

PARLIAMENTARY QUESTION B/284

B/284
08.05.07

The Honourable Second Member for Quartier Militaire and Moka (**Mr Dayal**)

To ask Dr the Honourable Minister of Agro Industry and Fisheries:-

Whether, in regard to the reform in the sugar sector, he will state if he has started negotiations with the Mauritius Sugar Producers Association for the inclusion of the small planters as full fledged equity holders in all flexi factories so that they can derive income from two other streams, namely, the production of ethanol and the co-generation of electricity, in addition to the sale of canes in order to compensate them for the loss of income?

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B/286
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The Honourable Second Member for Quartier Militaire and Moka (**Mr Dayal**)

To ask Dr the Honourable Minister of Agro Industry and Fisheries:-

Whether, in regard to the reform in the sugar sector, he will state if he will consider the advisability of appointing an independent consultant to represent the small planters in the negotiation process, to protect their interest in view of the complex nature of the reform process and their lack of technical capabilities and know-how?

REPLY

Mr Speaker, Sir,

With your permission, I shall reply to PQ B/284 and PQ B/286 together as they relate to the same issue.

The reform of the sugar sector is an opportunity for small planters to get a better deal in the sugar cane industry. Formal discussions with the Mauritius Sugar Producers Association for equity participation of small planters have not been initiated.

In the Multi Annual Adaptation Strategy (MAAS), paragraph 137 highlights the participation of planters in the equity of mills and the need for the conclusion of cane management arrangements between planters and millers. The reinforced commonality which will establish an organic link between two key holders of the industry will ensure enhanced revenue to all stakeholders.

The democratization process is a continuous one. We will ensure that small planters get their dues for the sugar and other co-products derived from the cane they supply to the millers.

As I have already informed in reply to PQ B/1501 in November 2006, I have directed the Cane Planters and Millers Arbitration and Control Board, to look into all aspects of marketing of molasses, to advise whether the present marketing arrangements are such that they ensure that the best prices that can be obtained are actually obtained and to advise on any options that would yield higher prices. I am informed that the Control Board has completed its investigation and will submit its report soon.

I have also asked a team led by the Management Audit Bureau to examine methods of revenue sharing from sugarcane plant processing in countries operating flexi factories, and to advise on how planters can have an equitable share of all revenue streams from sugar cane plant supplied for milling, including any value added products as proposed in the reform programme of sugar industry 2006-2015. The MAB has also been requested to advise on implications of various options (financial, operational etc.), for fair sharing of revenue streams, after consultations with all stakeholders.

The interests of small planters are also taken on board through the Sugar Investment Trust (SIT) which has a 20% share in milling companies. The SIT also holds shares in Power Generating Plants of Belle Vue (14%), FUEL (20%), Société Usinière du Sud (15%) and Central Thermique de Savannah (15%). Small planters are also represented by highly experienced and knowledgeable persons on various institutions serving the sector, such as the Farmers Service Corporation, the Mauritius Sugar Syndicate, the Mauritius Sugar Industry Research Institute, the Mauritius Sugar Terminal Corporation, the Irrigation Authority, the Sugar Insurance Fund Board and the Cane Planters and Millers Arbitration and Control Board. Furthermore, in my reply to PQ B/.... in respect of the MSA Board, I indicated that I will consider appointing a small planter on the MSA Board.

In view of the above, at this stage, there is no need to appoint any independent consultant to take care of the interest of small planters.