Trade Distorting EU Sugar Regime Changes Destroy Both the Value and Demand for SADC Sugar

In written evidence recently submitted to a UK Parliamentary Committee alarm was raised about the recent reform of the EU sugar regime by ACP Sugar/LDC Sugar Industries Group, an organisation representing 20 sugar industries in African, Caribbean and Pacific (ACP) and Least Developed Countries (LDC)

SAFDA Leads United Industry Protests to Save South Africa’s Sugar Industry

The South African Farmers Development Association (SAFDA) affiliated members are appealing to the government to intervene urgently in the plight of small-scale sugar-cane farmers that has left them in dire straits. SAFDA, a 15 000-member organisation, focuses on improving profitability and sustainability for small-scale and land reform sugar-cane farmers

As reported by IOL Business Report, Francis Moonsamy, Deputy Secretary of SAFDA, said the situation is so bad that it is putting farmers out of business. Moonsamy blamed their plight on the cheap imported sugar price, which he said did not even benefit the consumers at large. These small- and large-scale farmers’ protests were also in support of the

The FairPlay Movement is a non-profit initiative to end predatory trade practices worldwide.

FairPlay takes to the Airwaves to Support Sugar Industry Protests

Shortly after the June 26 protest march lead by SAFDA, SASA and other industry stakeholders, the FairPlay Movement’s Founder, Francois Baird took to the airwaves for a number of television and radio interviews.

Baird reinforced the industry’s key messages emphasizing that small-scale farmers are being hit the hardest.
As reported by *The South African* Moonsamy noted: “We have farmers working hard and others even putting in their pension money, but getting nothing in return. We used to have 50,000 members, but now we have only 15,000, meaning the rest have been forced out of business.”

In a strong display of unity across all sugar industry stakeholders, SAFDA was joined in these protests by The South African Sugar Association (SASA) the South African Sugar Millers Association, the SA Canegrowers, and by the FairPlay Movement, a non-profit initiative against predatory trade practices.

The protests received widespread media coverage and received strong backing from various elected officials and a commitment of support by the Department of Trade and Industry to urgently address the issues raised. It remains to be seen how urgently the government’s encouraging words will be put into action.

In interviews Baird highlighted how the South Africa market is being flooded by dumped sugar and elaborated on how delays in implementing a responsive tariff adjustment is throwing people out of work and destroying the livelihoods of small growers.

Highlighting the social and economic consequences of South Africa’s sugar trade policy paralysis Baird noted that already 15,000 jobs have been lost and that the sugar industry in South Africa is contracting when, in fact, it could be growing and creating jobs with policies that support industry diversification.

In addition to the SABC TV interview, the issue received extensive radio coverage including Jacaranda FM and Classic FM.
FAIRPLAY CALLS ON LEADERS IN BRITAIN TO REJECT THE EU’S SORRY HISTORY OF PREDATORY TRADE PRACTICES WITH AFRICAN STATES POST BREXIT

As Britain prepares to enter into bilateral and multilateral trade agreements once it leaves the European Union, it has the opportunity to show its leadership in both international trade and in development by structuring a trading system that recognizes the importance of sensitive agricultural sectors like poultry and sugar. For instance, Britain must consider the significance of the sugar industry in Africa and understand the need for sustainable sugar prices in low and middle-income countries and recognize the developmental benefits of the sugar trade.

FairPlay points out that the European Union has a long and sorry history of practicing a predatory approach to agricultural trade with developing countries by massively subsiding its agricultural industry. The EU encourages and supports over-production in sugar and poultry and then dumps its surplus production in Africa and other developing regions.

This has already devastated the chicken industry in Ghana, Senegal and Cameroon and is having the same impact in South Africa. Now sugar producers in Africa are facing a similar fate as the EU removes restrictions on limiting EU sugar production while at the same time increasing subsidies to Europe’s sugar beet producers.

HOW TO OFFSET THE JOB KILLING EFFECT OF SOUTH Africa’s SUGAR TAX

The FairPlay movement argues that, by following the lead of sugar producing countries, such as Brazil, which is now a major bioethanol producer and exporter, South Africa will be able to not only save but also grow its sugar-cane industry.

The sugar industry in South Africa is in crisis. Sugar cane is a versatile crop with all the elements to render the industry a growth sector if it has the backing of bold and progressive government policies. Instead of growing, it is doomed to contract because of government’s policy paralysis and inability and unwillingness to support sugar industry diversification.

Some argue that bioethanol from sugar cane is not viable until the global price of oil dips below $100/bl. But there are two things that invalidate this argument. Firstly, every country with a sugar-cane ethanol industry began by introducing domestic mandatory fuel blending, usually ranging from 5% to 10%. The expectation is that ethanol will diversify the fuels market and augment, rather than replace, oil-based fuel supply. Ten per cent fuel blends are the norm in nearly 60 countries. Mandatory blending will reduce South Africa’s dependence on fossil fuels and help South Africa to meet its international climate change.

Secondly, when Brazil embarked on its path to become the world’s largest exporter of bioethanol from sugar cane, it cost three times as much to produce a litre of ethanol than it cost to import a litre of oil. But Brazil took the longer-term view and supported ethanol production by introducing mandatory fuel blending.

By following the lead of many other countries, most of which are far less developed than South Africa, elected leaders can not only save but also grow the strategic economic asset that is the South African sugar industry. It would be foolish to waste the opportunity.
FAIRPLAY MOVEMENT JOINS SUGARCANE FARMERS AND INDUSTRY LEADERS IN A MARCH TO SAVE THE SUGAR INDUSTRY

On June 26, the International Trade Administration Commission (ITAC) in Pretoria heard an application by the SA Sugar Association for a tariff proposal that could help save the industry and thousands of jobs threatened by predatory sugar imports. The application has the support of the entire industry, from bosses to workers, from small and large sugar growers to sugar producers, millers and unions.

Meanwhile, outside in the streets of Pretoria the FairPlay movement against predatory trade joined hundreds of workers, sugarcane farmers and industry leaders from KZN and Mpumalanga in a march to the Department of Trade and Industry to voice their concerns about the insufficient tariff currently in place.

FairPlay believes that the sugar industry should be an engine of growth for South Africa and neighbouring countries, which requires the implementation of an ethanol mandate, promotion of biogas for power generation and ensuring that the industrial and pharmaceutical uses of sugar is applied to create a sustainable sugar industry.

FairPlay also wants the tariffs on sugar to be changed more regularly and easily than is currently the case.

Francois Baird, FairPlay founder, explains; “We believe that a more flexible and responsive tariff regime is one element of achieving a sustainable industry. When circumstances change, there should be an immediate response. If South Africa can change the price of petrol at short notice in response to world markets, surely a tariff against predatory imports to create a level playing field for thousands of sugar workers could also be changed when required.”
The FairPlay Movement is a not-for-profit trade movement that fights for jobs. Its goal is to end predatory trade practices between countries so that big and small nations play by the same rules. It supports the principle that penalties for transgressing those rules apply equally to everybody.

FairPlay was founded in October 2016. In alliance with existing organisations and experts it formulates and promotes strategies to defend communities made vulnerable by predatory trade practices and promote sustainable livelihoods.

These alliance partners are international, currently from the USA, Canada, UK, Ghana and South Africa.

FairPlay mission: To end the scourge of dumping as an immoral trade practice.

FairPlay vision: A world where dumping no longer exists, with free trade according to the rules.

MORE NEWS FROM FAIRPLAY:

SAFDA FIGHTS FOR INCREASE IN TARIFF PRICES ON IMPORTED SUGAR

FAIRPLAY COMMITS TO ENSURE THAT MAJOR NEW TRADE AGREEMENTS PROTECT THE INTERESTS OF THE POULTRY AND SUGAR INDUSTRY

HOW TO OFFSET THE JOB KILLING EFFECT OF SUGAR TAX

EU FOOD EXPORTS HINDER AFRICAN AGRICULTURAL DEVELOPMENT

SUGAR IMPORTS WEIGH HEAVILY ON SMALL FARMERS