



**Ministry of Industry, Commerce, Agriculture and Fisheries**  
**Honourable Audley Shaw, CD, MP**  
**Minister of Industry, Commerce, Agriculture, and Fisheries**  
**All-Island Jamaica Cane Farmers' Association**  
**78<sup>th</sup> Anniversary and 70<sup>th</sup> AGM**  
**Pavilion Conference Room, Denbigh Showground**  
**Wednesday, November 13, 2019**  
**12:00 noon**

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**Salutations**

- Chairman, Ambassador Derek Heaven
- Cane Farmers
- Members of the media
- Ladies and gentlemen,

Good afternoon.

## **Introductory Remarks:**

I think it is fair to say that in spite of all the challenges, we currently face in the sugar cane industry, we are all here today for good reasons.

And those reasons are simply this: Jamaica still has an active sugar cane industry; there is still a demand and a market for sugar in various forms in Jamaica and in the wider Caribbean and, indeed, there is a future for the sugar industry.

So, in spite of the naysayers; in spite of those who wish to put the industry in a coffin, let me assure you that this Minister is not part of any lobby write-off or close down of the Jamaican sugar industry.

I am a firm believer in the philosophy that says that adversity is the wellspring of opportunity.

I say this against the harsh reality that the closure of the Everglades, Monymusk and Golden Grove factories has resulted in the displacement of approximately 800 cane farmers.

This displacement has brought with it great distress to the farmers in terms of their economic livelihoods. It is not easy, but I believe there are new opportunities to be explored.

So, our task and our duty are to find the fertile seeds of opportunity in the sugar industry; plant these seeds together and chart a sure-footed path towards the future.

Actually, we have no choice in the matter. We cannot simply abandon the sugar cane industry. We have to find the solutions that will transform the sector into a workable and sustainable model. We have to find the right size and the right fix.

### **Importance of Sugar to the Economy:**

And the reasons for that are worth reiterating:

Although it is widely recognised that the Jamaican sugar industry is in transition and that production has declined significantly over the last several years, it is also equally to be recognised and understood that this industry continues to be a significant contributor to the national and global economy.

In spite of recent factory closures and attendant loss of jobs, the sugar industry, in 2018, contributed some 0.5 per cent to our Gross Domestic Product (GDP), earned/saved some US\$57 million in foreign exchange and accounted directly for some 20,000 and indirectly 80,000 jobs, or some 7.7 per cent of the active labour force.

The sector, therefore, still has an important role to play in the nation's business and neither Government nor the various other stakeholders can simply abandon this sugar industry. **We want to see it succeed.**

### **Right-sizing the Industry:**

So, together, our goal is to rightsize the industry. What will that take?

There are a number of issues to be addressed:

1. We need to match production levels to demand
2. We have to implement product diversification – plantation white, molasses for rum production, bagasse for energy generation, to name a few
3. We have to employ the best agricultural practices in order to increase productivity
4. We have to provide more and improved extension services to our small farmers

5. We have to produce more cane for factory throughput
6. And, we have to stop the illicit importation of sugar of all types into the country.

### **Illicit Importation:**

On the matter of the illicit trade in sugar, we have examined the data and the intelligence. ***The loophole exists in the fact that some of the sugar imported by manufacturers for use in the manufacture of value-added goods, ends up in the consumption trade.*** This must stop!

And that is why my Ministry is now exploring actions to ensure that sugar intended for use in the manufacturing sector, can only be used for the purpose for which it was imported.

The recommendation before us is to centralise the importation so that refined sugar and artificial sweeteners for the manufacturing trade can only be imported by the Sugar Industry Authority, taken to a bonded warehouse and, from there, distributed to manufacturers.

In addition, the duty is to be paid upfront on importation of refined sugar and refunds of duty to be made upon verification of end use.

### **Other Initiatives to sustain the sugar industry:**

As you are aware, there are currently three factories grinding cane – Frome, Appleton and Worthy Park. My information is that, together, they have the capacity to produce some 140,000 tonnes of sugar – 60,000 for local consumption, 12,000 for export to the US and the balance to CARICOM and other markets.

But, they need the throughput; they need the cane. And so they need your cane, cane growers; they need cane from the small farmers.

It is against that background that the Government, for the short term, has decided to fund the transportation of cane from areas in Clarendon and St Catherine to both Appleton and Worthy Park for this current crop year, 2019-2020. This was done last year at a cost of \$200 million and that amount has again been committed for 2019-2020.

In addition to that, the Government has also identified other areas of assistance for our sugar cane farmers, including fertiliser which will be provided to the All-Island Cane Farmers Association to boost your revolving loan scheme for input supplies to members.

We are also addressing the matter of improved irrigation for the Monymusk area.

And, we are doing all of this in order to facilitate the planting of cane, because the factories need your cane; so plant your cane!

And, having mentioned Monymusk, let me say that we recognise the importance of this centrally located factory to the industry.

### **Diversification of Land Use:**

Another opportunity is also provided in the alternative uses for some of the former sugar cane lands.

These lands will be used to produce a mix of agricultural produce to include pineapples, ginger, legumes, tubers, a selection of orchard crops and a range of cash crops.

As part of the alternative development programme, we are also now working with the HEART Trust/NTA to provide skills training to former factory workers at Monymusk and facilitate their entry into other areas of income generation, whether via small business operation, construction and so on. And, I am advised that by this month end, a job fair will be held in that community.

Farmers, from where I sit, I have had the opportunity of meeting with all the stakeholders in the sugar cane industry – with you the growers, the factory owners, manufacturers, the marketers and the regulators.

What is abundantly clear to me is that we all want this industry to succeed. As we seek to find the right size for the industry, we have to act with one accord, underpinned by a singularity of purpose founded upon honesty, fairness and transparency.

I urge you all today to join in this mission towards securing a rightsized Jamaican sugar cane industry that is well regulated and sustainable and that continues to contribute to employment, rural development and economic wealth via import substitution and export earnings!

I thank you all.