



Sweet. A tractor carries sugarcanes to Kinyara Sugar factory. The factory has increased the price at which it buys sugarcane from growers. PHOTO BY FRANCIS MUGERWA

Cash fight leaves bitter taste for cane growers

Price change. After hearing complaints from sugarcane growers, the factory's board agreed to a 16 per cent increase in price in the new financial year.

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MASINDI. Kinyara Sugar Ltd has increased the price of buying sugarcane from farmers although majority have protested the new fee, saying it should be increased further.

Kinyara Sugar Ltd has for several weeks been in negotiations with the Board of Directors of Masindi Sugarcane Growers Association Ltd, (MSGAL), which brings together more than 6,000 farmers.

According to the Kinyara Sugar Ltd Corporate communications' manager, Mr Kirunda Magoola, effective July 1 to June 30, 2018, representatives of Kinyara Sugar Ltd and MSGAL board of directors agreed on a 16.90 per cent annual price increase.

"This translates into an increase from Shs128,318 per tonne of sugarcane to Shs150,000 per tonne of sugarcane," Mr Kirunda said.

He added that payment will be done in two installments - a 94 per cent interim payment and a final one of six per cent.

He said the farmers who supplied cane to the factory from July 1 will be paid using the new rates.

Farmers grumble

Despite the increase in the cane price, farmers argue that the new price does not meet their demands.

In negotiations, there is al-

ways a winner and a loser, the MSGAL Board chairman, Mr Robert Atugonza, said.

"In this case, we were the losers because we demanded for Shs160,000 per tonne of sugarcane but we were offered Shs150,000," Atugonza, who is also an outgrower told *Daily Monitor*.

He said the farmers accepted the price in the spirit of mutual dialogue and to permit sugar operations to continue.

He, however, cautioned that some farmers who wanted a higher price than what Kinyara is offering might end up selling their cane to Hoima Sugar or other sugar factories. This is a challenge for Kinyara Sugar Ltd to devise ways of offering more incentives to farmers, he added.

However, the Kinyara Sugar Ltd corporate Communications manager said their partnership with farmers is solid and negotiations were not rushed to ensure that all stakeholders are better informed.

"The cane price negotiations have been conducted in a spirit of mutual benefit and growth of partners and stakeholders in the region," Mr Kirunda said.

The factory was recently recognised by the Uganda Revenue Authority as a taxpayer of the year 2016/2017.

Mr Kirunda said the factory dedicates the award to its farmers without whom, that recognition would not have come to pass.