



What we learn from sugar crisis

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Opinion

Currently, the local media is awash with stories depicting a sugar crisis in the country. Possible solutions being fronted by Ministry of Trade, Industry and Co-operatives in the forth-coming meeting is possibly to issue licences for importation in order to alleviate the rising sugar prices. Some sugar barons known in the industry keep blaming the trade ministry for failing to implement the zoning policy.

However, the supporters

for the zoning policy cite countries in which it is being implemented, but deliberately fail to shed light on how governments in those countries get involved through legislation to ensure that there is an equitable sharing of revenue from sugar proceeds and its by-products between millers and growers for industry sustainability and competitiveness. This has been a contentious issue during the deliberations so far held in the crafting of the Uganda

A sound pricing regulatory regime would be crucial in keeping the sugar prices stable



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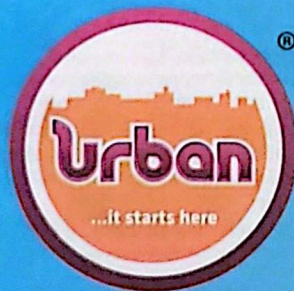
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Sugar Act 2015. The same experts advocate for zoning protectionism, but when it comes to the sugar price formulae, they say they prefer a free market (price determined by demand and supply). It is ironical how a free market economy would operate in a protectionism regime, whereby farmers have no alternative markets for their cane supply and without a sound pricing regulatory regime. This is a question to which the pundits have failed to provide plausible answers during the consultative meetings.

It should be noted that inequitable sharing of investment resources is an on-going global debate and, currently, it is the one reshaping the geo-politics of Brexit, Trumpism and the Italy referendum. France and Germany are also headed the same direction because citizens have continuously suffered dwindling incomes and loss of jobs due to greedy corporate firms, investors and entrepreneurs.

Reflecting on the status of Uganda's sugar industry crisis, Bunyoro region offers insights into failed policies as it is occupied by one investor, through ring-fencing policies. This region has cane that cannot be crushed with the existing mill and it is now being transported for several kilometres as raw material for Busoga sugar mills. Therefore, what lessons does the sugar crisis and policy failure offer to us?

Build factories near sugarcane farms

If Bunyoro region with its favourable climate for sugarcane growth could be gazetted as a cluster for the sugar industry development model, then integrated factories, involving sugar mills, ethanol plants and chip board processing plants from sugar bagasse could be located in this region, with

Some experts advocate for zoning protectionism, but when it comes to the sugar pricing, they want a free market, in which the price is determined by demand and supply

the involvement of Uganda Development Corporation, with a purpose of building production capabilities of indigenous entrepreneurs.

Importing is not a solution
Sugar importation strategy

means the country will pay out foreign currency, yet as a country, our imports are still more than exports, which creates a trade imbalance.

Process sugar within

The current cane in Bunyoro region, if was crushed at the source, would create jobs for Ugandans and would also mean that there would be no need for importing sugar.

Benchmarking

The key stakeholders in Uganda's sugar industry, including national legislators from the sugar growing areas and the media fraternity, could arrange an exposure visit to countries, such as Mauritius, India and Thailand so that provisions in the proposed Draft Sugar Act 2015 are debated in Parliament.

Equip farmers with skills

Can the sugar barons in Uganda offer plausible explanations why a small-scale sugarcane farmer of less than eight hectares in Thailand is well equipped with knowledge, skills and appropriate technology, which has translated into the so called Asian Miracle development model, yet our sugarcane farmers in Uganda are still wallowing in poverty, despite the sugar industry being in existence for decades?



Sugarcane growers should be empowered with better skills and technology to help them fight poverty