



MEDIA RESPONSE

FOR IMMEDIATE RELEASE

TO: ALL MEDIA/NEWS EDITORS

DATE: 1 NOVEMBER 2022

SAFDA's response to Tongaat Hulett Business Rescue

On Thursday, 27 October 2022, a news article was shared with me in which it was said that Tongaat Hulett Sugar was entering into a Business Rescue process. We later got in touch with the Tongaat Hulett Sugar executives to confirm what we read about in news articles.

We have since seen letters from various sources circulating in our groups about this situation. We are now dealing with questions that arise from panic and uncertainty about what this means for farmers. We are aware that farmers have not been paid their cane proceeds that are due at the end of October from cane delivered last month.

While we do not have answers at this point in time, I want to advise that today we had an emergency meeting with leaders of local and central structures of SAFDA that are in the Tongaat Hulett Sugar catchment. We invited an official from Tongaat Hulett Sugar to share with us some facts about the Business Rescue process. We also had a chance to ask some questions to gain clarity. We are also scheduled to meet with the Tongaat Hulett executives and the Business Rescue Practitioners early in the new week to engage further about this matter.

What we need to communicate at this stage is that:

- We are aware of the Business Rescue process and are engaging with Tongaat Hulett.
- We are trying to reach out to other grower organizations to ensure that farmers are united and speak in one voice during a time of crisis.
- We will write to Tongaat Hulett Sugar and urge them to honour and prioritize payments to growers as non-payment is a breach of the law.
- We aim to emphasize the need to prioritize your payments when we meet with their Business Rescue Practitioners next week.
- We learnt that Tongaat Hulett has taken a decision to boil off, meaning they are clearing all the processing pipeline with the aim of stopping the milling process for a certain period.
- Given the boiling off process that is underway, please do not cut any new cane, but clear your fields of all cane that has been harvested and deliver it during this weekend.
- We urge you to keep in touch with your local leaders and SAFDA officials, and ask for credible information where you are hearing confusing and potentially misleading things.

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We shall keep you updated with all new developments

ISSUED BY DR SIYABONGA MADLALA, SAFDA EXECUTIVE CHAIRMAN

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