

Parliament has last card to save sugar sector

The much awaited Sugar Bill is soon coming to Parliament and may be what saves the sugar industry from collapse.

The Bill will, among other things, provide for an industry regulator, set guidelines for licensing of mills, establish an research institute and lay down some parameters for sugar cane pricing.

This much needed legislation has come at a time when the industry is facing real existential threats from within and outside the country.

Internally, the Government has licensed sugar millers arbitrarily. The new players, who have invested little or nothing in setting up plantations and out-grower schemes, are poaching on existing sugar plantations.

This has had the adverse effect of the widespread harvesting of immature cane, from which less than optimal levels of sugar can be extracted.

As a result, farmers are being paid less for their cane than previously.

The second issue is that as a result of the above farmers are committing more of their land to the crop to meet the greater demand and threatening food security in the Busoga region.

The net effect of this is that there is not enough cane to go around and existing millers old and new, are operating at a fraction of their installed capacity, as a result they are being forced to lay off workers, paying less tax and fall short of their obligations to supply power to the grid.

There has also been massive smuggling of sugar from neighbouring Kenya. This is lowering sugar prices and preventing local producers from selling their products. Producers have sacks of unsold sugar stacked to the roof of their warehouses.

The revitalisation, growth and success of the sugar industry is one of the undisputed successes of the NRM administration. Unfortunately, this is being sacrificed on the altar of opportunism and short-sighted self-interest by people who should know better. Parliament is the last stand for the sugar industry, our representatives should do the right thing and restore sanity to the industry.

New Vision