



# SA SUGAR INDUSTRY

## RURAL ENTERPRISE AND INDUSTRY DEVELOPMENT

Opportunities for enterprise development in rural areas  
and the key sectors to develop outside of agriculture

# Sugar Industry socio-economic objectives



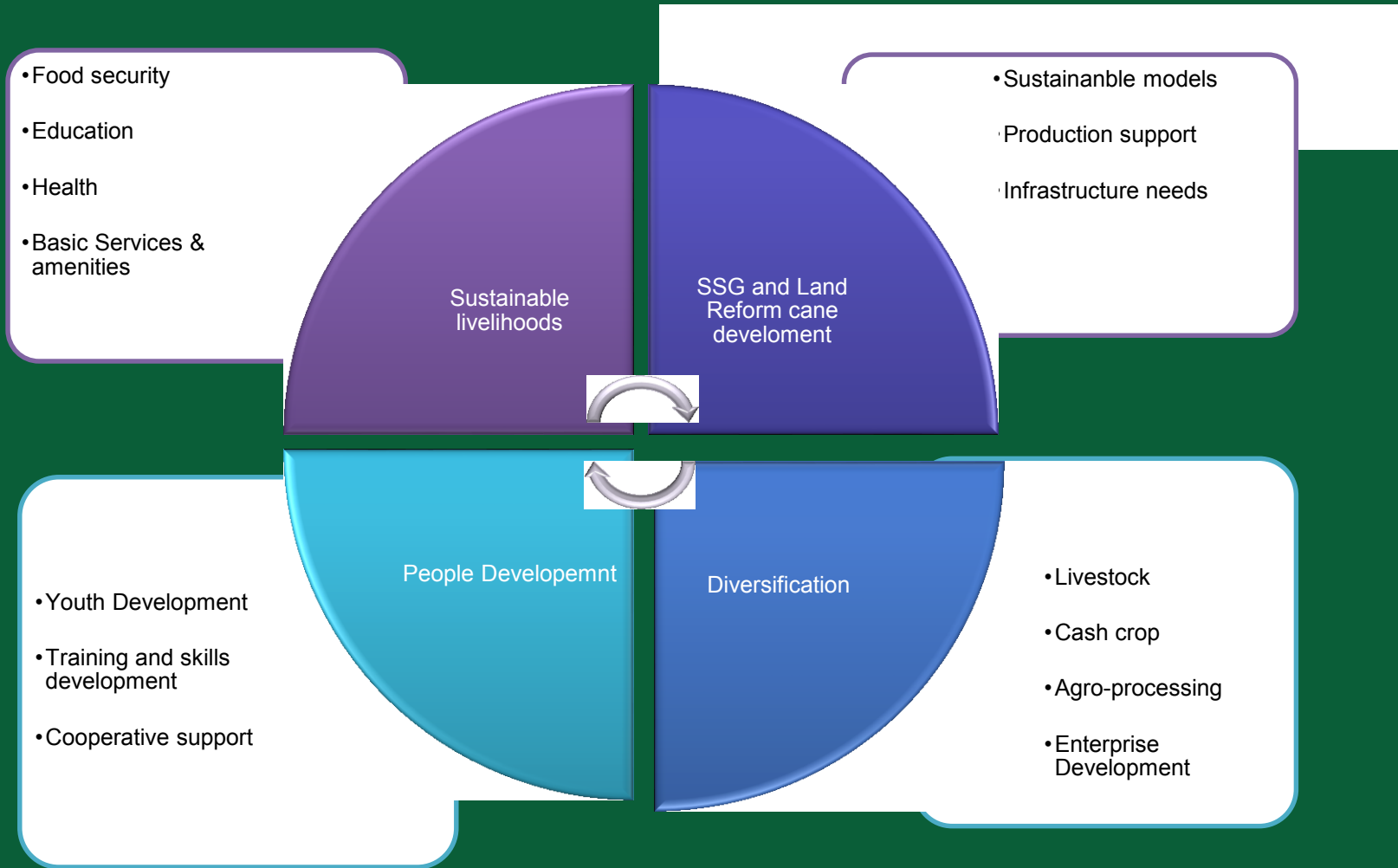
- Interventions/Initiatives contributing to up skilling, training of the enterprise itself, increasing productivity/services/value-add, marketing, product development, and infrastructure and equipment support.
- Partnerships with other credible organisations and government on specific projects
- Impact quantified: jobs created, maintained, profits, profiles, and overall economic impact.

# Socio-economic indicators of cane producing municipalities



	Mkhambathini LM (Eston)	uMdoni (Sezela)	Hibiscus Coast LM (Umzimkulu)	Ezingoleni LM (Umzimkulu)	uMshwathi (Noordsberg, UCL)	uMhlatuze (Felixton)	Umlalazi (Felixton, Amatikulu)	KwaDukuza (Darnall, Gledhow)	Ndwedwe (Gledhow)	Mtubatuba (Umfolozi)	Mfolozi (Umfolozi)	uPhongolo (Pongola)	Nkomazi	All cane producing municipalities
<b>Total population</b>	63 142	78 875	256 135	52 540	106 374	334 459	213 601	231 187	140 820	175 425	122 889	127 238	393 030	2 295 715
<b>Working Age (15-64) %</b>	64	66	65	57	62	68	57	67	57	56	60	56	61	62
<b>Growth rate (2001-2011) (%)</b>	0.7	2.4	1.6	-0.4	-0.2	1.5	-0.3	3.2	-0.3	1.9	1.4	0.6	1.6	1.0
<b>Unemployment rate (%)</b>	27	33	28	42	25	31	35	25	49	39	42	36	34	33
<b>No schooling aged 20+ (%)</b>	19	9	8	14	16	8	23	10	22	20	15	20	26	16
<b>Higher education aged 20+ (%)</b>	5	8	11	4	5	15	6	9	3	6	3	5	7	5
<b>Matric aged 20+ (%)</b>	21	31	29	17	21	39	23	28	22	28	30	26	26	23
<b>Percentage of households in agriculture (%)</b>	34	20	25	58	33	22	49	17	47	45	47	40	29	36
<b>Formal dwellings (%)</b>	49	74	83	64	63	88	61	81	49	81	73	84	93	64
<b>Housing owned/paying off (%)</b>	27	57	59	86	53	53	51	42	81	63	58	57	66	68
<b>Flush toilet connected to sewerage (%)</b>	9	34	30	3	14	50	13	34	5	17	6	11	8	17
<b>Piped water inside dwelling (%)</b>	15	41	41	7	23	50	20	34	9	22	11	17	21	21
<b>Electricity for lighting (%)</b>	65	76	86	80	73	94	58	90	37	65	84	73	83	73

# Industry's Rural Development Strategy



# Principles of the strategy



- Support for consolidated developments to achieve economies of scale and lower operational costs
- Multiple enterprises – cane development, livestock, cash crops and enterprise development;
- Active participation of growers and rural communities in the projects through self-implementation (contracting, employment, and micro enterprise opportunities)
- Training and skills development
- Local human resource development (rural youth and women development)

# Industry's Small Business Development programme



**SMALL BUSINESS DEVELOPMENT FOR A GREENER FUTURE**



# The Khuthaza Business programme

## RURAL ENTERPRISE DEVELOPMENT



R1 million from SASA for micro – entrepreneurs, mentoring and training of small businesses.

193  
Entrepreneurs

# The Khuthaza Business programme

## Programme objectives

- Small business development capital grants in exchange for tress
- Mentoring support
- Over R 1 million
- 90 micro-entrepreneurs
- 3 year funding support
- Footprint
  - ✓ uThungulu
  - ✓ uMkhanyakude
  - ✓ iLembe

## Types of Business

- Poultry, pig, sugarcane, vegetables, banana farming
- Dress making, sewing, beadwork, traditional attires, uniforms, clothing sales
- Events hire (tents, tables, chairs)
- Decoration and catering
- Homemade bread bakery, tuck-shops, mobile school spaza shops



# Industry's farmer support programme South Coast



- 24 000 smallholders growers, mainly on communal land.
- Diversification towards vegetable crops/ food security

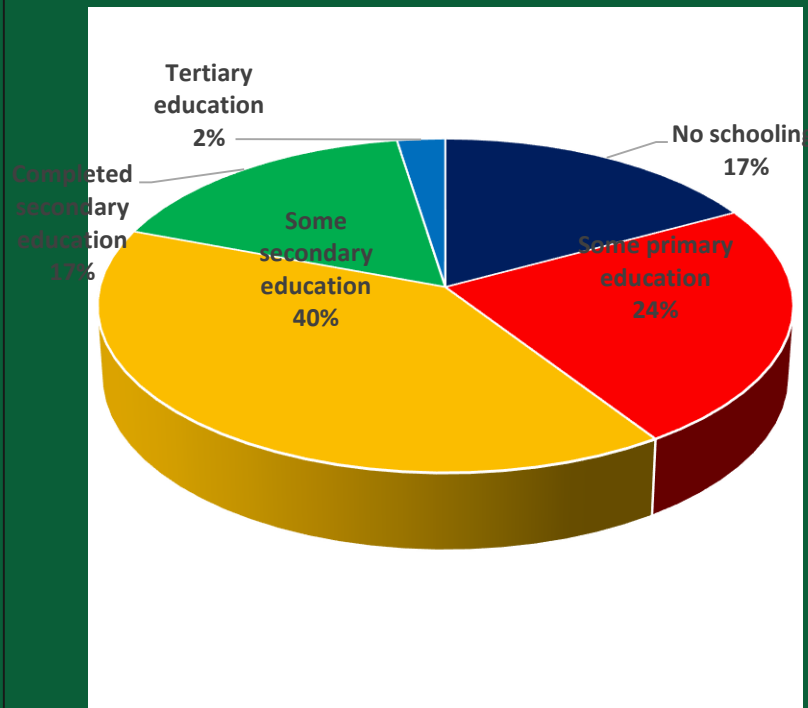


# Industry's Farmer support programme Nkomazi-Mpumalanga

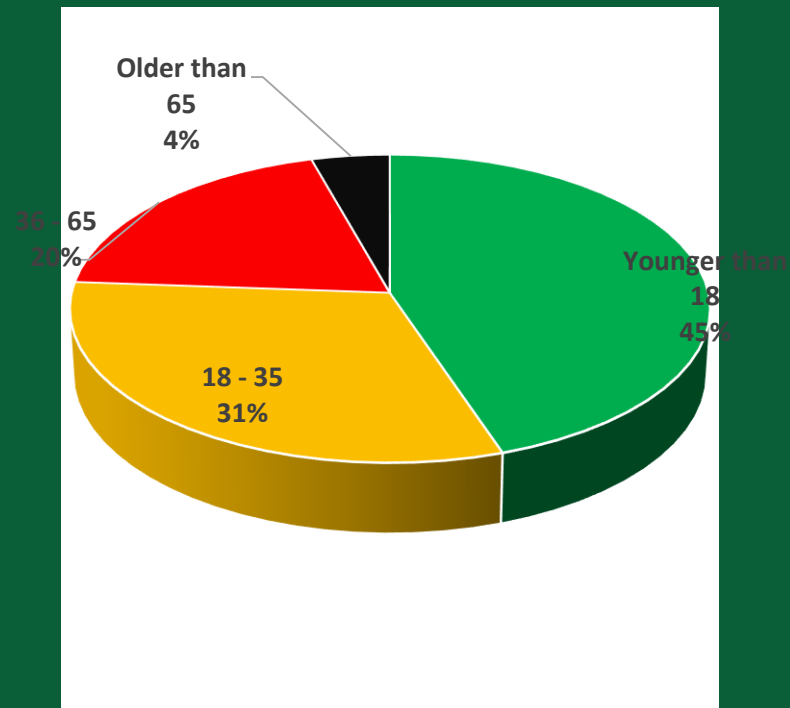


# Education and Age Demographics in cane communities

## Educational level for communal cane producing areas

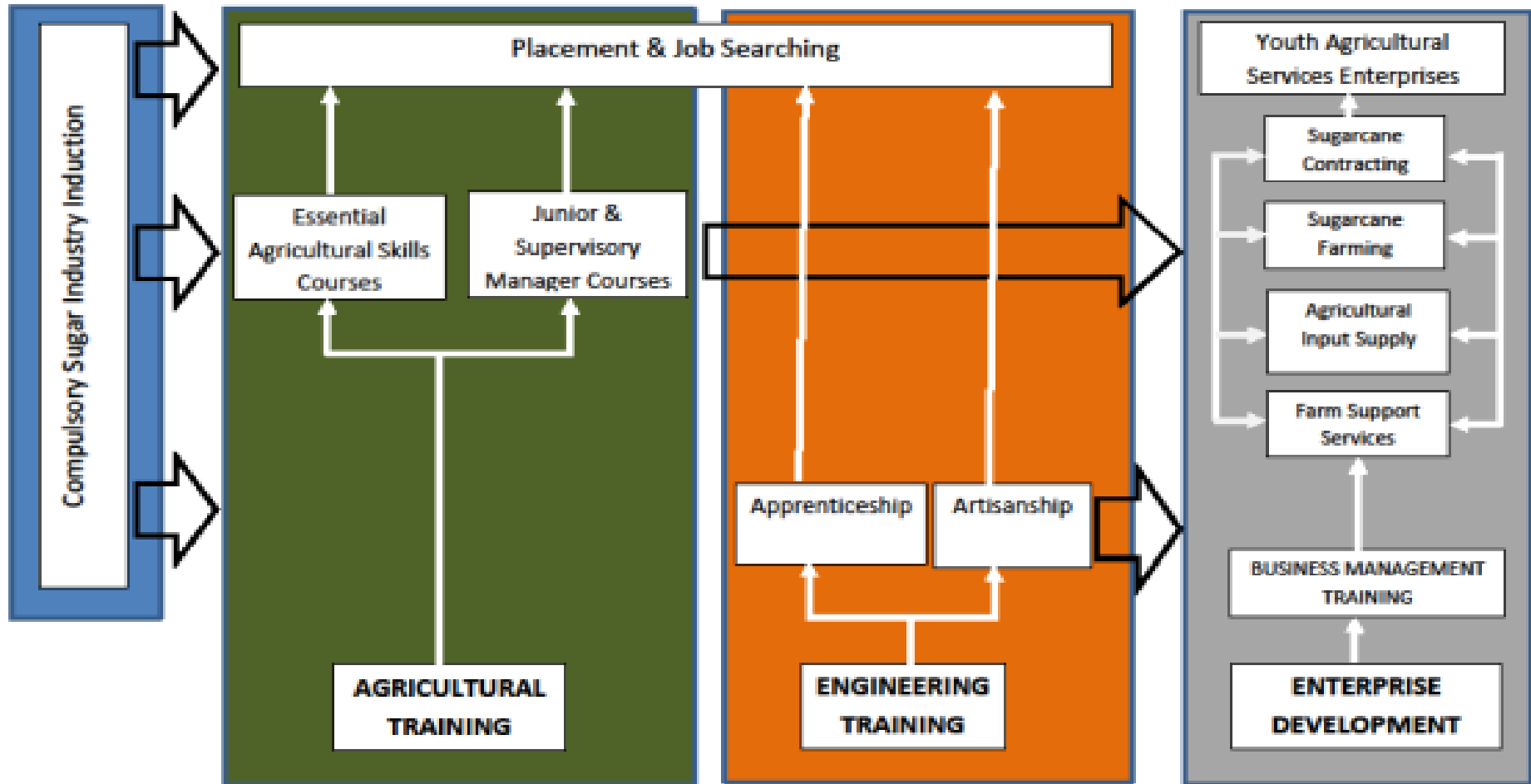


## Age distribution in communal cane farming areas



# Industry's youth development programme

## SUGAR INDUSTRY YOUTH DEVELOPMENT PROGRAMME





# Industry's Youth development Programme

Working with DARD, DOT, DHET-NSF to finalise proposal for 250 youth

- **Focus Area 1** – Youth from Restitution and Land Reform Farms training and placement
- **Focus Area 2** – DARD Unemployed Youth graduate programme placement
- **Focus Area 3** – Artisan and Apprenticeship training, placement and business start ups



# Value chain and Artisan opportunities



- Across cane production cycle
  - contractors for planting
  - ratoon management
  - harvesting
  - haulage
- Growth in supply chain services
  - motor vehicle supply and repair firms,
  - fertilizer and chemicals
  - engineering services
  - fuel and lubricant outlets



# Renewable Energy Opportunities

- **Cogenerated electricity**
  - Feedstock - bagasse & sugarcane brown leaves
  - Brownfields cane supply – Brownfields cogeneration plant
- **Biomass electricity**
  - Feedstock - sugarcane fibre brown leaves & other biomass fuels
  - Brownfields cane supply – Greenfields biomass plant
- **Biofuels**
  - Feedstock - sugar juice
  - Greenfields cane supply – Greenfields ethanol distillery
  - Brownfields cane supply - Greenfields back-end/stand alone ethanol distillery

*Options premised on the principle that supply to existing domestic sugar market value streams and ethanol distilleries remain*



# Thank you

**Sipamandla Mpikheleli**

**Rural Development & CSI Manager**

**Contacts: 083 459 7194/ 031 508 7191**

**[Sipamandla.Mpikheleli@sasa.org.za](mailto:Sipamandla.Mpikheleli@sasa.org.za)**

