



MINISTRY OF SUGAR INDUSTRY

2019-2020 ANNUAL REPORT

PARLIAMENTARY PAPER NO: 36 OF 2021

Table of Contents

I	MINISTRY'S RESPONSE MEASURES TO COVID-19
II-IV	FINANCIAL HIGHLIGHTS 2019-2020
V	ACRONYMS
VI	LETTER OF TRANSMITTAL
VII	ABOUT THE REPORT
VIII	PERMANENT SECRETARY SUMMARY STATEMENT
1-5	OVERVIEW OF THE MINISTRY
6-9	PART 1.0: HUMAN RESOURCES & ADMINISTRATION
10-22	PART 2.0: ANNUAL PERFORMANCES RESULT OUTCOME 1: Sustainable Economic Development OUTCOME 2: Structural Reforms
23-34	PART 3.0: MINISTRY OF SUGAR INDUSTRY FINANCIAL STATEMENT
35	NOTES

MINISTRY'S RESPONSE MEASURES TO COVID-19

The Ministry of Sugar Industry implemented the following response measures to support the sugar industry and assist in the recovery from the effects of Covid-19.



Ministry of Sugar Industry's staff continued to work from home despite the given situation of the pandemic to keep the running of the operations.



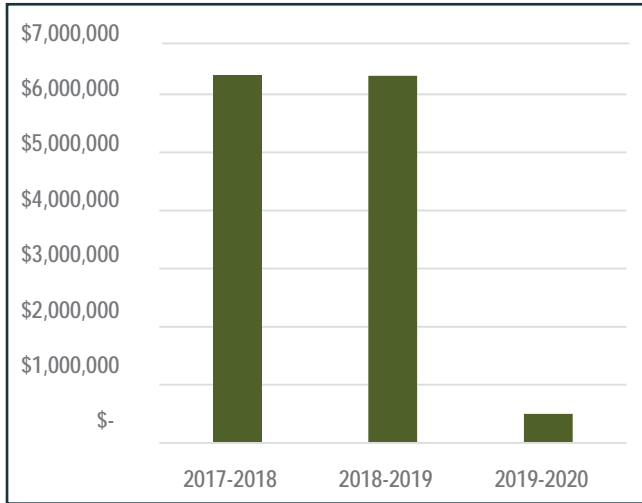
Ministry of Sugar Industry's staff continued to maintain proper channel of communication with all the internal stakeholders as well as external stakeholders of the Sugar Industry. Full support and cooperation was also provided by the stakeholders of the Sugar Industry.



Ministry of Sugar Industry continued to serve growers in their areas of concerns.

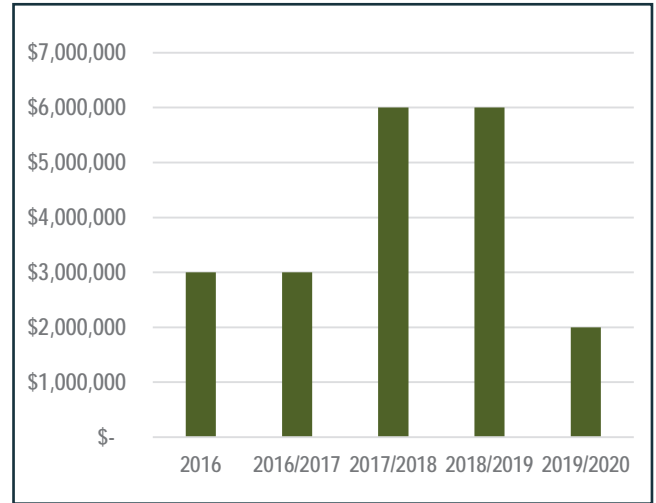
FINANCIAL HIGHLIGHTS 2019-2020

Weedicide Subsidy Program



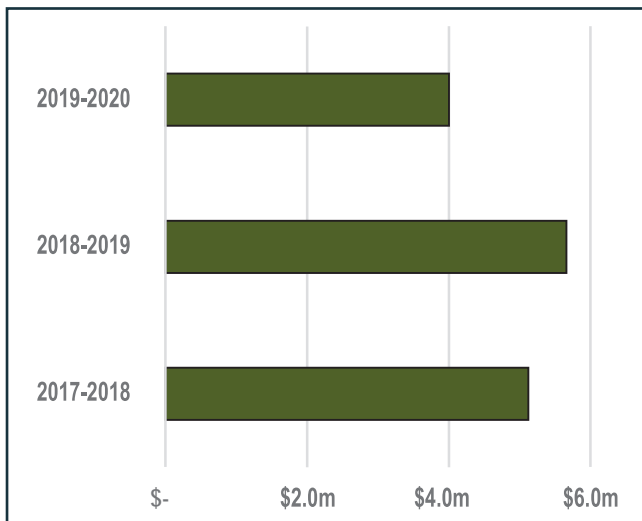
In the 2017-2018 and 2018-2019 financial years, the Government had allocated a grant of \$6.3 million to subsidise the price of recommended weedicides for cane crops. Due to the impact of COVID 19, the budget was reduced to \$0.5 million in the 2019- 2020 budget as compared to \$6.3 million in 2018 – 2019 budgetary allocation.

Cane Access Road Program (CAR)



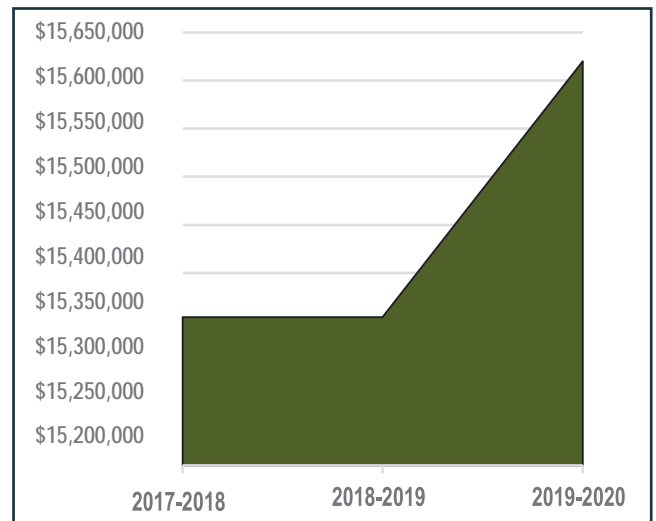
The CAR Program began in 2012 with a budget allocation of \$2.0 million and gradually increased to \$6.0 million for the 2017-2018 and 2018-2019 financial years. However, the budget was again reduced to \$2.0 million in the 2019-2020 budget due to the impact of COVID 19.

Cane Cartage Program



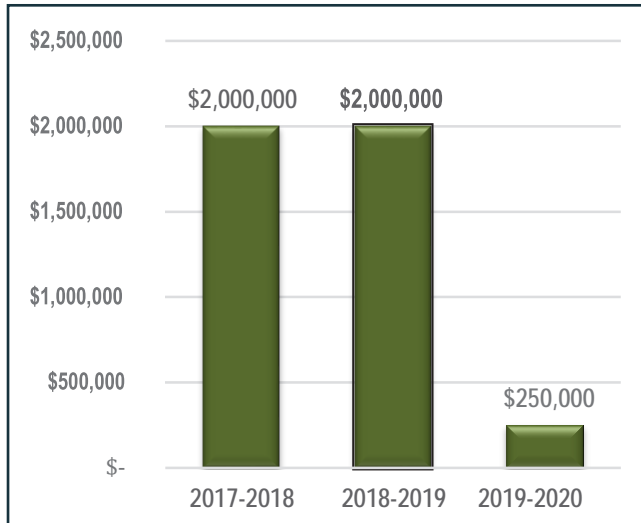
The government had allocated a total of \$4.0 million as Cane Transfer Subsidy in the 2019-2020 financial year for the 2019/2020 crushing seasons to reduce transport cost for Penang mill-farmers. This subsidy was distributed to the cane farmers through Fiji Sugar Corporation, which implemented the Cane Cartage Program.

Fertilizer Subsidy Program



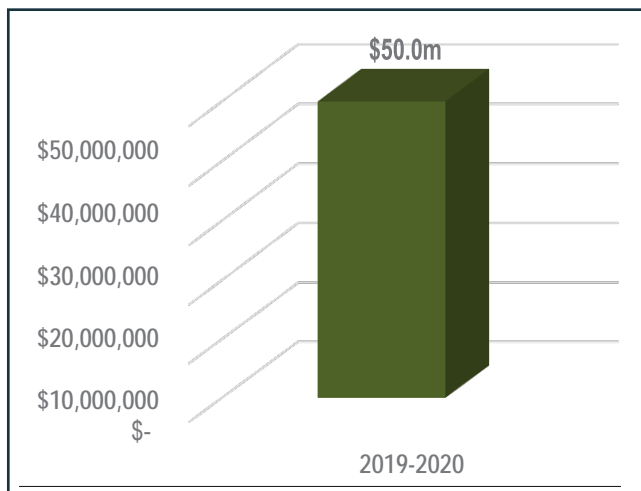
The Fertilizer Subsidy Program is implemented by SPFL. Budget was increased to \$15.62 million in the 2019-2020 financial year as compared to the previous year’s amount of \$15.35 million. This was done to make cost of fertilizer more affordable for the cane farmers and encourage fertilizer usage on farms at the recommendation rate of 15-18 bags per hectare.

New Farmers Assistance Program (NFA)



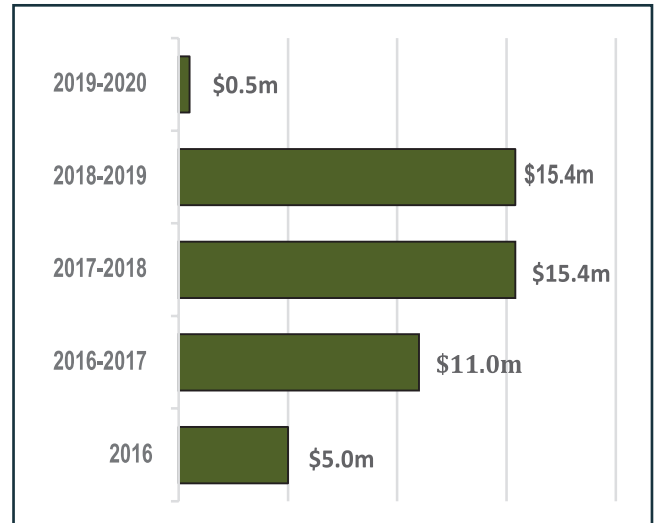
To encourage new farmers as a strategy for replacement of ageing and outgoing farmers, the government through the MoSI allocated a sum of \$2.0 million in the 2017-2018 & 2018-2019 financial years under the NFA Program. This was to assist new farmers venture into sugarcane farming and utilize idle-land suitable for cane farming. The budget was reduced to \$250,000 in the 2019-2020 financial year because of COVID 19.

Support to Fiji Sugar Corporation (FSC)



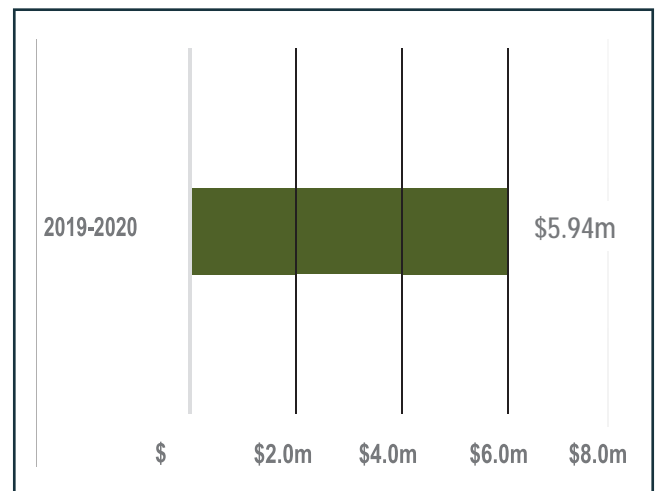
A total of \$50.0 million was provided to FSC as funding support to meet cost of cane delivery payment in the 2019-2020 financial year. This was new allocation in the 2019-2020 COVID 19 budget.

Sugarcane Development & Farmers Assistance Program (SDP)



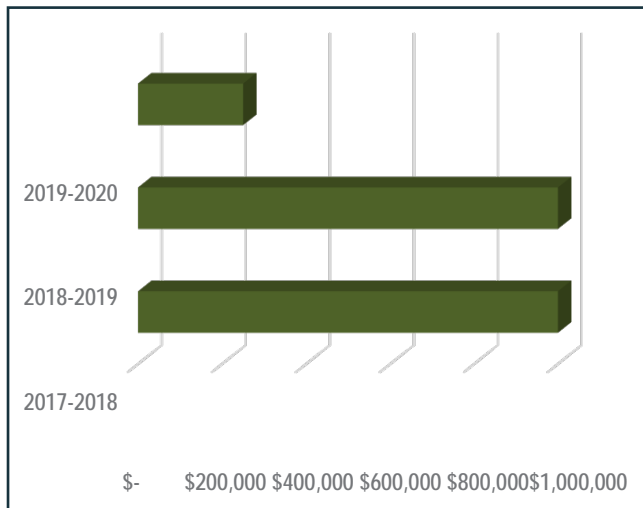
To boost cane production, the government introduced cane planting grant assistance in 2014 under the Sugarcane Development and Farmers Assistance Program to assist farmers meet the cost of cane planting. For the 2018-2019 financial year, a total of \$15.4 million was allocated, which was reduced to \$0.5 million in the 2019-2020 financial year due to COVID 19.

Purchase of Trucks



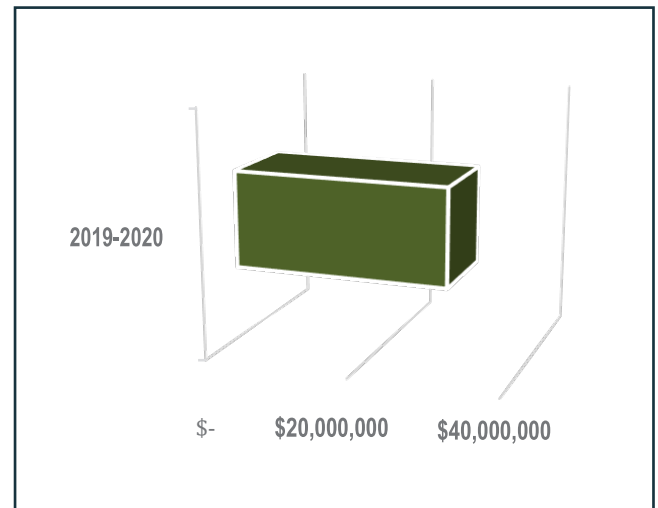
In the 2019-2020 financial year, a total of \$5.94 million was provided to FSC to fund the purchasing of cane Lorries. With this allocation, a total of 45 cane Lorries were procured. These Lorries have been used to provide support in the delivery of harvested cane to mills, as a response to shortages of cane Lorries faced by cane growers and to reduce cartage costs.

Sugar Individual Small Grants Scheme



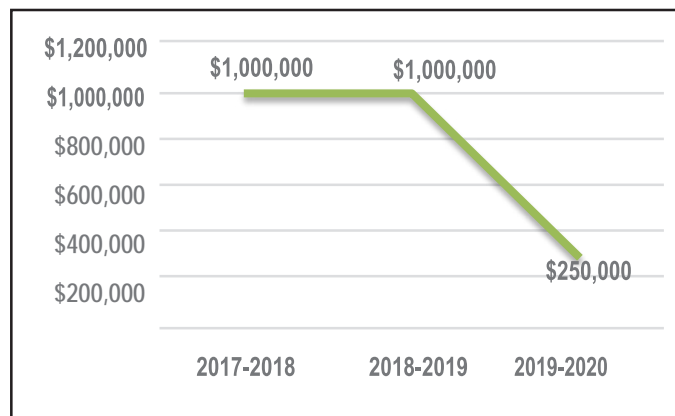
The sugar industry had recorded almost 25% drop in cane production and nearly 40% drop in sugar production in 2016 season. Considering the problems faced by farmers, the government introduced Sugarcane Individual Farmers Grants Scheme in the 2017-2018 budget with an allocation of \$1.0 million, which continued in the 2018-2019 financial year. Budget was reduced to \$250,000 in 2019-2020 financial year. To-date, a total of 432 farmers that have been assisted through this program with small farm implements.

Sugar Stabilization Fund Program



The Sugar Stabilization Fund program was introduced in the 2019-2020 financial year as Government’s commitment towards farmers to ensure that growers receive guaranteed price of \$85 per ton from 2018 to 2020 seasons. The \$30.0 million provided in the 2019-2020 budget was used to meet the difference between actual sugar price and guaranteed price of \$85 per ton.

Farm Mechanization Program



The industry has been experiencing recurring challenges of labor shortages, aging farmers, and lack of interest from young generation towards cane farming. To introduce mechanization and to address the issue of shortage of tractors, the government had allocated a sum of \$1.0 million in the 2018-2019 financial year and assisted 14 cooperatives to procure tractors with implements. With high demand for farm machineries, the government continued with the Farm Mechanization Program with an allocation of another \$250,000 in the 2019-2020 financial year. The grant helped an additional 5 cooperatives to support them with procurement of mechanical harvesters.

ACRONYMS

ACP	Annual Corporate Plan
ADB	Asian Development Bank
CAR	Cane Access Road
CPG	Cane Planting Grant
FSC	Fiji Sugar Corporation
GIS	Geographical Information System
I-TLTB	i-Taukei Land Trust Board
MoSI	Ministry of Sugar Industry
SCGC	Sugar Cane Growers Council
SCGF	Sugar Cane Growers Fund
SGS	Small Grants Scheme
SIT	Sugar Industry Tribunal
SPFL	South Pacific Fertilizer Ltd
SRIF	Sugar Research Institute of Fiji

LETTER OF TRANSMITTAL

The Honorable Minister,

Dear Sir,

I present to you the Annual Report of the Ministry of Sugar Industry for the year ended 31st July, 2020.

This report has been prepared for the purpose of *Financial Management Act 2004*, which requires that I submit an annual report for presentation to the Parliament of Fiji.

The report consists of the Ministry's Annual Performance Statement in accordance with the Annual Corporate Plan, together with its audited Financial Statements.

In presenting the Annual Report, I am pleased to commend the progressing efforts of our staff to achieve the strategic objectives as outlined in the Annual Corporate Plan.

Yours sincerely,

Yogesh J. Karan
Permanent Secretary

ABOUT THE REPORT

2019-2020

The Ministry of Sugar Industry Annual Report highlights the Ministry's performance in accordance with the ACP and Annual Budget for the year. The report consists of details of performance measures from 1st August 2019 to 31st July, 2020.

This report will provide achievements of Ministry in areas of:

- 1) Human Resource Administration
- 2) Overview of the Ministry Annual Performance result
- 3) Ministry Annual Financial Statements

PERMANENT SECRETARY SUMMARY STATEMENT



I am honoured to present the Ministry of Sugar Industry's 2019-2020 Annual Report in accordance with the General Order 1108(a).

The year saw many challenges to the Ministry and the industry. Two tropical cyclones namely Tropical Cyclone Yasa and Tropical Cyclone Ana hit Fiji causing much incomparable damages where properties, homes, farms, and infrastructure were affected.

For the 2019-2020 financial year (pre-COVID 19), a total of \$70.4 million was allocated to the sugar industry by the Government. Post-COVID 19, the budget allocation was revised upwards to \$112.4 million, which included allocations for new Program "Support to FSC" with \$50.0 million for cane delivery payment. The Ministry, together with assistance of the industry institutions implemented the Sugarcane Development Program (SDP) Grants - FSC, Fertilizer Subsidy Grants - SPFL, Weedicide Subsidy Grants - SPFL, Small Grants Scheme, Farm Mechanization, Cane Cartage Program - FSC and Cane Access Road (CAR) Program - FSC capital projects.

In addition, operational grants were provided to Sugar Research Institute of Fiji (SRIF), Sugar Industry Tribunal (SIT) and Sugar Cane Growers Council (SCGC) to meet its administrative costs, enabling them to continue improving its services to the industry.

During the year, a total of 145,809 tonnes of cane was carted under the Cane Cartage Program from Penang to Rarawai mill and partly from Rarawai to Lautoka mill. Under the Sugar Development & Farmers Assistance Program, a total of 789 hectares of cane were planted. A total of 527,228 bags of fertilizer were distributed through the Fertiliser Subsidy Program while 49,330 litres of Amine, 91,437 kilograms of Diuron, 37,226 litres of Glyphosate and 42,148 kilograms of Valpar were supplied to farmers under the Weedicide Subsidy Program. A total of 3,343 kilometers of cane access roads were also upgraded under the CAR program.

It is to be noted that part of the 2019 harvesting season (August to November) and part of the 2020 season (June to July) falls within the Government's 2019-2020 financial year. Therefore, it is prudent to report production for both the 2019 and 2020 season. In the 2019 season, a total of 1.81 million tonnes of cane was produced while 1.7 million tonnes of cane were produced in the 2020 season.

Yogesh J. Karan
Permanent Secretary

OVERVIEW OF MINISTRY OF SUGAR INDUSTRY

I. MINISTRY CORPORATE PROFILE

VISION

- To create a vibrant, sustainable and globally competitive sugarcane industry

MISSION

- To successfully facilitate the implementation of sugarcane reforms and ensure timely, effective and efficient delivery of services to relevant stakeholders for a viable sugarcane industry

VALUE

- Integrity and Professionalism
- Transparency and Accountability
- Honesty and Commitment
- Customer Satisfaction
- Teamwork

I. STAKEHOLDERS

Internal Stakeholders

Fiji Sugar Corporation Ltd

Sugar Cane Growers Council

Sugar Industry Tribunal

Sugar Cane Growers Fund

Sugar Research Institute of Fiji

South Pacific Fertilizers Ltd

External Stakeholders

Cabinet

Ministry of Civil Service (MCS)

Ministry of Economy

Ministry of Agriculture

Sugarcane Growers

I-Taukei Land Trust Board

Ministry of Lands & Mineral Resources

Potential Investors

II. MINISTRY'S SERVICES AND PURPOSE

Approximately 20% of Fiji's population directly or indirectly rely on the Sugar Industry for the livelihood of their families. The Ministry of Sugar Industry (MoSI) is responsible for laying down a stable foundation for a sustainable industry that will remain thriving in years to come.

The MoSI's responsibility is to coordinate activities and functions of diverse institutions that comprise of the sugarcane industry with the sole objective of ensuring that Government's commitment to revive the industry is achieved through sound policies and reforms.

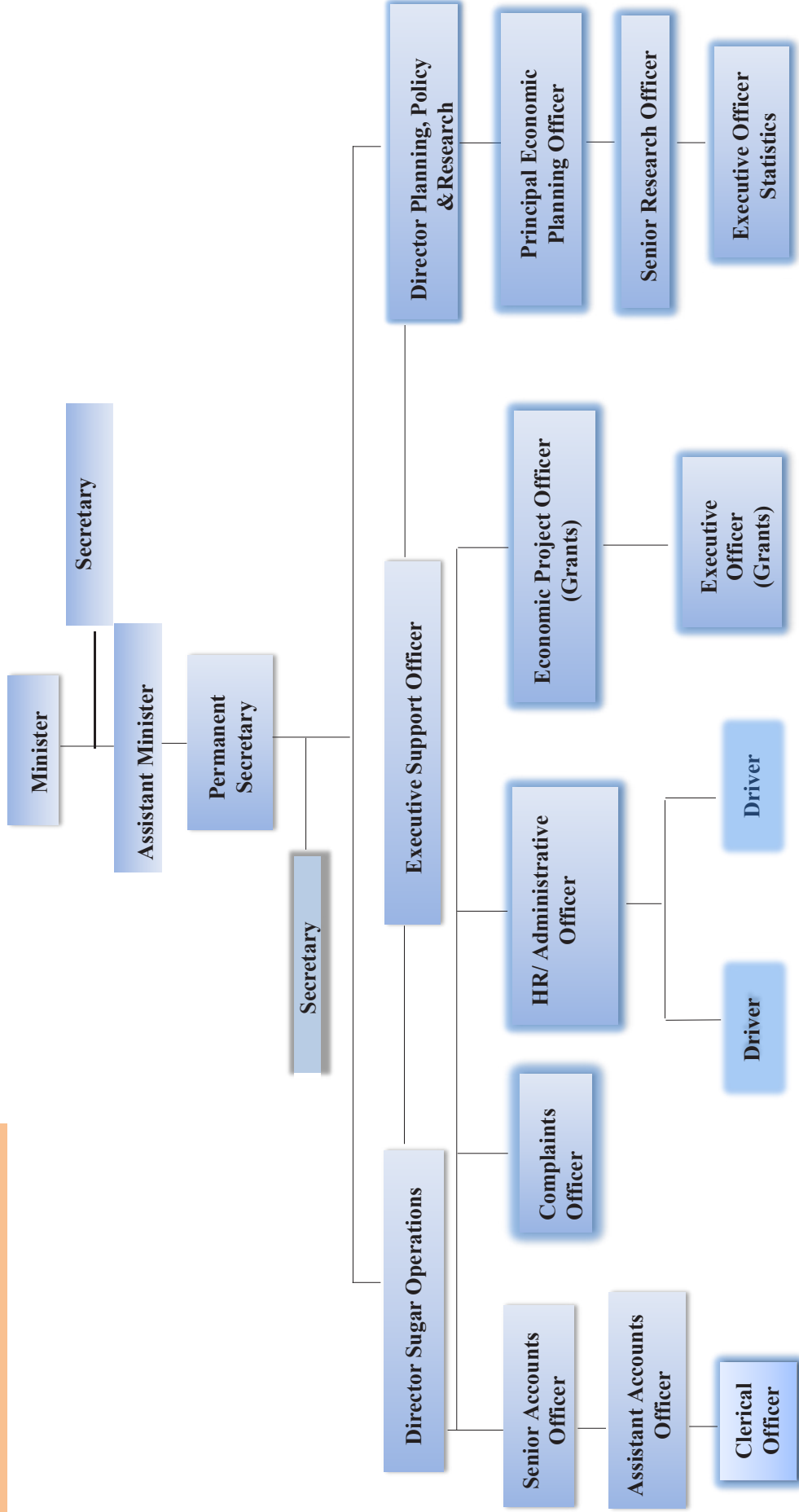
The MoSI implements key policies and plans to achieve higher economic growth whilst ensuring tangible sustainability of Fiji's sugar industry. Ongoing partnership with relevant industry stakeholders will enable more land availability for productive purposes, which will encourage cane cultivation, increase cane production and sugar make.

The MoSI also initiates analysis on its policy and conducts research in finding out adequate techniques to help improve sugar production and farming systems, as well as ensuring that effective and timely customer services are being provided. The Ministry relentlessly does its utmost in improving its services, not only within its government agencies but to the industry as a whole.

The MoSI also promotes an enabling environment for efficient delivery of services to the stakeholders throughout the sugarcane belt issues. The adoption of 'professional' services by the MoSI intends to promote maximum cane and sugar production annually together with increased investments in cane and mill technology. The aim is to ensure that right cane variety is cultivated to increase cane and that there is efficiency in mill operation to increase sugar productions; thus, achieving higher profits for both the miller and the farmers.

The MoSI ensures that funds provided by the government are to be utilized and dispersed to responsible institutions in an efficient manner, such that these institution's programs are effectively implemented without hindrances.

Figure 1: Organization Structure



III. MINISTRY OF SUGAR INDUSTRY'S STRATEGIC PRIORITIES

The 5-year and 20-year National Development Plan highlights the goal of the MoSI: *A Sustainable Sugar Industry*. The strategies aligned to achieve the overall goal of the sugar industry are as follows:

Figure 2: Ministry Strategic Priorities



PERFORMANCE RESULTS

PART 1.0: ADMINISTRATION & HUMAN RESOURCE

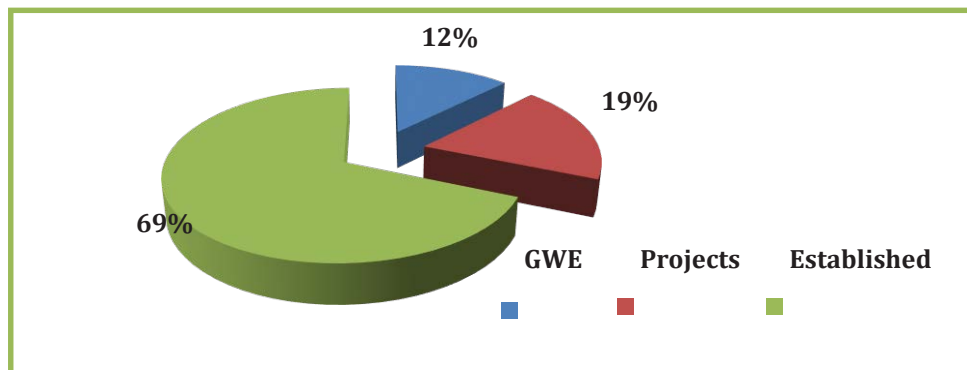
OUR PEOPLE

Every staff across the Ministry has an important role in ensuring that expected services are delivered to its industry stakeholders. Corporate Unit is responsible for designing and implementing human resources programs and policies, which assists the Permanent Secretary and Directors to better manage the workforce. The unit often plays a strategic and role operational, with overall goal of building and developing a workforce that is capable of meeting Ministry's goals.

STAFF ESTABLISHMENT

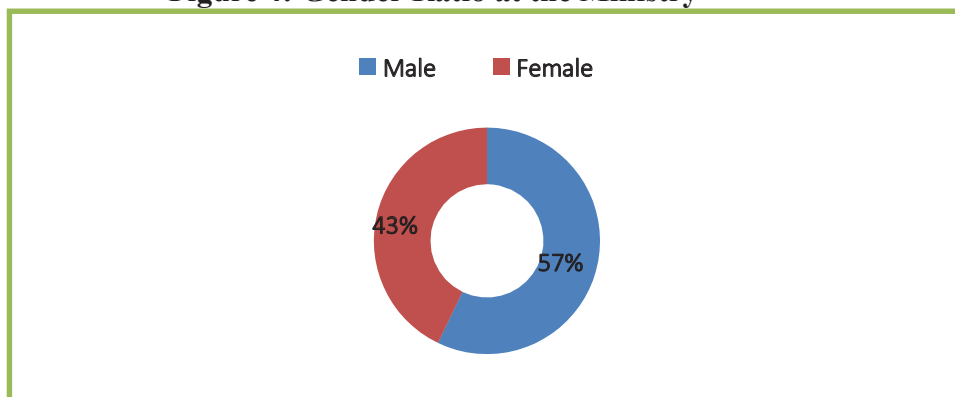
The MoSI employed a total of sixteen (16) staffs; eleven (11) (69%) established staffs, three (3) (19%) project officers and two (2) (12%) general wage earners.

Figure 3: Staff Ratio per Establishment



The MoSI staff gender ratios were: 57% male to 43% of female staffs.

Figure 4: Gender Ratio at the Ministry



RECRUITMENT & SELECTION

The Ministry embarked on adhering to the Open Merit recruitment and selection processes to fill eight vacant positions. The primary objective was to attract and appoint highly qualified individuals that could make significant contributions to Ministry's goals and objectives.

Table 1: Ministry's Advertised Positions

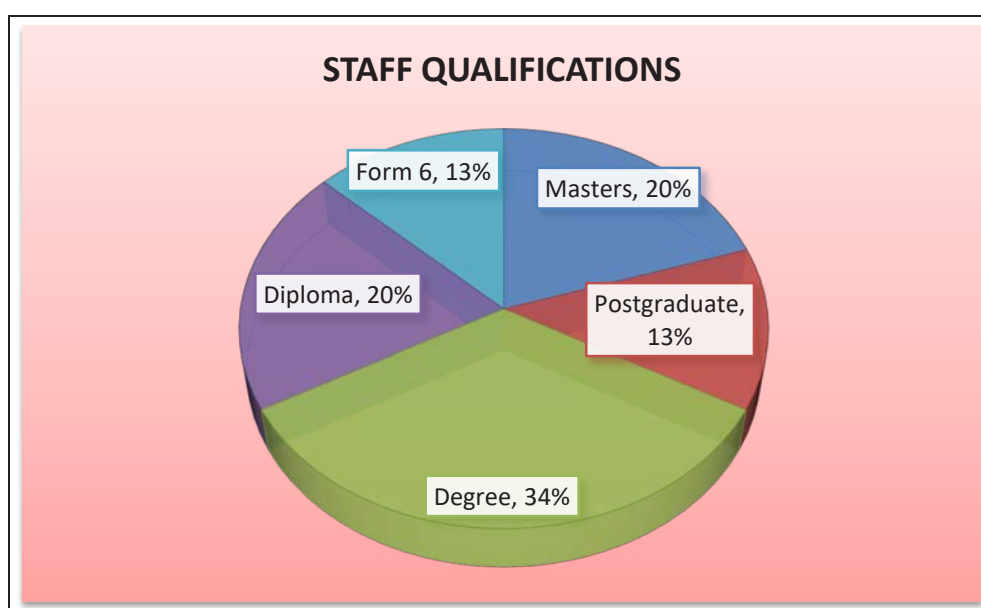
Position	Vacancy Number	No of Position
1. Driver	MOSI 03/2019	1
2. Executive Officer [Stats]	MOSI 04/2019	1
3. Principal Economic Planning Officer	MOSI 06/2019	1
4. Project Assistant Geospatial Officer	MOSI 07/2019	1
5. GIS Casuals	MOSI 08/2019	4
6. Accounts Officer	MOSI 09/2019	1
7. GIS Supervisor/Driver	MOSI 10/2019	1
8. Senior Research Officer	MOSI 01/2020	1

The recruitment process included advertising the vacancies through various channels, such as newspapers, Ministry's Facebook page, LinkedIn, and the govnet user database. With the first attempt, the Ministry managed to successfully fill two positions; Accounts Officer, and Principal Economic Planning Officer with candidates that met the stringent criteria as outlined in the Open Merit and Selection Guidelines. These guidelines were implemented to ensure fairness, transparency, and impartiality in the selection process, which allowed the Ministry to identify individuals with the right qualifications, skills abilities and experience.

The Ministry recognizes the importance of attracting a broader pool of potential candidates to secure the most suitable talents for these vacancies. However, despite efforts were made to fill all vacant posts, six positions remained vacant. This prompted the Ministry to re-advertise the vacant posts.

STAFF QUALIFICATIONS

The qualifications of the staff reflect Ministry's commitment to recruiting highly skilled and qualified individuals. Among its dedicated workforce, 13% of the employees have attained education upto Form 6 level, 20% of the staff hold Diploma certificate, 34% have Bachelor's degrees while 13% have postgraduate studies. Notably, 20% of the employees have achieved Master's degrees, underscoring the Ministry's support for advanced education and specialization. This also showcases Ministry's investment in continuous professional development and career growth.



STAFF DEVELOPMENT

Sugar industry is constantly evolving. Considering this, the Ministry has committed to developing the skills and knowledge of its staff to ensure that they can adapt to changes. The Ministry offers variety of opportunities for skill development to its employees. It also conducts regular skill assessments to identify areas for improvement and potential need for additional training. Upon the completion of skills gap assessments, the Ministry undertakes actions to address the capacity gaps by providing internal and external trainings to ensure that staffs have the skills and knowledge needed to be able to deliver successfully.

Table 2: Trainings Undertaken by MoSI Staff

Name of Course	Training Institution	Internal/ External
Heads of Mission Induction	Ministry of Foreign Affairs	Internal
Public Speaking Skills	University of the South Pacific	External
CLEAR Workshop (Vanuatu)	Climate Change & Int Corp	External [Overseas]
Common Sensing	Ministry of Economy	External
Risk Management	University of the South Pacific	External
Fire Warden Training	National Fire Authority	External
Financial Management Master class	University of the South Pacific	External
OHS Module 1 & 2	University of the South Pacific	External
Common Sensing EO & GIT Training	University of the South Pacific	External
Young Leaders Training	Guangdong Province	External [China]
Sustainable National Development through Public Private Partnership	Malaysian Technical Cooperation	External [Malaysia]

The above table provides a list of local and international trainings attended by MoSI staffs.

HEALTH & WELLNESS

The Ministry recognises the importance of fostering a healthy and thriving workforce and is committed to ensure the well-being of its employees. It acknowledges that physical and mental well-being of its staff directly contributes to their overall job satisfaction and productivity. To achieve this, the Ministry has implemented a comprehensive Health and Wellness Program, held every Wednesday for an hour. The Program encompasses a range of enriching activities and initiatives aimed at promoting a culture of holistic well-being among its valued workforce.

Planned Health Checkup: The Ministry has developed a Health and Wellness Program with a planned health checkup for all employees. This preventive measure aims to assess individual health status, identify potential health risks, and provide early intervention strategies. Through a series of health assessment, such as blood pressure checks, and cholesterol screening, employees will be empowered with valuable insights into their health profiles. Additionally, the check-up will serve as a foundation for designing personalized health plans, enabling each employee to make informed decisions towards improving their well-being.

Physical Activities: Group walking sessions are part of the weekly Health and Wellness Program. These brisk walks take employees on refreshing strolls through nearby parks, and seawall providing them a welcome respite from the office environment. The peaceful atmosphere and fresh air serve as regenerating escape, stimulating both body and mind. Walking sessions also foster social interaction, allowing colleagues to connect and bond while engaging in a shared pursuit of better health.

Embracing the spirit of friendly competition and teamwork with industry stakeholders, the Ministry hosts sports events for its employees. From friendly matches of soccer and volleyball to exciting relay races, these sporting activities does not only promote physical fitness but also enhance friendship and team spirit. Engaging in sports also boosts physical health and instils a sense of belonging and unity within the workforce.

OCCUPATIONAL HEALTH, SAFETY AND WELLBEING

The Ministry places great emphasis on maintaining the occupational health and safety (OHS) and general well-being of its employees. It diligently follows strict OHS standards and best practices because it is committed to upholding a safe and healthy workplace. Proper safety procedures are put in place along with risk assessments to detect potential hazards and prevent incidents and injuries.

The Ministry promotes all staffs to actively take part in maintaining a safe workplace by fostering a culture of safety knowledge and accountability. To provide personnel with the knowledge and skills necessary to handle emergencies and proactively address potential dangers, safety training courses are often held. With regular training classes that covers a variety of subjects, such as equipment handling guidelines, first aid, and fire safety there was zero workplace incidents recorded by the Ministry.

EMPLOYEE RELATIONS

Employee Relations are a vital aspect of the Ministry's commitment to maintaining a harmonious and productive work environment and the Ministry places a strong emphasis on fostering positive relationships between management and employees.

As an equal-opportunity employer, the Ministry adheres to principles of fairness and non-discrimination in all aspects of employment. It firmly believes in providing equal opportunities for all individuals, regardless of their gender, race, ethnicity, religion, or background. Embracing diversity and inclusion, the Ministry creates an environment where every employee is valued for their unique contributions and perceptions.

STAFF MOVEMENT

During the 2019-2020 year, the Ministry demonstrated remarkable success in staff retention, with an impressively low employee turnover rate. Throughout the year, the Ministry witnessed resignation of only two staff members, who sought better job opportunities outside the Ministry. The exceptional staff retention can be attributed to factors such as Competitive Salary Benefits, Support Work Culture, Strong Leadership, Career Development & Opportunities and Employee Wellbeing Programs.

PART 2.0: ANNUAL PERFORMANCE ANALYSIS

1. Inclusive Socio-Economic Development

OUTCOME 1: SUSTAINABLE ECONOMIC DEVELOPMENT

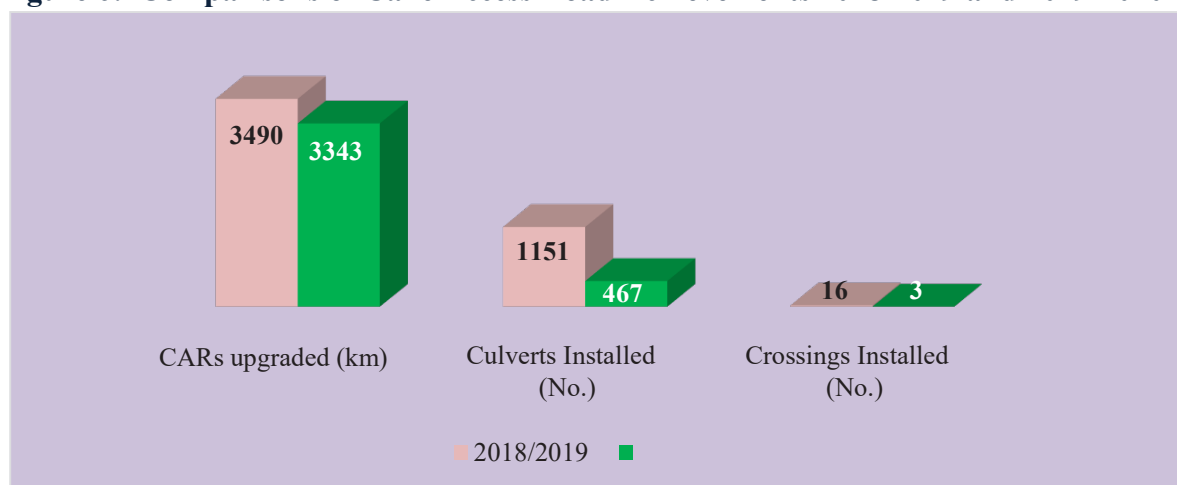
1.1. *CANE ACCESS ROAD PROGRAM*

In 2012, the MoSI initiated the Cane Access Road (CAR) Program with budget allocation of \$2.0 million. Over the years, the budget has progressively increased due to high demands of road rehabilitation works needed to be undertaken because of cyclones and flooding.

The scope of work involves grading and gravelling of cane access roads, culvert-works and installation of small to medium sized crossings covering all cane belt areas for the three mills. These roads are crucial components of the cane supply chain by which harvested cane is supplied to the mills to minimize mill stoppages and to ensure that cane farmers can earn a stable income through the successful delivery of their cane.

For the 2019-2020 financial year, the budget allocated for the CAR Program was \$2.0 million. The table below shows the achievements of the program in 2019-2020 under CAR.

Figure 6: Comparisons of Cane Access Road Achievements 2018-2019 and 2019-2020



1.2 *CANE CARTAGE PROGRAM*

In 2016, the Penang Mill permanently closed due to the irreparable damages caused by Tropical Cyclone Winston that hit the country. Cane farmers were affected especially those within the Penang Mill-boundary where farmers were left with no alternatives but to transport their cane to the Rarawai Mill.

The MoSI has provided cane farmers financial assistance through the Cane Cartage Program where the Government meets all cost of transporting cane from Penang mill to Rarawai mill.

For the 2019-2020 crushing season, \$4.0 million was allocated for Cane Cartage Program to assist the farmers around Penang Mill to subsidise their cane cartage cost from Penang to Rarawai Mill. The funds were distributed to the cane farmers through FSC.

As at end of 2019 crushing season, a total of 1,148 sugarcane farmers were assisted to cart a total of 145,809 tonnes of sugarcane from Penang to Rarawai Mill and Rarawai to Lautoka Mill as compared to 139,939 tons of canes carted in 2018-2019 financial year.

Table 3: Comparisons of Cane Cartage Program for Year 2018/2019 and 2019/2020

Year	Farmers Assisted (Nos.)	Cane Carted (tons)
2018-19	2,743	139,939
2019-20	1,148	145,809

2. Developing Resource Based Sector- Sustainability of Sugar Industry

2.1 *Promote Adoption of New Farming Technologies to Mechanize Farms (planting, fertilizer application, spraying and harvesting)*

2.1.1. FARM MECHANIZATION PROGRAM

Over the years, the Sugar Industry has encountered major difficulties such as shortage of labor, aging of farmers, lack of interest from young generations and scarceness of machines. To address these issues, the sugarcane farmers had requested the Government for assistance in purchasing mechanical harvesters.

In the 2019-2020 financial year, the MoSI provided five (5) Co-operatives with a grant of \$90,000 each to pay as deposit for procurement of mechanical harvesters. The total budget utilized for Farm Mechanization grant for 2019-2020 financial year was \$450,000.

Table 4: List of the Cooperatives Assisted Under Farm Mechanization Program

Name Of Cooperative	Sector	Amount
Tavua United Cane Producers Cooperative Ltd	Yaladro	\$90,000
Labasa Cane Farmers' Cooperative Ltd	Vunimoli/Labasa	\$90,000
Waiqele Cane Farmers' Cooperative Ltd	Waiqele	\$90,000
Korokalau Cane Farmers' Cooperative Ltd	Solove/Bulivou	\$90,000
Vunitarawau Kawakawaveso Cooperative Ltd	Solove/Bulivou	\$90,000



2.1.2. PURCHASE OF TRUCK PROGRAM

With the enforcement of weight restrictions by the Land Transport Authority, the sugar industry faced serious challenges in carting sugarcane to the mills by road. To address this issue, the corporation purchased 117 sugarcane trucks, which were deployed in all the mill-areas to provide reliable transportation. Of the 117 trucks, 45 trucks were purchased through government's grant.

Total of 2,513 farmers were assisted in the 2019 season, delivering 85,941 tons of cane to the mills.

Table 5: Allocation of Trucks by Mill Area

Location	No. of Trucks
Lautoka	15
Rarawai	10
Labasa	16
Penang	4
Total	45

3. Increase Cane Production to Ensure Sustainability of the Sugar Sector

3.1 SUGARCANE DEVELOPMENT AND FARMERS ASSISTANCE (SDP) PROGRAM

In the 2019-2020 financial year, the Government had allocated \$0.5 million to continue assistance for fallow-land cane planting. The target was to plant 303.33 hectares of cane on fallow-land to produce 30,333 tonnes of cane at 100 tonnes of cane per hectare.

Table 6: Cane Planting Achievement for Year 2018-2019 and 2019-2020

SDP Activities	2018-2019 Achieved	2019-2020 Achieved
Fallow Planting	4,647 Ha	530 Ha
Replanting	1,228 Ha	259 Ha



3.2 WEEDICIDE SUBSIDY PROGRAM

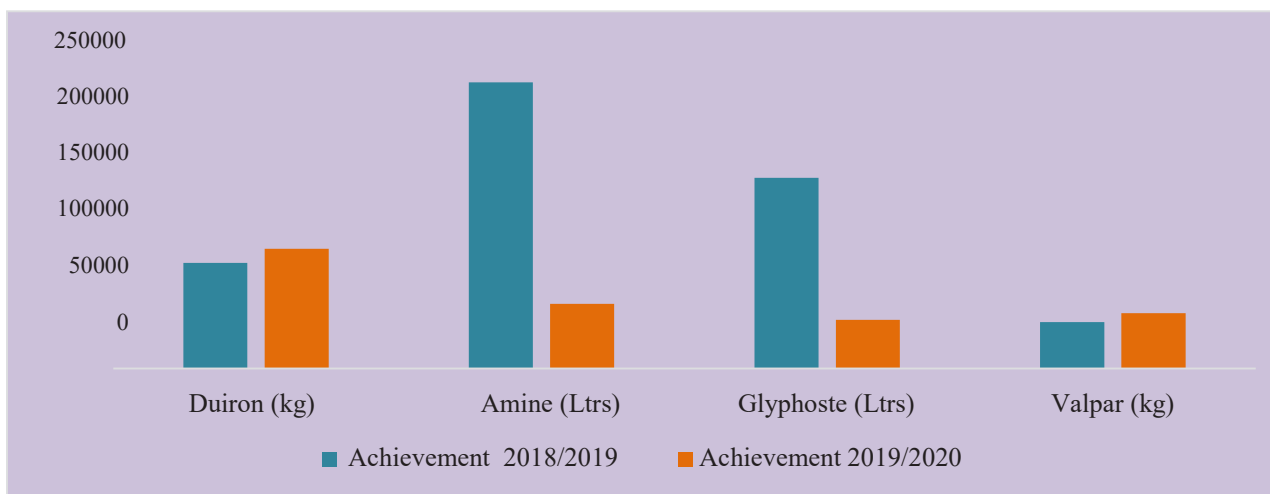
The Weedicide Subsidy Program was introduced in 2017-2018 budget with an allocation of \$6.3 million to subsidize price of four (4) recommended weedicides for cane crops. In the 2019-2020 budget, \$0.5 million was allocated to subsidize weedicides, which include Diuron, Amine, Glyphosate and Valpar. This program is implemented by South Pacific Fertilizers Limited (SPFL).

A total of 10,139 farmers benefited from this grant assistance in the 2019-2020 financial year. The table below shows the uptake of Weedicide by 10,139 farmers.

Table 7: Comparison of Weedicide Consumption 2018-2019 and 2019-2020

Types of Weedicides	Achievement 2018-2019	Achievement 2019-2020
Diuron (kg)	80,530	91,437
Amine (Ltrs)	218,325	49,330
Glyphosate (Ltrs)	145,475	37,226
Valpar(kg)	35,387	42,148

Figure 7: Comparison of Weedicide Consumption 2018-2019 and 2019-2020



The above graph shows that the farmers purchased Diuron and Valpar in higher quantity as compared to Amine and Glyphosate in 2019-2020. Amine is mostly used to control creepers and other broad leaf weeds. Glyphosate is being phased out and was not readily available during the year.

3.3 FERTILIZER SUBSIDY PROGRAM

Sugarcane crops require Nitrogen, Potassium and Phosphorous for better growth. Cane production declines due to lack of crop nutrients present in cane plant because of acidic soils. Therefore, fertilizer is a vital component in boosting sugarcane production.

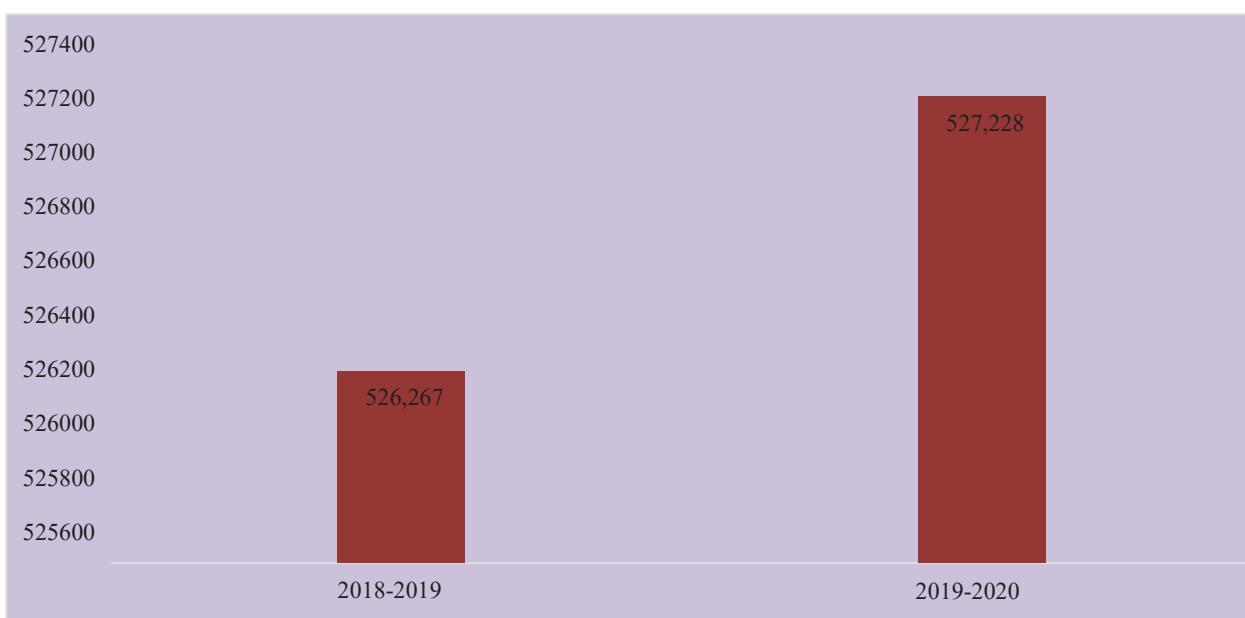
Over the years, price of fertilizer has increased; thus, lessening revenue for farmers. To eliminate this issue, the Government has introduced Fertilizer Subsidy Program to assist farmers reduce the burden of increasing input costs and enable SPFL to procure the required raw materials, blend and sell to farmers at a much lower price.

For the 2019-2020 financial year, \$15.62 million was allocated for the program. Of this, \$200,000 was for mill-mud expenses while the balance of \$15.42 million was for fertilizer subsidy. The table below provides the breakdown of the number of bags of fertilizer distributed in 2019-2020.

Table 8: Fertilizer Distribution- Target vs Actual Achievement

Blended Fertilizer	2018-2019 No. of Bags Distributed	2019-2020 No. of Bags Distributed
Blend A	23,638	16,408
Blend B	91,524	77,620
Blend C	411,105	433,200
Total	526,267	527,228

Figure 8: Number of Bags of Fertilizers Distributed for Year 2018-2019 and 2019-2020



The above graph depicts that there was an increase in sale of fertilizer in 2019-2020 as compared to the 2018-2019 financial year due to the following reasons:

1. Increase in the number of active cane farmers from 11,412 to 11,638.
2. FSC had encouraged farmers to apply fertilizer at optimal rate.
3. Farmers taking full advantage of the subsidy that should reflect increase in cane production for the 2020 season.

3.4 NEW FARMERS PROGRAM

To encourage new entrants as a strategy to replace aging and outgoing farmers, the Government through the MoSI had allocated a sum of \$0.25 million dollars under the New Farmers Assistance (NFA) in the 2019-2020 budget to assist new farmers venture into sugarcane farming and utilize idle land suitable for cane farming. As a result of increased in the number of applications under NFA Program, an additional \$0.25 million was transferred from Tractor Mounted Harvester Program. There were roll-over funds from the 2017-2018 financial year, which was utilized in the 2018-2019 financial year.

Table 9: New Cane Farmers Assistance Program 2019-2020

NFA Land Type Assistance	Total Achievement
Farm Purchase	31
Crown Land	3
TLTB	112
Total	146

3.5 SUGAR STABILIZATION FUND PROGRAM

The Sugar Cane Stabilization Fund intended to instill confidence and provide price certainty for farmers. The fund covers the difference between the cane price (current forecast price of \$53 per ton for 2019 season) and the \$85.00 per ton guaranteed cane price to be paid to farmers. The budget of \$30.0 million was provided to FSC in 2019-2020 fiscal year for this program.

Table 10: Total Growers Assisted by Sugarcane Stabilization Grant 2019-2020

Mills	Harvested (tons) 2019	No. of Growers Assisted 2019-2020
Lautoka	474,914	3,231
Rarawai	523,920	3,900
Labasa	661,929	3,359
Penang	145,809	1,148
Total	1,806,572	11,638

The table above depicts that total of 11,638 farmers have benefited from this grant program. A total of 1,806,572 tonnes of cane was harvested in the year 2019 season.

3.6 SUPPORT TO FIJI SUGAR CORPORATION

In the COVID 19 supplementary 2019-2020 budget, the Government allocated \$50.0 million to assist Fiji Sugar Corporation to support cane payments for the 2019 season and partly to meet the cost of working capital needs.

The table below shows the breakdown of the funding provided.

Table 11: \$50.0 million Cane Payment Support to FSC

\$50.0 million - Cane Payment Support to FSC	
A. CANE PAYMENT	
Third Cane Pay Price/ton	\$11.00
Fourth Cane Pay Price/ton	\$ 13.73
Tonnes of Sugarcane delivered as at end of 2019 Season	1,806,572
Total Cane Payment (VEP)	\$44,676,526
B. WORKING CAPITAL	
Bred Bank Loan Repayment -due 28 Feb 2020	\$5,000,000
Other Working Capital -Upgrade works at Lautoka Boiler	\$323,474
Total Working Capital	\$5,323,474
Govt Grant \$50.0M (VEP)	\$50,000,000

4 Strengthen Research and Transfer Technology to Cane Farmers

4.1 *IMPROVE FERTILIZER ADVISORY SERVICES, KNOWLEDGE AND TECHNOLOGY TRANSFER TO GROWERS, PEST, AND DISEASE CONTROL*

4.1.1 **Improve Fertilizer Advisory Services**

The laboratory services for SRIF had successfully registered and analyzed the 2,057 soil samples but 0 plant samples for both farmers and research purposes in 2020.

Table 12: Total Soil and Plant Samples Analyzed for 2019-2020

Sample Type	2019	2020
Soil samples analyzed	1,517	2,057
Plant samples analyzed	72	0

To improve fertilizer-advisory services and improve timely delivery of soil and plant results, an analytical laboratory, similar to the one at Drasa, was setup in Labasa. The lab was officially opened by the Permanent Secretary of Sugar Industry, Mr. Yogesh J. Karan in March, 2020. The lab was operational by April, 2020 and soil and plant samples from all sectors in Vanua Levu were analyzed at SRIF Labasa laboratory instead of being shipped to SRIF Lautoka laboratory, which significantly improved delivery of soil and plant results to farmers and researchers for Labasa growers.



(Permanent Secretary for Sugar, Mr. Yogesh Karan opens the Labasa Analytical Services Laboratory)

4.1.2 Knowledge and Technology Transfer to Farmers

4.1.2.1 **Grower Demonstration Trials**

A total of 39 grower-demonstration trials were established in the sugar belt for both Viti Levu and Vanua Levu in 2019-2020. The table on the next page summarizes the demo trials by Mill.

Table 13: Total Grower Demonstration Trials Established in 2019-2020

Location	Number of Trials Established
Lautoka	7
Penang	3
Rarawai & Tavua	14
Labasa	15
Total	39

*(Demonstration plot with good weed management in Drumasi sector)*

4.1.2.2 Grower Information Day

With the restrictions of COVID 19 in the 2019-2020 financial year, there were limited number of corresponding field-days carried out for the 39 demonstration trials that were established; however, a total of 15 grower field-days was successfully carried in 2019–2020 fiscal year.

Table 14: Total Grower Demonstration Trials Established in 2019-2020

Location	Number of Information Days
Penang, Tavua & Rarawai	12
Labasa	3
Total	15

4.1.3 Pest & Disease Control

The main objective of the Department of Crop Protection is to minimize the economic losses caused by sugarcane diseases and pests in the sugar industry through vigilant inspections of farms against diseases; release of pest and disease resistant varieties of sugarcane; and adoption of appropriate pest and disease management practices by growers.

4.1.3.1 Asian Subterranean Termites

A survey was undertaken from mid of October 2019. Over 334 farms had been surveyed from October 2019 to December 2020. Out of these, 13 percent of farms were infested with 62 percent of infestations on previously uninfested farms. A MoU was developed between the SRIF and Bio Security of Fiji for better collaborative work to ensure termites does not spread to other sectors in the sugarcane belt.

A total of 10 farms was studied to evaluate damages to quality of the cane as well as the percentage incidence and percentage of severity. It was found in the survey that 2.22 percent of the farms were infested with a severity of 1.34 percent.



(Damaged cane stalks by termites)

4.1.3.2 Cane Grub

A total of 309 farms were surveyed in the Lautoka Mill area from 2019 to 2020. There was 3 percent infestation recorded. The infested farms decreased from 36 to 8. With the incidence level being low, the Cane Grub is considered a minor pest, however, the roguing team continues to monitor this pest.



(Cane grubs in the sugarcane field)

4.1.3.3 Fiji Leaf Gall Disease (FLGD) Screening – Screening of Resistant Varieties

Varietal screening is a strategy to manage FLGD. New varieties from stage 3 of the breeding program are screened against the major disease using insectary methods each year. 183 varieties have been screened in the past 4 years as shown in the table below.

Table 15: Series of New Varieties Screened from Stage 3 of the Breeding Program

Year	Series Screened	No. of Clones Screened	Rating		
			% Resistant	% Moderately Resistant	Susceptible
2019	LF2015	83	66	12	22
2020	LF2014	58	55	26	19
	Visa Cane	42	64	7	29

4.1.3.4 Seed Cane Certification

The seed cane certification is a third management strategy that SRIF is following to bring cane diseases under control and ensure that the growers are adopting to approved and quality seed cane. This program had started in the year 2019 by SRIF, where the disease control unit inspects the commercial farm for a grower to plant.

Table 16: Percentage of Cane Qualified as Seed Cane to be planted

Year	No. of Farms Certified	Plant Cane Certified (ha)	Tons of Cane Certified	% Qualified as Seed Cane
2019	278	240.50	9620	14%
2020	195	184.77	7391	17%

4.1.3.5 Management of Fiji Leaf Gall Disease in Commercial sugarcane Farms - Roguing of Commercial Farms

Under roguing, the commercial farms are thoroughly inspected by the disease control unit of SRIF everyday. Fiji-Leaf-Gall Disease usually exists or hosts in “duruka” plants, and vegetable plants in Fiji. The disease spreads to sugar cane farms easily due to closer resemblance of duruka and cane plant, which makes it difficult to eradicate the disease from sugarcane farms. Roguing-exercise safeguards/protects the Sugar Industry from this major disease. Table below shows data for 2019 and 2020:

Table 17: Roguing Data from 2019 to 2020

Year	No. Of Farms Inspected	Area Inspected (Ha)		No. of Disease Stool Removed	% Commercial Farms Covered	% Farm Infested by FLGD
		Plant	Ratio			
2019	1959	1705	4720	3112	18	5
2020	1997	1086	4046	4046	19	6

OUTCOME 2: STRUCTURAL REFORMS

2.1. IMPROVE MINISTRY'S SYSTEMS & PROCESSES

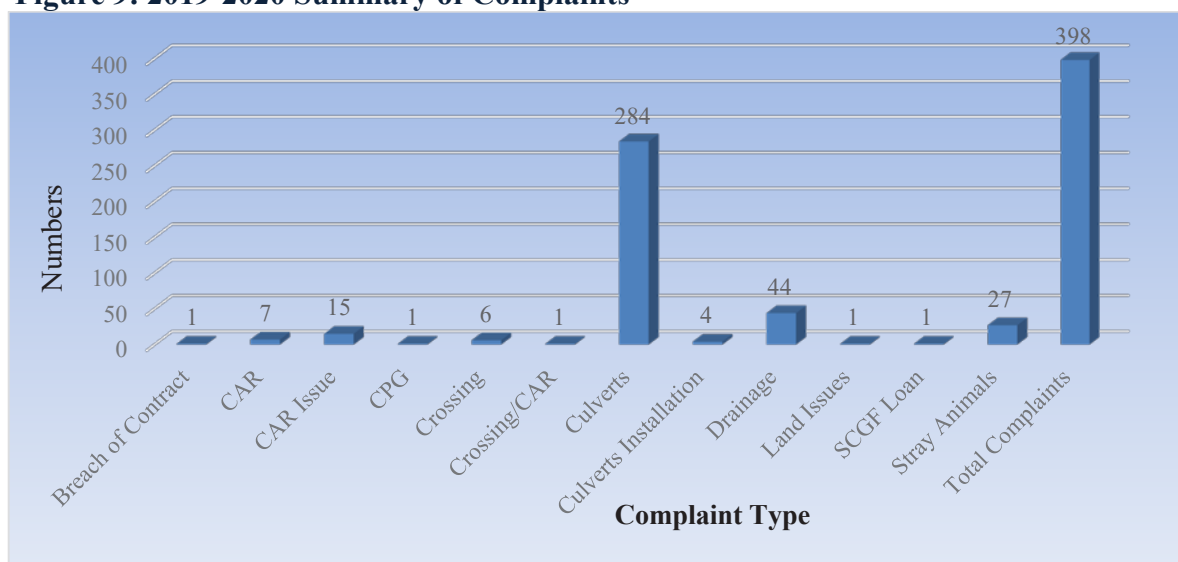
2.1.1 Innovation and Best Practice in Public Service Delivery

The MoSI had prepared four (4) Quarterly Grant Utilization Progress reports. These reports highlighted the utilization of each program drafted by the MoSI and implemented by either external or internal stakeholders. The targets and achievements of each program were monitored through these progress reports provided on quarterly basis.

2.1.2 Complaints and issues arising from Farmers

The graph below depicts the summary of complaints received for the year 2019-2020.

Figure 9: 2019-2020 Summary of Complaints



2.2 IMPLEMENTATION, MONITORING AND EVALUATION OF SUGAR INDUSTRY REFORMS

2.2.1 Policy shifts to expand development and support of transforming the Sugar Industry

There were five major activities that were carried out under these Policies.

2.2.1.1 National Sugar Industry Policy

The MoSI developed draft National Sugar Industry Policy and carried out consultations with industry institutions and farmers in all sectors across Viti Levu and Vanua Levu.

2.2.1.2 Cabinet Papers

The MoSI submitted 1 Cabinet paper in the year on “*Cane Top-up Payment*”.

2.2.1.3 International Sugar Industry Related Conference & Meetings

The MoSI attended one (1) annual international meeting – “56th Session of the International Sugar Council in London, in November 2019”.

2.2.1.4 Participation in Parliament Session on Sugar Related Issues

The MoSI had submitted five (5) responses on Order papers to the Parliament in relation to sugar related issues in the year.

2.2.1.5 Promotion and Adoption of Policy

The MoSI prepared and submitted 23 Requisition to Incur Expenditure (RIE) in the year. All the RIE's were approved.

2.2.1.6 Promotion of Cane Farming through New Cane Farmer Assistance Program

The MoSI in its 2017-2018 budget introduced a new program to entice new sugarcane farmers to venture into sugarcane farming and utilize idle land suitable for cane farming. This program paid for costs incurred in acquiring land leases. The MoSI paid for costs as per the offer letters issued by the TLTB or Lands Department, grant for input cost (fertilizer and weedicide) and cost for planting 2 hectares of cane to start sugarcane farming by the growers.

2.2.2 Strengthen governance in Ministry and implementing partners

2.2.2.1 Improve Monitoring and Evaluation Systems

The government through the Ministry had allocated a sum of \$2 million in 2017-2018 & 2018-2019 financial years under the NFA to assist new farmers venture into sugarcane farming and utilize idle land suitable for cane farming. The budget was reduced to \$250,000 in 2019-2020. Those growers assisted were monitored.

2.2.2.1.1 New Farmer Registrations

The MoSI assisted and monitored the registration of 220 new growers in the year under the New Farmers Program.

Table 18: New Farmers Scheme

PROGRAM	BUDGET	TARGETED OUTPUT	ACHIEVED
New Farmers Scheme	\$0.25 million	80 farmers	200 farmers (167 – Male) (21 – Female) (12 – Partner)



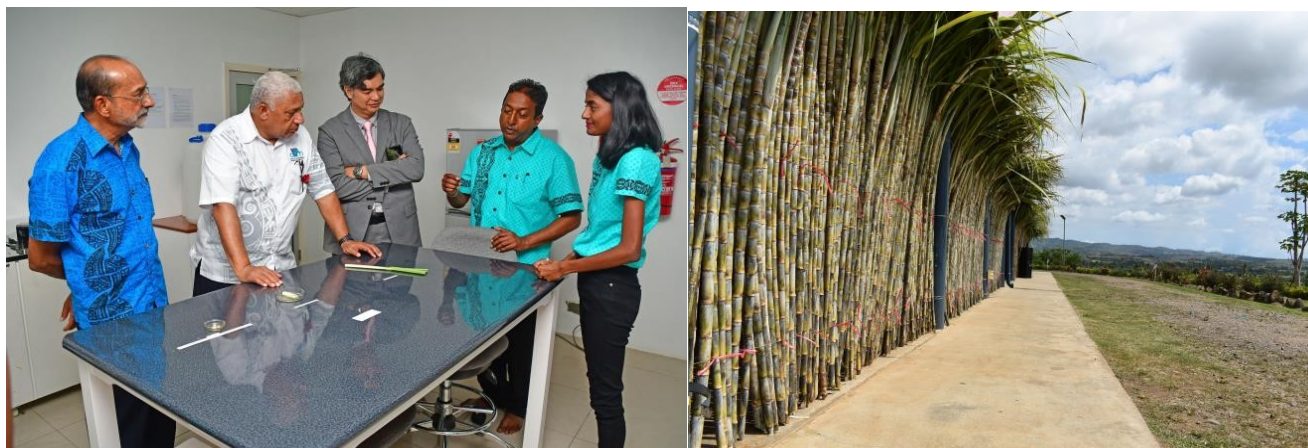
Consultations at SCGC Hall, Lautoka (left) and at FSC Hall, in Labasa (right)

2.2.2.1.2 Capital Program Monitoring for 2019-2020

In the year, a total of 398 farms were monitored by two (2) staff for seven (7) programs

Table 19: Overall Monitoring in 2019-2020

Programs Monitored	Total
Cane Access Roads Program	27 Roads
Cane Planting Grant Program	46 Farmers
New Farmers Assistance Program	17 Farmers
Farm Mechanization Program	13 Cooperatives
Weedicide Subsidy Program	96 Farmers
Fertilizer Subsidy Program	90 Farmers
Small Grants Scheme	109 Farmers



At the opening of Dr. Krishna Murthi Tissue Culture Laboratory at Sugar Research Institute of Fiji

**MINISTRY OF SUGAR INDUSTRY
AGENCY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT.....	24-25
MANAGEMENT CERTIFICATE.....	26
STATEMENT OF RECEIPTS AND EXPENDITURE.....	27
APPROPRIATION STATEMENT.....	28
STATEMENT OF LOSSES.....	29
NOTES FORMING PART OF THE FINANCIAL STATEMENTS.....	30-33

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



Level 1, Modyl Plaza
Karsanji St. Vatuwaqa
P. O. Box 2214, Government Buildings
Suva, Fiji



Telephone: (679) 330 9032
E-mail: info@auditorgeneral.gov.fj
Website: www.oag.gov.fj



INDEPENDENT AUDITOR'S REPORT

Ministry of Sugar Industry

Report on the Audit of the Financial Statements

I have audited the financial statements of the Ministry of Sugar Industry, which comprise the statement of receipts and expenditure, appropriation statement and statement of losses for the year ended 31 July 2020, and the notes to the financial statements including a summary of significant accounting policies.

In my opinion, the accompanying financial statements are prepared, in all materials respects, in accordance with the Financial Management Act, the Finance Instructions 2010 and Finance (Amendment) Instructions 2016.

Basis for Opinion

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Ministry in accordance with the International Ethics Standard Commission for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Management's Responsibilities for the Financial Statements

The management of the Ministry of Sugar Industry are responsible for the preparation and fair presentation of these financial statements in accordance with the, Financial Management Act, the Finance Instructions 2010, and the Finance (Amendment) Instructions 2016 and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

The management are responsible for overseeing Ministry's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in aggregate, they could reasonably

Auditor's Responsibilities for the Audit of the Financial Statements (con't)

be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and related disclosures made by the Ministry.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Ministry regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
23 March 2022

**MINISTRY OF SUGAR INDUSTRY
MANAGEMENT CERTIFICATE
FOR THE YEAR ENDED 31 JULY 2020**


We certify that these financial statements:

- (a) fairly reflect the financial operations and performance of the Ministry of Sugar Industry for the year ended 31 July 2020; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act, the Finance Instructions 2010 and Finance (Amendment) Instructions 2016.



Yogesh Karan
Permanent Secretary

Date: 17/03/22



Sanjay Kumar
Director of Sugar Industry

Date: 15/03/2022

**MINISTRY OF SUGAR INDUSTRY
STATEMENT OF RECEIPTS AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2020**

	Notes	2020 (\$)	2019 (\$)
RECEIPTS			
State Revenue			
Commission		51	38
Previous Years Recovery		507	---
Agency Revenue			
Board Member Fee	3 (h)	14,266	8,143
Total Revenue		14,824	8,181
EXPENDITURE			
Established Staff		505,929	523,456
Government Wage Earners	3 (a)	38,425	62,094
Travel & Communications	3 (b)	93,975	120,912
Maintenance & Operations	3 (c)	408,898	280,240
Purchase Of Goods & Services	3 (d)	14,416	23,012
Operating Grants & Transfers	3 (e)	1,710,329	2,012,442
Special Expenditures	3 (f)	625	179,315
Total Operating Expenditure		2,772,597	3,201,471
Capital Expenditure			
Capital Construction		---	---
Capital Grants & Transfers	3 (g)	109,390,772	57,750,367
Total Capital Expenditure		109,390,772	57,750,367
Value Added Tax		35,105	35,231
TOTAL EXPENDITURE		112,198,474	60,987,069

**MINISTRY OF SUGAR INDUSTRY
APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 JULY 2020**

SEG	Item	Budget Estimate (\$)	Changes (Note 4) (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
	Operation Costs					
1	Established Staff Government	623,225	---	623,225	505,929	117,296
2	Wage Earners	56,357	---	56,357	38,425	17,932
3	Travel & Communications	100,000	(4,382)	95,618	93,975	1,643
4	Maintenance & Operations	68,300	341,659	409,959	408,898	1,061
5	Purchase of Goods and Services	13,800	1,050	14,850	14,416	434
6	Operating Grants and Transfers	1,710,000	330	1,710,330	1,710,329	1
7	Special Expenditures	30,000	(29,374)	626	625	1
	Total Operating Costs	2,601,682	309,283	2,910,965	2,722,597	138,368
	Capital Expenditure					
8	Capital Construction	---	---	---	---	---
9	Capital Purchase	5,940,000	(5,940,000)	---	---	---
10	Capital Grants & Transfers	103,370,136	6,020,643	109,390,779	109,390,772	7
	Total Capital Expenditure	109,310,136	80,643	109,390,779	109,390,722	7
13	Value Added Tax	553,700	(89,194)	464,506	35,105	429,401
	Total Expenditure	112,465,518	300,732	112,766,250	112,198,474	567,776

**MINISTRY OF SUGAR INDUSTRY
STATEMENT OF LOSSES
FOR THE YEAR ENDED 31 JULY 2020**

Loss of Money

There was no loss of money recorded for the financial period ended 31 July 2020.

Loss of Revenue

There was no loss of revenue recorded for the financial period ended 31 July 2020.

MINISTRY OF SUGAR INDUSTRY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

NOTE 1: REPORTING ENTITY

The Ministry of Sugar Industry is responsible for implementing key policies and plans consistent with Government programs to achieve higher economic growth whilst ensuring tangible sustainability of Fiji's sugar industry. This provides a strong platform to increased cane production through the collaboration with relevant industry stakeholders.

The establishment of a dedicated Ministry of Sugar Industry provides the enabling environment for direct efficient delivery of services to the stakeholders and cane districts and sectors throughout the cane belt. The adoption of the 'professional' service delivery by the ministry will promote maximum cane and sugar production annually through increased investments in cane and mill efficiency operation which lead to high quality sugar for export to existing and potential global markets.

Through the grant assistance to the relevant sugarcane institutions, the Ministry delivers the following services to the sugarcane growers by way of fertilizer and weedicide subsidy, cane variety research, effective administration of cane contracts, upgrading of cane access roads, cane planting and replanting assistance, cane cartage, small grants scheme, farm mechanization and assistance to new farmers to venture into sugar cane farming.

Government is fully committed to the revival and future viability of Fiji's sugar cane industry.

NOTE 2: STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Accounting / Presentation

In accordance with Government accounting policies, the financial statements of the Ministry of Sugar Industry is prepared on cash basis of accounting. All payments related to purchases of fixed assets have been expensed.

The financial statements are presented in accordance with the Financial Management Act and the requirements of Section 71(1) of the Finance Instruction 2010. The preparation and presentation of a Statement of Assets and Liabilities is not required under the current Government policies, except for that of the Trading and Manufacturing Accounts.

MINISTRY OF SUGAR INDUSTRY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 JULY 2020

(b) Accounting for Value Added Tax (VAT)

All income and expenses are VAT exclusive. The Ministry on a monthly basis takes out VAT output on total money for expenditure from Ministry of Economy. VAT input on the other hand is claimed on payments made the suppliers and sub-contractors for expenses incurred.

The VAT payment as per the statement of receipts and expenditure relates to the VAT input claimed on payments made to the suppliers and sub-contractors for expenses incurred and VAT payments to FRCS. Actual amount paid to FRCS during the year represent the difference between VAT Output and VAT Input.

(c) Comparative Figures

Where necessary, amounts relating to prior years have been re-classified to facilitate comparison and achieve consistency in disclosure with current financial period amounts.

NOTE 3: SIGNIFICANT VARIATIONS

- (a) The decrease in Government Wage Earners by \$23,669 (38%) was due to decline in driver's overtime and meal claims as result of reduced travel because of the COVID-19.
- (b) The decrease in Travel and Communications by \$26,937 (22%) was due to decrease in local travel because of COVID-19.
- (c) The increase in Maintenance and Operations by \$128,658 (46%) was due to Virement of funds to meet the shortfall in SEG 4.
- (d) The decrease in Purchases of Goods and Services by \$8,596 (37%) was due to Virement of fund out from SEG 5 to meet shortfall in other operating SEGs.
- (e) The decrease in Operating Grants and Transfer by \$302,113 (15%) was due to the decrease in budgetary allocations for Sugar Research Institute of Fiji and Sugar Industry Tribunal.
- (f) The decrease in Special Expenditure by \$178,690 (100%) was result of removal of budgetary allocation for Sugar Sector Policy Development and the reduction of the Sugar GIS Cadastre Development allocation in the COVID-19 Response Budget.

MINISTRY OF SUGAR INDUSTRY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2020

- (g) The increase in Capital Grants and Transfers by \$51,640,405 (89%) was due to the government new allocation for Sugarcane Stabilization Fund and Support to FSC in '2019-2020 Budget' and 'The COVID-19 response budget', respectively.
- (h) The increase in Revenue by \$6,123 or 75% was due to the appointment of Director Research and Policy as a board member for Food Processors Fiji Limited.

NOTE 4: SIGNIFICANT SAVINGS

- (a) The savings of \$117,926 or 18% in Established Staff was due to the reduction in the Assistance Minister's salary, staff movement, resignation and appointment takes time. There was also no acting appointment for Established Staff.
- (b) The savings of \$17,932 or 32% in Government Wage Earners was due to staff movement, resignation and appointment taking time.

NOTE 5: APPROPRIATION MOVEMENTS

There was a redeployment of funds in the 2019-2020 Budget, approved by Cabinet on 16/07/20 to fund Micro Insurance project worth of \$300,732. The funds were redeployed to the Ministry from Head 50 of the Ministry of Economy.

Redeployment No.	To Expenditure Group	Amount (\$)	Approved By
REDY01	SEG 10	300,731.76	PS - Economy
TOTAL		300,731.76	

There were virements approved by Permanent Secretary for Sugar Industry and the Permanent Secretary for Economy during the period. The appropriation movement for the financial year ended 31 July 2020 are detailed below:

MINISTRY OF SUGAR INDUSTRY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2020

Virement No.	From Expenditure Group	Amount (\$)	To Expenditure Group	Amount (\$)	Approved By
DV 3507/19-20	SEG 4	300.00	SEG 4	300.00	PS - Sugar Industry
DV 3508/19-20	SEG 4	4,936.00	SEG 4	4,936.00	PS - Sugar Industry
DV 3509/19-20	SEG 5	400.00	SEG 4	400.00	PS - Sugar Industry
DV 3510/19-20	SEG 4	619.00	SEG 4	619.00	PS - Sugar Industry
DV 3511/19-20	SEG 4	4,524.00	SEG 4	4,524.00	PS - Sugar Industry
DV 3512/19-20	SEG 3	8,500.00	SEG 4	8,500.00	PS - Sugar Industry
DV 3513/19-20	SEG 3	2,600.00	SEG 4	2,600.00	PS - Sugar Industry
DV 3514/19-20	SEG 4	968.00	SEG 5	968.00	PS - Sugar Industry
DV 3515/19-20	SEG 4	1,306.00	SEG 4	1,306.00	PS - Sugar Industry
DV 3516/19-20	SEG 7	11,260.00	SEG 4	11,260.00	PS - Sugar Industry
DV 3517/19-20	SEG 7	6,777.00	SEG 4	6,777.00	PS - Sugar Industry
DV 3518/19-20	SEG 7	330.00	SEG 6	330.00	PS - Sugar Industry
DV 3519/19-20	SEG 7	4,289.00	SEG 4	4,289.00	PS - Sugar Industry
DV 3520/19-20	SEG 7	6,718.00	SEG 3	6,718.00	PS - Sugar Industry
DV3521/19-20	SEG 5	420.00	SEG 4	420.00	PS - Sugar Industry
DV 3522/19-20	SEG 3	1,500.00	SEG 3	1,500.00	PS - Sugar Industry
DV 3523/19-20	SEG 5	250.00	SEG 5	250.00	PS - Sugar Industry
DV 3524/19-20	SEG 5	584.00	SEG 5	584.00	PS - Sugar Industry
DV 3525/19-20	SEG 4	335.00	SEG 4	335.00	PS - Sugar Industry
DV 3526/19-20	SEG 4	820.00	SEG 4	820.00	PS - Sugar Industry
DV 3527/19-20	SEG 4	350.00	SEG 4	350.00	PS - Sugar Industry
DV 3528/19-20	SEG 4	178.00	SEG 4	178.00	PS - Sugar Industry
V 35001/19-20	SEG 9	5,940,000.00	SEG 10	5,940,000.00	PS - Economy
V 35002/19-20	SEG 10	27,911.00	SEG 10	27,911.00	PS - Economy
V 35003/19-20	SEG 2	4,000.00	SEG 2	4,000.00	PS - Economy
V 35004/19-20	SEG 10	200,000.00	SEG 4	200,000.00	Minister for Economy
V 35005/19-20	SEG 13	3,000.00	SEG 4	3,000.00	Minister for Economy
V 35006/19-20	SEG 13	901.00	SEG 5	901.00	Minister for Economy
V 35007/19-20	SEG 13	77,293.00	SEG 4	77,293.00	Minister for Economy
V 35008/19-20	SEG 13	8,000.00	SEG 4	8,000.00	Minister for Economy
V 35009/19-20	SEG 10	20,089.00	SEG 4	20,089.00	Minister for Economy
TOTAL		6,339,158.00		6,339,158.00	

NOTE 6: REVOLVING FUND ACCOUNT – MISCELLANEOUS

As at 31 July 2020, the Ministry had a zero balance in the Revolving Fund Account (RFA) Miscellaneous account made up of Advances.

NOTE 7: DRAWINGS ACCOUNT

At balance date, there were no un-presented cheques under Drawings Account as at 31 July 2020.

Ministry of Sugar Industry
P. O. Box 5110, Marine Drive, Lautoka
Phone: 6664724; Fax: 6669022