



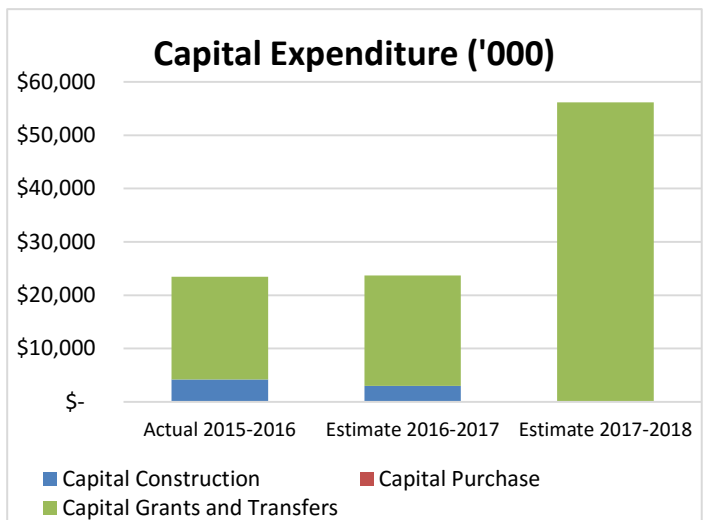
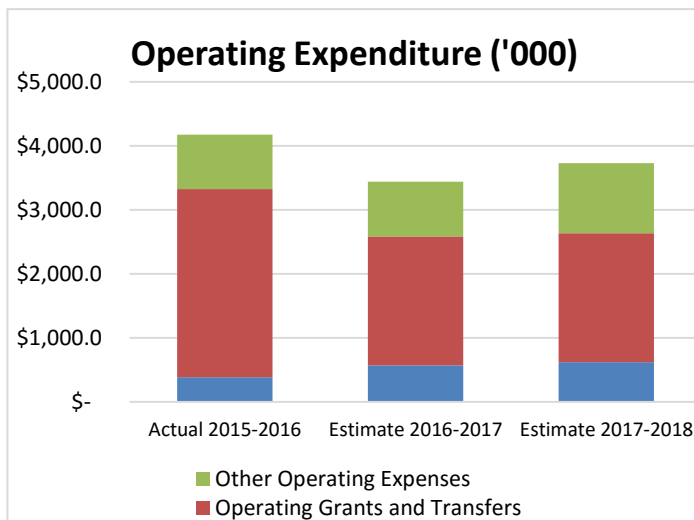
## The Fijian Government Ministry of Sugar 2017-2018 Budget Highlights

The Ministry of Sugar is responsible for undertaking reforms to lay down a solid foundation for growth in the sugar industry, in order to ensure the industry's viability and guarantee a prosperous future for over 200,000 Fijians who rely on the industry.

The Ministry consists of two divisions, the Research and Policy Advice and the Sugar Industry. These divisions work together to assess emerging challenges facing the industry and develop innovative solutions to relieve the burdens on farmers and coordinate industry-wide responses to boost the sugar industry's resilience

The Ministry also supports the Fiji Sugar Corporation (FSC) and is guided by the newly adapted five year Strategic Action Plan (SAP) that focuses on infrastructure development at the farm level and interventions that control production costs for farmers. The SAP is based on targeted interventions to reverse the decline in sugar cane production and to assist farmers in reducing costs of production, thereby improving viability.

The total budget for the Ministry of Sugar in 2017-2018 is **\$60.0 million**, comprising **\$3.7 million** for operating expenditure, **\$56.2 million** for capital expenditure and VAT of **\$0.1 million**.



The increase of **\$32.5 million** in the Ministry's 2017-2018 Budget is mainly attributed to:

- significant new funding to reduce the costs for sugarcane farmers and to encourage new farmers to enter into the industry;
- an increase due to a new government subsidy for mechanical harvesters;
- an increase in the fertiliser subsidy to further reduce the costs borne by sugarcane farmers; and
- a series of minor increases in operating expenditure driven by adjustments in wages and salaries, travel and communications to support the Ministry in undertaking industry consultations and monitoring its capital works programme, the purchase of goods and services to support the procurement of new equipment for additional staff and special expenditures for the development of a new sugar sector policy.

### **New Initiatives**

- \$5,120,733 is allocated to cover the cartage costs for the transportation of sugarcane from Penang to the Rarawai Mill.
- \$4,000,000 is allocated to make a special payment to the remaining 3,167 growers that were not covered under the Government subsidy paid in the last financial year.
- \$6,318,000 is allocated as a weedicide subsidy to support the procurement of weedicide such as Diuron 80 and Glyphosate and Amine 720 to enable farmers to adopt better weed control and keep their production costs stable.
- \$2,000,000 is allocated to fund a New Farmers Assistance programme that will provide assistance to Fijians seeking to start a sugarcane farm for the first time. Under this programme, government will meet all costs in relation to lease acquisition with the iTaukei Land Trust Board (TLTB), land preparation and planting costs for the cultivation of the first four hectares of sugarcane and the acquisition of a cane contract with FSC.
- \$1,000,000 is allocated to support the use of machineries on sugarcane farms through assistance to cooperatives and farmer groups.

- \$1,000,000 is allocated under the Small Grants Scheme Programme to meet requests regarding essential infrastructure that are raised during sector meetings and industry consultations, including irrigation works, water pumps, boreholes, water tanks, etc.

### Ongoing Initiatives

- Sugarcane Development and Farmers Assistance: continues with cane replanting especially within areas already under cane. The focus will be on ratoon restoration for some 9,000 hectares (\$15,400,000).
- Cane Access Roads: covers ongoing upgrading works on cane access roads and the installation of culverts (\$6,000,000).
- Fertiliser Subsidy: subsidises the cost of fertiliser to increase supply to sugarcane farmers. This allocation has been increased due to a raise in the amount of subsidy paid by government, from \$14.09 to \$25.59 per 50kg bag (\$15,354,000).