



# SOUTH AFRICAN SUGARCANE VALUE CHAIN MASTER PLAN TO 2030



**PHASE 2**  
10 April 2026

A **NATION**   
THAT **WORKS** FOR ALL



**the dtic**  
Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

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## FRAMEWORK PREAMBLE AND STATEMENT OF INTENT

*This document outlines a framework for Phase 2 of the Sugarcane Value Chain Master Plan to 2030, setting out a vision, strategic objectives, and intentions of the social partners. These intentions should guide collective action, implementation, and accountability in pursuit of a sustainable, competitive, and transformed industry. While this framework does not create legally binding contractual obligations between the Parties, it reflects an intention by all signatories to act in good faith, to work collaboratively towards these intentions, and in instances where unexpected circumstances arise, the parties undertake to work collaboratively to problem solve in such circumstances. The entire framework for Phase 2 of the Sugarcane Value Chain Master Plan to 2030 must therefore be read and applied as a statement of mutual intent, partnership, and responsibility, underpinned by a high standard of cooperation, transparency, and delivery. The strength of this framework lies in the shared resolve of the Parties to honour both the spirit and substance of these intentions, thereby fostering confidence, certainty, and trust across the value chain and among all stakeholders*



### ➔ **A FRAMEWORK FOR PHASE TWO OF THE SUGARCANE VALUE CHAIN MASTER PLAN VISION TO 2030**

#### **1. SUGARCANE VALUE CHAIN MASTER PLAN CONTEXT**

##### **1.1. Sugar Industry Renewal and Sustainable Growth Plan**

1.1.1. The initial conceptualisation of the Master Plan followed a period in the industry that was marked by an existential crisis due to, among others, a rapid decline with a loss of sugarcane farms, and the then imminent closure of sugar mills and refineries occasioned by serious challenges which threatened the continued existence and sustainability of the sector. At the onset, the Master Plan was focussed on a number of immediate actions and commitments aimed

at addressing the short-term crisis and allowing the industry to stabilise and create a window of two to three years during which the industry will undergo restructuring, to set the foundations for the future. Furthermore, it intended to create governance structures through Task Teams for the development of detailed strategies and plans that will deliver on the long-term vision.

##### **1.2. Advancing Industry Stability and Future Growth**

1.2.1. While some of the objectives of Phase 1 of the Master Plan have been achieved, unforeseen developments have eroded the potential gains. Some stabilisation and predictability were experienced in the industry through the moratorium in the rate and scope of the Health Promotion Levy (HPL) and an increase in local market offtake by sugar users.

Unfortunately, the latter was heavily impacted by higher-than-inflation increases in input costs and severe concomitant cost pressures, and more recently significant reduction in global market prices. In addition, significant increases in imports towards the middle and end of 2025, are impacting on local sugar producers and sustainability. This has placed the industry in a considerably less favourable and less stable position than prior to the original development of the Master Plan.

### 1.3. Driving Inclusive Transformation and Innovation Across Value Chain

1.3.1. In addition, transformation has narrowly focussed on improvements in B-BBEE, rather than also considering fundamental transformation throughout the value chain, especially in the context of industry restructuring and diversification. Other metrics such as improving productivity through the advancement of innovation, and use of technology by and for small-scale growers (SSGs) may also play a role in industry transformation.

### 1.4. Transformative Phase 2 Driving Sustainable Industry Growth

1.4.1. Underpinned by transformation, and in this context, Phase 2 of the Master Plan will run for a period of at least three years commencing on the date of signature until the conclusion of the third full season following that date, focussing on the following key areas of commitment:

- Trade Protection, Pricing, and Local Market Offtake;
- SSG Retention and Support;
- Industry Restructuring through Diversification; and
- Foodstuffs Policy including the Health Promotion Levy (HPL).

1.4.2. Job creation and job-loss mitigation will be cross-cutting themes that underpin all the pillars and constitute key long-term objectives of the Master Plan.

### 1.5. Block Exemption Enables Stakeholder Collaboration

1.5.1. The block exemption gazetted by the Minister in August 2025 has cleared the way for stakeholder collaboration and partnership among stakeholders in the development and implementation of Phase 2.

## 2. PHASE 2: AREAS OF COMMITMENT

### 2.1. Responsible pricing, local offtake and trade protection pillar

#### 2.1.1. Local Offtake and Supply Commitments.

**Strategic Objective:** For no less than the next three full seasons, downstream users will procure at least 95% of total sugar requirements from South African produced sugar (subject to the availability of locally produced supply), and upstream growers and millers will ensure sufficient supply of locally-produced sugar to meet downstream user commitments. These reciprocal local sourcing and supply commitments are made with the targeted objective of achieving the total market volume of no less than that set during Phase 1 – i.e. no less than 1 550 000 tons.

Key Actions:

- Retail, wholesale, and industrial sugar and government customers shall, together with the industry, work together to build consumer confidence and customer demand for locally produced sugar and sugar-derived products.
- Retail, wholesale, and industrial sugar and government customers, in support of the goals of stabilising the sugar industry and supporting conditions for downstream diversification, commit individually and without co-ordination

except as permitted by the block exemption, to sourcing at least 95% of their total sugar requirements from the local sugar industry with the objective of achieving a total locally produced market volume of at least 1 550 000 tons.

- Downstream users commit, within the scope of the block exemption, to report annually to **the dtic** on their local sugar offtake volumes for monitoring and consolidating progress reports against the local procurement commitment. The sugar industry commits to ensuring availability and supply of locally produced sugar to all customers, to the level required for downstream user to meet their local procurement commitments.
- In order to ensure security of supply, the Parties agree to work together as follows:
  - The Sugar Industry will convene quarterly supply and demand (S&D) meetings (in March, June, September and December of each year) with SIMP sugar supply task team participants (SASA/BEVSA/CGCSA/SASCA and the SIMP Independent Facilitator). These meetings will be

timeframes that recognise the critical importance for continuity of supply for downstream users, to reduce and/or eliminate the requirement for imports.

- The quantum and timing of any local market shortage will be confirmed by the S&D meeting at the end of the agreed mitigation timeframe, at which point:
  - The S&D meeting shall inform relevant parties (**the dtic**/ Department of Agriculture/ITAC) of the local market shortage.
  - Supplying millers will inform all their affected customers of the quantity and duration of short supply.
  - All downstream users will then notify their supplying miller of their decision to either import to meet their own requirements to the extent of their share of the notified shortfall, or to continue to be supplied by their miller under identical commercial terms.



convened regardless of whether there are supply/shortage issues.

- The S&D meeting will review projected supply and demand to confirm whether there are likely to be local market shortages.
- The Sugar Industry will investigate and implement mitigation measures, within agreed reasonable

- In that event the relevant party imports their own shortfall, they must provide evidence of volume imported equivalent to their share of the shortfall.
- Any duty waiver on imports should apply to all parties that are importing to address an identified local market shortage.

- Sugar cane growers and millers who are governed to the Sugar Industry Agreement and as signatories to this Masterplan undertake to not import sugar in fulfilment of their supply commitments into the local market except under the exceptional circumstances contemplated the point above.
- Increased procurement of local sugar at this level is subject to fulfilment of Master Plan commitments by the other social partners and is further subject to (1) the threshold exemption

of Foodstuffs regulations.

- Job creation and the mitigation of any job losses, as well as transformation, will underpin all decisions related to this strategic objective.

### 2.1.2. Price predictability and restraint commitments

**Strategic Objective:** Industry commits to predictability in the timing of price increases, and to implement responsible & sustainable increases that are reflective of the financial and operating realities in the sugar value chain.



level, (2) the rate, and (3) the scope of application of the Health Promotion Levy remaining unchanged from the status quo as of 28 February 2026 for a period of three full financial years after the date of signature of this agreement.

- Government commits to ongoing engagement to discuss and deal with regulatory and policy matters related to the industry, such as the scope of application of the Health Promotion Levy, as well as the Labelling and Advertising

Key Actions:

- Industry will continue to honour its commitments to price predictability by ensuring that there are no more than two price increases per season/year, to take place around August/September and/or around February/March.
- Industry further commits to ensure that future price increases will be reflective of operating realities and productivity improvements.
- Noting that in the context of current depressed global market prices and the ongoing ITAC self-initiated tariff review, industry has communicated

that the circumstances prevent the implementation of a price increase for the time being, Industry and downstream users commit to undertaking urgent work to be completed within 6 months to establish a framework that will govern future price increases as follows:

- Price increases in any one year (the September and March increases taken together) for the duration of this agreement, will not exceed the annual change in a Sugar Producers Price Index, adjusted by a productivity adjustment factor as may be agreed between stakeholders through the joint Sugar PPI Steering Committee.
- The Sugar Producers Price Index, and the productivity adjustment factor, will be jointly developed and agreed between the industry and downstream users through a fact-based process supported by BFAP.
- A Sugar PPI Steering Committee will be established between SASA (and its members), BEVSA, CGCSA and SASCA chaired by the Facilitator and the dtic that will with the support of BFAP within 6 months agree (1) the design of and future maintenance of a Sugar Producers Price Index and (2) a productivity adjustment factor to be applied to the Sugar PPI to adjust for productivity gains. The costs of developing and maintaining the Sugar PPI will be borne equally between the industry and downstream users.
- Job creation and mitigation, as well as transformation, will underpin all decisions related to this strategic objective.

### 2.1.3. Strategic Trade Protection

**Strategic Objective:** Provide appropriate trade protection to the local sugar industry from low-priced and dumped deep-sea imports for the second phase of the Master Plan.

Key Actions:

Review tariffs with a view to providing effective protection from deep-sea imports and support the long-term diversification and industry restructuring objectives. In order to achieve this, the following will be expedited:

- The Parties will co-operate and jointly support ITAC in rapidly and urgently concluding a review of the DBRP as has already been initiated by the Commission.
- Government will support efforts to normalise and harmonise trade between Eswatini, Botswana, Lesotho, and Namibia (the BLN) countries. This may include industry to industry agreements facilitated by government.
- Job creation and mitigation, as well as transformation will underpin all decisions related to this strategic objective.



## 2.2. Small-scale Grower (SSG) retention and support pillar

**2.2.1. Strategic Objective:** Continue to reinforce the foundational role of SSGs in the sugarcane value chain and develop a long-term and sustainable SSG plan that significantly contributes to industry transformation and highlights their role in a diversified sugarcane-based industry, to ensure the viability of SSGs.

Key Actions:

- Continue the implementation of the preferential cane pricing intervention whilst more permanent support measures for SSGs are being implemented.
- Continue developing and implementing a plan to support SSGs as a permanent intervention to sustain the financial viability of SSGs.
- Ensure that said plan includes targeted support measures, such as access to the MAFISA loan facility, ring-fencing

and innovation, such as technology supporting precision agriculture, use of drones, remote sensing, digital farming solutions etc.

- Continuously monitor and evaluate the effectiveness of the support measures until the end of Phase 2 of the Master Plan.
- Job creation and mitigation of any job losses as well as transformation will underpin decisions related to this strategic objective.



Land Bank finance for cane projects, and land purchases, and support through programmes such as the Farmer Production Support Units.

- Ensure that said plan provides targeted funding and enterprise development support for SSGs from downstream retail, wholesale, and industrial users.
- Ensure that said plan is sustainable and recognise the foundational role of SSGs in the sugarcane value chain.
- Ensure that the SSG plan supports transformation in the industry with respect to the application of technology

### 2.3. Restructuring through diversification pillar

**2.3.1. Strategic Objective:** Develop an industry restructuring plan that seeks to re- imagine the cane industry to improve efficiency and restore profitability with diversification as a core objective to set the foundation for the 2030 vision for a competitive and sustainable sugarcane-based value chain.

Key Actions:

- The sugar industry, via SASA, will consider and recommend amendments to the Sugar Industry Agreement, to the Department of Trade, Industry, and Competition, to enable diversification.
  - Decisions related to diversification policy and related legislative amendments will be taken at IkuSASA and communicated to the appropriate Master Plan structures which will deal with technical matters such as feasibility studies, market analysis etc.
  - A Master Plan structure (formerly Task Team 6, Value chain diversification) will investigate and provide detailed recommendations regarding attractive and feasible opportunities in local and international markets for new and additional (diversified) sugarcane-based downstream products.
  - Develop detailed strategies and plans against attractive and feasible opportunities to build globally competitive value chains for such sugarcane-based downstream products, including the identification of the appropriate implementation mechanism to commercialise and operate diversified products. Based on international best practice, in addition to enabling policy environment, a subsidy or financial support may be necessary for diversification.
- Government commits to the creation of an enabling policy environment and to support the significant financial investments needed to make a meaningful impact.
  - Job creation and mitigation as well as transformation will underpin decisions related to this strategic objective.

**2.4. Foodstuffs policy including the Health Promotion Levy**

**2.4.1. Strategic Objective:** To actively engage government and stakeholders on strategies and policies to provide certainty and predictability in support of investment and planning by value chain partners and government. This will build on the work completed by Task Team 7 (Product Tax Policy) during Phase 1.

Key Actions:

- Finalise and consult on a long-term policy framework developed by the former Task Team 7, to inform all policies impacting sugar and sugar-containing products in the full value chain, to lend weight and ensure a cohesive approach.
- The objective is to investigate and develop an industry proposal for a long-term policy framework and approach to taxation of sugar and sugar-derived products with a view to engaging government on strategies and policies to provide certainty, and predictability in



support of investment and planning by industry and government.

- The industry proposal should include matters related to stability in the rate and scope, and lobby for raised revenue to be used to support industries bearing the brunt of the HPL.
- Government (National Treasury) commits to engaging the industry and making policy decisions founded on fact-based studies, such as the Total Dietary Study, and the Socio-Economic Impact study.
- Government will engage in ongoing discussions to address regulatory and policy matters related to the industry, such as the Health Promotion Levy and the Labelling and Advertising of Foodstuffs regulations.
- Job creation and mitigation of any job losses as well as transformation will underpin decisions related to this strategic objective.

## **2.5. Cross-cutting themes of job creation and mitigation as well as transformation**

2.5.1. Strategic Objective: Ensure that throughout the implementation of Phase 2 of the Master Plan commitments, and steps are taken to mitigate the effects of any job losses that may occur, and create jobs where applicable. In addition, and throughout Phase 2 activities, ensure that ownership and participation throughout the sugarcane-based value chain by black farmers, black industrialists, black-owned SMEs, and workers, including women, young people, and the disabled, is significantly advanced to ensure that transformed ownership and participation, and job creation form the foundations for Vision 2030.

Key Actions:

- A monitoring and evaluation system be put in place covering each of the Phase 2 commitments to continuously provide

data and feedback in respect of the activities undertaken and advancements made in respect of job creation and transformation (targets to be set in each pillar).

## **2.6. Principles & Approach to Partnership**

**2.6.1. Strategic Objective:** Embed principles of partnership, collective problem-solving and shared decision-making through which the social partners address uncertainty, risk and significant changes that impact on the individual or collective commitments.

Key Actions:

- All signatories to this agreement commit that no unilateral change will be made to any commitment made under this Master Plan without making good faith efforts to seek agreement from the other partners, who in turn will make good faith efforts to jointly problem solve for the issues giving rise to the need for a change.
- In circumstances that may require a change or review to a commitment made in this Master Plan, the affected stakeholder shall convene with appropriate notice a meeting of the Oversight Working Committee to table the issues and through which the Parties will jointly seek solutions.
- In the case of a dispute, the facilitator will ensure that all parties seek a resolution expeditiously, shall engage constructively and conclude all outstanding matters in good faith.
- In the event that there is a need to agree an extension to the duration of this phase of the Master Plan, the Parties commit to undertake their best endeavours to conclude an agreement on the terms and conditions of such extension prior to the expiration of this agreement. Engagements to agree to such an extension shall commence within a reasonable period before the end of Phase 2 and shall be concluded before the agreement expires.



### 3. GOVERNANCE OF PHASE 2

Given the full diary of the Ministers, the Executive Oversight Committee (EOC) meetings did not take place as planned during Phase 1 and will realistically not happen with great frequency during Phase 2. A key decision-making and governance structure between the existing EOC and Convenors Committee is therefore proposed.

#### 3.1. Executive Oversight Committee (EOC)

The primary objective of the EOC is to provide a high-level leadership

and guidance in implementing the Master Plan, fostering shared ownership and accountability among social partners, while championing the Plan's vision and mission. The EOC should meet at least biannually (twice a year) and will include all stakeholders in the Master Plan. The Committee will be supported by **the dtic** Management.

#### 3.2. Oversight Working Committee

The Oversight Working Committee provides coordination functions and has the mandate to unlock challenges related to the strategic

objectives. The Oversight Working Committee should meet quarterly and will be attended by Convenors, **the dtic**, and project management support. The Committee will be supported by a TIPS Project Management Resource.

### 3.3. The Convenors Committee

The Convenors Committee is Established to ensure the smooth day-to-day implementation, which receives reports from and guides Task Teams.

### 3.4. Recommendations and proposals

Recommendations and proposals for course corrections, amendments, and the evolution of the Master Plan will be developed. The Convenors Committee will meet at an agreed frequency once the Phase 2 Framework has been finalised and Task Team structures have been established.

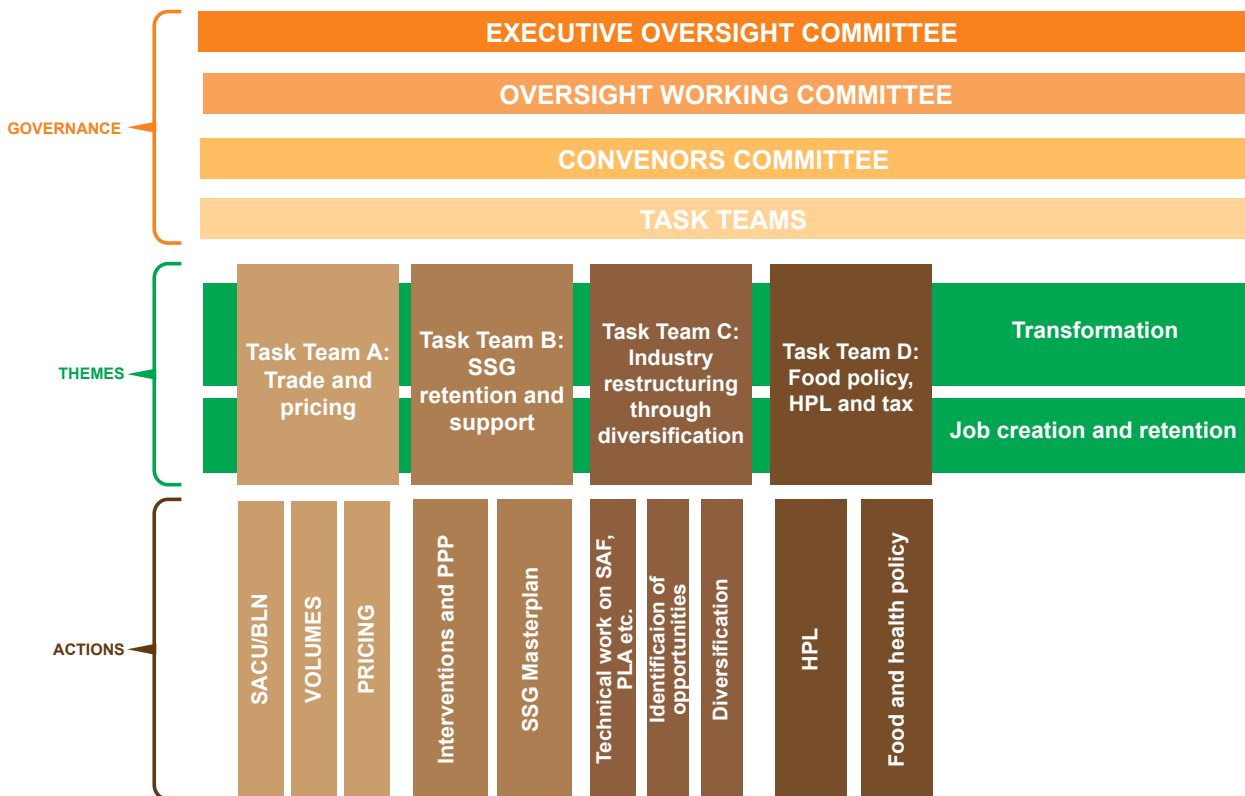
The Committee will be attended by Convenors, with technical and project management support, and will be supported by the TIPS Project Management Resource.

### 3.5. Task Teams Driving Strategic Objective Implementation

For each of the strategic objectives, a Task Team will be established to drive the key actions of each objective. Membership will be determined through a detailed stakeholder assessment as indicated below.

### 3.6. Social partners Commitment and Support

It will be important to ensure that all the social partners to the Master Plan continue to show their support through formally signing the final version of the next phase.



## A REIMAGINED SUGARCANE INDUSTRY

All signatories are fully committed to ensuring the success of Phase 2 of the Master Plan. It is acknowledged that it cannot be 'business as usual,' and Phase 2 of the Sugar Cane Value Chain Master Plan will provide the platform from where the sugar industry will see a more resilient and competitive future.

### SIGNATORY PAGE

On behalf of the	_____ South African Sugar Association (SASA)	_____ Date
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### GOVERNMENT AND PUBLIC ENTITIES

On behalf of the	_____ Department of Trade, Industry and Competition ( <b>the dtic</b> )	_____ Date
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On behalf of the	_____ Department of Agriculture (DoA)	_____ Date
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On behalf of	_____ International Trade Administration Commission of South Africa (ITAC)	_____ Date
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On behalf of the	_____ Proudly SA (PSA)	_____ Date
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### ORGANISED LABOUR

On behalf of the	_____ Association of Mineworkers and Construction Union (AMCU)	_____ Date
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On behalf of	_____ Food and Allied Workers Union (FAWU)	_____ Date
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On behalf of	_____ UASA	_____ Date
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## SUGAR CANE GROWERS

On behalf of the \_\_\_\_\_  
South African Cane Growers Association (SACGA) \_\_\_\_\_ Date \_\_\_\_\_

On behalf of \_\_\_\_\_  
South African Farmers Development Association (SAFDA) \_\_\_\_\_ Date \_\_\_\_\_

## SUGAR MILLERS

On behalf of \_\_\_\_\_  
South African Sugar Millers Association (SASMA) \_\_\_\_\_ Date \_\_\_\_\_

On behalf of \_\_\_\_\_  
Gledhow Sugar Company (Pty) Ltd \_\_\_\_\_ Date \_\_\_\_\_

On behalf of the \_\_\_\_\_  
Illovo Sugar South Africa \_\_\_\_\_ Date \_\_\_\_\_

On behalf of \_\_\_\_\_  
RCL Foods, Sugar and Milling \_\_\_\_\_ Date \_\_\_\_\_

On behalf of \_\_\_\_\_  
Tongaat Hulett Limited \_\_\_\_\_ Date \_\_\_\_\_

On behalf of \_\_\_\_\_  
UCL Company (Pty) Ltd \_\_\_\_\_ Date \_\_\_\_\_

On behalf of \_\_\_\_\_  
Umfolozi Sugar Mill (Pty) Ltd \_\_\_\_\_ Date \_\_\_\_\_

## INDUSTRIAL USERS

On behalf of the	_____ Beverage Association of South Africa (BEVSA)	_____ Date
On behalf of the	_____ South African Sugar Converters Association (SASCA)	_____ Date
On behalf of the	_____ Consumer Goods Council of South Africa (CGCSA)	_____ Date
On behalf of the	_____ Coca-Cola Beverages South Africa (CCBSA)	_____ Date
On behalf of the	_____ Massmart	_____ Date
On behalf of the	_____ PepsiCo	_____ Date
On behalf of	_____ Pick 'n Pay Group	_____ Date
On behalf of the	_____ Pioneer Foods	_____ Date
On behalf of	_____ Shoprite Holdings	_____ Date
On behalf of	_____ Spar Group Limited	_____ Date
On behalf of	_____ Tiger Brands Limited	_____ Date



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