

Alam shows Ruhunda (left) and Betty Engola a map of Kaliro Sugar, while appearing before the committee on Tuesday. Photo by Roderick Ahimbazwe



Govt urged to seize opportunities in sugar industry

By Moses Mulondo

Legislators and sugarcane investors have advised Uganda to fully harness the huge opportunities it has in the sugar industry.

The proprietor of Sugar and Allied Industries, Abid Alam, yesterday informed Parliament's trade and industry committee that ever since they established a sugar factory in Kaliro district, they have turned around the economic fortunes of the area.

Alam revealed that his factory has economically empowered over 1,000 sugarcane farmers who supply his factory with sugarcane.

"Every day, we give sh200m to farmers and another sh50m to the transporters. In just one month alone, we pay Kaliro farmers a total of sh6b. The area has greatly changed because of the factory. So many new businesses and urban centres have come up," Abid explained.

He advised Parliament and the Government to borrow a leaf from Mauritius, where the government has empowered farmers to engage in best farming practices in growing sugarcane and the undertaking has made thousands of citizens rich.

Abid said one of the necessary interventions in empowering Ugandan farmers to produce more sugarcane is enabling them to have small-scale irrigation schemes.

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Drawing from his experience of the various visits the committee has had to the sugar factories and sugarcane farmers, the committee chairperson, Alex Ruhunda, said: "Sugarcane is gold. Everything about it, including by-products, fetches a lot of money. It fetches more money than any other agricultural product, including coffee. We only have to empower our people to grow it on a large scale."

Ruhunda recounted that from their research, they had discovered that factory owners earn more money from the electricity they generate out of sugarcane products than what they earn from sugar.

It is on the basis of such facts that he proposed the need for the Government to work out an arrangement, which would enable sugarcane farmers to share a portion of proceeds factories make from the by-

products of the sugarcane they supply to factories. Reports indicate that Uganda has the lowest sugarcane production costs in East and Central Africa.

According to reports, it costs \$500 to produce a tonne of sugar in Kenya, \$450 in Mauritius, \$340 in Sudan, \$250 in Egypt, \$230 in Zambia and \$200 in Malawi. Among all, Uganda produces at the lowest cost of \$180.

Kenya alone spends a total of \$90m (sh324b) worth of forex annually on the importing sugar and that is why some time back, there were attempts at entering a deal with, Uganda for the supply of sugar.

Kaliro district chairperson Wycliff Ibanda opposed the proposal for zoning, arguing that it would be a kind of enslavement to confine farmers to selling their sugarcane to particular factories with which they are zoned.

Ibanda, however, testified that Abid's sugar factory has turned around the fortunes of many people in Kaliro, citing the example of a young man who recently sold his sugarcane and earned sh500m.

Jinja district chairperson Titus Kisambira said the leadership of his district supports the proposal of zoning, arguing that it would create a conducive environment for factories to thrive with an assured supply of sugarcane.