

By Eddie Ssejjoba

Outgoing state minister for youth and children affairs Balaam Barugahara has brokered a reconciliation agreement between two rival sugar companies operating in the Bunyoro sub-region in a move aimed at ending years of disputes over sugarcane sourcing and trade practices.

The agreement was signed yesterday at the gender ministry headquarters between Masindi-based Kinyara Sugar Limited and Luwero-based Victoria Sugar Limited.

Kinyara Sugar was represented by its director, Rajbir Singh Rai, while Victoria Sugar Limited was represented by director Alpesh Jiyani.

The memorandum of understanding (MOU), witnessed by Barugahara, seeks to establish a framework for co-operation between the two companies to protect investments in contracted out-grower networks, curb sugarcane theft and eliminate unhealthy competition in the sector.

The agreement follows a series of meetings convened by the minister to resolve long-standing tensions that have

BALAAM **BROKERS** PEACE DEAL BETWEEN RIVAL SUGAR FIRMS

PHOTO BY EDDIE SSEJJIBA



Balaam (centre), Rajbir (left) and Alpesh show copies of reconciliation agreement signed between the two sugar companies, yesterday

affected sugarcane farmers, millers and the broader sugar value chain in Bunyoro.

Speaking after the signing ceremony, Balaam described the agreement as a breakthrough.

"The MOU seeks to address rampant sugarcane theft in the Bunyoro sub-region, which has affected farmers, millers and the stability of the sugar value chain," he said.

He noted that the sugar industry remains a major source of employment for young people and that restoring harmony between the two companies would help safeguard jobs and investments.

Under the agreement, the two companies pledged to strengthen co-operation and avoid poaching each other's contracted out-growers, especially farmers operating

under existing contractual arrangements.

However, the companies agreed that either party would remain free to purchase sugarcane from independent farmers not tied to any contractual obligations.

The firms also committed to developing their own nucleus estates and out-grower schemes within designated operational areas.

To curb sugarcane theft and improve accountability, both companies agreed to introduce

a standardised branding and identification system for all trucks transporting sugarcane.

The agreement also requires direct transportation of cane from gardens to factories for weighing, eliminating roadside loading and buying stations

that have long been blamed for fuelling theft and illegal trade.

Victoria Sugar Limited further agreed to remove all roadside sugarcane weigh bridges, buying centres and loading stations operating within the Bunyoro sub-region.

The two firms additionally resolved to stop using brokers or middlemen in purchasing sugarcane, a practice often accused of encouraging theft and market distortions.

The dispute between the companies had previously escalated to Parliament following accusations of sugarcane poaching, unfair competition and illegal roadside weigh bridges.

Later, trade minister Francis Mwebesa ordered the closure of sugarcane weigh bridges in the sub-region.

However, the directive sparked protests from farmers in the Albertine region, who feared massive losses due to a lack of access to buyers for their mature cane, prompting the suspension of the order.

Kinyara Sugar had accused Victoria Sugar of poaching cane developed under its out-grower schemes through a partnership with the Bunyoro Sugarcane Co-operative Union Limited.