

# Sugarcane growers, district leaders oppose zoning of millers

By Henry Sekanjako and Mary Karugaba

Submitting their views on the Sugar Bill 2016, district chairpersons from Masindi, Buikwe, Mukono, Kamuli and Mayuge have opposed the zoning of sugar millers, saying it would lead to price exploitation of the farmers by the sugarcane millers.

"If passed the way it is now, the Bill will negatively affect Masindi district, given that we already have only one sugar miller. It is going to promote monopoly and exploitation of the farmers," Cosmas Byaruhanga, the LC5 chairperson of Masindi district, said.

He told the legislators that Masindi sugarcane growers envy their colleagues in Busoga region, whom he said have many sugar millers to sell their sugarcane to, thus beating the monopoly.

Clause 22 (1-3) of the Bill, which is currently before the committee on trade, tourism and industry, proposes zoning of sugar factories in the sugar industry.

According to the clause, the Bill states that in licensing sugar

mills, the board shall ensure there is only one sugar mill in a zone of 25km radius.

"This provision should be entirely deleted from the Bill. It will kill innovation and technological improvement, and create mild monopoly within the zone," Mathias Kigongo, the LC5 chairperson of Buikwe district, told the MPs.

## Outgrowers respond

Sugarcane outgrowers from Busoga, Bunyoro and Buganda complained that if passed in its current form, the Bill will create monopoly and stop farmers from determining their own prices.

"As farmers, we should be allowed to negotiate and sell our cane to the highest buyer. Zoning means the farmer will have no say on the price of the cane, but only dance to the dictates of the millers," Micheal Mugabira, a member of the Uganda Sugarcane Outgrowers Association, said.

The farmers were submitting their views before the committee chaired by Fort Portal Municipality Member of Parliament, Alex Ruhunda.

The committee is currently scrutinising the 2016 Sugar



Byaruhanga, Bongo and Kategere appearing before the trade committee yesterday. Photo by Miriam Namutebi

Bill. According to Mugabira, the sugar sector can only thrive if there is competition.

The farmers noted that, as a result of monopoly in the Bunyoro region, the farmers have now resorted to ferrying their cane to Busoga, where the prices are relatively high due to the presence of many sugar factories.

Currently, they are over eight factories in Busoga region and only one in Bunyoro. Whereas

a tonne of sugarcane costs about sh180,000 in Busoga, it goes for sh120,000 in Bunyoro.

## Farmers' representation

The district leaders also called for equal representation of the farmers (outgrowers) on the National Sugarcane Board.

In the current Bill, the Government proposes five millers and only two farmers as representatives on the board.

However, the leaders want the

representation made uniform, as those of the millers, to protect their views.

"Our concern is the composition of the board to have five millers, majority of whom are foreigners and only two farmers' representatives. We find this unfair. There should be five representatives from both sides," Omar Bongo, the LC5 chairperson of Mayuge district, noted.

Describing the Bill as timely and long overdue, local leaders asked the committee to fast track the Bill, saying it will promote and protect the sugarcane industry in Uganda.

The leaders appealed to the committee to consider their concerns, saying if addressed, the Bill will boost the sugarcane industry in the country, thus leading to Uganda's economic growth.

In their proposals, the local leaders want the Bill to ensure that the local governments, where most of the mills are established, are entrusted with the authority to monitor, as opposed to the central Government.

"There should be a local governments sugarcane regulatory committee to work

with farmers and sugarcane dealers. Items, such as licences, should be channelled through local governments," Sylvia Kyobe, a sugarcane farmer from Mukono district, proposed.

The Bill seeks to ensure that there is a sustainable, diversified, harmonised and modern legal framework to enable the sugar industry develop in an orderly and competitive manner.

Currently, there is no comprehensive law regulating the sugar industry, hence disharmony among the key players.

## Co-operatives

For profitable sugarcane trading, the MPs advised the farmers to consider forming co-operatives to avoid exploitation by sugar millers.

"This business of selling sugarcane casually should stop. Let the farmers form co-operatives, so that the millers can buy from co-operatives and not individual farmers," Moses Balyeku, the Jinja West MP, advised.

The MPs also want the Bill to address issues of insurance of farmers' sugarcane plantations, from uncertainties, such as fire breakouts.