

# **PRESENTATION ON THE CANE INDUSTRY**

## **MAIN STAKEHOLDERS INVOLVED IN THE CANE INDUSTRY AND THEIR RESPONSIBILITIES**

# Mauritius Chamber of Agriculture

## □ *Description:*

- The Mauritius Chamber of Agriculture is a private non-profit association which regroups agricultural producers mostly and other individuals or firms linked with sugar, other agricultural crops and agro-based activities.
- Founded in 1853.

## □ *Scope of Action / Objectives :*

- To promote and safeguard the interests of the agricultural community at large.
- To provide the necessary forum where agricultural issues are debated and policy recommendations made in view of furthering the development of agriculture and agricultural industries.
- Interacts directly with other stakeholders involved in the sector, namely government, national agencies and regional and international institutions.

## □ *Sources of revenue*

- Contribution from members by rights + membership subscriptions from elected members

# Mauritius Sugar Producers Association

- *Description:*
  - ▣ The MSPA regroups the growing and milling companies of the corporate sugar cane sector.
  - ▣ Founded in 1947.
  
- *Scope of Action / Objectives :*
  - ▣ Committed to promoting the interests of its members : it deals with Government and parastatal bodies, the judicial, trade unions, local and international institutions among others
  
- *Sources of revenue :*
  - ▣ Contribution from members

# Mauritius Sugar Syndicate

## □ *Description:*

- It is a private and independent organization governed by its members, all of whom are sugar producers comprising corporate and independent sugarcane growers as well as millers.
- It is the commercial arm of the sugar sector in Mauritius and is responsible for the marketing and export of all the sugar produced locally.
- Legally constituted in 1951.

## □ *Scope of Action / Objectives :*

- To optimize producer revenue through adoption of commercial strategies likely to capture the highest yields obtainable from markets on a sustainable basis.
- Undertakes sales of sugar for the local market through a network of distributors and packers or directly to industrial users
- Is responsible for effecting payments to planters, including advances, to finance their growing and harvesting operations.

## □ *Sources of revenue :*

- Proceeds from sales of sugar.

# Sugar Insurance Fund Board

## □ *Description:*

- The Sugar Insurance Fund Board is a statutory body set up under the Sugar Insurance Fund Act 1974.
- It operates under the aegis of the Ministry of Finance & Economic Development.

## □ *Scope of Action / Objectives :*

- To insure the sugar production of planters, métayers, millers and refiners against losses occurring out of inclement weather namely cyclones, drought and excessive rainfall.
- Also operates a fire insurance.

## □ *Sources of revenue :*

- Funded entirely by insureds of the sugar industry.

# Mauritius Cane Industry Authority

## □ *Description:*

- The MCI A, established by an act of Parliament in 2012, is the result of a merger of six institutions, namely Mauritius Sugar Authority (MSA), Mauritius Sugar Terminal Corporation (MSTC), Mauritius Sugarcane Industry Research Institute (MSIRI), Farmers Service Corporation (FSC), Cane Planters and Millers Arbitration and Control Board (CPMACB) and the Sugar Planters Mechanical Pool Corporation (SPMPC).

## □ *Sources of revenue :*

- Funded by CESS (4% ex-syndicate price calculated on tonnage Pol of the crop year)

# Mauritius Cane Industry Authority

- Brief history prior to the merger as well as the current objective of each institution.
  - Mauritius Sugar Authority (MSA),
  - Mauritius Sugar Terminal Corporation (MSTC),
  - Mauritius Sugarcane Industry Research Institute (MSIRI),
  - Farmers Service Corporation (FSC),
  - Cane Planters and Millers Arbitration and Control Board (CPMACB)
  - Sugar Planters Mechanical Pool Corporation (SPMPC).

# 1. Mauritius Sugar Authority

- History : set up in June 1984 by virtue of MSA Act No. 27
- Current objectives :
  - Monitor, oversee and coordinate all activities relating to, and ensure a fair, efficient and effective administration and operation of the cane industry;
  - Promote and support the sustainable development, efficiency and viability of the cane industry;
  - Formulate and implement policies, strategies, plans, programmes and schemes in relation to the cane industry;
  - Promote and facilitate the sustainable development of the cane cluster in Mauritius and in the region;
  - Monitor and co-ordinate the activities of the cane industry, including planting, milling, processing, transport, bulk handling and marketing;
  - Co-ordinate the activities of organisations concerned with the cane industry in the private and public sectors
  - Facilitate the adoption of modern and efficient agricultural practices by planters.
  - Promote the setting up of cane nurseries and the supply of cane setts to planters.



## ***2. Mauritius Sugar Terminal Corporation***

- History : Set up in June 1979 by virtue of MSTC Act
- Current objective : Overview the storage, sampling, bagging, packing, loading and unloading of sugar.

### *3. Mauritius Sugarcane Industry Research Institute*

- History : Following recommendations made by the Mauritius Economic Commission in 1947, the sugar industry decided to organize and conduct its own research and as such, the Mauritius Sugar Industry Research Institute was established in 1953.
- Subsequently, the Mauritius Sugar Industry Research Institute was renamed Mauritius Sugarcane Industry Research Institute (MSIRI) in 2012 and now operates under the aegis of the MCIA.
- Current objective : By means of research and investigation, ensure the technical progress and efficiency of the cane industry.

# 4. *Farmers Service Corporation*

- History : set up in June 1991 by virtue of FSC Act
- Current Objectives :
  - ▣ Facilitate the participation of employees and planters in the cane industry;
  - ▣ Ensure that necessary essential services are available to planters;

# 5. Cane Planters and Millers Arbitration and Control Board

- History : The Cane Planters and Millers Arbitration and Control Board, commonly known as The Control Board, was created in 1939 following disputes between planters and millers.
- Current objectives :
  - ▣ Resolve disputes between planters, millers and middlemen;
  - ▣ Overview the registration of cane contracts;
  - ▣ Promote the development and use of co-products;

## *6. Sugar Planters Mechanical Pool Corporation*

- History : set up in October 1974 by virtue of SPMPC Act No. 46
- Current objective : Maintain a pool of machinery for agricultural purposes;

# Independent Power Producers

- IPPs produce between 55 and 60% of the total power requirements of the island.
- The large IPPs generate electricity as follows :
  - Terragen - formerly known as Centrale Thermique de Belle-Vue - operates a coal/bagasse cogeneration plant all year round.
  - Alteo Energy Ltd operates a coal/bagasse cogeneration plant at Union Flacq and Consolidated Energy Ltd operates a coal power plant at Beau Champ all year round.
  - Omnicane Thermal Energy Operations Ltd operates a coal/bagasse cogeneration power plant at La Baraque and a coal power plant at St Aubin all year round.
  - The power plant of Medine Sugar Milling will operate from bagasse during the crop season only.

# Marketing and price issues

- Main market: Europe
- Brown sugar -> White sugar -> Special sugars
- Up to September 2015: one main client
- Then after: 2 clients
  - ▣ Chrystal Co
  - ▣ British Sugar
- + diversification on regional markets
- Price in Europe Market
- Euro challenge

# Proceeds to planters

- Sugar
  - ▣ 78% of sugar produced
- Bagasse Transfer Price
  - ▣ Paid via MSS
  - ▣ Classification planters as per SIE Act 1993
- Molasse
  - ▣ Paid via MSS
  - ▣ Price confirmed by MCIA
- Distillers/Bottlers
  - ▣ Tax in line with the Finance Act 2010
  - ▣ Invoiced to distillers by MSS