



STANDING COMMITTEE ON ECONOMIC AFFAIRS

Consolidated Review Report of the Sugar Cane Growers Fund 2019 and 2020 Annual Reports



PARLIAMENT OF THE REPUBLIC OF FIJI
Parliamentary Paper No. 55 of 2024

May 2024

Published and Printed by the Department of Legislature, Parliament House, SUVA

Table of Contents	
Chairperson’s Foreword	3
Committee Membership	4
Committee Secretariat	5
1.0 Introduction	6
1.1 Background	6
2.0 Findings	7
3.0 Recommendations	9
4.0 Sustainable Development Goals	10
5.0 Conclusion	14
6.0 Committee Members’ Signatures	15
7.0 Annexure	16

Chairperson's Foreword

The Standing Committee on Economic Affairs is pleased to submit to Parliament the Consolidated Review Report of the Sugar Cane Growers Fund 2019 and 2020 Annual Reports.

Last year and early this year, the Committee undertook site visits to the Western and Northern Division to delve into the operational dynamics of the sugar industry. Additionally, the Committee received submissions from the Chief Executive Officer of the Sugar Cane Growers Fund ("SCGF").

The Committee was made aware of the legislative challenges faced by the SCGF to extend credit services to non-sugar sector and the poor financial performance of the South Pacific Fertilizers Ltd (SPFL) in which SCGF has 90% shares.

The Committee noted that the Annual Reports provided by the SCGF failed to include Key Performance Indicators (KPIs) for the periods under review. These indicators are essential for the Committee to make more informed recommendations and to gauge the performance of the organisation.

The Committee further noted the various assistance programs provided by the Ministry of Sugar Industry other than SCGF to assist sugarcane farmers in improving production and quality of cane. For example, Sugarcane Development and Farmers Assistance, Weedicide and fertilizer subsidy, funding to improve Cane Access Roads, subsidy to purchase mechanical harvesters, grants to encourage new farmers in the sugar sector and cane cartage grant.

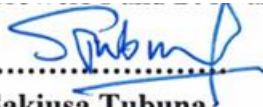
While discussing the reports, the Committee noted that utilizing rail transport for cane would prove significantly more cost-effective compared to trucks. Trucks rely heavily on fuel, are subject to escalating fuel prices, and contribute to road congestion and cause road damage.

While the Committee expressed satisfaction with the SCGFs Annual Reports during the review periods, it also acknowledged areas for improvement. This includes the need for improved coordination, commitment, and accountability among all stakeholders.

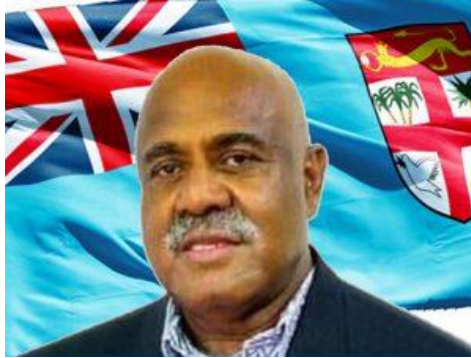
I would like to extend our appreciation to all the stakeholders for their valuable input.

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. Premila Kumar, Hon. Tomasi Tunabuna, and Hon. Semi Koroilavesau. I also thank the secretariat who have given us invaluable support.

On behalf of the Standing Committee on Economic Affairs, I commend the Consolidated Sugar Cane Growers Fund 2019 and 2020 Review Report to Parliament.


.....
.....
Hon. Sakiusa Tubuna
(Chairperson)

Committee Membership



Hon. Sakiusa Tubuna
Chairperson



Hon. Sashi Kiran
Deputy Chairperson



Hon. Premila Kumar
Member



Hon. Tomasi Tunabuna
Member



Hon. Semi Koroilavesau
Member

Committee Secretariat

Secretariat Staff

- Mrs. Susana Korovou
- Ms. Awantika Raj

Committee contact details.

Address: Standing Committee on Economic Affairs Committee.
Parliament of the Republic of Fiji
Government Buildings
SUVA, FIJI

Phone: +679 322 5600/ +679 8925 216

Web: <https://www.parliament.gov.fj/committees/standing-committee-on-economic-affairs/>

1.0 Introduction

The Standing Committee on Economic Affairs received the Sugar Cane Growers Fund 2019 and 2020 Annual Reports, pursuant to Standing Order 38 (2) of the Standing Orders of the Parliament of the Republic of Fiji. The Committee was mandated to review the Annual Reports and table its findings back to Parliament.

1.1 Background

The Sugar Cane Growers Fund Authority (“SCGF”) was established by the Sugar Cane Growers Fund Act of 1984 and the amendments thereon. SCGF aims to build sustainable value for stakeholders particularly sugar cane farmers and other industry players. The Fund is responsible for providing loans to sugar cane growers with the objective of bolstering sugar cane production and improve efficiency in planting, growing, harvesting and in transporting sugar cane.

1.2 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 November 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 Sugar Cane Growers Fund. At the end of the review, the Committee made recommendations based on the discussions with stakeholders and on the Annual report's content.

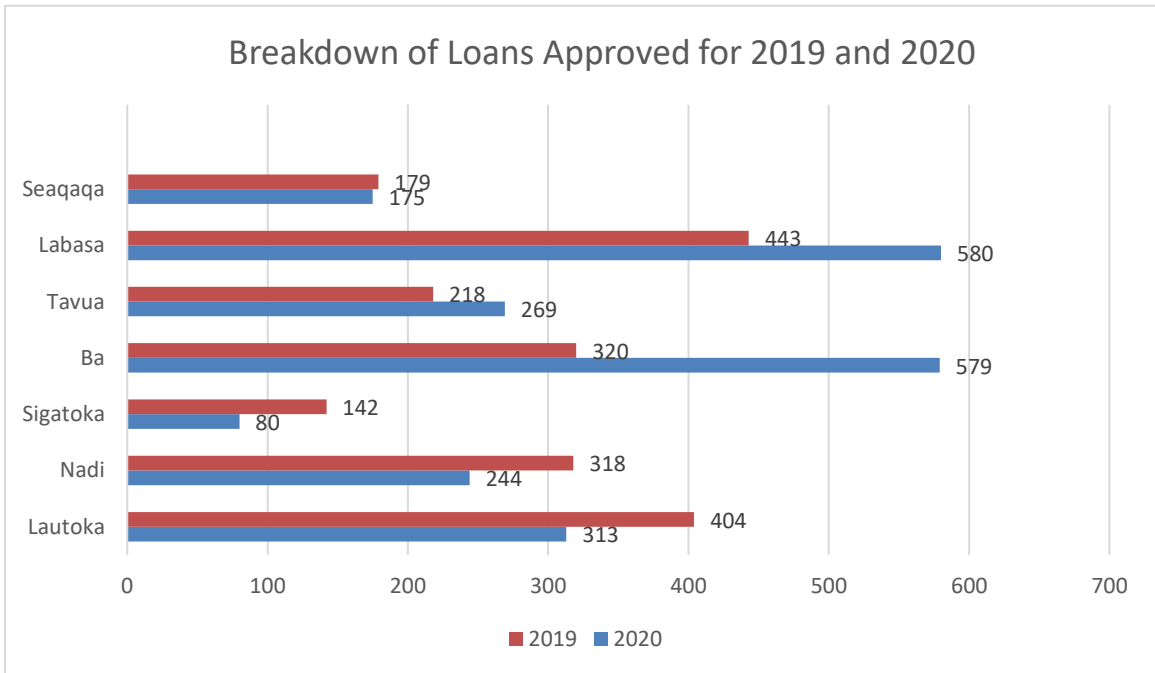
2.0 Findings

1. The Committee is concerned over the decline in sugar cane production, despite the availability of funds from SCGF and various assistance from the Ministry of Sugar to support the efforts of Fiji Sugar Corporation (FSC).
2. The Committee notes that to increase production, requires cohesive coordination and collaboration among relevant key agencies such as Fiji Sugar Corporation, Sugar Cane Growers Fund, Sugar Cane Growers Council, Ministry of Sugar Industry, Ministry of Agriculture, Ministry of Forestry and the i-Taukei Land Trust Board (ITLTB).
3. The Committee is concerned over the decline in sugar cane production, despite the availability of funds from SCGF and various assistance from the Ministry of Sugar Industry to support the efforts of Fiji Sugar Corporation (“FSC”). The urgency of developing a comprehensive sugar policy for the industry is critical to ensure industry stakeholders such as SCGF are better informed on the future strategy and policy direction for the sugar industry.
4. The Committee notes that to increase production, requires strong coordination and collaboration among relevant key agencies such as Ministry of Sugar Industry, Fiji Sugar Corporation, Sugar Cane Growers Fund, Sugar Cane Growers Council, Ministry of Agriculture, Ministry of Forestry, Sugar Research Institute of Fiji and the i-Taukei Land Trust Board (iTLTB).
5. The Committee notes the breakdown of approved loans to cane growers as of 31 December 2020

Table 1: Breakdown of Loans Approved for 2019 and 2020 (Source: SCGF AR 2019 pg. 20 and SCGF AR 2020 pg. 18)

District	2020		2019	
	Application Count	Value of Loans Paid	Application Count	Value of Loans Paid
Lautoka	313	\$1,223,101.86	404	\$1,339,360.38
Nadi	244	\$959,368.81	318	\$1,243,175.37
Sigatoka	80	\$254,579.73	142	\$440,538.20
Ba	579	\$1,188,074.42	320	\$1,218,018.89
Tavua	269	\$794,112.28	218	\$703,076.17
Labasa	580	\$2,284,578.02	443	\$1,455,165.75

Seaqaqa	175	\$1,273,477.34	179	\$749,992.92
Rakiraki	380	\$1,193,534.78	298	\$1,130,333.29
TOTAL	2,621	\$9,870,827.24	2,322	\$8,279,660.97



The above graph depicts trends in approved loans issued during the years under review. The Committee notes that over the years, majority of the loans approved were distributed to cane farmers in Labasa and Ba.

6. The Committee also notes the limitation of SCGF Act that restricts the issuance of loans to farmers during emergencies such as natural disasters.
7. The Committee acknowledged the efforts by SCGF in conducting awareness amongst farmers however, such efforts may not be visible unless whole of sugar sector approach is taken.
8. The Committee is concerned by the duplication of roles among several subsidiary bodies in the sugar industry that currently oversee the operations. These bodies, include the Sugar Cane Growers Fund, Sugar Cane Growers Council, SRIF, Sugar Cane Tribunal, FSC and others.

3.0 Recommendations

1. The Committee recommends SCGF to establish coordinated collaboration among relevant key agencies including Fiji Sugar Corporation, Sugar Cane Growers Council, Ministry of Sugar Industry, Ministry of Agriculture, Ministry of Forestry and the iTaukei Land Trust Board (ITLTB) to provide funding for diversification of crops which is one of the functions of SCGF.
2. The Committee recommends South Pacific Fertilizers Pte. Ltd to invest into diversified products including production of natural fertilizers in addition to compounded fertilizers which they have been using for many years.
3. The Committee recommends SCGF as a majority shareholder to improve the financial performance of South Pacific Fertilizers Pte Ltd to reduce reliance on the government subsidy.
4. The Committee strongly recommends the review of the Sugar Cane Growers Fund Act to expand its financial products not only to sugar cane farmers but also to non-sugar farmers so that it can become a financial facility for every farmer who may need assistance. Products should also focus on climate resilience including insurance and cover for natural disasters.
5. The Committee noted that the SCGF had raised their concern on the need to improve the efficiency of the mill which has direct impact on SCGF and the well-being of farmers. The Committee recommends that there needs to be a review of rail system, growers' engagement and a feasibility of commercializing its products.
6. The Committee commends the SCGF for its various products and services catering to cane farmers. However, it emphasizes the necessity for heightened education and awareness amongst farmers regarding the available products and services to increase cane production.
7. Given the number of related sugar subsidiary bodies operating in a small country like Fiji, the Committee strongly recommends a review of their relevance.
8. The Committee also recommends an inquiry into the sugar industry to be undertaken to create a business model for the sugar sector.

4.0 Sustainable Development Goals

The SCGF has developed its framework for the SDG work plans integrated within its core function and any of the strategies and work plans will ensure that such plans are embedded, accordingly over the planning period.

Table 2: SCGF Related SDG programmes (Source: SCGF Public Submission to Economic Affairs Committee on 08.05.2024)

GOAL	2016-2021 Achievement – Funding Facility	Strategies 2021-2025
1-No Poverty	<ul style="list-style-type: none"> Regularisation of Land ownership by way Lease Renewal, land survey of farming lease and regularizing land ownership. Back to Farm promotion, giving another chance to pay the loan. 	<ul style="list-style-type: none"> Expansion of investment on the farm. Consolidated farming business, merger with sugarcane. Diversification with other source of funding and use of funding – grants. Food security programs.
2-Zero Hunger	<ul style="list-style-type: none"> Subsistence Farming Loans – promote self-reliance, maximum use of land. Investment in cane farms Investment in farm mechanization 	<ul style="list-style-type: none"> Review of the product and support from the Ministry of Agriculture. Review of the functions with review of Act after Industry policy formulation working towards banking platform. Food security funding and better utilization of land.
3-Good Health and well being	<ul style="list-style-type: none"> Medical expenses Promote subsistence farming. Free insurance coverage available to all growers 	<ul style="list-style-type: none"> Comprehensive health insurance coverage/wellness forum – funding Subsistence farming Awareness video technology platforms (Medics weather) Option to support seniors and those with health issues with “Contractor of Gentleman Farming.” Disability support programs Possible medical center collaboration – NGO/Government.
4-Quality Education	<ul style="list-style-type: none"> Facility to meet basic education needs. Tuition expenses Loans for educational tools – laptop and tablets 	<ul style="list-style-type: none"> Capacity building programs for employees Grower advocacy programs on financial inclusion/joint promotion of husbandry with other industry stakeholders. Educational loans “Back to School Promotion” Support lectures and forum for cane growers.

5-Gender Equality	<ul style="list-style-type: none"> Farming loans to women as growers at concessional rate 	<ul style="list-style-type: none"> Promote more women participation in Farming. Support women dominated farming projects under Subsistence Farming or alternative livelihood project manageable by women. Women appointment at leadership roles. Special loan package for Women Farm ownership programs. New Farmers/government grant/FNPF approved letter. Explore any of the development partners to work through (World Bank, European Union, ADB, European Investment Bank) through Ministry.
6-Clean water and Sanitation	<ul style="list-style-type: none"> Borehole projects Water tanks Drainage 	<p>Continue with</p> <ul style="list-style-type: none"> Borehole projects Water tanks Drainage <p>Explore any of the development partners to work through (World Bank, European Union, ADB, European Investment Bank) through Ministry.</p>
7-Affordable and Clean Energy	<ul style="list-style-type: none"> Portable solar systems 	<ul style="list-style-type: none"> Reach household without national power supply in rural areas. Provide alternative solution – solar projects. <p>Explore any of the development partners to work through (World Bank, European Union, ADB, European Investment Bank) through Ministry.</p>
8-Decent work and economic growth	<ul style="list-style-type: none"> Affordable loans all cane growers available always for within industry and supplementary projects. 	<ul style="list-style-type: none"> More competitive rates on loan and optimum rate of return on investments. Create enabling environment and support to new entrant to the industry.
9-Industry Innovation and Infrastructure	<ul style="list-style-type: none"> Support farm mechanization by way of new modern farming equipment. Investment in new Modern Lending/Technology System – Information and communication (online) 	<ul style="list-style-type: none"> Continue to support with modern machinery funding. Education and awareness for use of technology Integration of the system and local and progressive international payment system Local funds transfer
10-Reduce Inequality		<ul style="list-style-type: none"> Empower and promote the social, economic inclusion with various financial services.

		<ul style="list-style-type: none"> • Social protection policies, and progressively achieve greater equality with financial product for aged growers. • Look at remittance projects
11- Sustainable Cities and Communities	<ul style="list-style-type: none"> • House construction/upgrade (committees) 	<ul style="list-style-type: none"> • Resilient building structures at farm level (Cat 3) with combination of grants and funding • Disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations – awareness program.
12- Responsible Consumption and production		<ul style="list-style-type: none"> • Sustainable management and efficient use of natural resources – water and solar project funding. • Reduce food losses along production and supply chains, including post-harvest losses-back-to-back merchant funding.
13-Climate Action	<ul style="list-style-type: none"> • Rehabilitation projects after natural disaster e.g. Post Cyclone Winston and Yasa and others 	<ul style="list-style-type: none"> • Planting of tree crops • Drainage and waterways funding for farmers • Disaster rehabilitation program-quick response (reserve funds)
16-Peace, Justice and Strong Institutions		<ul style="list-style-type: none"> • Farm development ensure inland freshwater ecosystems and their services in particular, forests, wetlands, mountains are maintained. • No pollution, soil erosion. • Promote the rule of law at the national and international levels and ensure equal access to justice-Code of Conduct of SCGF. • Vision, mission, and values ingrained in the daily operations. • Substantially reduce corruption and bribery in all their forms – Government policy/whistle blower policy • Develop effective, accountable, and transparent institutions at all levels – Government policy. • Ensure public access to information and protect fundamental freedoms – Disclosures/Annual Report.
17- Partnerships for the Goals		<ul style="list-style-type: none"> • Finance – strengthen domestic resource mobilization, including through international support-through government agencies and multinational and development partners.

		<ul style="list-style-type: none"> • Technology – promote the development, transfer, dissemination, and diffusion of environmentally sound technologies to a favorable term, including on concessional and preferential terms, as mutually agreed. • Capacity building – continuous look out for the people development. • Systematic Issues – Implementation of policies and products that eradicate poverty. • Multi-stakeholder partnerships – encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.
--	--	--

Table 3: Examples of SDG Loans (Source: SCGF Public Submission to the Economic Affairs Committee on 08.05.2024)






Examples of SDG Loans

Purpose	Count	Loan Amount
Education Expense	1557	\$1,973,429.51
Funeral Expenses	293	\$343,400.00
Medical Expense	238	\$1,067,978.00
Water Project/ Borehole Drilling/ Purchase of Water Tank	269	\$761,744.96
Grand Total	2357	\$4,146,552.47

5.0 Conclusion

The Committee is satisfied with the Annual Reports 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.

6.0 Committee Members' Signatures

 Hon. Sakiusa Tubuna Chairperson	
 Hon. Sashi Kiran Deputy Chairperson	 Hon. Premila Kumar Member
 Hon. Tomasi Tunabuna Member	 Hon. Semi Koroiavesau Member

7.0 Annexure

Published evidence.

Written evidence, transcripts and supporting documents can be viewed on the Parliament website at the following link:

<https://www.parliament.gov.fj/committees/standing-committee-on-economic-affairs/>