



MEDIA RESPONSE

FOR IMMEDIATE RELEASE

TO: ALL MEDIA/NEWS EDITORS

DATE: 17 APRIL 2023

The South African Farmers Development Association (SAFDA) is aware of Tongaat Hulett Sugar (THS) default payment levy of the Local Market Redistribution (LMR) payable to the South African Sugar Association (SASA). This default payment impacted negatively on the final RV Price for 2022/2023 season and left our growers devastated. The forecasted final RV Price was close to R6 000 per ton of RV, however the Local Market Redistribution (LMR) non-payment levy from THS resulted in a reduction of industry proceeds by R1,5 billion of which R962 million was paid by growers as per the current Sugar Industry division of proceeds (DoP). The final RV price payable to growers for 2022/2023 season was R5 435,07 per ton of RV.

The industry did not anticipate that the Business Rescue Practitioners (BRP's) will withhold THS payments due to SASA as per THS obligations arising under the Sugar Industry Agreement (SIA) and the Sugar Act. The decrease in the final RV Price has affected growers plans for the new season (2023/2024), some farmers are owing the milling companies and they are expected to pay back the money asap.

As SAFDA we are uncertain on how the new season is going to unfold, since we are depended on the millers to collect levy on behalf of the Growers Associations.

ISSUED BY THE OFFICE OF THE EXECUTIVE CHAIRMAN: DR. SIYABONGA MADLALA

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