1997 (100% manual)

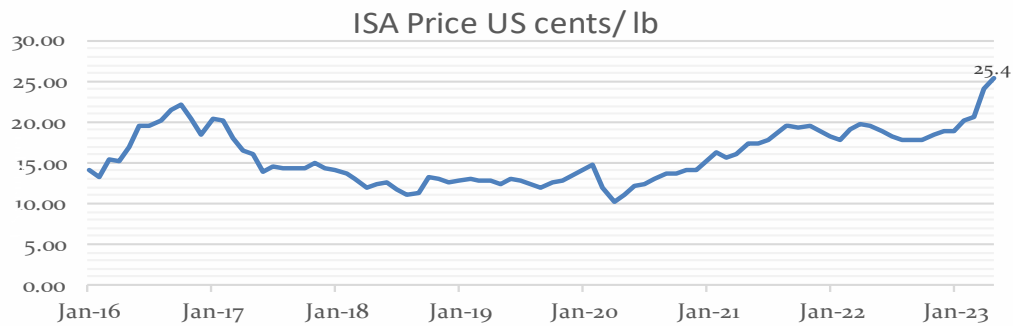
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## Sugar Production and TCTS

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sugar Make (ooo's)	227	222	140	180	160	169	152	133	156
TCTS	8.1	8.3	9.9	9.1	10.6	10.7	11.4	10.6	10.5

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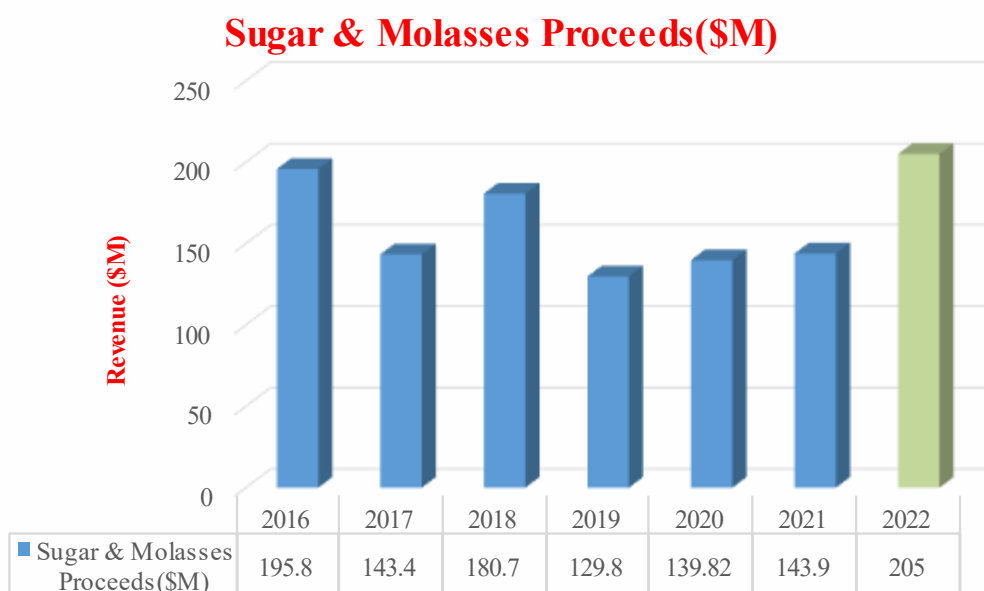
## Market Outlook - World Raw Sugar Price



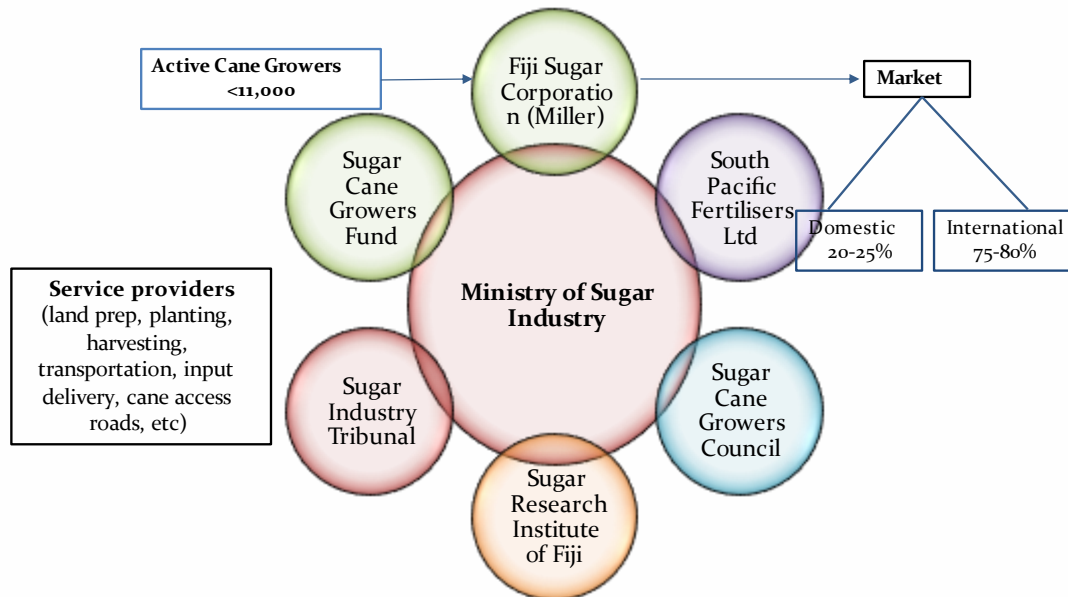
Source: International Sugar Organization June 2023

**News:** India has banned mills from exporting sugar and capped exports to 6.1 million tonnes only compared to 11.1 million tonnes last season. Their cane planting for 2024/25 season will also drop <sup>9</sup>

## Revenue Earnings



## Fiji Sugar Industry Structure



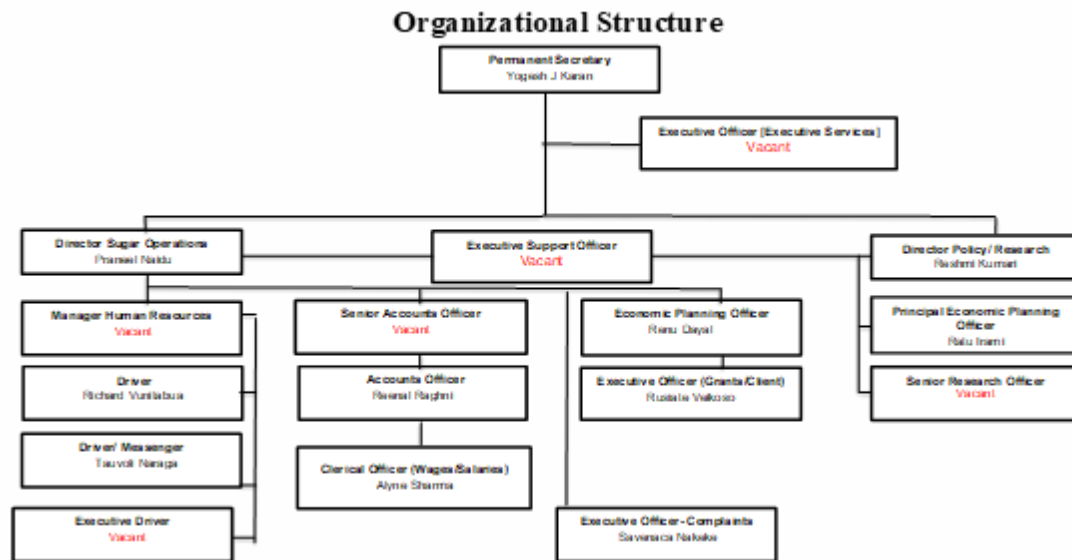
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## Role of Ministry of Sugar Industry

- Established in 2012
- Formulate / implement Gov key policies in the sugarcane industry / monitor implementation of sugarcane industry reforms
- Consult and ensure harmony within industry by bringing Industry institutions to work together (FSC, SCGC, SIT, SCGF, SRIF, SPF and Landlords – TLTB and Lands Dept)
- Provides assistance to the industry institutions that receive funding from Government and attends to grower issues

12

## Staffing Structure of Ministry of Sugar Industry



13

## Discussion on Sugarcane Development and Farmers Assistance Program ('Cane Planting Grant' or 'CPG')

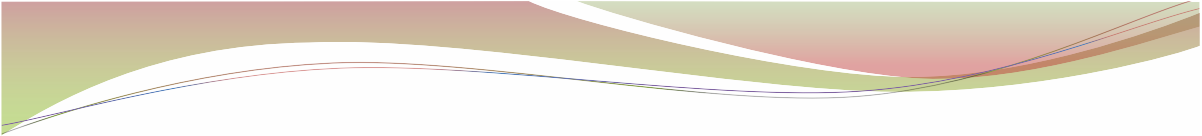
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## Background of CPG

- CPG Program began in 2014 and is ongoing
- Objective - to provide grant to growers to help increase cane yield and sugarcane production and reduce cost of production for farmers

15



## Implementing Agencies and their roles in implementing Cane Planting Grant Program

- Ministry formulates policies of CPG in consultation with all industry institutions (Project Steering Committee) and seeks policy approval from Minister before implementation
- FSC administers the grant and is responsible for overall implementation, provides Extension and advisory services to growers on best farm management practices including advice to grant beneficiaries, facilitates filling of forms, registration, monitoring and facilitates payment of grants to growers
- SRIF conducts seed certification, soil test and demonstration and transfer of technology such as planters, weedicide and fertilizer applications, R&D on weed management, pest management practices cane breeding, production and trials on seed treatment and tissue cultured seed cane

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## Implementing Agencies and their roles in implementing Cane Planting Grant Program con't

- Sugar Cane Growers Council conducts awareness and assists in program implementation, attends to grower complaints
- SCGF – provides financial support for farm development and machinery purchase, farmhouse, rehabilitation etc
- SIT – registers new growers and advice on contract deregistration, maintains Master Award
- SPFL – procures raw materials, blends and supplies fertilizer for growers. It also procures weedicides and distributes it through SCGC

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## FSC Field Structure

- Role of Extension/Advisory Services and Harvesting and Logistics
- [FSC FUNCTIONAL ROLES.pptx](#)

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## Policies and assessment criteria of CPG

- Policies are developed and included in Grant manual and varies annually depending on funding.
- First come first serve basis as planting is seasonal and weather based, and priority is to plant within the season to ensure good germination, growth and development of cane plants
- Those who don't receive, are first in order of request for they are prioritized in following financial year
- **CPG Manual** [CPG Program.docx](#)

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## Program Awareness

- Ministry conducts program awareness at institutional level [Advertisement- 2019-2020 Min of Sugar Industry Programs.pdf](#)
- FSC leads awareness at farmer level, accompanied by all institutions, awareness also done through meetings, farmer consultations, newspaper advertisement, printed materials, grant manual distribution to sector officers, radio talkback shows
- **Awareness Program schedule** [CPG Awareness MEETINGS SCHEDULE - LABASA MILL.xlsx](#)

20

## Forms, registration, grant distribution

- Previously manual register was used, now forms have been developed and used. [SDFA Application form 2023-2024.docx](#)

- Details are recorded in FSC database

Grant Agreement [1812 Grant Agreement.pdf](#)

Grant verification register [FSC Monitoring.docx](#)

Payment vouchers; Land Prep [Verification for Land Preparation.pdf](#)

Payment vouchers; Planting [Verification for Planting.pdf](#)

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## Budget vs Planting Achievement under CPG

Year	2013	2014	2015	2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023
Budget (M)	0.5	8.4	5.0	4.6	10.89	15.4	15.4	0.5	1.2	0.5	1.0
Achievements											
Fallow Planting (ha)	2,595	4,645	2,643	2,244	3,368	4,053	3,958	789	263	128	329
Replant (ha)	562	348	112	357	931	1,206			175	32	44
Aglime (ha)					919	1,592	504				
Bulldozer works (ha)						493	714				
Ratoon Mgmt (ha)						63	90				
Green manuring (ha)									72	27	

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## Success Rate - Expenses Vs Impact on cane production

Year	2013	2014	2015	2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Budget (M)	0.5	8.4	5.0	4.6	10.89	15.4	15.4	0.5	1.2	0.5
Fallow Planting (ha)	2,595	4,645	2,643	2,244	3,368	4,053	3,958	789	1002	216
Replanting (Ha)	562	348	112	357	931	1,206				213.2
Total Production	1,610,410	1,832,181	1,844,559	1,387,247	1,631,372	1,697,120	1,806,379	1,729,281	1,417,267	1,638,954
Floods/ cyclones	Cat 4 TC Evan Dec 2012	TC Lusi & Drought	Drought	Cat 5 TC Winston & TD04 flood	TC Josie and Keni		TC Mona & Sarai	TC Harold, Yasa		TC Ana & Bina
Total Cane Loss				385,000t		113,000t		124,040t	244,400t	204,000t

List of cyclones [CyclonesSummary.docx](#)

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## Challenges and Factors Affecting CPG

- Cost of fertiliser – 2-3 folds of increase in cost during COVID 19 and Russia-Ukraine conflict
- High transport cost – 15% cane carted by rail but cost is less than half of truck transportation
- High Harvesting Cost - Labor shortage for Undulated/hilly land - (100 mechanical (Case, Shaktiman) harvesters to harvest 40% cane, regulated mechanical harvesting rate) – stand-over cane nearly 28,000 tonnes in 2022
- Lack of mechanization



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## Challenges and Factors Affecting CPG Con't

- Poor Soil Health
- >80% of all soils in cane belt is acidic (pH 3.2 to 5.6)
- Monocropping - Old ratoon –  
70% cane > 3years old, plant  
12%
- Excessive Cane Burning (50%)



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## 3. Climate Change Impacts

- Change in weather patterns – excessive rain – affects cane growth, mill stops due to rain increased by 150% in 2022)
- Salt water intrusion – coastal low lying areas have saline soil
- Flooding and waterlogged farms – 50% farmers affected – need for proper drainage, floodgates
- Cyclones – 10 TCs between 2016 & 2022 (2 were category 5) – 25-30% drop in cane production
- Soil Erosion – excessive rain, flooding
- Drought



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#### 4. Other Factors

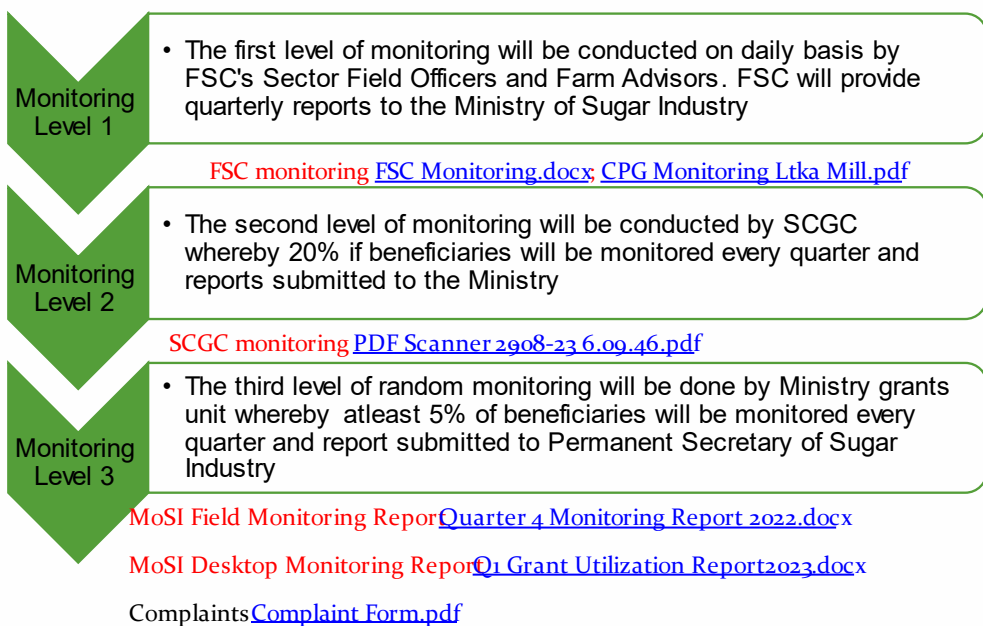
- Damage from Stray Cattle
- Wild Pigs



7/7/2023

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## Monitoring of CPG



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## Gaps in CPG Program

- Need to conduct evaluation of programs at microlevel
- Lack of resources at Ministry to carry out program evaluation
- No separate officers dedicated for CPG project at FSC
- Need to improve data recording from manual to computerized
- Need to improve record keeping
- Need more resources and project officers to prepare reports, monitor, evaluate and review program

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## Sustainability of Sugar Industry

National Importance of Sugar Industry	Growth Opportunities	Government Support
<ul style="list-style-type: none"><li>• Employment/Secondary Activity – 20% of population dependent</li><li>• Technical Competencies</li><li>• Export Earnings</li><li>• Import Substitution</li></ul>	<ul style="list-style-type: none"><li>• Renewable Energy</li><li>• Bio-Fuels</li><li>• Value add Products</li><li>• Sugar Refining</li></ul>	<ul style="list-style-type: none"><li>• Grants and Subsidies to support sugar industry</li></ul>

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## Plan for next 4 years

Year	2022 (base)	2023	2024	2025 & beyond
Sugarcane (tonnes)	1,638,954	1,686,000	1,800,000	2,000,000
Sugar (tonnes)	155,812	173,077	194,175	205,882
Area Under Cane (ha)	32,800	32,609	35,850	38,900
Yield per Hectare	50	52	55	60
TCTS	10.5	10.4	10.3	10.2

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## Cane Production Strategies

### • CANE PRODUCTION AND MANAGEMENT

- ✓ Ratoon management, New cane planting replanting, increase area under canplant
- ✓ Farm Management Agreement
- ✓ Improve soil health- redefine fertilizer recommendation, liming, green manuring, integrated nutrient management
- ✓ Investigating Diversification opportunities for the sugar industry
- ✓ Incentives for cane growers

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## Cane Production Strategies con't

- **TECHNOLOGY TRANSFER**
  - ✓ Strengthen Best farm management practices strengthen technology transfer
  - ✓ Strengthen extension/advisory services Training, advice and information to Farmers and Extension staff
  - ✓ Organizing Field Information Days in collaboration with FSC
  - ✓ Conducting Demonstration trials for popularizing SRIF's varieties and technologies
  - ✓ Monitoring and improving the quality of sugar cane, sugar and sugar byproducts



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## Cane Production Strategies con't

### Mechanization of Field Activities



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## Cane Improvement Strategies

- ✓ Sugarcane Breeding- developing new high yielding and high sugar varieties, varieties suitable for saline / alkaline environment (Climate Smart / Resilient Varieties), reducing breeding cycles
- ✓ Upscaling of Tissue culture technology and commercialization of tissue cultured cane seedlings
- ✓ Production and distribution of quality seed cane through Tissue Culture Techniques
- ✓ Producing quality and pest & disease resistance cane varieties
- ✓ Maintaining Sugarcane Germplasm (>600) used as parental lines for crossing

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## Cane Protection Strategies

Prevent, control and eradicate pest infestation of sugarcane

Developing cost effective integrated pest management (IPM) and integrated weed management strategies

**Common - Pest & disease - Termites, White Grub, Weevil Borer, Pokkha Boeng, Army Worm**



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## Mill Improvement Strategies

- Mill upgrades and modernization - Produce sugar in efficient low -cost factories, quality
- Explore setup of New mill in Rakiraki
- Sugar Exports (only Raw) - Typically 5 bulk cargos per annum – 150,000 Tonnes
- Grow “Sugars of Fiji” into a world class brand adding value to cane production



## Value Addition Strategies

- ✓ Biochar from cane Trash
- ✓ Composts from Mill Mud
- ✓ Explore Setup Sugar Refinery
- ✓ Explore ethanol production
- ✓ Co-generation
- ✓ Healthy Drink from sugarcane Juice

## Government Support to Sugar Industry

**Grants and Subsidies- Cane planting/inputs/land prep, transportation  
- cane access road maintenance/cartage, harvesting mechanization,  
cane payment**

- Cane production and productivityinput subsidy, **drainage, mechanisation**
- Promote efficiency in harvesting and transportation **cane access road, subsidy on transportation, ~~cartage bins~~**
- Land acquisition- entice new growers and landowners to venture into cane farming to increase in production **lease renewals**
- Funds to Promote Research& Development & technology transfer
- Promote efficiency in service delivery
- Cane payment Price support guaranteed cane price, **incentives**



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## Other Issues Highlighted by Public Accounts Committee



## Grant Monitoring Framework

- In draft – needs review in consideration of increase in number of programs and budget
- Proper staffing resources to be allocated to implement the framework
- [Monitoring Framework.pdf](#)

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## Cost of Producing 1 tonne of cane with/without Subsidy

	Inclusive of Harvest & Transport		Exclusive of Harvest & Transport	
	Plant	Ratoon	Plant	Ratoon
Productivity/ Ha (tonnes)	57	49.2	57	49.2
Cost per tonne with Subsidy	86.93	47.95	45.19	6.21
Cost per tonne without subsidy (\$)	137.63	69.59	95.89	27.85

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## Achievements from Other Programs

- There are other Programs implemented by Ministry of Sugar Industry with other Stakeholders
- [Acheivementsby Programs.xlsx](#)

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## Future Plan of Sugar Industry

- A thorough survey will be carried out with Government allocating \$150,000 for this exercise in 2023/2024 financial year.
- This exercise will help determine field status and decisions to take to address issues and to shape the industry for sustainable future.

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**Thank You**

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<https://www.sugar.gov.fj>



# FIJI'S SUGAR INDUSTRY

## FIJI SUGAR CORPORATION LIMITED

**BHAN PRATAP SINGH**  
CHIEF EXECUTIVE OFFICER  
23<sup>RD</sup> AUGUST 2023



## Overview

- Fiji Sugar Corporation Limited (FSC) is a majority Government owned Company.
- **The Company was incorporated by an act of parliament in 1972** to take over the milling activities from South Pacific Sugar Mills Limited (SPSM) and Colonial Sugar Refinery (CSR) Limited with effect from 1 April 1973.
- The Corporation owns and operates three sugar mills. The Penang Mill was closed in 2016 after the TC Winston.
- During the crushing season, FSC is one of the largest private-sector employers from May to December



## History

The **Colonial Sugar Refining Company (CSR)** started its first mill at Nausori in 1882. Four more mills were later established

- **1886:** CSR's Rarawai Mill on the bank of the Ba River
- **1894:** Labasa Mill
- **1903:** CSR's largest mill commenced crushing at Lautoka
- **1926:** Penang Mill was acquired by CSR.
- In **1961**, CSR Company Ltd formed a Fiji subsidiary, South Pacific Sugar Mills Ltd (SPSM), which took over Fiji's Sugar Milling and commercial operations.
- Company was renamed the **Fiji Sugar Corporation Limited (FSC)**.



## Fiji Sugar Industry

Approximately  
11,000 active  
growers



1.63M tonnes of  
sugarcane  
processed in the  
season 2022.

Approximately  
35,000 hectares of  
land currently used  
for sugarcane  
farming

Just over 155,000  
tonnes of raw  
sugar were  
produced in 2022.

# Challenges and Transformation: The Story of FSC



- **Financial Distress:** FSC faced financial difficulties due to factors like natural disasters, volatile sugar prices, failed mill upgrades, declining cane production, poor cane quality, loss of productive land, ageing growers, growers exiting cane farming and investing in other options and escalating costs of production leading to lower returns.
- **Loss of Preferential Trade Agreements** – the gradual removal of the price regime that the sugar industry had access to was completely removed in 2010 and all the sales now has to go through the competitive process in the open markets. The impact was approx 30% reduction in the price per ton of sugar
- **Climate Change Impact:** Climate change led to frequent cyclones and droughts, causing reduced yields, lower cane quality, and damage to farms, infrastructure, and mills
- **Action Plan:** FSC's management and Board developed a practical plan to stabilise finances, enhance cane production, and improve mill operations while managing debt.
- **Transformation Objective:** The goal is to make FSC financially self-sufficient within 3-5 years, reducing dependence on the government and ensuring long-term sustainability.

Together with overcoming challenges and embracing change, FSC aims to emerge as a resilient and self-sustaining player in the sugarcane industry.



## Production Statistics: 2015 - 2022



Production Statistics									
Season		2015	2016	2017	2018	2019	2020	2021	2022
Cane Crushed	(000t)	1,845	1,387	1,631	1,696	1,806	1,729	1,417	1,639
Sugar Produced	(000t)	222	140	180	160	169	152	133	156
Molasses Produced	(000t)	76	63	66	85	84	83	72	74
Tonnes Cane/Tonnes Sugar		8.3	9.9	9.0	10.6	10.7	11.4	10.6	10.5
Financial Statistics									
Financial Year		2016	2017	2018	2019	2020	2021	2022	2023
Turnover	(\$m)	199.8	144.9	182.1	132.8	144.9	147.7	135.9	211.5
Operating Cost	(\$m)	(99.1)	(68.7)	(66.0)	(77.4)	(68.3)	(61.0)	(56.0)	(60.6)
EBITDA	(\$m)	(27.1)	(22.6)	0.6	(25.1)	37.4	4.2	(8.4)	17.9
Depreciation	(\$m)	(20.0)	(19.0)	(18.6)	(18.6)	(21.0)	(23.5)	(23.5)	(22.9)
Interest	(\$m)	(6.3)	(3.5)	(6.6)	(11.2)	(16.3)	(13.7)	(14.1)	(18.0)
Guaranteed Cane Price	(\$m)				(48.1)	(4.2)			
Property Sale	(\$m)				23.0	26.0	0.3	1.7	-
Net Profit/Loss	(\$m)	(53.4)	(45.0)	(24.6)	(80.1)	21.9	(32.8)	(44.3)	(23.0)
FSC's share of proceeds	(\$m)	58.7	43.0	54.2	38.8	41.9	42.8	38.3	64.3
Price per tonne cane	(\$)	76.7	82.0	85.0	82.5	85.0	85.0	85.0	85.3



## The growth strategy – Pillar 1 - Balance Sheet Restructuring

### Balance Sheet Restructure

#### A. Debt Restructure- \$486.1Mas of 31 May 2023

- ☐ Govt Debt to Equity Conversion - \$200.2M
- ☐ EXIM Bank LoanRestructure- \$75.7M
- ☐ Other borrowings- \$210.2M

#### B. Possible Disposal of Surplus Assets

- ☐ To bring the loan to below \$100M
  - ☐ Land – estimated value of more than \$200m
  - ☐ Wharf facilities

## The growth strategy – Pillar 2 - Milling Efficiencies

### Mills

Mills	Age	Capacity (t/h)		Crop			
	(yr.)	Current	2022 Ssn	2019	2020	2021	2022
Lautoka	119	300	235	657,161	505,624	532,021	511,747
Rarawai	136	235	228	487,279	552,262	522,928	490,438
Labasa	128	350	231	661,916	671,285	362,236	636,819
Total		885	694	1,806,356	1,729,171	1,417,185	1,639,004

- The sugar mills are well over 100 years old, the mills incur high maintenance costs and sugar recoveries are compromised.
- Targeted investments in sugar mills to increase reliability and improve throughput.
- Efficient Milling Operations to reduce mill breakdowns, improve sugar recovery
- Implement a Structured Capital Works and Preventative Maintenance Program

## The growth strategy – Pillar 2 - Milling Efficiencies (Continued)

- Capital expenditure over the last 5 years

CAPEX (\$M)	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Lautoka	9.06	10.41	5.42	0.60	3.15	28.64
Rarawai	11.08	13.76	0.61	1.03	1.58	28.06
Labasa	4.44	4.06	1.16	1.16	2.72	13.54
Total	24.58	28.22	7.19	2.79	7.45	70.24

## The growth strategy – Pillar 4 - Revenue Optimization and Cost Reduction

- Marketing
  - Strengthened sugars of the Fiji brand to entice new markets with high return
  - Focus on the regional markets for better returns
  - Optimise on other revenue, i.e. power exports
- Cost and Efficiency
  - Operating cost reduced to \$56M for FY2022 (43% reduction)

FY	2016	2017	2018	2019	2020	2021	2022
Operating Costs (\$M)	99.1	68.7	66.0	77.4	68.3	61.0	56.0

- Breakeven point reduced to crop of 1.6MT compared to 2.4MT in past
- Bring in best industry practices and efficiencies
- Focus on core activities and reduce non-core operations
  - Trucks, Harvesters and Tractors
  - Outsourcing where required

## The growth strategy – Pillar 4 - Revenue Optimization and Cost Reduction(Continued)

Financial Year Ending	2023(A)	2024(P)	2025(P)	2026(P)	2027(P)
<b>KEY ASSUMPTIONS</b>					
Crop('000tonnes)	1,638	1,657	1,900	2,100	2,150
Total Sugar('000tonnes)	156	159	184	206	211
Molasses('000tonnes)	74	75	86	95	97
TCTS	10.5	10.4	10.3	10.2	10.2
<b>Revenue</b>					
Sugar Proceeds	183,922	226,864	261,795	282,763	282,283
Molasses Proceeds	27,602	26,038	29,857	32,999	33,785
<b>Total Revenue(Sugar &amp; Mol)</b>	<b>211,524</b>	<b>252,903</b>	<b>291,652</b>	<b>315,763</b>	<b>316,068</b>
Less: Industry Costs	5,041	5,400	6,192	6,844	7,007
<b>Revenue available for Distribution</b>	<b>206,483</b>	<b>247,503</b>	<b>285,460</b>	<b>308,919</b>	<b>309,062</b>
Less Purchase of Cane	142,241	173,252	199,822	216,243	216,343
<b>Net Sugar proceeds to FSC</b>	<b>64,242</b>	<b>74,251</b>	<b>85,638</b>	<b>92,676</b>	<b>92,719</b>
Other Operating Revenue	14,176	16,500	17,300	17,300	17,300
<b>Total Operating Revenue</b>	<b>78,418</b>	<b>90,751</b>	<b>102,938</b>	<b>109,976</b>	<b>110,019</b>
<b>Total Operating Costs</b>	<b>60,546</b>	<b>59,117</b>	<b>63,497</b>	<b>64,416</b>	<b>64,417</b>
<b>EBITDA</b>	<b>17,872</b>	<b>31,634</b>	<b>39,441</b>	<b>45,559</b>	<b>45,601</b>
Property Sale	-	-	(50,000)	-	-
Depreciation	22,849	23,000	22,000	21,000	20,000
Interest	18,022	15,000	15,000	13,000	11,000
<b>Profit/(Loss) for the year</b>	<b>(22,999)</b>	<b>(6,366)</b>	<b>5,244</b>	<b>11,559</b>	<b>14,601</b>

## The growth strategy – Pillar 5 - People Management

- Employee numbers reduced from over 2,400 to 1,650
- Significant reduction in payroll (FY2022 \$24M compared to FY2018 \$34M)
- A robust L&D plan to improve bench strength.
- Competency-based training
- Performance Management Framework.
- Sound HR Practices are in place to ensure FSC remains the employee of choice.



## The growth strategy – Pillar 6 - Upgrade of Rail System

### Revitalizing Rail Operations for Enhanced Efficiency and Sustainability

- **Current Rail Operations:** FSC operates a rail system for transporting sugarcane via tramline networks. The tramlines and all the other related equipment have not been upgraded over the past many years.
- **Investment Plan:** Recognizing rail's affordability for growers, the plans are to rejuvenate rail systems. A better rail system will support efficient cane supply to mills, enhancing milling efficiencies and recovery rates.
- **Diverse Applications:** Revived rail system holds potential beyond sugarcane, serving as an alternative transport mode for both goods and people. Example: Rail transport for Fiji water to Lautoka.

## The growth strategy – Pillar 7 - New Mill

- **Current State of Factories:** FSC's century-old factories face structural weaknesses and outdated equipment; operational and maintenance costs are quite high. FSC conducts minimal repairs to keep mills operational, lacking modernisation.
- **Failed STM Factory Update:** The STM Factory Update Project fell short of expectations, leaving FSC struggling and in need of a new direction.
- **Modernization Initiative:** Discussions have been ongoing to invest in a modern, integrated, automated plant in the western division.
- **Benefits and Vision:**
  - **Enhanced Efficiency:** Automation reduces manual intervention, streamlining processes and boosting productivity.
  - **Value-Added Facilities:** Ethanol production, Cogeneration, and Refinery components add value to the sugarcane processing cycle.
  - **Sustainability:** The investment paves the way for a modern, eco-friendly, and innovative approach to sugarcane processing.

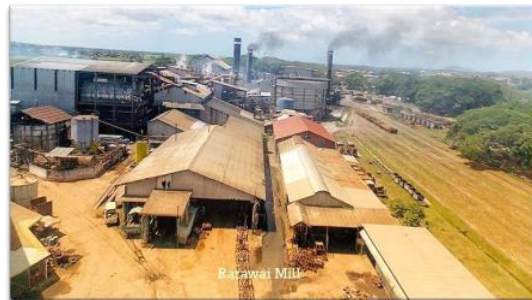
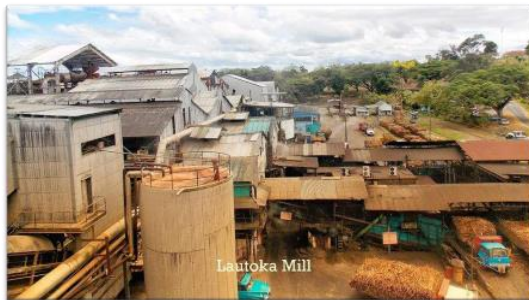
## The growth strategy – Pillar 8 - Review of Master Award



- **Current Master Award** The existing Master Award, spanning over 30 years, requires updating to address contemporary challenges in the Sugar Industry.
- **Necessity for Change:** Evolving industry dynamics demand amendments to the Master Award.
- **Proposed Amendments** Key changes being considered encompass several areas, including:
  - **Cane Payment System:** Adaptation of the payment system to current industry realities.
  - **Burnt Cane and Green Cane:** Addressing concerns related to burnt and green cane.
  - **Harvester Operations:** Adopting guidelines for efficient harvester operation.



# Thank You.



# Lakshmanayaraman Head of Agriculture

## Pillar 3 - Cane Development

1

Trends in Cane Production & Key parameters

2

Challenges

3

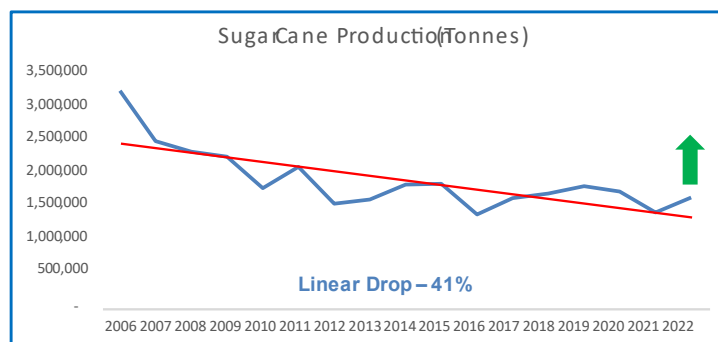
Strategies & Initiatives for Mitigation

4

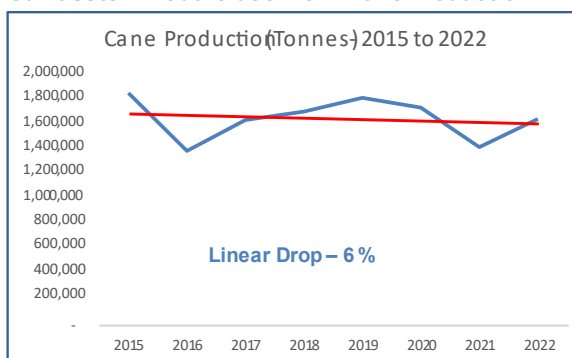
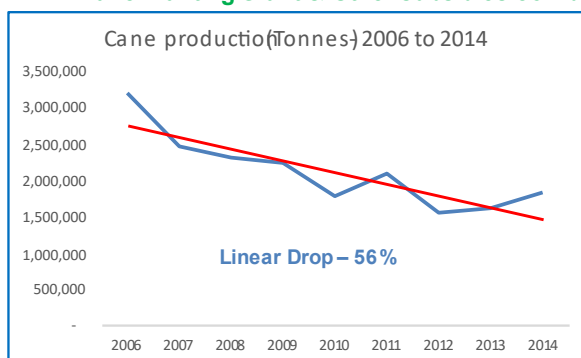
Way Forward.....Projections

### Declining Cane Production

SUGARS OF  
FIJI



### Cane Planting Grant & Other subsidies combined has stemmed the decline in Cane Production

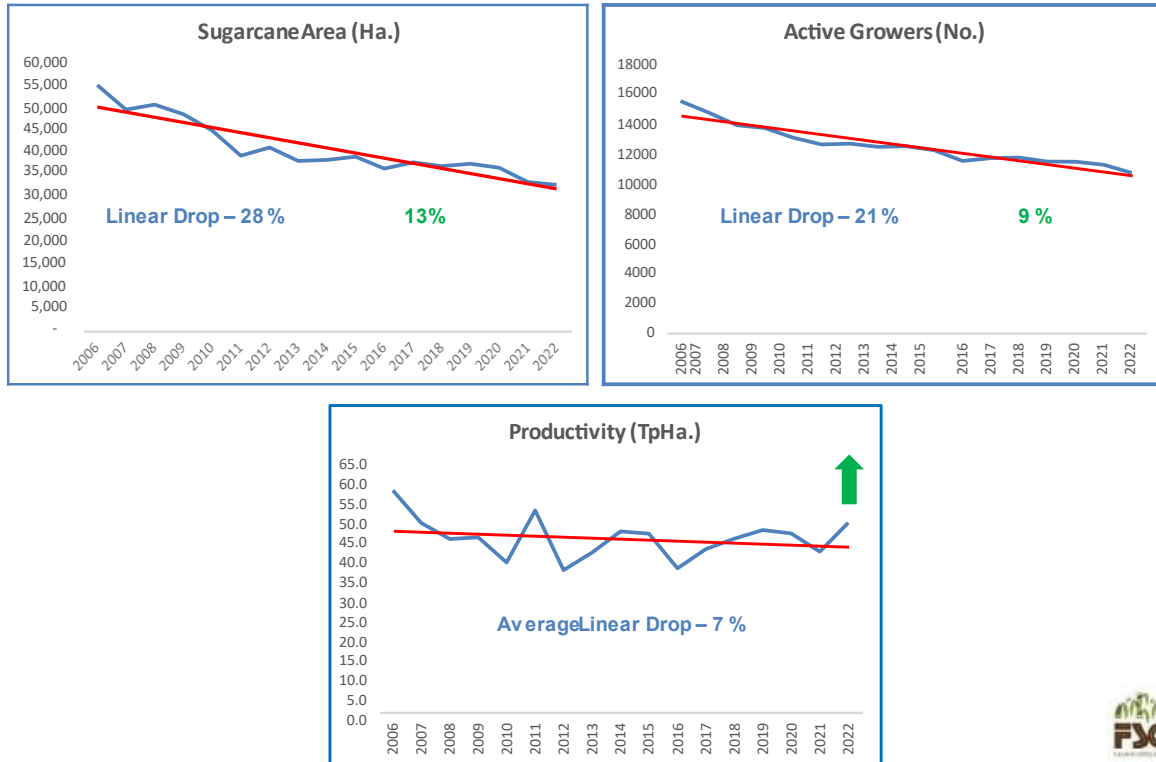


2 Million tonnes were last harvested in 2011 from 39,500 Ha with a productivity of 53 tonnes per Ha and supplied by 13,250 producing farmers.

FSC

## Key Parameters Impacting Cane Production

Cane Planting Grant has stemmed the decline in Cane Area & helped to sustain Grower No's.



## AREA DISPOSITION - 2023

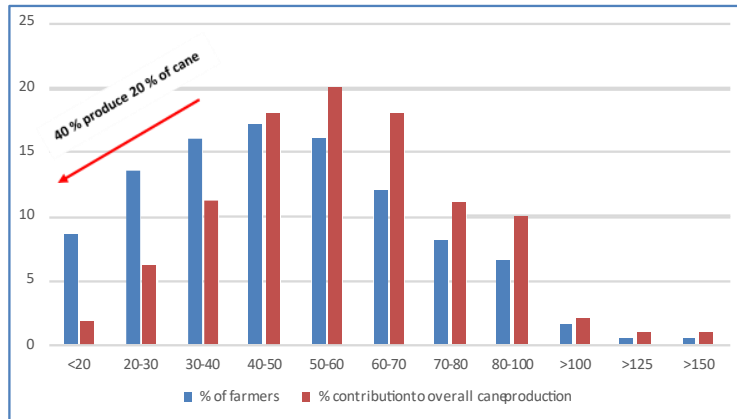
Mill	REGD AREA	TOTAL AVAILABLE AREA	AREA UNDER CANE	FALLOW LAND	PLANT CROP %
Ltk Mill Total	22,687	14,833	8,316	6,497	2
Rar Mill Total	30,594	28,940	12,806	16,067	4
Lbsa Mill Total	19,967	16,100	12,680	3,129	6
National Summary	73,249	59,872	33,802	25,692	4
% to Regd area		82	46	44	

## NIL PRODUCING GROWERS - 2023

Mills	Native Leased Growers			State Land Growers			Free Hold Growers			Grand total		
	Nil Producing Growers	Total No of Growers	% Nil Producing Growers	Nil Producing Growers	Total No of Growers	% Nil Producing Growers	Nil Producing Growers	Total No of Growers	% Nil Producing Growers	Nil Producing Growers	Total No of Growers	% Nil Producing Growers
Lautoka Mill	1620	3451	47	274	540	51	274	540	51	2168	4531	48
Rarawai Mill	1331	3925	34	561	2059	27	468	980	48	2360	6964	34
Labasa Mill	719	3299	22	247	683	36	61	171	36	1027	4153	25
National Summary	3670	10675	34	1082	3282	33	803	1691	47	5555	15648	35

# Farmer contribution to Cane production

## Cane production wise



## Cane productivity wise

Yield Bracket (T/ha.)	% of Growers	% contribution to overall production
< 50	55	36
50 – 55	9	11
56 – 60	7	9
61 – 65	6	9
66 – 70	6	8
71 – 75	4	6
> 75	13	21

# Challenges

## Grower Related Issues

- Aging farmers
- Migration of the young generation
- Land Tenure concerns
- Lack of Mechanisation
- Labour shortages
- Low Returns from small farms
- Drainage issues & Access infra.

## Cane Production & Productivity

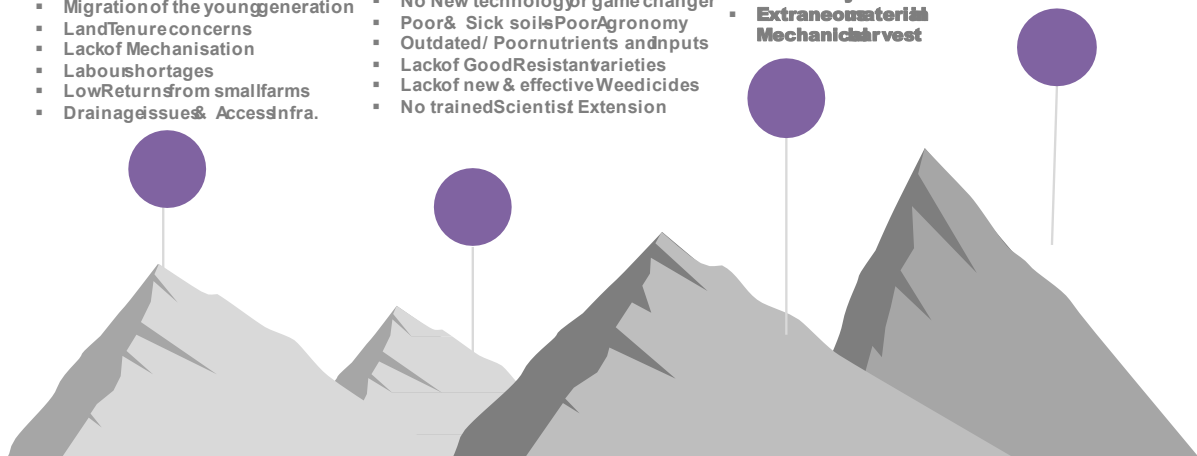
- **Average too old 8-10 years**
- No New technology or game changer
- Poor & Sick soils
- Poor Agronomy
- Outdated / Poor nutrients and inputs
- Lack of Good Resistant varieties
- Lack of new & effective Weedicides
- No trained Scientist Extension

## Cane Quality

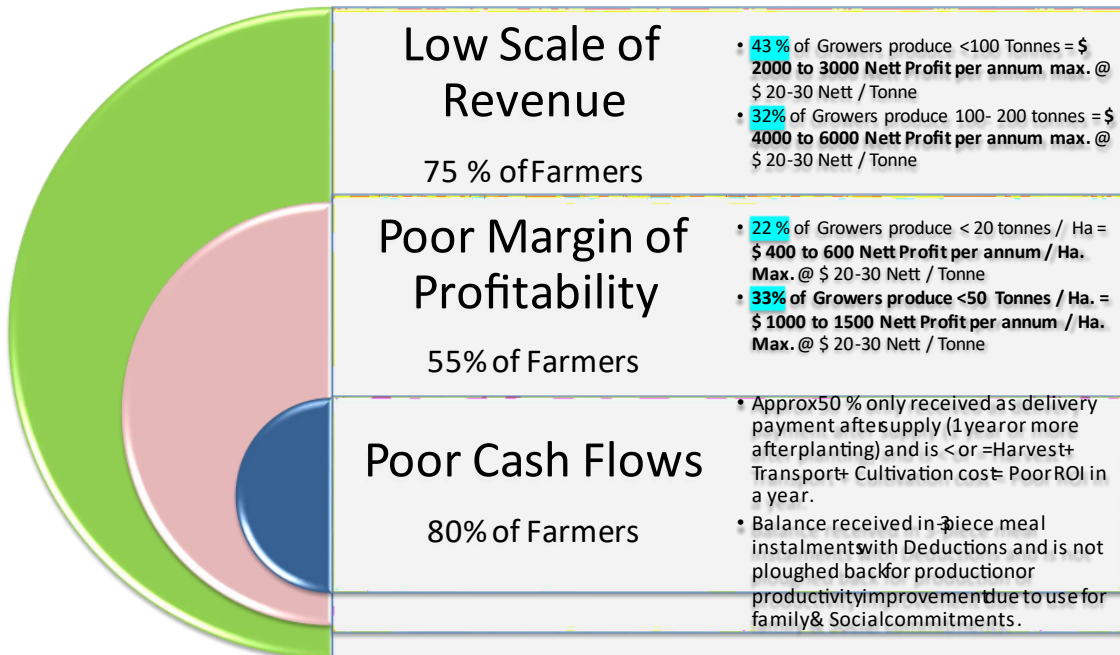
- **Cane Burning**
- **Poor harvest mode & Cane Delays**
- **Extraneous material & Mechanical harvest**

## Climate Impact

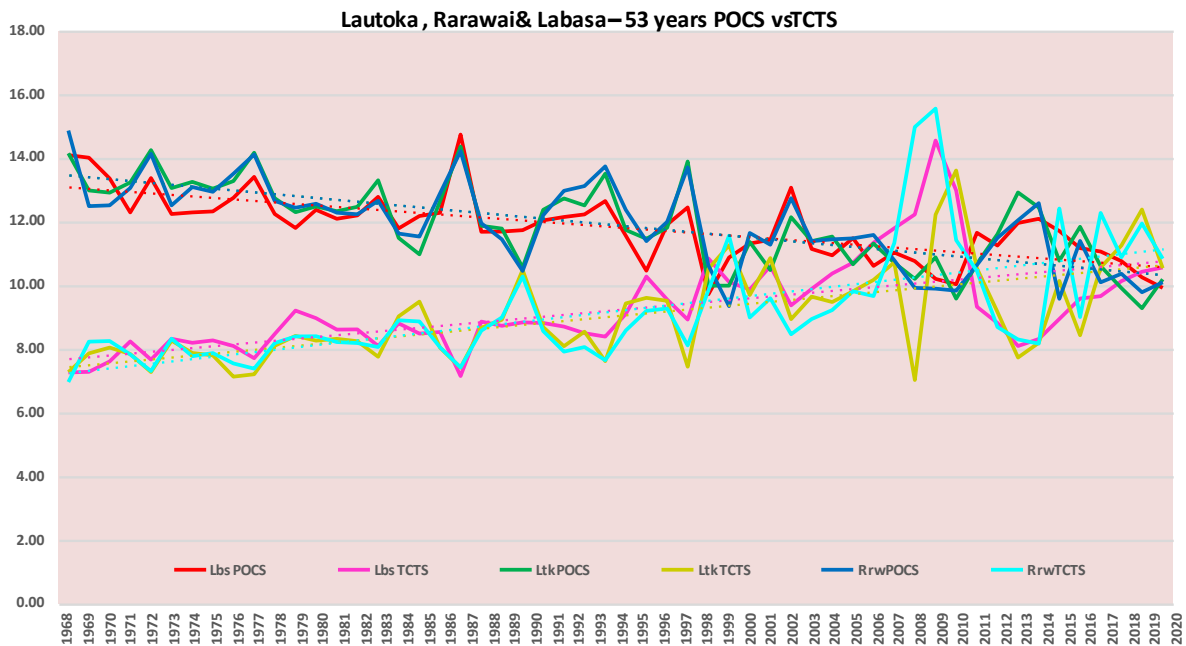
- **Cyclones**
- **Rainfall / Droughts**
- **Flooding**



## Grower related - Financials - Current Status

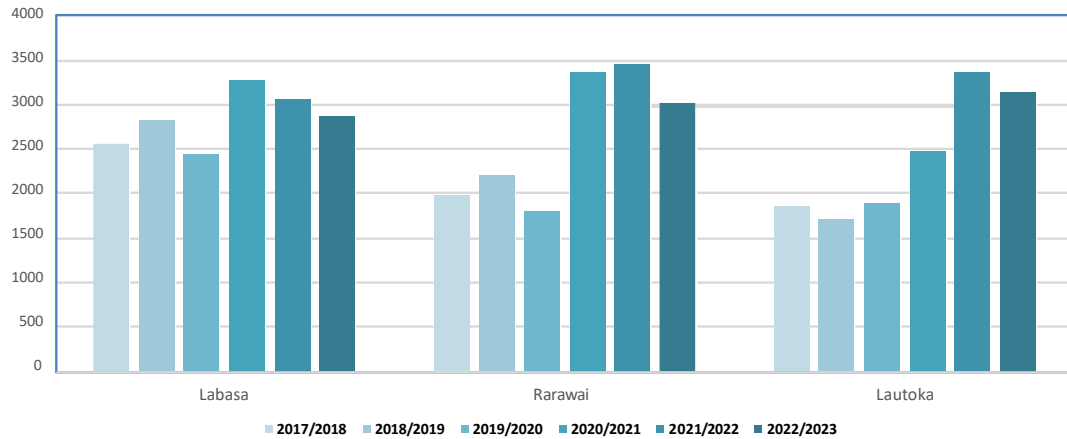


## Cane Quality - Declining POCS & TCTS in Mills



## CLIMATE CHANGE IMPACT

RAINFALL PATTERN OVER THE PAST 6 YEARS  
(APRIL TO MARCH)



- ❑ Sustained and significant increase in average annual rainfall in the Western zone in comparison with the last 8 to 10 years
- ❑ Impact every year due to lowering soil fertility through waterlogging, leaching, erosion and extensive proliferation of weeds.
- ❑ Compounded by poor Drainage systems.

## Flood and Water logging impact– Jan - May 2022





## Drought impact – Aug- Sept 2022



Ellington 1



Drumasi



Yaladro



## Strategies for mitigation



### Sugarcane Farmer Financials Improvement

#### Low Scale of Revenue

1. Expansion of Area & Production – Farm Management Agreement
2. Consolidation of Area - Mechanisation of cane cultivation (Start to End)
3. Value-added services / Local Service provider network

#### Poor Margin of Profitability

1. Productivity Improvement – Low-Cost Game Changer Technology (Variety / Inputs)
2. Reduction in cost of cultivation – Mechanisation & Rail Mode of Delivery

#### Poor Cash Flows

1. Policy Initiative on payment reforms – Quick and in 1 or 2 Instalments
2. Alternate Intercropping or Mixed Farming concept (Market linkage)



## Service Lineup | Bringing in new services



- ✓ Mechanisation program- \$ 500,000 Grant this FY
- ✓ Tractor service providers & Registration as SMEs / Financial Literacy Business Assist Fiji



## Land Levelling - Power Harrow & Laser Levellers





Over 100 Years of Sugar Cane Innovation

# HODGE

## WHOLESTICK PLANTER

### WHOLESTICK PLANTER 262000



**Wholestick Planter Specs:**

- Single Row Wholestick Chopper Planter with Precision Delivery System
- Feeds in Chop Whole Cane Stick into 30mm (3/4" Long) & Delivers them into the Ground
- Cuts & Compacts Soil on either Side
- Applies Fertiliser, Pesticide & Insecticide
- Car 2.5 Litres & Adjustable Depth Fertiliser
- Extra Station in Rear for Pesticide
- All Systems driven by Duplex Wheels On
- Optional Hydraulic Drive
- 2 x 125kg Fertiliser Hoppers with Lids
- Spring Control Tines & Compaction Wheel
- Rear Drive to Tine Traction for Plants
- Optional Pesticide Spray System Complete
- Optional Liquid or Granular Insecticide System
- Weight 450kg, Thrust 70HP max, Speed 40km/h

**HODGE INDUSTRIES** Phone: (+61) 7 4955 8598  
 Email: sales@hodge.com.au Website: www.hodge.com.au  
 Address: 28 Spiller Avenue, (PO Box 99), Mackay, QLD, Australia, 4740

# Planters



# Ratoon Managers



Over 100 Years of Sugar Cane Innovation

# HODGE

## RIPPER COULTER

### RIPPER COULTER 512120



**Ripper Coulter Specs:**

- Ripper Coulter 512120
- Ripper Coulter 512120
- Ripper Coulter 512120
- Ripper Coulter 512120

**HODGE INDUSTRIES** Phone: (+61) 7 4955 8598  
 Email: sales@hodge.com.au Website: www.hodge.com.au  
 Address: 28 Spiller Avenue, (PO Box 99), Mackay, QLD, Australia, 4740



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# HODGE

## STOOL CLEANING RAKE

### STOOL CLEANING RAKE 682010



**Stool Cleaning Rake Specs:**

- Stool Cleaning Rake 682010
- Stool Cleaning Rake 682010
- Stool Cleaning Rake 682010
- Stool Cleaning Rake 682010

**HODGE INDUSTRIES** Phone: (+61) 7 4955 8598  
 Email: sales@hodge.com.au Website: www.hodge.com.au  
 Address: 28 Spiller Avenue, (PO Box 99), Mackay, QLD, Australia, 4740



## Track Machines for Hilly Terrain Cane Harvest

SUGARS OF  
**FIJI**  
SUGAR CROPS DIVISION



CaneTec, Okinawa, Japan Machine



**FXC**  
FARMERS' EXCHANGE CO-OP

## Farmerfield school – composite yield maximization plots – 260 no's 30% Yield Improvement.

SUGARS OF  
**FIJI**  
SUGAR CROPS DIVISION

### Crop activities – Calendar of operations / Template for monitoring

RATOON CROP MANAGEMENT PRACTICES - HISTORY SHEET		* Following dates to be filled on Day 1		
Details	Type of entry	Field activity	Date	Completion date
1. Seedling	Yes or No			
2. Sowing date	Yes			
3. Fertilizer	Yes			
4. Weeding	Yes			
5. Harvesting	Yes			
6. Soil preparation	Yes			
7. Weeding	Yes			
8. Soil preparation	Yes			
9. Fertilizer	Yes			
10. Weeding	Yes			
11. Harvesting date	Yes			
12. Fertilizer date	Yes			
13. Soil preparation	Yes			
14. Weeding	Yes			
15. Harvesting	Yes			
16. Soil preparation	Yes			
17. Fertilizer	Yes			
18. Weeding	Yes			
19. Harvesting	Yes			
20. Soil preparation	Yes			
21. Fertilizer	Yes			
22. Weeding	Yes			
23. Harvesting	Yes			
24. Soil preparation	Yes			
25. Fertilizer	Yes			
26. Weeding	Yes			
27. Harvesting	Yes			
28. Soil preparation	Yes			
29. Fertilizer	Yes			
30. Weeding	Yes			
31. Harvesting	Yes			
32. Soil preparation	Yes			
33. Fertilizer	Yes			
34. Weeding	Yes			
35. Harvesting	Yes			
36. Soil preparation	Yes			
37. Fertilizer	Yes			
38. Weeding	Yes			
39. Harvesting	Yes			
40. Soil preparation	Yes			
41. Fertilizer	Yes			
42. Weeding	Yes			
43. Harvesting	Yes			
44. Soil preparation	Yes			
45. Fertilizer	Yes			
46. Weeding	Yes			
47. Harvesting	Yes			
48. Soil preparation	Yes			
49. Fertilizer	Yes			
50. Weeding	Yes			
51. Harvesting	Yes			
52. Soil preparation	Yes			
53. Fertilizer	Yes			
54. Weeding	Yes			
55. Harvesting	Yes			
56. Soil preparation	Yes			
57. Fertilizer	Yes			
58. Weeding	Yes			
59. Harvesting	Yes			
60. Soil preparation	Yes			
61. Fertilizer	Yes			
62. Weeding	Yes			
63. Harvesting	Yes			
64. Soil preparation	Yes			
65. Fertilizer	Yes			
66. Weeding	Yes			
67. Harvesting	Yes			
68. Soil preparation	Yes			
69. Fertilizer	Yes			
70. Weeding	Yes			
71. Harvesting	Yes			
72. Soil preparation	Yes			
73. Fertilizer	Yes			
74. Weeding	Yes			
75. Harvesting	Yes			
76. Soil preparation	Yes			
77. Fertilizer	Yes			
78. Weeding	Yes			
79. Harvesting	Yes			
80. Soil preparation	Yes			
81. Fertilizer	Yes			
82. Weeding	Yes			
83. Harvesting	Yes			
84. Soil preparation	Yes			
85. Fertilizer	Yes			
86. Weeding	Yes			
87. Harvesting	Yes			
88. Soil preparation	Yes			
89. Fertilizer	Yes			
90. Weeding	Yes			
91. Harvesting	Yes			
92. Soil preparation	Yes			
93. Fertilizer	Yes			
94. Weeding	Yes			
95. Harvesting	Yes			
96. Soil preparation	Yes			
97. Fertilizer	Yes			
98. Weeding	Yes			
99. Harvesting	Yes			
100. Soil preparation	Yes			



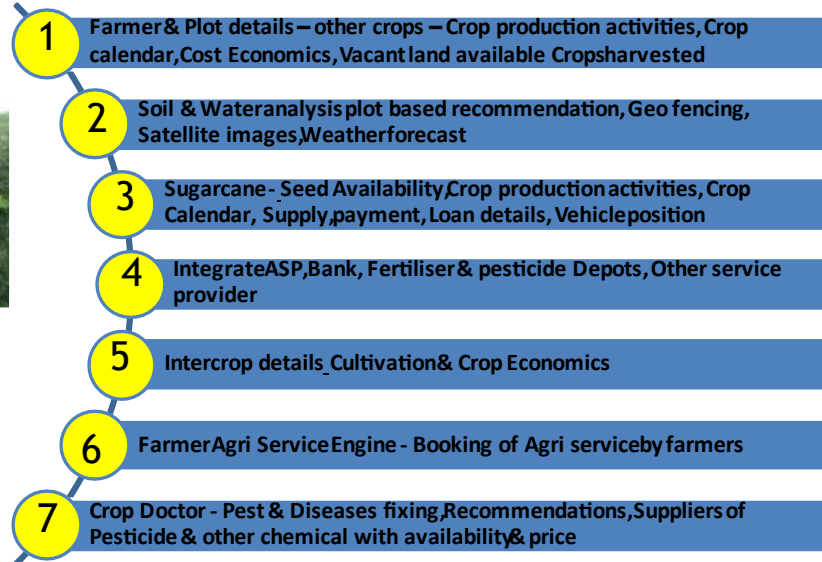
**FXC**  
FARMERS' EXCHANGE CO-OP



## Develop a Farmers Connect Mobile application.



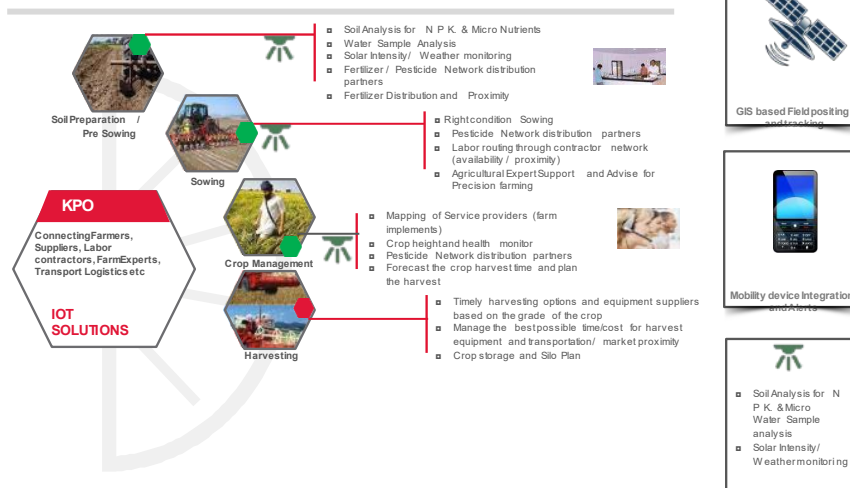
### UNCDF RFA Grant Application – Pacific Agri-MSME Digital Innovation Challenge



## Farmers Connect

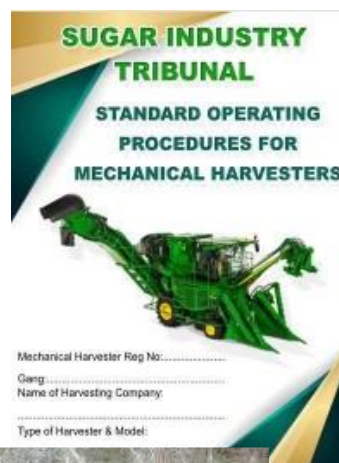


### Unified Smart Farm Solution



## OTHER INITIATIVES..

1. GPS and GIS applications – Cane Area & Crop monitoring
2. Online soil testing module – Results ontime.
3. Online/ Offline field visit entry module on tablets
4. Drip Irrigation – Drought period in hilly areas
5. Harvester operations guidelines & Registration
6. Automatic weather station– Weather Advisory
7. Estates and JV's – Promotion and as Model farms



## Way forward.....Cane production projections

Year	2022 (base)	2023 as on 20th Feb 2023	2024	2025 and beyond	Remarks
Sugarcane (tonnes)	1,639,003	1,686,000	1,800,000	2,000,000	8-10% Increase YoY
Standing cane Area (Ha.)	34,897	33,801	36,925	40,056	8-10% Increase YoY
Area of cane Harvested (ha)	32,800	32,609	35,849	38,889	8-10% Increase YoY
Total Producing growers	10,872	10,625	10,382	10,146	
Total Cane Cutters	5,222	5,077	4,936	4,799	
Yield per Hectare	50.0	51.7	53.0	54.0	2-3% Increase YoY
Sugar (tonnes)	155,812	162,115	184,466	205,882	11-12% Increase YoY
TCTS	10.5	10.4	10.3	10.2	1% Decrease YoY
Green cane (%)	54.2	60	65	70	

2011 Figures

# ThankYou.

SUGARS OF  
**FIJI**  
THE SUGAR INDUSTRY OF FIJI



**FXC**  
FIJI SUGAR COMPANY LIMITED

# Sugar Cane Growers Fund



## Chairman & Members of Public Accounts Committee

Presented by CEO –Raj  
Sharma & Leadership Team

23<sup>rd</sup> August 2023



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## Agenda

1. Background
2. Stakeholders
3. Governance
4. Corporate Philosophies
5. Products & Services
6. Product Segmentation
7. Performance Trends
8. Comparative Industry Benchmarks
9. Human Resource
10. Transformation Journey
11. Impact & Measurements
12. Community & Environment
13. Strategic Outlook- Pillars &Enablers
14. Industry Outlook
15. Government Policies & Subsidies
16. Conclusion



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## Background

After World War II – need to rehabilitate farms , machines (SCGF) originated in **1946** need for commonwealth sugar exporting countries including Fiji and the United Kingdom to establish and set aside reserve funds. Prices sugar being high– stg \$19- \$31

From **1947** up to the 31st December, **1959**, stg. 2, 597, 210- contributed to general account - 56.5% to the Growers' and 43.5% Millers general account - **until 17th April 1959** . Millers took their shares  
Fund as Capital Fund for farming needs

Later, Sugar Cane Growers Fund Authority (Fund) was established by **Act No. 9 of 1984 enacted by the Parliament of Fiji on 26 July 1984** . All monies and Assets of the Sugar Cane Price Support Fund were transferred to the Sugar Cane Growers Fund.

The name changed to Sugar Cane Growers Fund by amendment **Act 12 of 1996** and it decentralised on 2nd Jan 1997.

**Head Office**  
SCGF a corporate body of the Government registered Head Office in Drasa Avenue, Lautoka,

**District Offices:** Lautoka, Nadi, Ba, Tavua, Rakiraki, Labasa and Seaqqa and weekly agency services to Sigatoka;

Its all Transformation And through Innovation



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## Stakeholders

Sugar Cane Growers Fund (the Fund) is a statutory body providing affordable Loans to sugar cane growers in Fiji.



Key players of SCGF



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# Governance

Ministry of Sugar & Multi Ethnic Affairs

Ministry of Finance, Strategic Planning, National Planning & Development



Guide & Policy

Strategic Tone & Direction

SCGF



90.1%

Chairman - Mr Uday Sen

## Board Members

Mr. Sundresh Chetty  
Mr. Tevita Madigibuli  
Mr. Sunil Chaudhary  
Ms. Jiu Taivei Daunivalu  
Right and mixed Composite of Skillset- Finance, Agriculture Banking , Industry, Grower Rep, Agriculture & Public Sector ( Women)

## Management Team

Chief Executive Officer - Mr Raj Sharma  
Manager Lending Operations- Mr Sagar Dayal  
Manager Finance & Administration- Mr Francis Pesamino  
Manager Information Technology- Ms Sheetal Shalini

External Auditors Confirmation by Minister for Finance

Hindsight

Execution and Operation

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# Governance Framework

## ► Sugar Cane Growers Fund Act 1984, Amendments

## ► Regulations

## ► Policies (Approved)

- Operational Limit & Authority Policy
- Lending Policy
- Finance & Administration
- Information Technology Policy (review)
- Human Resource Management Policy
- Project Management Policy
- Social Media Policy
- Customer Complaint Management Policy
- Corporate Social Responsibility & Marketing Policy
- Anti-Money Laundering Policy

## ► CCTV Policy

## ► Digital Policy

## ► Business Continuity & DRP Policy

## ► Corporate Governance Policy ( Further Review Oct)

## ► Investment Policy

## ► Risk Management & ERM Framework ISO 31000

## ► Policy In Progress[ Dec 2023]

### ► Compliance Policy & Register

### ► ITC Policy - ISO 27001

- Encryption,
- Patch,
- Security,
- Change Management

### ► ESG Policy

## ► Processes & Documentation

- 16 system process related to Lendeider and C&B Fully implemented
  - 4 system processes- Work in progress
- 4 system process related to Sage -Fully Implemented

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## SCGF Act – Functions

The function of the Fund in accordance with Act is to provide loans to Sugar Cane Growers for the following purposes:-

1. Increase the production of sugar cane;
2. Improve efficiency in the planting, growing, harvesting, and transportation of Sugar Cane;
3. Rehabilitate farms, buildings and other installations damaged, destroyed, or affected by floods, cyclones, droughts or other natural disasters;
4. Establish sugar cane farms and to construct buildings and other installations on those farms;
5. Desirable for crop diversification;
6. For the personal family needs of Growers during periods of financial distress or hardship; and
7. In commercial ventures which, in the opinion of the Board, are intended to benefit the cane growing industry.

Review the Act needed to be more contemporary and robust in the current environment



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## Corporate Philosophies

### SUGAR CANE GROWERS FUND



#### Vision

To be the premier and sustainable financial service provider for Fiji's sugar cane growers.

#### Mission

We exist to:

- Provide quality, fair and affordable financial services to all cane growers of Fiji;
- Be ethical and honest in all our dealings;
- Enhance livelihood of all the cane growers we serve;
- Be sustainable and contribute in transformation of the industry; and
- Be part of the prosperity journey for the cane growers.

#### Values

We ingrain our values as and for "GROWERS - II".

- **Growth** - for all stakeholders of SCGF;
- **Responsible** - in all our dealings across;
- **Resilient** - be there in good times and bad times;
- **Opportunity** - for all stakeholders but prudently;
- **Willingness** - listen, help with compassion;
- **Empathy** - for all stakeholders;
- **Responsive** - with dedication and commitment;
- **Sustainable** - for its longevity;
- **Innovations** - think inside and outside of the box; and
- **Integrity** - highest level of integrity and honesty.

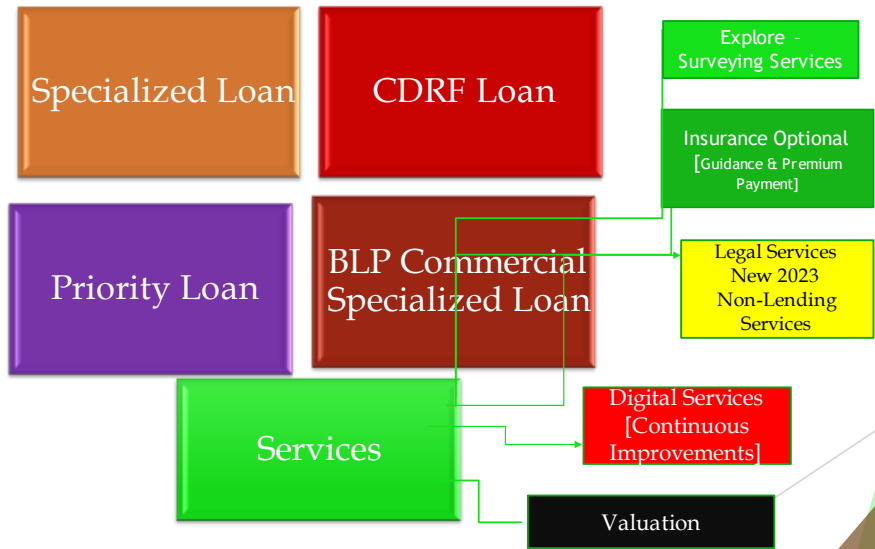
Financially Empowering the Sugar Industry

Ingrained in  
why, how  
,when and  
what- WE  
DO



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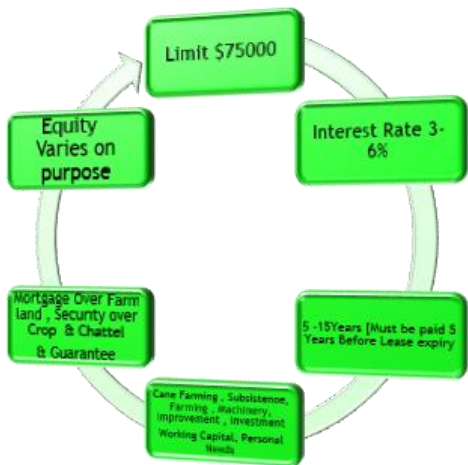
## Products & Services



**Targeted-Sugar Cane Farmers & Sugar Cane Farmers to be !**




## Products & Services




# Specialized Loan


**Smart Retirement Plan Just Don't A House , Buy A Sugar Cane Farm House !**




**By Utilising Your HOUSING ELIGIBILITY FUNDS**



Purchase a Cane Farm



Purchase a Cane Farm with an existing house








Reduce or Clear existing Farm Loan

**A Smart Retirement Plan**  
Just don't buy a House, Buy a Sugar Cane Farm - House!

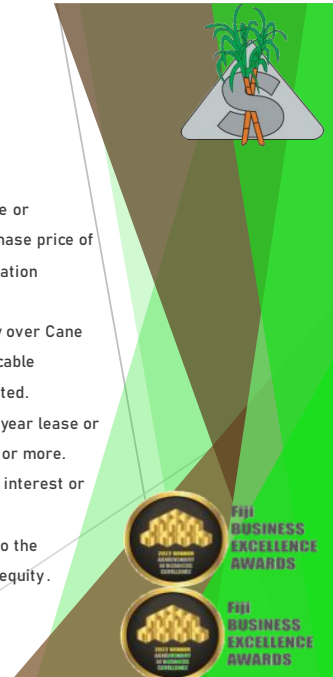
**Affordability Accessibility Food Security**

All successful applications will go into the draw for Christmas Cash Bonuses  
1st Prize \$300 2nd Prize \$200 3rd Prize \$100 Draw on Wednesday 21st December 2022.  
For more information please visit any of the SCGF office nearest to you.

Follow us on:     

## ► Purchase a Cane Farm, Purchase + Build

- Cash Equity – 33% of the purchase Price or Valuation whichever is lower 20% purchase price of SCGF Mortgagee sale farms or the valuation whichever is lower.
- First Registered Mortgage and Security over Cane Crop over the cane contract and Irrevocable Authority to Fiji Sugar Corporation Limited.
- Maximum loan Term of 12 years for 30 -year lease or repayment term of 15 years for 50 year or more. Repayment holiday [either principal and interest or just principal] of one season /one year.
- Collateral security is acceptable equal to the Lending value as substitute of security equity.



# Our Product Design...

We wish Jagdeep Dhankhar every success.

**DEWAN CHAND**  
Namadi Heights, Suva

**Smart retirement plan**

THIS initiative which targets the working population (FT 98) is encouraging young farmers to invest in sugarcane farming.

This was launched by Assistant Sugar Minister George Vengathan at the Sugar Cane Growers Fund (SCGF) head office in Lautoka.

The retirement plan through FNPf housing eligibility scheme will ensure further security with confidence.

The welfare of farmers with sufficient funds towards happy and healthier lifestyle will be an asset.

Farmers, the backbone of the country, also need to retire with dignity and respect in comfort and care of their loved ones.

The smart retirement plan is the way.

**TAHIR ALI**  
Hamilton, New Zealand

**The meaning of things**

*WE take most things for granted, coz that's human nature, but the meaning of things, can be deeply embedded. So, what we think is reality, may not be what it is really. There could be other reasons and meaning, to what we plainly see. It just may be prudent and also wise, to always open, your eyes and carefully examine and always discern, what's now happening in this world.*

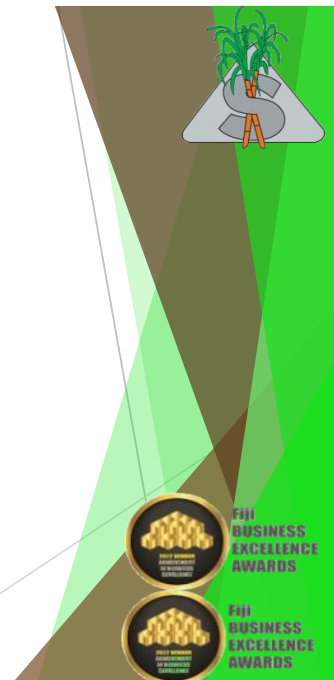
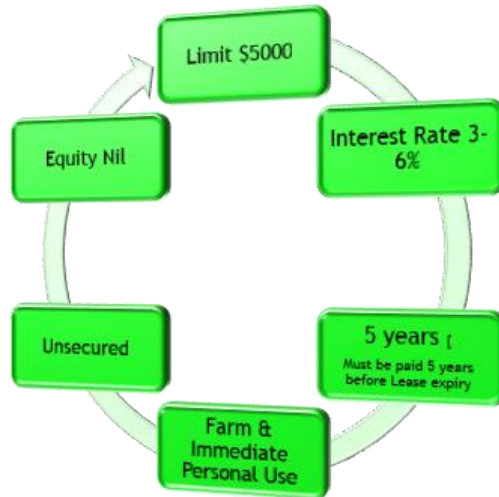
**EDWARD BLAKELOCK**  
Pacific Harbour

*Our Innovation is always appreciated beyond our customers...Your voice Fiji Times 11<sup>th</sup> August 2022.*

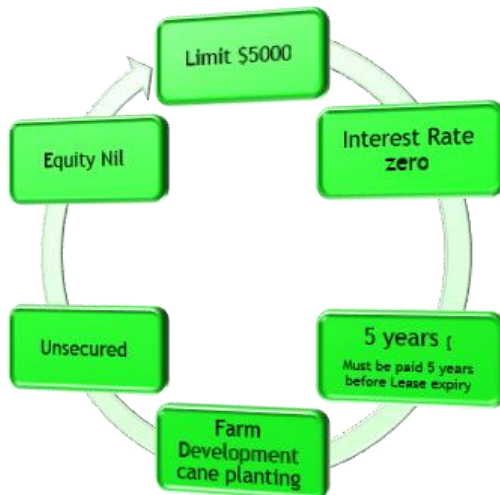




## Priority Loan



## Cane Development Revolving Loan- Government Funding



Position as of 31<sup>st</sup> July 2023

	Total Grower Count	Total Portfolio
Lautoka	163	\$124,133.79
Nadi	179	\$155,442.99
Sigatoka	69	\$48,264.23
Ba	167	\$114,761.55
Tavua	168	\$120,772.33
Labasa	342	\$388,768.09
Sesasa	171	\$357,537.78
Rakiraki	401	\$342,149.04
Total	1,660	\$1,651,849.70

Bank Balance \$624,180 - 23/8/2023



# Initiatives

Digitalization  
mySCGF App,  
Online Services,  
Alerts , MPAiSA ,  
myCash



## None Core Legal Services- 2023

Transmission by Death	
Wills	
Provisional Titles	
Probates	
Sale & Purchase Agreement	
Transfer	
Deed	



## Product Segmentation- 31<sup>st</sup> July 2023

Mill	Total Accounts	Total Grower Count -SCGF	Total Production	Total Portfolio	Total Grower Count -Productive	Total Production 20	Estimate 2023	Percent
Lautoka	1622	1281	169,406.98	\$12,549,129.88	2974	423,574.64	439,785.00	35%
Parawai	3133	2439	267,781.91	\$12,606,093.91	4710	578,609.89	662,920.00	35%
Labasa	2082	1485	282,985.13	\$10,735,668.60	3188	636,819.00	677,140.00	30%
Total	6837	5205	720,254.02	\$35,890,892.39	10872	1,639,003.53	1,779,845.00	100%

	Total Accounts	Total Portfolio	% Balance Arrears
HeadOffice-FSC	1	\$5,215,773.47	0%
Lautoka	677	\$2,997,276.42	7%
Nadi	664	\$3,074,787.12	3%
Sigatoka	280	\$1,261,292.87	7%
Ba	1441	\$6,851,717.33	7%
Tavua	664	\$2,364,691.64	10%
Labasa	1530	\$7,112,601.75	9%
Seaqaqa	552	\$3,623,066.85	11%
Raki Raki	1028	\$3,389,684.94	17%
Total	6,837	\$35,890,892.39	7%



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## Performance Trends

Details	2018	2019	2020	2021	2022 (Unaudited)	Jul-23
Loans to Growers (Portfolio)	31,318,897	23,299,543	27,545,977	28,020,462.49	30,407,677.66	30,675,119
Provision (Non Performing Accounts)	5,501,169	3,941,546	3,685,521	2,552,458.00	1,758,654.00	1,758,654.00
Net Loans (Performing Accounts)	25,817,728	19,357,997	23,860,456	25,468,004	28,649,023.66	28,916,465
Net Profit (SCGF)	2,445,651	2,594,872	1,719,927	3,056,324.00	2,987,000.00	1,649,711.00
Group Profit	8,534,324	6,730,141	6,806,990	5,648,449.00	N/A	N/A
No. of Productive Growers	11,418	11,637	11,622	11,397	10,872	10,872.00
Annual Sugar Cane Production (tons)	1,700,000	1,806,571.54	1,729,281.16	1,417,267.45	1,639,003.53	1,779,845.00
Total Application Approved	2,855	2,379	2,621	2,049.00	2,581	1,125
Approved Application Value	7,838,184	8,417,956	9,870,827	7,480,461.41	10,262,496.00	5,914,330.95
Total Loan Payments Made	2,642	2,738	2,215	2,948	3,662	1716
Loan Payments Value	7,915,812	7,726,898	7,998,661	6,527,411.05	9,500,557.00	5,486,135.00
Average Monthly Application Value	653,182	701,496	822,568.94	623,371.78	791,713.08	783,733.57
Arrears Tends	25%	19%	13%	11%	10.0%	9%
%Provision /Gross Loan	17.57%	16.92%	13.38%	9.11%	5.78%	5.73%



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## Comparative Industry Benchmarks

Institution	Interest Rate (Ave)	Int Rate	Loan Balance SCGF 31 <sup>ST</sup> July 2023
SCGF	0- 6% FSC - 7%	0	\$1,350,916.08
FDB	9.99% (Subsidy 6%, farmers are charged 3.99%)	2	\$36,103.66
BOB	11%	3	\$80,470.82
ANZ	Do not give Agriculture Loans	4	\$381,018.83
WBC		5	\$374,217.94
BSP		6	\$28,452,391.59
Bred		7-FSC	\$5,215,773.47
CCSLA	13%		
HFC	10% flat fees (Maximum Loan \$2000)	Grand Total	\$35,890,892.39

1. Request made to Ministry for Economy for Interest Subsidy in 2023. No decision made as was not part of annual budget
2. inherent risk (concentration, Climatic, other industry issues)
3. Exposures of \$2.893m is in default (9%)
4. Over last 4 years \$ 2.574m written Off ( part of Cleansing ) as before there were no major aggressive/ structured arrears management)
5. Expected Loss Given Default 1.5% [ \$0.5m pa]
6. Total Income [\$4.7m]/ Grower Loan interest [\$1.532m] 33% and Fee 7% [\$0.342m]



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## Comparative Industry Benchmarks

	Audited	Audited	ANZ	WBC	BOB	BSP	BRED	HFC	SCGF	FDB
	Current Year	Prior Period							2022	2022
Profitability										
Banking Operations in Fiji:										
Net operating profit/(loss) after tax (\$'000)			53,579	30,515	16,211	87,625	20,121	32,229	2,987	1,785
As a percentage of average total assets			1.70%	1.28%	1.80%	3.00%	1.63%	2.04%	3.80%	2.90%
Total assets (\$'000)			3,338,73	25,20,075	88,2760	3,102,409	1,448,355	1,715,958	78,510	625,982
The percentage change in total assets over 12 months			14.04	12.28	5.15	13.25%	38.19	18.57	4	3.08
Loans Portfolio and provisions										
Total Loans			1,863,980.00	1,358,847.00	356,071.00	2,079,110.00	1,003,660.00	1,194,980.00	30,395,834.00	629,040.00
Total provisions/non performing loans			31,096.00	37,586.00	6,420.00	53,203.00	14,398.00	25,823.00	2,521,633	15,2330
NPL Ratio (%)			1.67	2.77	1.80	2.56	1.43	2.16	8.30	24.21

In real terms provision ratio is around 5% however SCGF is of the view to have extra layers for abnormal shock



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## Other Points

- ▶ Our Fees & Charges are very competitive- 20- 30% of the current market rate
- ▶ Application Fee- Zero For Natural Disaster, Medical & Funeral
- ▶ Application Fee- 50% Discount For Women Growers for Farm & Machinery Purchase
- ▶ Application Fee-50% Discount For Climate Change Funding & Growers with Disability ( 2023)
- ▶ In- House valuation Services at \$150 per farm (Compared \$350-\$450)
- ▶ Our Digital Services-

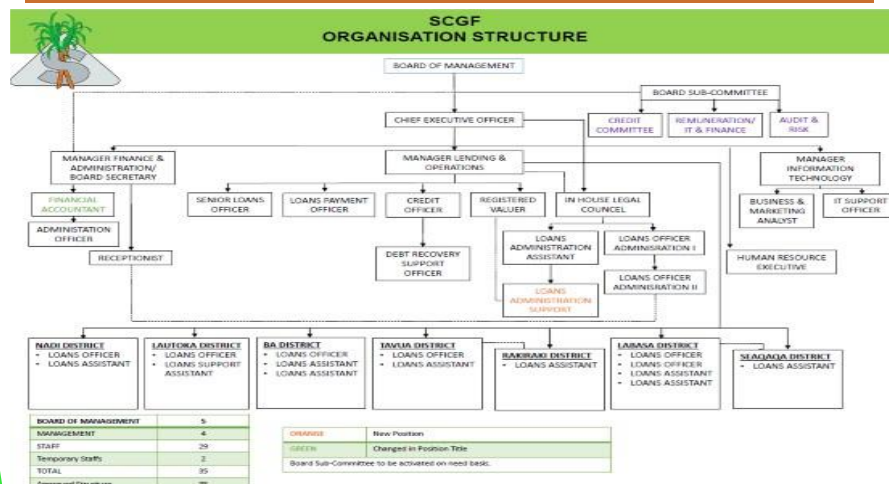


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## Human Resource

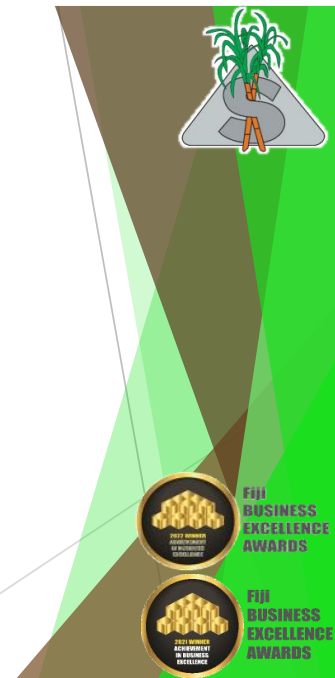
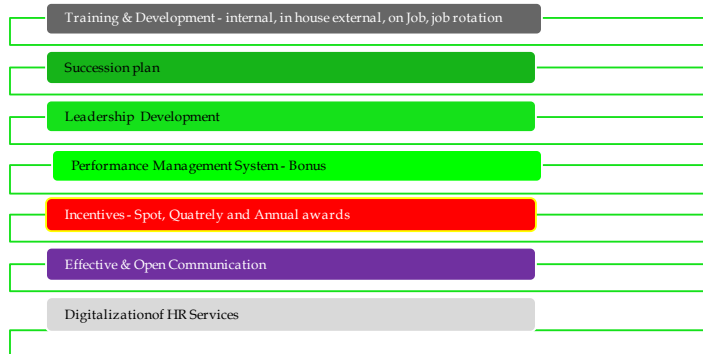


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## Human Resource



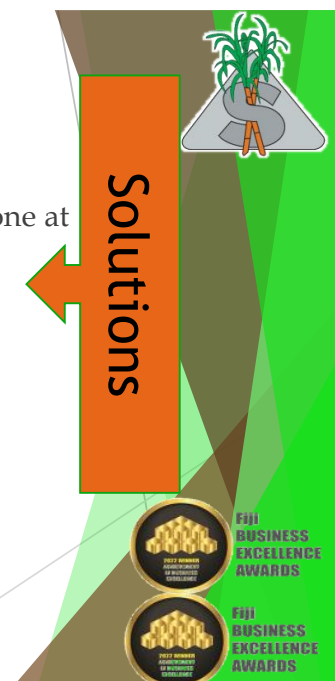
## Problems Statements

- ▶ Improve on Customer Service Efficiency
- ▶ Assets Quality & Earning
- ▶ Organization Capacity
- ▶ Improve on policy Process, Product Environment
- ▶ Market Reposition
- ▶ Technology

Since 2018

1. Leadership with tone at the top at Board
2. Strategic Planning
3. Measurements & Analysis
4. Workforce
5. Customer Focus
6. Operations
7. Results

## Solutions



## Launches 2023..Fiji Sun 23<sup>rd</sup> August 2023

### CONNECTIVITY

## Cane farmers offered additional income support

CHARLES CHAMBERS  
LAUTOKA

**F**orging smart partnerships with key stakeholders and communities for the purpose of generating economic activity is a critical success for the Ministry of Fisheries.

The comment was made by the Permanent Secretary for Fisheries and Forests, Atsaiate Rokosuka at the signing of the Memorandum of Understanding (MoU) between the Sugar Cane Growers Fund (SCGF) and the Ministry of Fisheries in Lautoka yesterday.

The MoU will see sugarcane farmers who wish to have supplementary income without undermining the aspirations of the sugar industry and its stakeholders with the ministry providing technical support.

"The Ministry to date have assisted 300 aquaculture farmers and interested farmers in the sugarcane industry will add on to this number," Ms Rokosuka said.

"The ministry is committed to working with SCGF to implement the MoU. An opportunity exists for the development of an implementation plan to ensure our partnership

thrives and grow in supporting the national economic recovery.

"Whilst SCGF's top priority is to support the growers and the sugar industry in increasing the cane production but at the same time increase the income of the growers, thus minimising the single income dependencies."

#### What it means

SCGF chief executive officer Raj Sharma said the loan package being offered for this scheme was limited to producing cane growers with a loan cap of \$15,000 of which 16 per cent is a grant and can be paid after a harvest and over a period of five years.

"The BLP Concessional Loans program is implemented by DT Global in its capacity as Managing Contractor of the Pacific SME Finance Facility Pilot programme.

DT Global has partnered with SCGF to deliver funding on behalf of the Ministry of Foreign Affairs and Trade (MFAT) under a New Zealand international aid and development program by making wholesale capital accessible to small and medium sized cane growers/ business enterprises (SME's) operating in the cane belt area of Fiji, at concessional loan rates.



From left back: Ministry of Sugar director operations, Praneel Naidu, Aqua Hire Division head Dr Alok Kalla, cane farmer Viliame Bosewaga. Front from left: Sugar Cane Growers Fund chief executive officer Raj Sharma, Permanent Secretary for Fisheries and Forests Atsaiate Rokosuka, principal economic planning officer Ministry of Fisheries, Pranistama Kumar and SCGF manager lending and operations Sagar Dayal. Photo: Charles Chambers

"The facility is extended to Fiji's sugar cane growers within policy guidelines where one of the requirements is that growers need to register a business for this funding," Mr Sharma said.

This programme was officially launched in May 2022 to support the cane growers to plant, at that time, ginger only and then expanded with duruka, turmeric, beekeeping and aquaculture.

"There is total funding of \$0.591 m of which so far 27 growers have been funded \$0.112m," Mr Sharma said.

"When we talk about aquaculture certainly it has to do with ponds, fish and prawns, and the knowledge of farming.

"There are a few sugar cane farmers already doing aquaculture on smaller scale.

"The MoU through the Ministry will help SCGF to identify areas and cane farmers who wish to diversify and provide technical expertise on aquaculture farming and conduct awareness.

"SCGF will provide financial assistance under the Business Link Pacific (BLP) Specialised SME Loan.

"The normal interest rate is 6 percent however, with a rebots of one percent under the BLP Scheme, growers will be charged five percent."

Feedback: charles.chambers@fijisun.com.fj



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## Launches 2023



100% Waiver Application Fee Disability-  
January



mySCGFapp May



MOU-Ministry of Fisheries  
August



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# Major Transformation ICT PROJECT TIMELINE

- Initiate Project- Sesame Software / Datec Fiji
- Team Formation and Leader selected
- Problems / System
- Planning on project stages
- Project Selection
- System Selection

2019

2019-2020

- Problem Identification
- Problem Analysis
- System Training
- Project Implementation - phase 1

- Progressive Solution Implementation

2020-2021

2021-2022

- 2<sup>ND</sup> Phase of Digital Services
- Security Test & Upgrade
- Reports
- Sage Financial System (Datec Fiji)

2022- 2023

- Post Implementation Review
- Get Feedback from internal customers
- Analyze Impact on Productivity & Sustainability
- HRM System
- Document Management System



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## Digitalization

### Digitalization

Over the years SCGF has put its focus in Digitalization and have introduced services such as (with System Change)

- ❖ mySCGF Mobile App
- ❖ mySCGF Online Services
- ❖ Alert SMS
- ❖ M-PAiSA
- ❖ MyCash



Loans Officer providing loan balance to farmer on the farm.



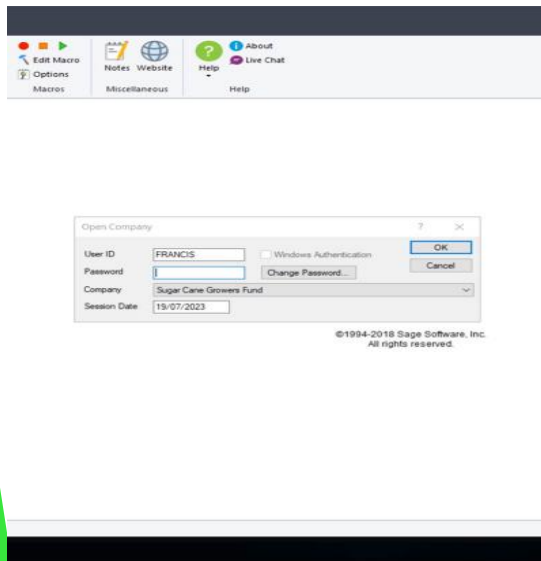
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# Digitalization



# Impacts & Measurement

01

Customer Services Improved - effective turnaround and measurements, increase market share, customer survey

02

Asset quality Improved from NPL 25% (2018) to 10% (2021 / 2022) and 2023 (9%)

03

Our People Dynamic & Motivated Team Empowerment & Rewards - Leadership

04

Earnings (2018) \$2.4m to \$3.m (2021) and (2022) over \$2.9 (unaudited)

05

Improved with policies, and processes from 1 policy to 15 plus 4 in progress

06

Reposition - Marketing, Branding ( Social Media, Print Radio- sponsored Program - FBC - Dehati Darshan & Nai- Sau, Sivi- kei-na- Misini)

Innovation & Productivity



## Impacts & Measurement



**07**

Monthly Management  
accounts -

2018 - > 1-2 week

2023 -3days



**08**

Loan Approvals

2018 - 1week

2023 - 2 days



09

Monthly Reports -  
2018 3days

2023 - 1 day



**10**

Loan Application track  
2018 - No

2023- on Line

**11**  
**Business Continuity  
& DR**  
2018 - No  
2023 - Real-time

**12**

**HR System**  
**2021 - Paper based**  
**2023 - Online**

Innovation & Productivity

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2023 WINNER

Fiji BUSINESS EXCELLENCE AWARDS

2023 WINNER

## Community & Environment

- # Community & Environment
1. \$1.8m Insurance Premium for Bundle Insurance 2018-2020)
  2. Green Productivity- Tree Planting in Labasa & Lautoka and upkeep of the plants
  3. Social Club activities- Bus Accident Victims & Community Contribution
  4. Medical Check Arrangements ( Open day 1<sup>st</sup> July 2023)
  5. Formation of Sugar Industry Trust- \$0.075M+Govt \$0.075m
  6. Paper Usage Monitoring
  7. Discounted Fee/ 50% Fee and Zero Fee
  8. Rehab -Activation Plan

**2021 WINNER**  
**2021 NOMINEE**

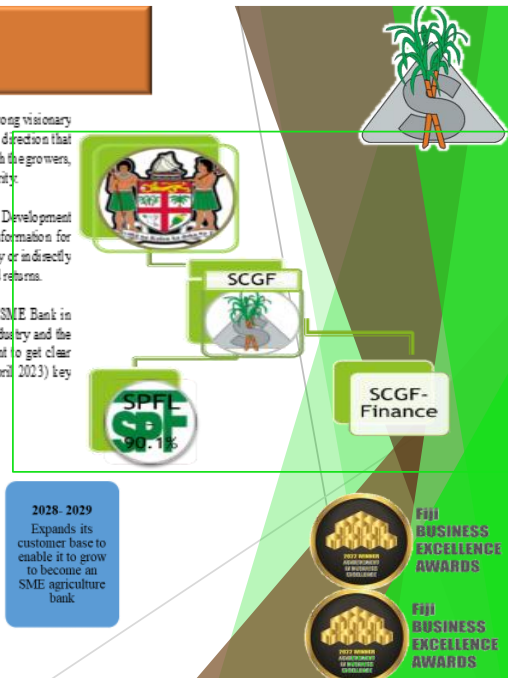
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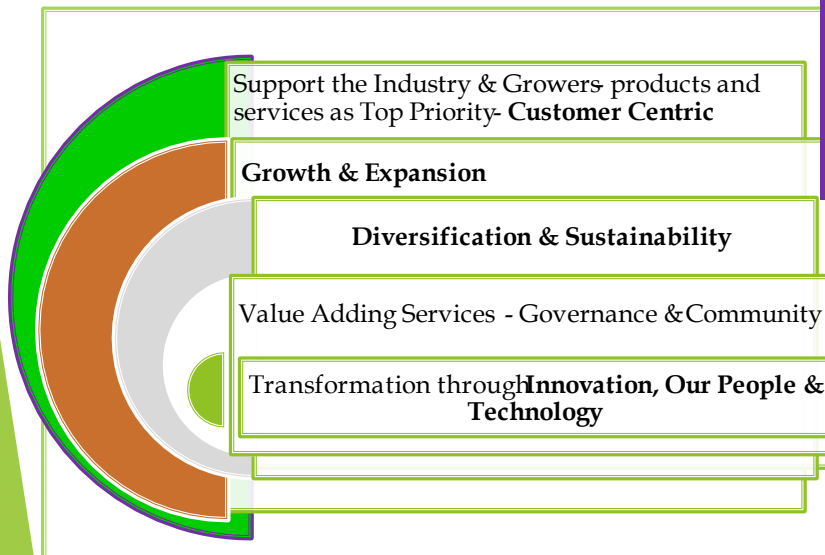
## Strategic Plan- 2022- 2028

1. The Strategic Plan 2021- 2025 (+2) of the Sugar Cane Growers Fund (SCGF) has been formulated and reviewed with some strong visionary thoughts for SCGF to be the premier and sustainable financial service provider for Fiji's Sugar Cane Growers based on the direction that industry policy makers take. SCGF originated from contributions of the cane growers and millers; therefore, going forward with the growers, it needs to balance the risk and return for its continuity as a Trust Fund and ensure the growers' needs are always given priority.
2. The plan is a "revolving one" based on (1) - **Red Strategy** as a transitional plan recommended in the independent Asian Development Bank (ADB) Gap Report. ADB through its consulting partner DT Global carried out the feasibility study on the - Transformation for MSME Bank and (2) **Blue Strategy** that would expand the horizon to invest in the other businesses that would assist directly or indirectly the growers, industry and become the economic driver in Fiji and beyond, provided such investments give mutual or desired returns.
3. Therefore, the plan is revised following the ADB Gap Report which provides the insight Roadmap - Transformation for MSME Bank in transition phases over 5-6 years. The plan once again takes into consideration the government's aspiration for the sugar industry and the livelihood of all those associated with the industry. The plan in no way would dilute the industry plan. It is also important to get clear direction from the Government on the industry, in view of the recent World Bank Report Public Expenditure Review (April 2023) key recommendations -

**Red Strategy** - Transformation for MSME Bank in Transition Phases Over 5-6 Years



## Why Transformation



Our Growers support for bank  
There is a survey Majority supported provided it is cost-effective

Pwc - 2007 ,





# Why Transformation

Fiji Sugar Industry Strategic Action Plan (SAP): November 2012 66

## 4) Sources of Capital

The FSC has estimated that capital funding of F\$5560m would be required to carry-out all the projects that it is currently considering. Potential sources of capital funding for these projects include:

- 1) **Sugar Cane Growers Fund.** The Sugar Cane Growers Fund has F\$ 4.6m available and it may offer an opportunity for investment in FSC projects, subject to Board approval.
- 2) **Reserve Bank of Fiji.** Has funding available at attractive rates but it cannot lend directly the FSC, it can only extend funding to other financial institutions. One option would be to register the Sugar Cane Growers Fund as a financial institution to permit it to access funds from this source.
- 3) **Fiji Development Bank.** Draws its funds from the Reserve Bank of Fiji and adds 4% to offer financing to its clients at 6%.
- 4) **European Investment Bank.** May offer long term financing and attractive rates.
- 5) **Commercial Banks.** ANZ is already involved in FSC financing.
- 6) Other organisations e.g. Asian Development Bank, when lending is active in Fiji or further EU commitments.

## 13.4.3 Diversify Loan Portfolio

The 2007 Strategy (under Goal 7) identifies an opportunity for the SCGF to diversify its loan portfolio to include:

- a) Loans to sugar cane farms for on-farm alternative livelihood projects.
- b) Provide micro-credit for sustainable alternative economic activities for farmers and farm workers exiting the industry.

The diversification strategy is also supported by this report but with emphasis on the development of a range of financial products in support of sustainable rural livelihoods. These products do not have to be in support of sugar industry exit but could rather focus on complementary agricultural crops, livestock (including poultry, goats etc.) and small-scale rural enterprises. Such loans would be available to sugar cane growers and their families e.g. allowing a son, wife or daughter start a rural enterprise.

As the 2007 Strategy notes, the existing Act allows lending to sugar cane farmers for purposes that the Board considers necessary or desirable for crop diversification. This provides a partial basis for the development of such a new set of financial products. However, to extend lending to non-sugar cane growers would require an amendment to the Act.

For farmers 'exiting the industry', reference is made to the SAP proposed 'Integrated farmer retirement and young farmer entry scheme'. It is recommended that the SCGF engages with the sugar cane industry and takes a leadership role in developing this important new facility.



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# Why Transformation

- **Transformation** - The sugar industry remains vital and is here to stay, but has its own constraints as mentioned earlier and SCGF is overly concentrated within the industry with over 70 percent of the Balance Sheet – SCGF Grower Loans- \$29.7 m, SPFL Investment - \$13.4 m (write-down of \$1.5m), FSC Loan - \$5.0 m, equating to \$48.1m out of total asset of \$78m. This denotes 62 percent of the exposure. Current Non-Performing Loan Ratio stands 10 per cent and impairment of around 5.6 per cent. Hence, if the investment is not diversified gradually and inclusively (including the cane growers) that would have risk for losses. The diversification would also enable the growers to venture into other business that would provide supplementary income, entail in having optimum use of the land and or reduce the government support and dependency. It is also important to state that without government support for price and other subsidies, the stress test of the current loan portfolio of SCGF shows, 98 percent of its main Specialized Loan [ \$25.616] m will be stressed in repayment.
- The revision of the SCGF Act would be essential that would allow the expansion and diversification of the activities. Such expansion and diversifications are imperative for SCGF's long-term sustainability. The priority and commitment still remain within its appetite for the best of the sugar industry to increase sugar cane production as per the industry plans which may change from time to time. However, as mentioned policymakers and stakeholders need a well-thought plan for the industry considering the challenges, and the livelihood of over 200,000 populaces. The outlook of the world market (that for now looks promising for the next nine years). It is imperative that industry players should consider diversification of the industry with increased production.
- If within ambit of the current legal framework allows for banking under special consideration that would be considered. Nonetheless, all the stakeholders including the growers are and will be consulted for the transition and transformation with SCGF and through the legal process.



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## Why Transformation

- ▶ Opportunity for SMEs in agribusiness and Government has refocused to agriculture
- ▶ Agriculture Loans by Banks \$118m, CI \$5m and FDB- \$101= SCGF\$30m = \$254m (11%)
- ▶ Total Loans Bank= \$8,149m, CI \$503m, FDB \$629= \$9,281m 12.73%

### FDB's Market Share

	FDB (\$)	FDB (\$M)	Commercial Banks (\$M)
Agriculture	78,907,000	78.9	62.7
Sugarcane Growing	16,316,000	16.3	1.4
Forestry & Logging	2,500,000	2.5	5.0
Fisheries	4,178,000	4.2	9.1
Others	55,913,000	55.9	47.2

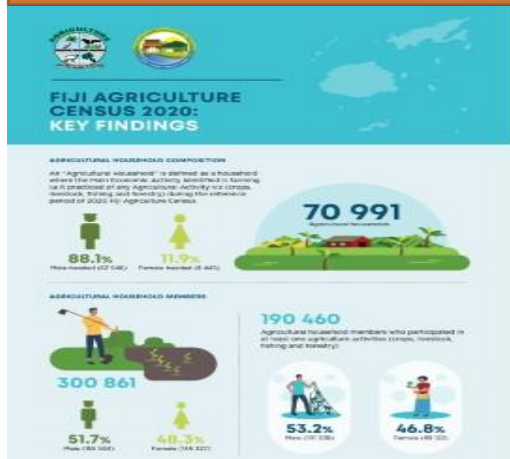


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## Why Transformation



- Does everyone have access to affordable finance?
  - Total agro portfolio 2.73 % (2022)
  - 300,861 Population 936,375 = 32%
  - Food Security
  - Export
  - Import Substitute
  - Tourism
  - Alternative livelihood
  - Squatters population (15 -20%) – reverse urbanization, Reduce pressure on utility
  - Maximum use of land
  - Stop Urban Drift

(Hon) Rabuka says Macuata is an important province in Vanua Levu, as it has a lot of potential to generate revenue that can contribute to development.

He says this is evident in the significant number of investors that have shown confidence in establishing their businesses in the Northern Division. Rabuka stresses the importance of the "Integrated Rural Development Programme", which is part of efforts by the government to help address



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## Strategic Plan- 2022- 2028

### Strategic Pillars



1. Grower/ Customer focused- affordable loan and increase the market share from 60% to 75% from \$32m (2023) to \$50m by 2028 if FSC increases production 1.6t (2023) 1.9t (2024) 2.2t (2025) and 80% thereafter
2. Deepen the Engagement- SDG Goal initiatives
3. Effective turnaround time of Services
4. Transform to other services with a Review of Act, if required
5. Support the core funding for the industry with checks and balances for sustainable earnings
6. Supplement with integrated farming funding to have over 20% of the Portfolio with growers, growers family and then outside of industry over period

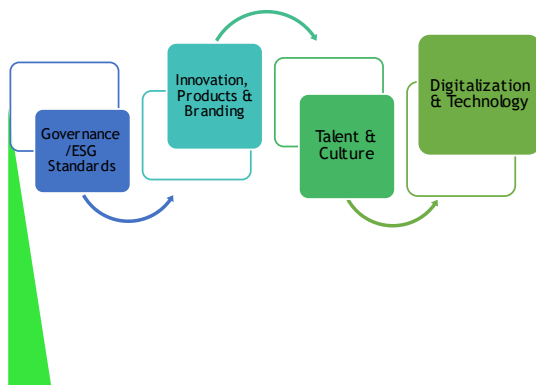


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## Strategic Plan- 2021- 2025

### Strategic Enablers



1. Improved Governance structure - Policies, Delegations, Internal (KPMG) and External (EY) Audits, Risk Management Compliance Framework
2. Contribution to the farming community- paid \$1.8m premium ) and now the formation of Industry Trust Fund [ \$0.075m) and Govt Approved \$0.075m- Industry Trust
3. Continuous Review of Products, Policies and Policies customer surveys, branding & image radio programs, ads, social media, talk back shows,
4. Ongoing Promotion & Marketing/ Radio / Community Services.
5. Recognition and Rewards of staff, Training & Development, Empowerment, Performance Management
6. Digital services - Online loans, Automated documentation, my SCGF App, Online Portal, Alerts, MPAiSA, MyCash - Exploring Saving , QR, Revolving Loans, HR Systems , Document Management ( Board Consideration)



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## Open Day - 1<sup>st</sup> July 2023- All Offices - Kabisi Sigatoka 9am to 3pm



61- \$0.404m  
Enq

11- \$0.070m  
Applications

8-  
\$0.043m  
Approval

Digital Reg-  
16



**MEDICAL SERVICES PACIFIC**

40 Free Medical  
Check ups



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## SWOT SCGF

Strength	Weakness
<ol style="list-style-type: none"> <li>1. Own capital and zero cost of Funds</li> <li>2. Strong &amp; Diverse Board and Government support and co - operation</li> <li>3. Own target niche</li> <li>4. Supported by Government initiatives and programs</li> <li>5. Dynamic talent and culture</li> <li>6. Demographic layouts in main cane belt areas - 7 centers</li> <li>7. Industry support and co-operation</li> <li>8. Other rural integrated programs with layouts</li> <li>9. Technological platforms &amp; standards</li> <li>10. Brand awareness and Repositioning</li> <li>11. Improved Processes</li> </ol>	<ol style="list-style-type: none"> <li>1. Limitation of the SCGF Act</li> <li>2. Lack of Diversification and restriction for growth</li> <li>3. Concentrated income streams</li> <li>4. Limitations of the Products</li> <li>5. Subsidiary Performance / Support of Government</li> <li>6. Training &amp; Development -Lending skills &amp; Training, Leadership</li> <li>7. Other Investments and High Exposures to the industry</li> <li>8. Lack of building infrastructure / spaces</li> </ol>
Opportunities	Threats
<ol style="list-style-type: none"> <li>1. Transform into LFI and then banking -Lending to other sectors within sugar and or outside of agriculture to sugar cane farmers and non-sugar cane farmers- Agro based SMEs</li> <li>2. Diversification strategy - Savings, Guarantee Loans, insurance, medical centers, plant &amp; machines, Contract or Farm Manager Concept</li> <li>3. Local / industry business collaboration &amp; expansion</li> <li>4. Insurance opportunities</li> <li>5. Payment system and agency models</li> <li>6. International or Development partner business collaboration &amp; expansion- Credit cards or Remittances</li> <li>7. Modern Integrated Technology and Digitalization</li> <li>8. Possible Grants and Funding instruments - Food Security</li> <li>9. Investment - Real estate</li> </ol>	<ol style="list-style-type: none"> <li>1. Industry performance and impact</li> <li>2. Climate Change impacts -Natural disasters</li> <li>3. Farmers willingness and commitment (subsidizes)</li> <li>4. Old aged farmers and lack of manpower</li> <li>5. Changes to Government policies/ lack of monitoring and controls</li> <li>6. Single niche market</li> <li>7. Political influence</li> <li>8. Competitive package through Government subsidy (FDB)/ for North Farmers</li> </ol>



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## Industry Outlook

- On the flip side, global sugar market will reach USD 76.62 Billion in 2027, from USD 67.59 Billion in 2021.

Report Attribute	Details
Forecast Period	2021 - 2027
Estimated Market Value (USD) in 2021	\$67.59 Billion
Forecasted Market Value (USD) by 2027	\$76.62 Billion
Compound Annual Growth Rate	2.1%
Regions Covered	Global

- Sugar production (cane or beet) is likewise capital-demanding- necessitating large-scale operations to remain competitive<sup>1</sup>. So there is an opportunity for sugar-related products- soft drinks, sweetened beverages, convenience foods, fast food, sweets, confectionery, baked goods, and other sweetened foods are all made using sugar. Sugar is also employed in the rum distilling process. Furthermore, sugar is a high-profile commodity in the world's major producing countries, both politically and commercially. The sugar industry global, which is on the rise, encompasses the production, processing, and marketing of sugars (principally saccharose and fructose).
- In recent years, sugar prices are projected to be supported by continuously rising crude oil prices and decreased global output. However, massive stocks, strong products in the current season, and near-stagnant domestic demand will limit price increases, the policy makers need to consider.
- Moreover, sugar's ground-breaking application has many uses in the pharmaceutical and beauty industries. Additionally, it is used to manufacture antibiotics and cough syrups in the pharmaceutical industry. On the other hand, it is employed in creating scrubs because of its exfoliating capabilities in the skincare industry.
- A small number of powerful consuming countries dominate global sugar production and commerce. The top 10 consumers are India, European Union, China, the United States, Brazil, Indonesia, Russia, Pakistan, Mexico, and Egypt. Although the sugar market in industrialized economies such as India, the European Union, and China remains saturated, they show signs of constant growth in emerging markets.
- Therefore, it is quite important that current opportunities in the local front by Fiji Sugar Corporation Ltd, all the stakeholders must work towards capitalizing in the short to medium terms.

<sup>1</sup> Source: <https://www.globenewswire.com/en/news-release/2022/12/19/2576046/28124/en/Global-Sugar-Market-Report-2022-to-2027-Continuously-Rising-Crude-Oil-Prices-and-Decreased-Global-Output-are-Supporting-Sugar-Prices.html>



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## Industry Problems & Solutions

- Payment systems, climatic conditions, and its impact, governance lack of enforcement of rules and regulation, outdated Acts, lack policy to entice existing and new growers, government's technical and financial support. This all can be improved with action plans summarized under –

1. Industry Governance Structure;
2. Sugar Outlook;
3. Milling, Transportations & Harvesting;
4. Innovation, Production, Yield & Sugar;
5. Resource- Land Use – Manpower;
6. Financial Access & Social Security

There is a separate supplementary paper on this which has been shared with the Ministry of Sugar and all the stakeholders before.

- The challenges can only be addressed with total commitment and political will for a clear direction of the industry whether it is downsizing, the right size, and or expanding with a very clear Industry plan.
- The industry needs and in particular grower needs inclusively remain and will always remain as a priority of SCGF. Conversely, at the same time, SCGF needs to focus outside of the industry for diversification and sustainability to minimize the industry concentration risk and unexpected shocks. In this regard it must ensure to have a sound mixed Balance Sheet- ensure to have (1) risk mitigated/diversified strong capital base, (2) other sources of funding than to use its own sole capital, and (3) different source and use of funds.

<sup>1</sup> Source: <https://www.globenewswire.com/en/news-release/2022/12/19/2576046/28124/en/Global-Sugar-Market-Report-2022-to-2027-Continuously-Rising-Crude-Oil-Prices-and-Decreased-Global-Output-are-Supporting-Sugar-Prices.html>



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## Government Subsidy

- ▶ India's sugar export subsidy program since 2017/18 has become virtually institutionalized. India is now a structural exporter of sugar, with subsidies on exported sugar of up to one-third of an Indian mill's cost of production of raw sugar."

▶ <https://www.canegrowers.com.au/page/media/media-releases/2021/crushed-sugar-industry%E2%80%99s1b-hit-from-indian-subsidies-revealed>

- ▶ U.S. Sugar producers are among the most efficient in the world and support a market that rewards the best businesspeople, not the most subsidized. 120 countries produce sugar and nearly all subsidize sugar production in some way. The World Trade Organization is the only venue to address so many subsidies.

▶ <https://www.westernsugar.com/truthabout-sugar/worldtrade-farm-bill/#:~:text=U.S.%20sugar%20producers%20are%20among,to%20address%20so%20many%20subsidies>



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## Budget & Reporting

- 1. Personal Emoluments (\$533,543); FNPf (\$46,685); Overtime (\$500).
- 2. Wages (\$40,841); FNPf (\$3,574); Overtime (\$10,000).
- 3. Travel (\$100,000); Subsistence (\$80,000); Telecommunication (\$19,000).
- 4. Vehicle: Fuel and Oil (\$35,000); Vehicle: Spare Parts and Maintenance (\$15,000); Maintenance of Office Equipment (\$600); Stationery and Printing (\$10,000); Power Supply (\$30,000); Incidentals (\$6,000); Courier/Mail Expenses (\$500); Water, Sewerage and Fire Services (\$4,800); Sanitary Services (\$4,210); Training Expenses (\$2,000); Cane Harvest - Correction Services (\$300,000); Industry Consultation (\$4,000).
- 5. Books, Periodicals and Publications (\$2,250); Office Expenses (\$4,000); OHS Expenses (\$100); National Training Productivity Centre Levy (\$6,031).
- 6. Sugar Research Institute of Fiji (\$1,139,950); International Sugar Council (\$37,560); Sugar Tribunal (\$350,000); Sugar Cane Growers Council (\$800,000).
- 7. Sugar Cane Growers Council Election (\$187,000); Sugar Industry Strategic Development Plan (\$150,000); Manual Harvesting Support (\$1,000,000) - **All under R.**
- 10. Sugarcane Development and Farmers Assistance - FSC (\$5,000,000); Cane Cartage (Penang to Rarawai) - FSC (\$4,961,098); Weedicide Subsidy - FSC (\$1,000,000); Cane Access Roads - FSC (\$2,000,000); Fertiliser Subsidy-FSC (\$20,000,000); Sugar Stabilisation Fund-FSC (\$1,000,000); New Farmers and Lease Premium Assistance (\$2,000,000); Farm Incentive Programme (\$1,000,000); Cage Bins (\$1,000,000); Drainage for Sugarcane Farms (\$5,500,000); Sugar Individual Small Grants Scheme (\$500,000); Sugarcane Farm Mechanisation (\$500,000) - **All under R.**

New Lease Cost SCGF 328 - \$2.5M ( Seaqaqa \$0.634m)

Thank the Ministry,-  
S&ME & and Ministry  
of Finance for the new  
programs

- Strategic Plan
- Manual Harvesting
- Increase in Farm Development
- New Farmer & Lease
- Farm Incentive
- Cage Bins
- Drainage



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## Budget & Reporting

- ▶ Monthly Institutional Report- 15<sup>th</sup> of Each month
- ▶ Quarterly Report – NFA and Updates
- ▶ CDRF Audit

Thank the Ministry,-  
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## Conclusion

- ▶ Commitment and Dedication across the Business
- ▶ Continuous improvements despite challenges
- ▶ SCGF is totally committed to supporting the Industry and government's aspiration
- ▶ Support the growers' needs
- ▶ It needs to diversify for its sustainability





## Our Achievement .... 2021 & 2022 ...2023?



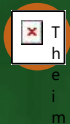
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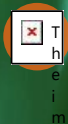
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Welcome to SCGF  
Vinaka Vakalevu

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