



## **STANDING COMMITTEE ON ECONOMIC AFFAIRS**

### **Review Report of the Ministry of Sugar 2016-2017, 2017-18, 2018-19, 2019-20 Annual Reports**



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

The Standing Committee on Economic Affairs is pleased to submit to Parliament the Consolidated Review Report of the Ministry of Sugar Industry (MoSI) 2016-2017, 2017-2018, 2018-2019, 2019-2020 Annual Reports.

The Committee conducted a site visit to the Western and Northern Division late last year and earlier this year to gain a better understanding of the current practices of the sugar industry. The Committee also heard submissions from the officials of the Ministry of Sugar Industry.

The Committee was made aware of the various challenges that the Ministry has been facing which include acute shortage of labor, aging infrastructure, abandonment of farm amongst many other reasons.

The Committee noted that the Annual Reports presented by the Ministry lacked essential data during the period under review which would enable the Committee to make more informed recommendations.

The Committee further noted the various programs introduced by Ministry to assist sugarcane farmers such as Sugarcane Development and Farmers Assistance, Weedicide and fertilizer subsidy, Cane Access Road, mechanical harvester, grants to new farmers and cane cartage grant.

While discussing the reports, the Committee noted that transporting cane through rails would be far more cost effective than through trucks which required more fuel. It would also relieve road congestion and damage caused by cane trucks.

While the Committee was satisfied with the Annual Report during the review period, it noted that there are areas that can be improved through more enhanced coordination, commitment, and accountability of all stakeholders.

At this juncture, I would like to extend our appreciation to all the stakeholders for their valuable input.

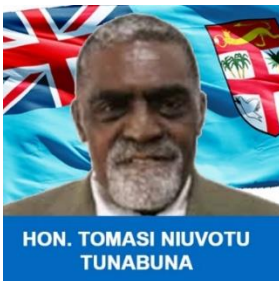
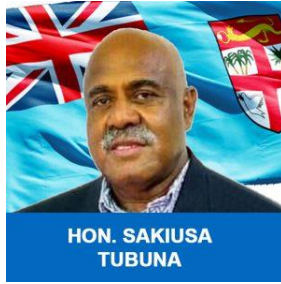
Finally, I would like to thank our Committee Members who were part of the team that produced this report: - Deputy Chairperson Hon. Sashi Kiran, Hon. Tomasi Tunabuna, Hon. Premila Kumar and Hon. Semi Koroilavesau. I also thank the Parliamentary Staffs who have given us invaluable support.

On behalf of the Standing Committee on Economic Affairs, I commend the Ministry of Sugar Industry 2016-2017, 2017-2018, 2018-2019, 2019-2020 Review Report to Parliament.



**Hon. Sakiusa Tubuna (Chairperson)**

## Committee Membership



## Committee Secretariat

### Staff

- Ms. Komal Khushboo
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## **Introduction**

The Standing Committee on Economic Affairs was referred the Ministry of Sugar 2016-2017, 2017-2018, 2018-2019, 2019-2020 Annual Report, pursuant to the Standing Order 38(2) of the Standing Orders of the Parliament of the Republic of Fiji. The Committee was mandated to review the Annual Report and table its findings back to Parliament.

### **1.2 Background**

The Ministry of Sugar Industry (MoSI) was created as a separate Ministry, away from Ministry of Agriculture in June 2011. It is the only Ministry of Government located outside of Suva with its Head office in Lautoka. It produced its first Annual Report in 2012.

The MoSI is responsible for the co-ordination of activities and functions of the various institutions that make up the sugar industry. These comprise FSC, SCGC, SIT, SCGF, SRIF, and SPFL. Other Stakeholders include the Minister, Cabinet, Ministry of Finance, other government ministries and agencies, Sugarcane Growers, Development Partners (European Union), Multinational Funding agencies (IMF, ADB, World Bank), potential investors and Consultants. The Ministry of Sugar works with the vision to create a vibrant, sustainable and globally competitive sugarcane industry.

### **Committee Remit and Composition**

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

### **1.3 Procedure and Programme**

The Committee began its review of the Annual Report in August 2023. The review process adopted by the Committee was agreed upon through consensus by the Members to review the report and a summary of this is as follows.

The Committee read through the Annual Reports and discussed matters noted by individual Members. From these discussions, a variety of issues were identified, which the Committee resolved and sought clarifications.

The Committee received submission and briefings from the following Entities:

- Fiji Sugar Corporation
- Sugar Industry Tribunal
- Sugar Research Institute of Fiji

At the end of the review, the Committee made recommendations based on the discussions with stakeholders and on the Annual report's content.

## Findings

1. The Committee noted that the sugar industry faced a shortage of skilled labour during the period under review because of step migration from rural to urban areas while others moved overseas or ventured into non-sugar agricultural farming.
2. The Committee was made aware that some sugarcane farmers either abandoned their farms or sold it as they were too old to continue with farming and their children had either opted for a white collared job in urban areas or moved overseas.
3. The Committee noted that the Ministry of Sugar faced challenges due to old milling infrastructure, high transportation cost and high price of farming inputs such as fuel and fertilizer.
4. The Committee noted that the Annual Reports presented by the Ministry of Sugar lacked essential data during the period under review which would enable the Committee to make more informed recommendations.
5. The Committee noted the various programmes introduced by Ministry of Sugar to assist sugarcane farmers such as Sugarcane Development and Farmers Assistance, Weedicide and fertilizer subsidy, Cane Access Road, mechanical harvester, grants to new farmers and cane cartage grant.
6. During the 2016-2017 period, the Ministry engaged in consultations to Review Sugarcane industry Action Plan 2013-22 (SAP). However, the industry agreed to develop a new Strategy/Policy as SAP required extensive revision.
7. The Committee noted that in 2018, a Policy Framework on National Sugar Industry was approved by Cabinet after which a steering committee was formed consisting of Sugar stakeholders, EU, Government departments and consultations were held at 32 locations followed by two validation workshops.
8. The Committee noted that transporting cane through rails would be far more cost effective than through trucks which required more fuel. It would also relieve road congestion and damage caused by cane trucks.
9. The Committee was made aware that due to various challenges faced by the farmers, they had requested government assistance in purchasing mechanical harvesters in 2019. Subsequently, the Ministry of Sugar provided five (5) cooperatives with a grant of \$90,000 each to pay as deposit for procurement of harvesters.
10. The Committee noted that 220 new growers had been registered during the 2019-20 period through the New Farmers Program.



11. The Committee noted that 117 trucks were purchased for \$15.56 million (VIP), which includes \$5.9m contributed by Government through Ministry of Sugar Industry in the 2019-2020 financial year.

## Recommendations

1. The Committee recommends for the Ministry of Sugar Industry to engage in comprehensive dialogue with stakeholders in the sugar sectors to address the structural issues affecting the industry, particularly land lease issues, acute shortage of labour, excessive burning of cane and Cane Payment System.
2. The Ministry of Sugar needs to set a key target of achieving 2 million tons of Sugarcane to breakeven. The Committee recommends the Ministry of Sugar to develop relevant Key Performance Indicators (KPI) collectively with the respective organizations within the Sugar sector to achieve the target.
3. The Committee recommends the Ministry of Sugar, Ministry of Lands and iTLTB to work closely to ensure that all land allocated to sugarcane (approximately 50,000 hectares) are being effectively used by farmers. Considering that 17,000 hectares of suitable land not being utilize requires the engagement of iTaukei affairs, FNU, unproductive farmers, the Ministry of Sugar, the Ministry of Agriculture, and SRIF to come together to develop strategies to better utilize the land.
4. The Committee recommends that the Ministry of Sugar work with the Ministry of Finance to explore the establishment of a multi-purpose railway system to cater for cane cartage and other goods and services.
5. The Committee recommends for Ministry or Sugar to continuously develop a more targeted approach to establishing more commercial farms.
6. The Committee recommends for Ministry of Sugar to work intensively with Ministry of Agriculture to establish a special unit to promote exchange of technical information and intercropping practices within the sugarcane belt. Social media and onsite programs to be used to educate and motivate farmers to adopt improved production practices and diversification into other alternative crops.
7. While the Committee appreciates that farmers were provided with a grant to purchase Mechanical Harvesters, it recommends for Ministry of Sugar works with the relevant businesses to ensure that parts are readily available to address the issues face by farmers.

## Sustainable Development Goals

As the responsible organization, the Ministry of Sugar, through its initiatives and programmes, continues to the achievement of the United Nations Sustainable Development Goals (SDGs) that Fiji has committed to.

- The Ministry approach to the working environment with SDG 5 “Gender Equality” as under review **Female Staffs in Ministry** – in 2016/2017, there were 6 female staffs, in 2017/2018 – there were 47 percent female staff, in 2018/2019 and 2019/2020, there was 43 percent.
- **Registered female cane farmers** – in 2016/2017, 19 female farmers were registered while 21 female farmers were registered to establish cane farms in 2019/2020.
- **New farmers assistance program to women** – in 2016/2017 – 6 percent female farmers were assisted), in 2017/2018 – 13 female & 14 partners (including husband and wives), in 2018/2019, 21 females & 12 partners were assisted to establish new cane farms.
- **Sugarcane Rehabilitation & Small Grants program for women** – in 2017/2018 - 26 women farmers received assistance valued at \$112,119.86., in 2018/2019, a total of 21 women.

With this cause The Ministry promotes equal opportunity and provides funding assistance to male and female farmers alike without any discrimination including promoting gender equality within the Ministry with staff recruitment. The various programs under which data was recorded for female farmers includes New Farmers Program, and small grants.

The Ministry aspires to end all forms of discrimination against women & girls, eliminate all forms of violence, full participation of women in leadership by year 2030.

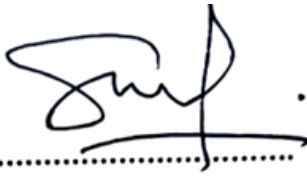
The Ministry also follows SDG 8 “**Decent Work and Economic Growth**” - The Ministry supports productive employment, and decent work that contributes to economic growth.

- Continuous training & capacity building of Ministry staff, attending international sugar conferences & meetings.
- 2018/2019 – one officer was released & supported to complete master’s program from University of the South Pacific, 2 officers attended overseas training in Malaysia & China, respectively
- Enforcement of Occupational Health & Safety in Workplace (OHS) within the Ministry.

## **4.0 Conclusion**

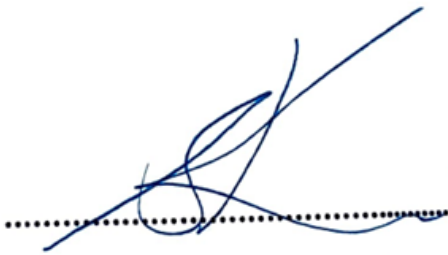
The Committee is satisfied with the Annual Report during the review period. However, we note that there are areas that can be improved through more enhanced coordination, commitment, and accountability of all stakeholders.

## Members Signature



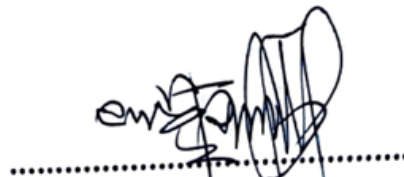
A handwritten signature in black ink, consisting of a stylized 'S' followed by 'akiusa', written above a horizontal dotted line.

**Hon. Sakiusa Tubuna (Chairperson)**



A handwritten signature in blue ink, featuring a large, sweeping 'S' and 'K', written above a horizontal dotted line.

**Hon. Sashi Kiran (Deputy Chairperson)**



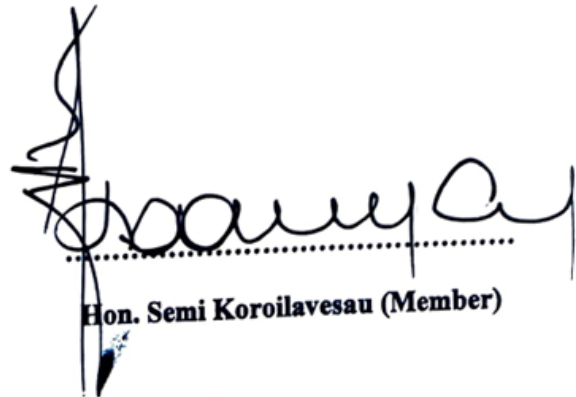
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**Hon. Tomasi Tunabuna (Member)**



A handwritten signature in black ink, starting with a large 'PK' followed by a wavy line, written above a horizontal dotted line.

**Hon. Premila Kumar (Member)**



A handwritten signature in black ink, featuring a vertical line on the left and a series of connected loops, written above a horizontal dotted line.

**Hon. Semi Koroilavesau (Member)**

# ANNEXURE



## Ministry of Sugar Industry 2016/2017 - 2018/2019 Annual Reports ”

Presentation to  
Social & Economic Affairs Committee by  
Ministry of Sugar Industry

30 October 2023

# Presentation Outline

Industry Overview, Price Outlook, Future  
targets  
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Challenges of the Industry  
**13**

Overview of Ministry of Sugar Industry  
**14**

Key Highlights for Ministry's Achievement  
from 2016/2017 – 2018/2019  
**16**

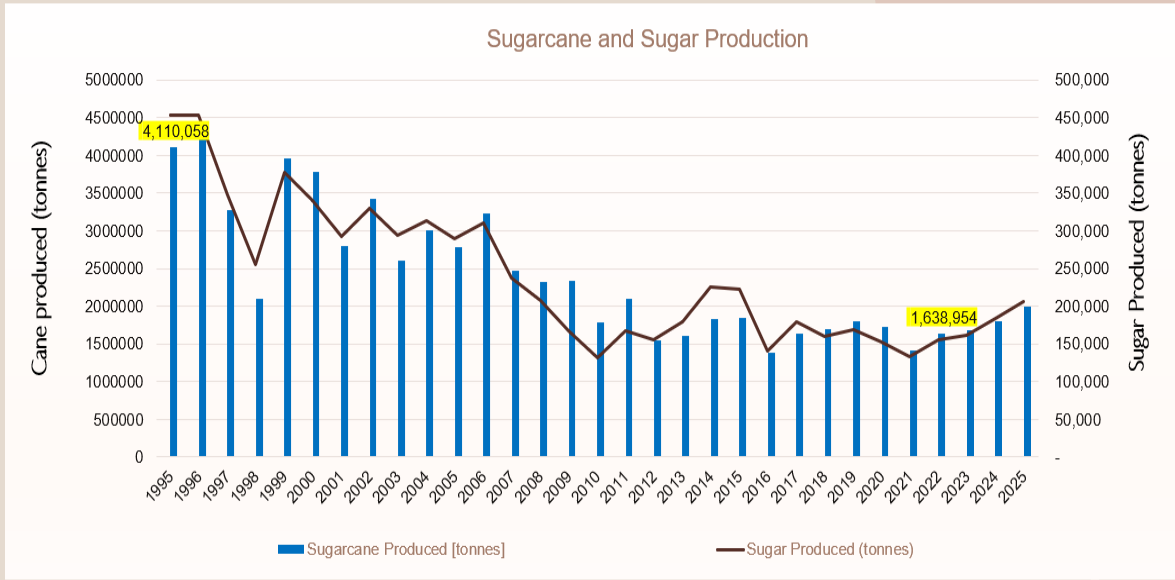
International Relations/Bilateral  
Collaborations  
**20**

Plans for the Ministry in 2023/2024  
**21**

Summary  
**23**

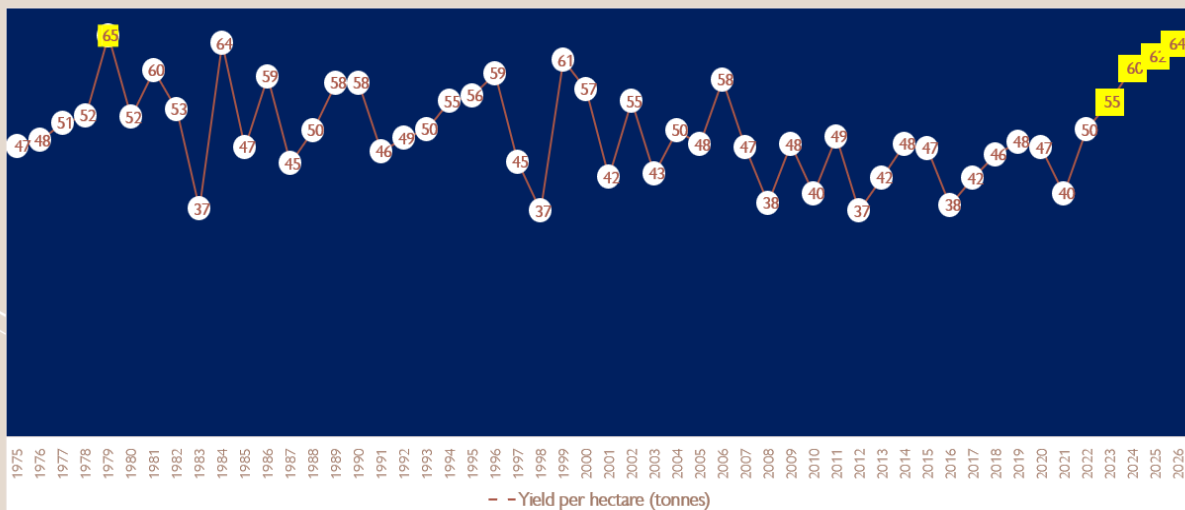
## Industry Overview and Outlook

# Production Trend



4

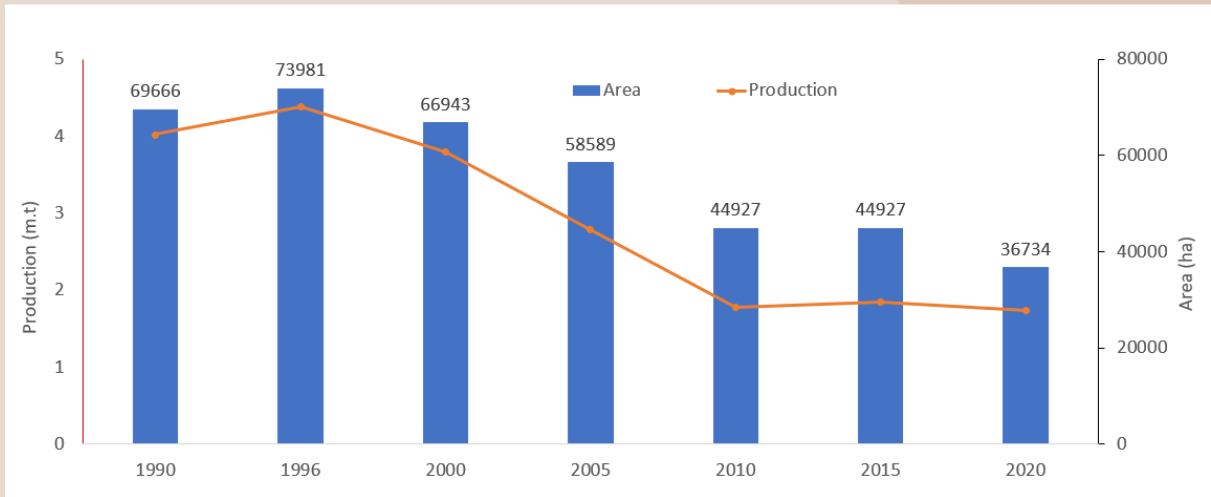
# Cane Yield Trend Actual vs Forecast



5



# Area vs Cane Production



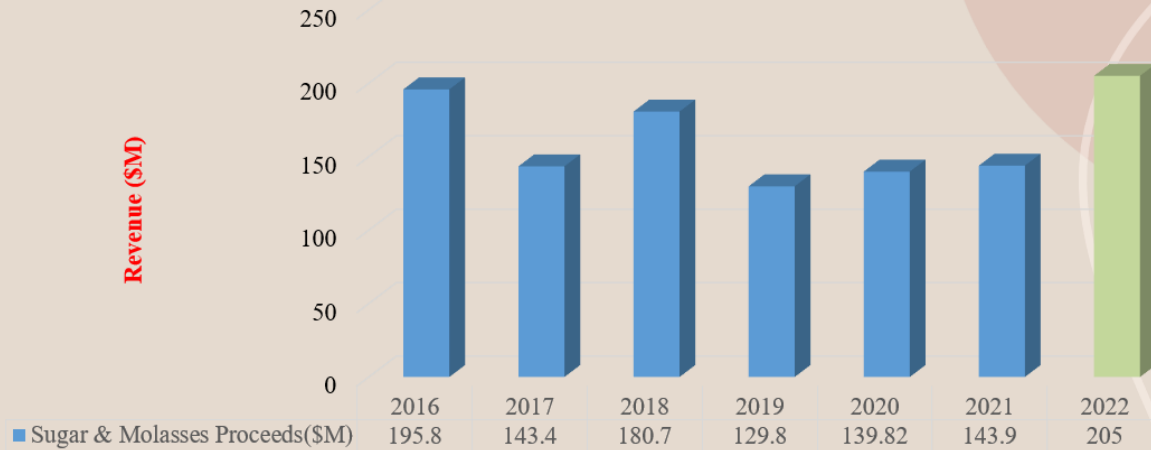
Source: SRIF, 2023

# Sugar Production and TCTS

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sugar Make (000'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

# Revenue Earnings

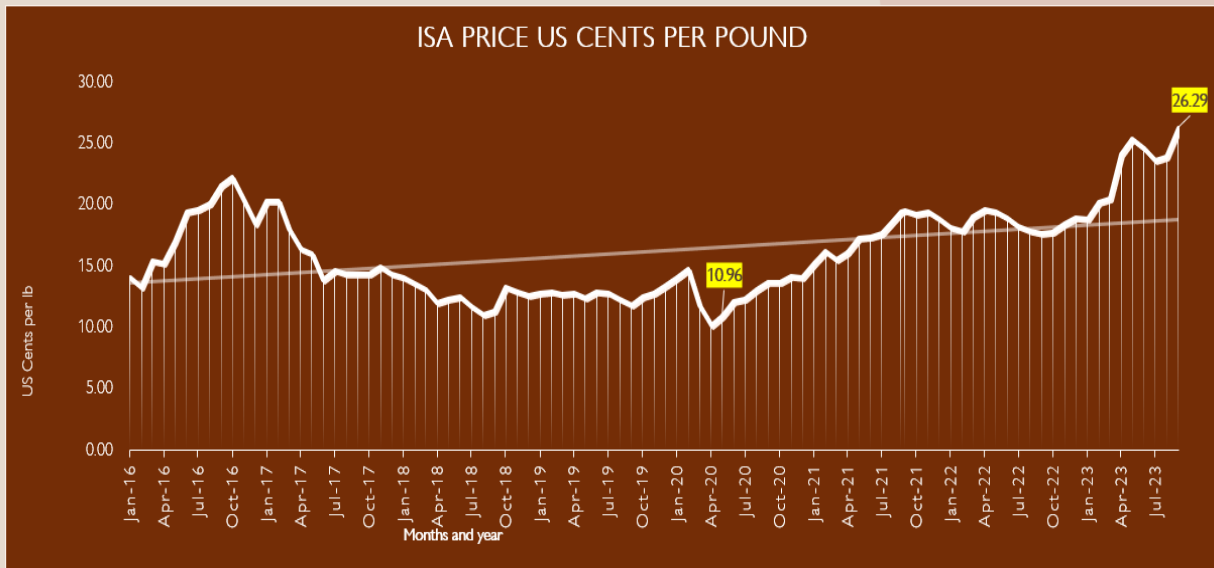
## Sugar & Molasses Proceeds(\$M)



# Sugar Production and TCTS

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sugar Make (000'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

# Market Outlook - World Raw Sugar Price



Source: International Sugar Organization, October 2023



# Targets for 2023-2026

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 (tonnes)	50	52	55	60
TCTS	10.5	10.4	10.3	10.2

## Challenges of the Industry

### o Grower related issues

- Decline in active growers\aging\lack of interest from young generation, Labor shortages – new Labor streams of job opportunities from New Zealand (Pacific Recognised Seasonal Scheme) and Australia (Pacific Labor Scheme),

- high cost of production (low returns for small scale growers, transportation, high input costs – 80% growers produce <200 tonnes, Competition for land, soil acidity (avg cane yield in 50tpha), aged ratoons 8-10years, lack of mechanisation

### o Emerging Impacts of Climate Change

- flooding, cyclones, prolonged drought, water logging, sea water intrusion

### o Sugar Price

- Abolition of EU Quota and 36% reduction in export sugar preferential price (EU) 2006-2009; fluctuations in market price, high freight costs (UK/EU, USA, Korea, Germany, China and Pacific Islands)

### o Old Milling infrastructure – over 100 years old

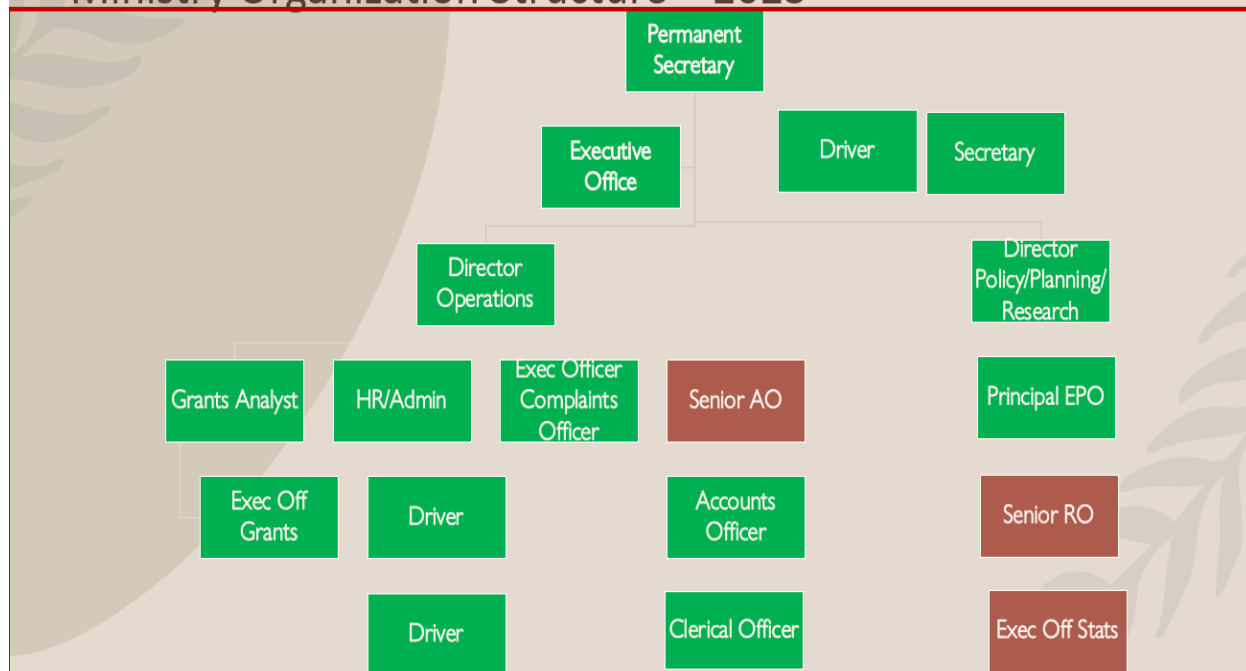
- frequent mill stops affects sugar make and TCTS

# Ministry Background

- 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



## Ministry Organization Structure – 2023



## Key Highlights for Ministry's Achievement from 2016/2017 – 2018/2019

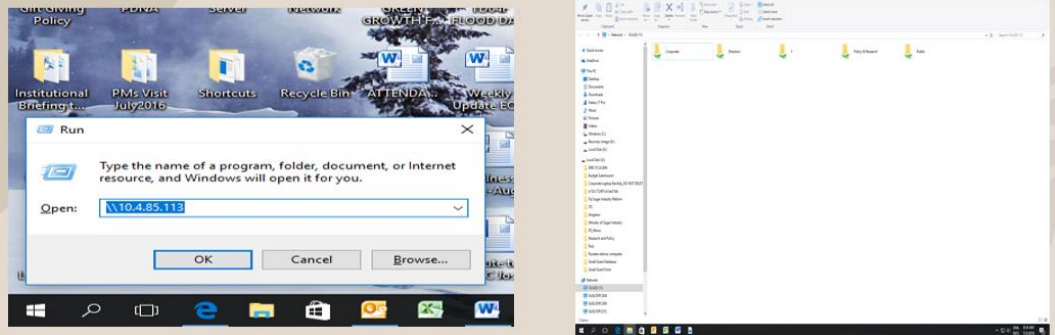
Programs	Objective	ACHIEVEMENTS		
		2016/2017	2017/2018	2018/2019
Sugarcane Development and Farmers Assistance	To enhance cane planting to increase cane production	\$9m	\$13.4m	\$15.4m
		4,298 ha	5,259 ha	3,958 ha
			Aglim 1,592 ha	Aglim 504 ha
Weedicide Subsidy	To subsidize weedicide costs of Diuron (kg), Amine (liters), Glyphosate (liters), Valpar (kg)		\$6.3m	\$6.3m
			D- 85,275, A- 202,955, G- 143,365, V- 21,999	D- 80,530, A- 218,325, G- 145,475, V- 35,387
Cane Access Road	To improve cane access road transportation infrastructure to enhance efficient cane delivery to the mills and reduce stand-over cane	\$3m	\$6m	\$6m
		3,323 km	3,546 km	3,490 km
		91 culverts, 3 cross	4,613 culverts, 48 cross	1,151 culverts, 16 cross
Fertilizer Subsidy	To subsidize fertilizer cost for farmers (\$14.09 per bag till 2016/2017, \$25.59 from 2017/18, \$60.90 from April 2022)	\$9.7m	\$15.3m	\$15.3m
		452,983 bags	504,195 bags	526,240 bags
Mechanical Harvester	To provide grant to Cooperatives for procurement of Mechanical Harvesters		\$2m	\$1m
New Farmers	To provide grant to farmers for securing land and to establish cane farms		21	13
			\$2m	
Cane Cartage	To provide grant to cover cane transfer cost from Penang to Rarawai		108	
			\$5.1m	\$5.7m
		118,240 tonnes	139,939 tonnes	

## Policies

- o 2016-2017 - The Ministry engaged in consultations to Review Sugarcane industry Action Plan 2013-22 (SAP). However, the industry agreed to develop a new Strategy/Policy as SAP required extensive revision.
- o Policy Framework was approved by Cabinet in 2018 after which the Ministry drafted the Policy in 2018 (still in draft) – extensive consultation with farmers/stakeholders at 32 locations, awareness via radio, 2 validation workshops. There was Steering Committee consisting of Sugar stakeholders, EU, Government departments, etc.
- o The draft Policy will be reviewed to incorporate the new policy direction by the Government and Minister of Sugar Industry
- o Overall review of the sugar industry - a comprehensive study will be carried out by Ministry with Government allocating a budget of \$150,000 for this exercise in the 2023/2024 financial year.

# Database Management System

- o Creation of Ministry's website ([www.sugar.gov.fj](http://www.sugar.gov.fj)), Facebook
- o Electronic Database - Purchase of dual-server for data storage – electronic folder (put down after major virus encountered by ITC), it will be operational once ITC activates the connection to the govnet.



## Database Management System con't

### GIS

- o Field level data for all sectors were collected to geotag the farm coordinates. In 2017, the project was put on hold as GIS Project Manager had left for studies.
- o Ministry is seeking assistance from Lands Department GIS unit to verify data. According to Lands Department, data is intact, Ministry just needs to renew license and clean data. Ministry does not have expertise in GIS, therefore support from Lands Dept will be sought and meetings are ongoing.
- o The GIS will help in monitoring of farms and for overall production/productivity assessment and improvement.
- o Farmer Connect App is being developed by FSC for farmers to be used for ordering of service request, tracking of machine operations. This will reduce cost of operations and ease for farmers.

## International Events/Bilateral Collaboration

- o Participation in International Sugar Organization meetings and Conference (twice per year)
- o Regular participation of Ministry in international conferences
- o Others - Active with India, 20 participants will travel to India this year for training funded by ITEC, funded tractors and harvesters for FSC, two experts are with SRIF funded by India
- o new collaboration initiated with Brazil and Thailand; concept notes have been submitted to these countries for consideration
- o Indonesia, Korea and Japan – discussions ongoing

## Plan of the Ministry in 2023/2024

### STRATEGY DEVELOPMENT

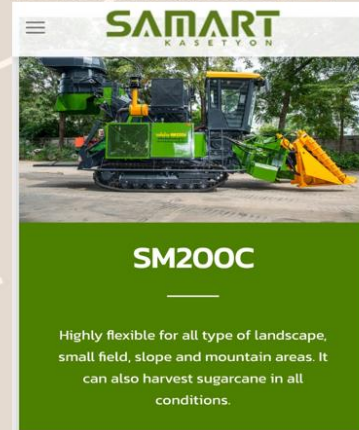
- o Comprehensive study in 2023-2024 will support development of strategies required to address industry issues and for sustainable future of the industry.
- o TOR for the scope of works has been developed
- o Bilateral partners/Consulting firms are being approached to assist for feasibility studies on setup of refinery, expanding of co-generation capacity, ethanol plant setup, setup of new mill in [Rakiraki](#)

### IMPLEMENTATION OF ONGOING / NEW PROGRAMS

- o Cane Access Road Program, Cane Planting Grant Program, Cane Cartage Program, Cage Bin Program, Farmers Incentive Program, Manual Harvesting Program, In-field Drainage Program, Sugar Stabilization Fund Program, New Farmers & Lease Renewal Program, Individual Farmers Small Grants Program, Farm Mechanization Program, Fertilizer and Weedicide Subsidy Programs



# New Equipment for 2023-2024

**SMART**  
KASÉTYON

**SM200C**

Highly flexible for all type of landscape, small field, slope and mountain areas. It can also harvest sugarcane in all conditions.



Over 100 Years of Sugar Cane Innovation

**HODGE**

**WHOLESTICK PLANTER**

**262000**

Introducing the Hodge 262000 Wholestick Planter with...  
 - 11m long with 11 planting units  
 - 11m long with 11 planting units  
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HODGE & COMPANY LIMITED  
 Phone: +61 7 4994-6800  
 Email: info@hodge.com.au  
 Website: www.hodge.com.au



# Summary

## National Importance of Sugar Industry

- Employment/Secondary Activity – 20% of population dependent
- Technical Competencies
- Export Earnings
- Import Substitution

## Growth Opportunities

- Renewable Energy - Ethanol
- Co-generation
- Value add Products
- Refining

## Government Support

- Grants and Subsidies to support sugar industry
- Overall industry review to develop 4-year strategies



# Thank you

Reshmi Kumari

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