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**Report and Accounts**

**PERIOD 1 JULY 2022 - 30 JUNE 2023**





**MAURITIUS CANE INDUSTRY AUTHORITY**

**Date: 29 April 2024**

**The Honourable Mahen Kumar Seeruttun  
Minister of Agro-Industry and Food Security  
PORT LOUIS**

Sir

I have the honour to submit the Report and Accounts of the Mauritius Cane Industry Authority for period 1 July 2022 to 30 June 2023.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Indira Rugjee', is positioned above the printed name.

**INDIRA RUGJEE (Mrs)  
CHAIRPERSON**



## VISION

To ensure a sustainable cane industry as an important pillar within the socio-economic framework of the country

VISION AND MISSION STATEMENTS OF THE MAURITIUS CANE INDUSTRY AUTHORITY  
(MCIA)

## MISSION

To promote the development of the cane sector and its clusters through systematic policy measures, creating an enabling environment with innovative and efficient services, research and development, technology transfer and value addition to meet current and future challenges

## MAURITIUS CANE INDUSTRY AUTHORITY

### CORPORATE INFORMATION

<b>Chairperson of Board of Directors</b>	<b>Mr Medha GUNPUTH (up to February 2023)</b> <b>Mrs Moheenee NATHOO (as from March 2023)</b> <b>Mrs Indira Rugjee (w.e.f. 22 April 2024)</b>
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## TABLE OF CONTENTS

<b>A (1) CORPORATE MATTERS</b>	<b>9</b>
Introduction .....	9
Establishment of the Authority .....	9
Objectives of the Authority .....	9
Functions of the Authority.....	10
Powers of Authority .....	12
Monopoly of Authority .....	13
Corporate Governance Report .....	14
Board and Sub-Committees.....	20
Integrated Sustainability Reporting.....	30
Auditing and Accounting.....	32
Corporate Social Responsibility.....	33
Corporate Governance Report .....	34
<b>A (2) HUMAN RESOURCE MANAGEMENT</b>	<b>35</b>
Introduction .....	35
Organisational Structure .....	35
Senior Management Profile at 30 June 2023.....	40
Industrial Relations .....	41
Performance Management System .....	41
Safety and Health .....	41
Safety and Health Training.....	43
Training and Development .....	44
Mission.....	46
Retirement.....	47
Termination of contract.....	49
Resignation.....	50
Leave without pay.....	50
Appointment (on permanent and pensionable establishment) .....	50
Death in Service.....	52
Internship .....	52
<b>B. POLICY AND PLANNING</b>	<b>53</b>
Mandate and Functions .....	53
New Strategies .....	54

New Amendments of the SIE Act and others and Budgetary measures in June 2023 .....	54
Budgetary measures for financial year 2022/23 and progress on previous measures.....	56
Price sugar -Crop 2022.....	59
Refund of SIFB Premium to small planters for crops 2019, 2020 and 2021 .....	61
Agricultural Land Management System- Cane Replantation Scheme .....	62
Cane Replantation Revolving Fund (CRRF) .....	63
Sugar produced under sustainable and accredited trade labels- Fairtrade, Bonsucro, Organic .....	64
MoU between MCIA and MCAF – Acquisition of Cane Harvesters.....	66
Progress on issues related to existing provisions of the law.....	67
Other components .....	75
Allocation of Land to NGO’S/Religious Bodies by Sugar Companies under VRS Blue Print Schemes /Elimination of Phasing out of Sugar Camps project.....	96
Ferney Sugar Estate - Land Occupation by former employees.....	97
Submission to National Remuneration Board on VRS/ERS/Blue Print Schemes .....	98
Case of Landscape (Mauritius Ltd).....	102
Land Conversion Rights (Recoup Costs).....	102
Import of Foreign Labour/ Job Contractor .....	102
Complaints from several workers and inhabitants Near Cane fields (Fire in cane fields)102	
International Scene .....	103
<b>C MAURITIUS SUGARCANE INDUSTRY RESEARCH INSTITUTE</b>	<b>105</b>
Directorship MSIRI .....	105
Research and Development Committee .....	105
Visitors.....	107
The 2022 Crop .....	108
Breeding and Selection Programme.....	109
Biotechnology .....	112
Diseases .....	114
Microbiological Analysis.....	117
Pests .....	117
Agronomic practices .....	120
Weed Agronomy.....	121
Fertilizer Management.....	123
Analytical services.....	124
Irrigation.....	124



Sugar Technology.....	125
<b>D SERVICE TO FARMERS (EXTENSION &amp; TRAINING)</b>	<b>127</b>
Objectives.....	127
Functions.....	127
Farmers Service Agency (FSA) .....	128
Computerization of Activities of FSCs .....	128
Field Visits.....	129
Demonstrations.....	129
Conducted Tours.....	130
Group Meetings .....	131
Info Sheets.....	132
Soil Sampling.....	132
Planters Visits.....	132
Liaison Meetings .....	133
Radio Talks .....	134
ALMS 2022/23 .....	135
Rehabilitation of Abandoned Lands under ALMS .....	136
Nurseries Established.....	137
Acreage of Land Preparation by SME Tractors .....	138
Planters Fund – Upgrading of road in-fields Roads.....	138
Sale of Setts.....	139
Advance on Supply of Fertilizers .....	140
Events.....	140
Human Resource Matters .....	141
Training.....	141
Committees.....	142
<b>E. SERVICE TO FARMERS (AGRICULTURAL MECHANISATION)</b>	<b>143</b>
Objectives and Functions.....	143
Services to the Planting Community.....	143
Main Categories of Hirers.....	144
<b>F CONTROL AND ARBITRATION DEPARTMENT</b>	<b>147</b>
Role and Function .....	147
Arbitration of disputes and grievance handling .....	149
Registration of Cane contracts .....	149
Start and End of Crop 2022 .....	149



Canes Milled .....	150
Sucrose Content Tests.....	150
Sugar Production .....	151
Assessment of sugar and molasses .....	152
Assessment of scum .....	153
Final Road Rate for Crop 2022 .....	153
Determination of Price of Molasses.....	154
<b>WEIGHBRIDGE CALIBRATIONS AND CHECKS.....</b>	<b>155</b>
Value added products.....	155
Staff matters .....	156
<b>G(1) SUGAR STORAGE AND HANDLING UNIT (SUGAR TERMINAL)</b>	<b>158</b>
Introduction .....	158
Receiving Station .....	158
The Sugar Storage Sheds.....	160
Unloading of Non-Originating Sugar at the Terminal Quay .....	160
Delivery of Sugar to Refineries .....	161
Staff Matters .....	162
Maintenance and Repairs Works .....	162
Importance of the Terminal Wharf / Quay.....	164
Major Achievements during the Financial Year .....	165
<b>G(2) SUGAR STORAGE AND HANLDING UNIT (BAGGED SUGAR)</b>	<b>166</b>
<b>Transfer of the Operations of The Bagged Sugar Storage and Distribution Co Ltd to MCIA166</b>	
Principal Activities .....	166
<b>H. DIRECTORS RESPONSIBILITY STATEMENT</b>	<b>168</b>
<b>I. INDEPENDENT AUDITOR'S REPORT</b>	<b>169</b>
<b>J. FINANCIAL STATEMENTS</b>	<b>174</b>
<b>K. BOARD CHARTER</b>	<b>212</b>
<b>L.STRATEGIC PLAN 2021 TO 2023 FOR THE SUGAR SECTOR</b>	<b>222</b>
<b>I. Mission Statement.....</b>	<b>222</b>
<b>II. CURRENT SITUATION AND CHALLENGES.....</b>	<b>222</b>
<b>III. Strategic Directions 2021-2023 .....</b>	<b>223</b>
<b>M. ABBREVIATIONS</b>	<b>225</b>



## A (1) CORPORATE MATTERS

### Introduction

The sugar cane industry crossed another milestone with the establishment of the Mauritius Cane Industry Authority (MCIA), bringing under its ambit the operations and functions of the six Service Providing Institutions (SPI). This merger formed part of the reform process within the industry, as a consequence of Government's policy to sustain the planting community subsequent to the 36% drastic cut in the price of sugar. For the MCIA, the objective was to bring down cess not to exceed 4% per cent of the ex-Mauritius Sugar Syndicate price as from crop 2011.

The Ministry of Agro-Industry and Food Security took the initiative to provide for the establishment of the Mauritius Cane Industry Authority with a view to render the sugar cane industry more effective and efficient. With the Proclamation of the Mauritius Cane Industry Authority Act (No. 40 of 2011) on 19 March 2012, the Mauritius Cane Industry Authority was created as a body corporate to take over the powers and objects of the following six cess funded institutions, namely:

- (i) Cane Planters and Millers Arbitration and Control Board
- (ii) Farmers Service Corporation
- (iii) Mauritius Sugar Authority
- (iv) Mauritius Sugar Industry Research Institute

(v) Mauritius Sugar Terminal Corporation

(vi) Sugar Planters Mechanical Pool Corporation

The Mauritius Cane Industry Authority became the apex organisation of the sugar cane industry and the relevant Acts of the six cess funded institutions were repealed and the operations and activities of the institutions were vested with the MCIA.

Following Cabinet's decision on 22 August 2014, the MCIA took over the activities of the Bagged Sugar Storage Co Ltd, which now operates under the name Sugar Storage and Handling Unit.

### Establishment of the Authority

The Mauritius Cane Industry Authority was established as a body corporate on 15 December 2011 with the enactment of the Mauritius Cane Industry Authority Act (No. 40 of 2011). The Act came into force by Proclamation on 19 March 2012.

### Objectives of the Authority

The objects of the Authority are to:

- (a) monitor, oversee and coordinate all activities relating to, and ensure a fair, efficient and effective administration and operation of the cane industry;

- (b) promote and support the sustainable development, efficiency and viability of the cane industry;
- (c) formulate and implement policies, strategies, plans, programmes and schemes in relation to the cane industry;
- (d) promote and facilitate the sustainable development of the cane cluster in Mauritius and in the region;
- (e) by means of research and investigation, ensure the technical progress and efficiency of the cane industry;
- (f) monitor and co-ordinate the activities of the cane industry, including planting, milling, processing, transport, bulk handling and marketing;
- (g) co-ordinate the activities of organisations concerned with the cane industry in the private and public sectors;
- (h) overview the storage, sampling, bagging, packing, loading and unloading of sugar;
- (i) maintain a pool of machinery for agricultural purposes;
- (j) resolve disputes between planters, millers and middlemen;
- (k) overview the registration of cane contracts;
- (l) promote the development and use of co-products;
- (m) facilitate the participation of employees and planters in the cane industry;

- (n) ensure that necessary essential services are available to planters;
- (o) promote the setting up of cane nurseries and the supply of cane setts to planters;
- (p) facilitate the adoption of modern and efficient agricultural practices by planters.

The following additional objectives were conferred on the MCIa after amendments were brought to the SIE Act. The Sugar Industry Efficiency (Amendment) Act 2016 was proclaimed on 23 December 2016 and became operational on 1 January 2017.

- (q) foster the use of biomass, including sugar cane, cane trash, high fibre cane, fuel canes, *gramineae* and other related biomass, in the production of electricity and biofuels for transport; and
- (r) foster competitiveness of all segments of production in the cane industry.

### **Functions of the Authority**

The Authority has such functions as are necessary to further its objectives most effectively and may, in particular:

- (a) set up and manage such agricultural or other centres as the Minister may determine;
- (b) hire the agricultural machinery of the Authority to

- such persons and on such terms and conditions as the Board may determine;
- (c) provide technical advice, assistance and training to planters on cane cultivation, harvesting and transport of canes and post-harvest operations;
  - (d) manage agricultural land and, in particular, abandoned fields in Sugarcane Planters Regrouping Project (SPRP) or such other similar projects;
  - (e) enter into management contracts on behalf of planters;
  - (f) devise agricultural credit schemes in consultation with financing agencies;
  - (g) ensure that arrangements are made so that canes of small planters are harvested at their optimal sucrose content;
  - (h) assist cooperative societies in benefiting from the Fair-Trade Initiative or such other similar projects;
  - (i) provide, operate and maintain facilities for the storage, sampling, bagging, packing, loading and unloading of sugar or such co-product or other commodity as the Minister may approve;
  - (j) set up a planters' data bank;
  - (k) commission studies and consultancies in respect of any specific or general issue affecting the cane industry;
  - (l) review, on a regular basis, the economic and financial performance as well as the problems and prospects of the cane industry;
  - (m) periodically commission a revaluation of the fixed assets of the cane industry;
  - (n) commission long-term master plans for the viability and sustainability of the cane cluster, with due regard to the interests of all parties concerned;
  - (o) make recommendations to the Mauritius Revenue Authority regarding a rational and uniform system of granting capital allowances, including allowances in respect of equipment depreciation, in relation to the cane industry;
  - (p) as and when appropriate, examine the accounts of millers and planters and offer advice on the forms to be used in connection with the presentation of those accounts;
  - (q) collect contribution from the sale of sugar on the local market for the purposes of compensation under section 46 (2) (k) of the MCI Act;
  - (r) advise the Minister on:
    - (i) the formulation and management of policies, strategies and schemes in relation to the cane industry;
    - (ii) the provision of adequate means of inland access or, after consultation with the Mauritius Ports

- Authority, sea access, to the sugar terminal;
- (iii) the transport of sugar to and from the sugar terminal;
- (iv) all measures necessary to ensure the viability of the cane industry;

By virtue of the SIE (Amendment) Act 2016, the following functions have been added:

- (ra) manage, for the purpose of fostering the production of sugar cane and bagasse, the Sugar Cane Sustainability Fund set up under the Sugar Industry Efficiency Act;
- (rb) keep and maintain, for the purpose of sugar reform under the Sugar Industry Efficiency Act, a land conversion right (LCR) register;
- (rc) promote the production of energy from biomass generated by the sugar cane industry, develop and monitor the Renewable Sugar Cane Industry Based Biomass Framework specified in the Sugar Industry Efficiency Act;
- (rd) determine, under the Sugar Industry Efficiency Act, the sale price of molasses to distillers producing ethanol for blending or export or potable alcohol for export;
- (re) establish, under the Sugar Industry Efficiency Act, the Joint Molasses Allocation

- Committee for the allocation of molasses between distilleries;
- (rf) promote the Sugar-Based Agro-Industry and to generate sugar through the use of local raw materials, develop and monitor the Sugar Based Agro-industry Framework referred to in the Sugar Industry Efficiency Act;
- (rg) provide value addition from ethanol obtained from molasses or from other raw material obtained from sugar cane, develop and monitor the Ethanol and Molasses Framework referred to in the Sugar Industry Efficiency Act.

For the purposes of para 4.1 (i), Section 5(1)(i) of the MCIA Act, the facilities to be provided by the Authority shall include:

- (a) loading and unloading quays;
- (b) buildings, sheds and other structures; and
- (c) plant, machinery and equipment.

### **Powers of Authority**

The Authority has such powers as are necessary to attain its objectives and discharge its functions most effectively and may, in particular, subject to the MCIA Act:

- (a) enter into a contract, in accordance with the Public Procurement Act, including a contract for the supply of goods, services, plant, equipment or materials for the execution of works;
- (b) receive grants and donations, and raise funds;
- (c) subject to para e (i), fix and levy fees and charges;
- (d) enter into an agreement with any person for the performance, or provision, by that person, of any service or facility which the Authority is authorised to perform or provide;
- (e) with the Minister's approval:
  - (i) fix the rate of charges in respect of the storage, bagging, packing, loading or unloading, at the sugar terminal, of sugar or any other commodity;
  - (ii) undertake, by agreement with the Mauritius Ports Authority, the execution of bulk handling or automated or semi-automated cargo handling operations in respect of any commodity other than sugar;
  - (iii) give such guidelines as it considers appropriate to the Mauritius Sugar Syndicate for the purpose of formulating, coordinating and harmonising the policies of those organisations in keeping with the objectives of the MCIA Act.

## Monopoly of Authority

- (1) Subject to para 7(1)(b) of the MCIA Act, no person, other than the Authority or an authorised body shall:
  - (a) as from the appointed date, store or load into a ship any sugar manufactured in Mauritius; or
  - (b) during such time as may be specified, store such other commodity as may be prescribed.
  
- (2) (a) Subject to para 7(1)(b) of the MCIA Act and to such conditions as may be prescribed, as from the appointed date:
  - (i) every miller shall cause all the sugar manufactured at his factory to be delivered to the Authority or, with the approval of the Authority, to an authorised body;
  - (ii) any sugar delivered under para (a) shall be consigned to the Mauritius Sugar Syndicate in the name of its owner;
  - (iii) the Authority or an authorised body, as the case may be, shall receive any sugar manufactured and delivered to it under para (a).
- (b) The Board of Directors may authorise a miller to store sugar at his factory or at such other place as it may approve.

# MCIA CORPORATE GOVERNANCE REPORT

## **Corporate Governance Report**

Corporate governance is the set of processes, customs, policies and laws affecting the way an organisation is directed, administered or controlled. Corporate governance is the structure that governs direction and performance of an organisation. It is about how the Board of Directors of the organisation can contribute to the success of the organization by setting values and an organized framework that focusses on long term continuity and success to achieve operational effectiveness, financial efficiency, higher values and strong reputations. Corporate Governance also includes the relationships among the many stakeholders involved and the goals for which the organization is governed.

The key elements of good corporate governance principles include honesty, trust and integrity, openness, accountability, mutual respect and commitment to the organization.

The new Code of Corporate Governance of Mauritius was launched in 13 February 2017 by the Minister of Financial Services, Good Governance and Institutional Reforms and the Chairman of the National Committee on Corporate Governance. The code comprises a set of principles and guidance. It aims to improve and guide the governance practices of organisations within Mauritius. It also forms part of existing laws, rules and regulations, principles and best practices. Codes are different to other parts of the legal system as principles-based is adopted rather than a rules-based approach. 'A principles-based approach provides an organisation with the flexibility to adopt systems and procedures that suit its individual circumstances'.

### **'Apply-and-Explain' as per the Code of Corporate Governance**

The Code of Corporate Governance employs an 'apply-and-explain' methodology. The Code of Corporate Governance for Mauritius is the first to adopt this new approach to corporate governance.

As such, rather than being a rigid set of rules, the Code includes eight simple principles.

## **PRINCIPLE 1: GOVERNANCE STRUCTURE**

The MCIA is headed and administered by a Board of Directors as established under the MCIA Act (No 40 of 2011). The appointment of the MCIA Board of Directors is depicted at Principle 3.

## ***Powers of the Board of Directors***

As per the new section 9(1)(a) of the Mauritius Cane Industry Authority Act, the Board of Directors shall meet at least once every month.

Sections 10 (1) to (6) of the Act stipulate the powers of the Board of Directors as follows:

- (1)
  - (a) The Board may, on the recommendation of the Chief Executive Officer, set up one or more departments, split one of those departments into two or more, or merge two or more of those departments into one.
  - (b) For the purpose of ensuring the efficient and effective operation of any department, the Board may set up within that department such number of sections or units as it may determine.
- (2) The Board may set up such committees of not more than five persons as may be necessary to assist it in the discharge of its functions and the exercise of its powers. The persons may be members and non-members.
- (3) The persons referred to above shall:
  - (a) be appointed by the Board on such terms and conditions as it may determine; and
  - (b) be paid such allowance as the Board may, with the approval of the Minister, determine.
- (4) A committee shall:
  - (a) be chaired by the Chief Executive Officer or such other person as the Board may determine;
  - (b) meet as and when required by the Board or as often as the Chairperson of that committee thinks necessary; and
  - (c) within such time as may be fixed by the Board, submit a report which shall contain its observations, comments and recommendations on any matter referred to it by the Board.
- (5) The committee shall regulate its meetings in such manner as it may determine.
- (6) The Board shall not concern itself with any matter relating to the exercise by the MSIRI or the Control and Arbitration Committee of their powers or the discharge of their functions.

## ***Conflicts of Interest***

Section 9 (3) of the Mauritius Cane Industry Authority Act provides that where a member has any interest, direct or indirect, in any matter before the Board, he shall, as soon as reasonably practicable, disclose to the Board the nature of the interest and shall not take any part in the deliberation of the Board relating to that matter.

- (i) Mr Devendra Nath Busgeeth, Acting Director of Control and Arbitration Department, and Mr Amal Kumar Mohabeer Mungur, Board Member, are sugarcane planters and have benefitted from facilities under the various incentive schemes available.
- (ii) The Chairman of the RTC is also a Board member of the MCIA.

## ***Role and Function of the Chairperson of Board of Directors***

The Chairperson of the Board of Directors is non-executive and is appointed by the Minister of Agro-Industry and Food Security under Section 8(2)(a) of the Act.

The role and functions of the Chairperson are set out below:

- (a) to preside over meetings of the Board and to ensure its smooth functioning in the interest of good governance;
- (b) to encourage and ensure active participation of members in discussions and board matters;
- (c) to ensure that all relevant information and facts are placed before the Board to enable members to reach informed decision;
- (d) to execute contracts, jointly with the Chief Executive Officer, on behalf of the Authority.

# MCIA CORPORATE GOVERNANCE REPORT

## ***Role and Function of the Chief Executive Officer***

Section 11 (1) (a) of the MCIA Act provides that there shall be a Chief Executive Officer who shall be appointed by the Board on a fixed term performance contract and or on such other terms and conditions as it may determine, subject to the approval of the Minister of Agro-Industry and Food Security. The Chief Executive Officer:

- (a) is responsible for the execution of the policy of the Board and for the control and management of the day-to-day business of the Authority;
- (b) acts in accordance with such directives as he may receive from the Board;
- (c) seeks to achieve such annual performance targets as may be set by the Board;
- (d) submits to the Board, every 3 months, a report on the activities and finances of the Authority.

In addition, the Board may, subject to such instructions as it may give, delegate to the Chief Executive Officer such of its powers and functions as may be necessary for the efficient management of the day-to-day business and activities of the Authority, other than the power to:

- (i) sell or exchange any property or make any investment or donations;
- (ii) borrow money; or
- (iii) enter into a contract which exceeds the prescribed amount.

With the approval of the Board, the Chief Executive Officer may also delegate his powers and functions to such employee as he may determine.

## ***Role of the Executive, non-Executive and Independent Non-Executive Directors***

The Board of Directors of MCIA and the Advisory Council, their composition and the manner they are constituted are set out in the new sections 8 and 10A of the Act. None of the members are executive. However, given the strategic importance of the Mauritius Cane Industry Authority, the Act has ensured that members of its Board of Directors and the Advisory Council represent appropriate Ministries and other stakeholder groups that have a direct interest in the different operational aspects of the Authority for its efficient, effective and smooth running.

# MCIA CORPORATE GOVERNANCE REPORT

## Quorum

The quorum of the Board shall be 3.

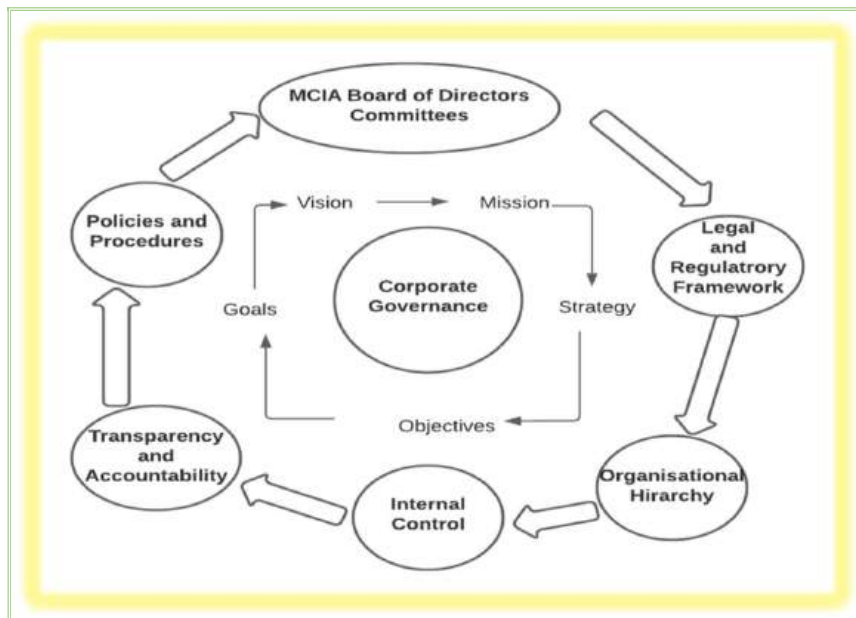
The profile of the Senior Management of the MCIA is detailed at A(2) HUMAN RESOURCE MANAGEMENT.

## PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

### *Structure and composition of the Board of the Mauritius Cane Industry Authority*

The structure, composition and the manner of appointment of members have been established by Section 8 (1) of the Act.

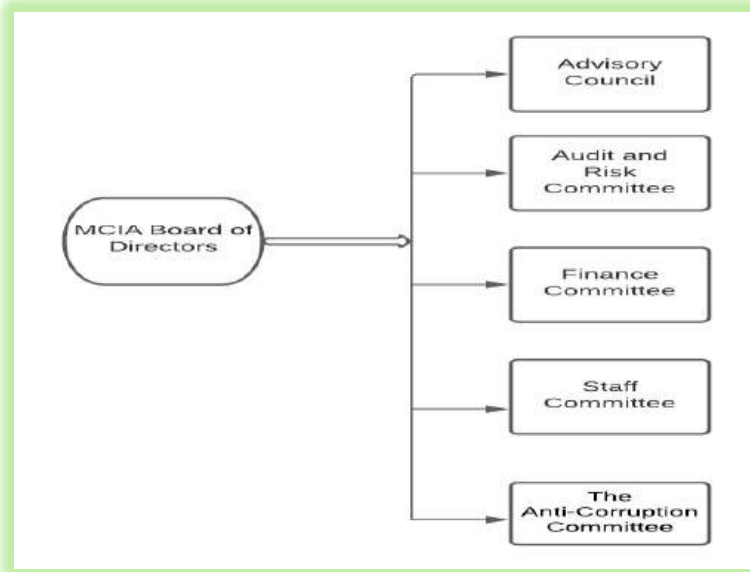
The Board of Directors of the MCIA is committed to achieve high standard of corporate governance. The aim is to maximise long term value for all stakeholders. The Board has the responsibility to ensure accountability, transparency and performance of the organisation. Sub-Committees have been set up to enable the Board to discharge its duties in a more effective and efficient manner. However, the Board is ultimately responsible.



**Fig 1. Corporate Governance**

# MCIA CORPORATE GOVERNANCE REPORT

## Board Structure for year 2022/2023



**Fig 2. Board Structure for year 2022/2023**

### Composition of the Board of Directors of the Mauritius Cane Industry Authority

The composition of the Mauritius Cane Industry Authority Board of Directors during the period 1 July 2022 to 30 June 2023 is shown in the Table below:

<b>Table 1. Composition of the Board of Directors during the period 1 July 2022 to 30 June 2023</b>	
Mr Medha Gunpath (up to 28.2.2023) Mrs Moheenee Nathoo (as from 1.3.2023)	<b>Chairperson</b>
Mrs Indira Rugjee (up to 28.2.2023) Mrs Geetawantee Ramnauth (as from 1.3.2023) Mr Vikraj Ramkelawon	Representative of the Ministry of Agro-Industry and Food Security Representative of the Ministry of Finance, Economic Planning and Development
Mr Jacques M d’Unienville, G.O.S.K	Member having wide experience in the sugar industry sector
Mr Nundlall Basant Rai, P.D.S.M	Member having wide experience in the sugar industry sector
Mr Jean Li Yuen Fong	Member having wide experience in the sugar industry sector
Mr Amal Kumar Mohabeer Mungur	Member having wide experience in the sugar industry sector

# MCIA CORPORATE GOVERNANCE REPORT

## ***Tenure of Office***

Every member of the Board, other than the ex-officio member, holds office for a period of 2 years and shall be eligible for reappointment. The Chief Executive Officer is in attendance at Board Meetings and may take part in its deliberations, but does not have the right to vote. The other Directors, Assistant Director and Managers are also called to be in attendance as and when required.

## **Board and Sub-Committees**

Twelve (12) Board of Directors meetings were held during period 1 July 2022 to 30 June 2023. The following table shows the attendance at the Board of Directors Meetings.

<b>Table 2. Attendance at the Board of Directors Meetings Period 1 July 2022 to 30 June 2023</b>	
<b>Names</b>	<b>Board of Directors Meeting</b>
<b>Chairperson:</b> Mr Medha Gunpath (up to 28.2.2023)	8
Mrs Moheenee Nathoo (as from 1.3.2023)	4
<b>MEMBERS</b>	
Mrs Indira Rugjee (up to 28.2.2023)	8
Mrs Geetawantee Ramnauth (as from 1.3.2023)	4
Representative of Ministry of Agro-Industry and Food Security	
Mr Vikraj Ramkelawon	8
Representative of Ministry of Finance, Economic Planning and Development	
Mr Jacques M d'Unienville, G.O.S.K	11
Member having wide experience in the sugar industry sector	
Mr Nundlall Basant Rai, P.D.S.M	12
Member having wide experience in the sugar industry sector	
Mr Jean Li Yuen Fong	10
Member having wide experience in the sugar industry sector	
Mr Amal Kumar Mohabeer Mungur	12
Member having wide experience in the sugar industry sector	

# MCIA CORPORATE GOVERNANCE REPORT

## Secretary

Section 8(9) provides that the Board shall designate an employee to act as Secretary. The Administrative Manager of the Authority normally acts as Secretary to the Board and other Sub-Committees. The Secretary is responsible *inter alia* to:

- (a) prepare and attend every meeting of the Board;
- (b) keep minutes of proceedings of every meeting of the Board; and
- (c) have such other duties as may be conferred on him by the Board.

Since the post of Administrative Manager is vacant, the most senior Office Management Assistant in the Administration Department has been requested to service the Board.

The Board has two Sub-Committees appointed under its powers conferred by Section (10) (2) of the Act:

- (a) a Finance Committee which recommends to the Board in respect of financial matters; and
- (b) a Staff Committee which recommends to the Board on all staff matters relating to recruitment, etc.

## Composition of Finance Committee

The Finance Committee is constituted of the following Board Members:

<b>Table 3. Finance Committee</b>	
Mr Jacques M d'Unienville, G.O.S.K	Member having wide experience in the sugar industry sector <b>(as Chairperson)</b>
Mrs Indira Rugjee (up to 28.2.2023) Mrs Geetawantee Ramnauth (as from 1.3.2023)	Representative of Ministry of Agro-Industry and Food Security
Mr Vikraj Ramkelawon	Representative of Ministry of Finance, Economic Planning and Development

## MCIA CORPORATE GOVERNANCE REPORT

Eight (8) meetings were held during period 1 July 2022 to 30 June 2023. The following table shows the attendance at the Finance Committee meetings.

Mr Jacques M d'Unienville, G.O.S.K Member having wide experience in the sugar industry sector <i>(as Chairperson)</i>	7
Mr Vikraj Ramkelawon (In the chair) in the absence of Mr d'Unienville	1
Mrs Indira Rugjee (up to 28.2.2023)	6
Mrs Geetawantee Ramnauth (as from 1.3.2023) Representative of Ministry of Agro-Industry and Food Security	2
Mr Vikraj Ramkelawon Representative of Ministry of Finance, Economic Planning and Development	7

### Composition of Staff Committee

The Staff Committee is constituted of the following Board Members:

Mr Amal Kumar Mohabeer Mungur	Member having wide experience in the sugar industry sector <i>(as Chairperson)</i>
Mrs Indira Rugjee (up to 28.2.2023) Mrs Geetawantee Ramnauth (as from 1.3.2023)	Representative of the Ministry of Agro-Industry and Food Security
Mr Jean Li Yuen Fong	Member having wide experience in the sugar industry sector

# MCIA CORPORATE GOVERNANCE REPORT

Eleven (11) meetings were held during period 1 July 2022 to 30 June 2023. The following table shows the attendance at the Staff Committee meetings.

Mr Amal Kumar Mohabeer Mungur Member having wide experience in the sugar industry sector <i>(as Chairperson)</i>	11
Mrs Indira Rugjee (up to 28.2.2023)	7
Mrs Geetawantee Ramnauth (as from 1.3.2023) Representative of the Ministry of Agro-Industry and Food Security	4
Mr Jean Li Yuen Fong Member having wide experience in the sugar industry sector	10

## ***The Advisory Council***

The new Section 10A of the Mauritius Cane Industry Authority Act provides for the setting up of an Advisory Council which shall assist the Board in the discharge of its functions.

### **Structure and Composition of the Advisory Council**

The structure, composition and the manner of appointment of members have been established by the new section 10A (2) of the Act.

### ***Tenure of office***

Every member of the Council holds office for a period of 2 years and shall be eligible for reappointment.

## **Other Committees**

### **(1) The Audit and Risk Committee**

The Audit and Risk Committee has been set up since April 2017. It monitors and reviews the effectiveness and integrity of MCIA's internal financial controls, audit functions and risk management systems. The Audit Committee's role is to assist the Board in discharging its responsibilities and duties in relation to specific matters pertaining to financial reporting process, internal controls and the internal audit function.

# MCIA CORPORATE GOVERNANCE REPORT

The composition of the Audit and Risk Committee is as follows:

<b>Table 7. Audit and Risk Committee</b>	
Chairperson	Representative of Ministry of Agro-Industry and Food Security Mrs Indira Rugjee (up to 28.2.2023) Mrs Geetawantee Ramnauth (as from 1.3.2023) Deputy Permanent Secretary Ministry of Agro-Industry and Food Security
Members	Mr Jean Li Yuen Fong Member having wide experience in the sugar industry sector  Mr Nundlall Basant Rai, P.D.S.M Member having wide experience in the sugar industry

## (2) **The Anti-Corruption Committee**

MCIA has set up its Anti-Corruption Committee to oversee the corruption risk areas. The committee is composed of the following Management members to formulate corruption policies:

1. Mr. Yashwantsingh Ramdharee (Chairperson)
2. Internal Auditor – Mr L. Jhuboo (Member) (up to 5 Jan 2023)
3. Mr. Devendranath Busgeeth (Member) (up to 15 April 2023)
4. Mr. Sunil Santbakshsingh (Member)

The Anti-Corruption Committee has the following tasks:

- overseeing and coordinating the implementation of corruption prevention strategies
- advising Senior Management on corruption prevention issues with respect to new policies
- reviewing the Anti-Corruption Policy of the MCIA which comprises of assessments and review for all major activities of the organization

# MCIA CORPORATE GOVERNANCE REPORT

## (3) **Management Committee**

The Chief Executive Officer holds monthly management meetings with all the Directors, Assistant Directors and Managers to ensure the smooth running of all the departments of the Authority.

## **Access to Independent Advisers**

The Board and the Sub-Committees have the right to retain independent external legal or other advisers as they deem necessary.

## **Board Information**

The members of the Board are given accurate, timely and clear information so that they can maintain full and effective control over the strategic, financial and operating policies of the Authority.

## **PRINCIPLE 3: DIRECTORS APPOINTMENT PROCEDURES**

### **Section 8 of the Act refers to the appointment of Directors:**

- (1) The Board shall be administered by a Board, to be known as the Board of Directors.
- (2) The Board shall consist of-
  - (a) a Chairperson;
  - (b) a representative of the Ministry;
  - (c) a representative of the Ministry responsible for the subject of finance;
  - (d) 4 members having wide experience in the sugar industry sector, including at least one representative from the milling activities sector and one from the small planter sector.
- (3) Every member, other than members referred to in subsection (2)(b) and (c), shall hold office for 2 years and shall be eligible for reappointment.
- (4) Every member shall be paid such fees and allowances as the Board may, with the approval of the Minister, determine.

## **PRINCIPLE 4: DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE**

The duties of the MCIA Board of Directors are to lead and guide the MCIA.

- To monitor, review and evaluate strategies, policies and corporate plans
- To ensure that the organisation complies with the codes of corporate governance.
- To ensure that the organisation has an effective system of controls in order to assess and monitor risks properly
- To ensure that all information to stakeholders is communicated in all transparency and accountability
- To prepare a statement of objectives for the organisation

# MCIA CORPORATE GOVERNANCE REPORT

a) **General Responsibilities**

The Board oversees the general performance of the MCIA. The entire Board is responsible for such supervision.

b) **The Board Acts in the Interest of the Organisation**

The Board shall act in the best interests of the MCIA and its Departments.

c) **Quality Performance**

The Board is responsible for the quality and effective performance of the MCIA.

d) **Provision of Information**

The Chief Executive Officer and the Board Secretary shall see to it that Management, in a timely manner, provides Board and its Committees with the necessary information for effective and efficient function.

e) **Responsibility for Securing Information**

The Board and its individual members each has responsibility to get all information from Management and the internal and external auditors required to carry out their duties efficiently and effectively.

## **The Information Governance System of the MCIA**

Governance policies in respect of information and information Technology are guidelines and frameworks that are established to ensure effective and responsible management of information and IT Resources. These policies typically cover a wide range of areas including data security, privacy, risk management, compliance and IT Infrastructure.

The Mauritius Cane Industry Authority (MCIA) is registered as a data controller under the Data Protection Act 2017 (DPA).

## **SAFEGUARDS, SECURITY MEASURES AND MECHANISMS IMPLEMENTED TO PROTECT PERSONAL DATA at the MCIA are as follows:**

Physical safeguards: Filing Cabinets are kept in restricted filing room (access to dedicated Staff Only). All files are kept under lock. These measures are applied throughout the organization in departments where strict confidentiality is fundamental.

Technical safeguards: In general, electronic files in all departments of the MCIA are password protected to ensure that there is data security, privacy and confidentiality.

## MCIA CORPORATE GOVERNANCE REPORT

The IT Department ensures that there is a proper IT infrastructure. The policies of the IT Department of the MCIA are to ensure that the IT Infrastructure including hardware and software are managed properly. Additionally, the networks of MCIA are protected through a Firewall.

The IT infrastructure also covers processes, configuration management and IT Service management.

### **Statement of Remuneration Policy**

Section 8 (4) of the Mauritius Cane Industry Authority Act provides that every Member of the Board of Directors shall be paid such fees and allowance as the Board may, with the approval of the Minister, determine. In practice, the remuneration of the members of the Board is determined by the Pay Research Bureau. The remuneration for Chairpersons and Members of the MCIA Board of Directors and other Committees during the 12-month period under review to 30 June 2023 amounted to MUR2,870,207. The salary paid to the key management personnel during the year under review amounted to MUR 12,437,164. The new section 10 (3)(b) of the MCIA Act provides that every appointed member of the Council shall be paid such fees and allowances as the Board may, with the approval of the Minister, determine. Fees paid to Chairperson and Board Members are given hereunder:

<b>Table 8. Fees - Board Members</b>		
<b>Period 1st July 2022 to 30 June 2023</b>		
	<b>MUR</b>	<b>MUR</b>
<b>Chairperson</b>		
GUNPUTH Medha (up to 28 February 2023)		<b>320,000</b>
NATHOO Mohini (as from 1 March 2023)		<b>160,000</b>
<b>Board Members</b>		
BASANT-ROI Nundlall	30,000	
LI YUEN FONG Jean	25,000	
MARRIER D'UNIENVILLE Jacques	27,500	
MUNGUR Amal Kumar Mohabeer	30,000	
RAMKELAWON Vikraj	20,000	
RUGJEE Indira (up to 28.2.2023)	20,000	
RAMNAUTH Geetawantee (as from 1 March 2023)	10,000	
		<b>162,500</b>
<b>TOTAL</b>		<b>642,500</b>

# MCIA CORPORATE GOVERNANCE REPORT

## **PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL**

The Board of MCIA has the responsibility to develop and execute a vigorous risk management framework.

The Audit and Risk Committee has been set up to design a sound risk governance system in order to implement it effectively and efficiently. Its role is to assist the Board in discharging its responsibilities and duties in relation to specific matters pertaining to financial reporting process, internal controls, internal audit function, external audit and risk frameworks.

### ***Environment Risk***

The Mauritius Cane Industry Authority does not operate in a manner that may cause harm to the environment in general nor does it use materials of risky nature which may affect the environment. The Authority complies with the relevant environmental laws and regulations.

### ***Corporate Quality***

A key aspect of risk management is to ensure high operational and service standards to all its stakeholders, especially the planters, so as to maintain a good corporate image.

### ***Operation Risk***

The Authority maintains its fleet of vehicles, tractors, etc. so as to ensure continuous service to the planters' community. The Sugar Storage and Handling Unit is ready to receive sugar at any time. The Authority has never delayed any operation due to operating failures.

### ***Security***

The Sugar Storage and Handling Unit being a national strategic facility is under the surveillance of the Police on a 24h-basis. Access to the Sugar Terminal is restricted and controlled. The Authority ensures that security is maintained at all times.

### ***Foreign Exchange Risk***

The Authority is not exposed to foreign exchange risk. The main source of finance was by means of a cess from sugar proceeds. The cess was being levied each year and in such a manner and at such rate not exceeding 4% of the ex-Mauritius Sugar Syndicate price as may be prescribed and after consultation with the Board of Directors. However, during the financial year 2017/2018, Government has taken the decision to waive temporarily the cess and has been contributing to meet the operational costs of the MCIA.

### ***Insurance Risk***

All the assets and potential insurable liabilities are covered by appropriate insurance policies.

# MCIA CORPORATE GOVERNANCE REPORT

## **Internal Control**

The Board is primarily responsible for the effectiveness and efficiency of the system of internal control, while the design, implementation and monitoring of the system devolves on Management.

## **Internal Audit**

The system of internal control at the Authority includes checks and balances through the operation of internal checks. The internal control system ensures the efficiency and effectiveness of the Authority.

## **PRINCIPLE 6. REPORTING WITH INTEGRITY**

The full set of the MCIA Annual Report is published on the MCIA's website ([www.mcia.mu](http://www.mcia.mu)).

The Financial statements of the MCIA have been prepared in accordance with the Statutory Bodies (Accounts and Audit) Act and are in line with the International Public Sector Accounting Standards (IPSASs).

## **Donations**

No donations had been made to any political party or organisation.

# MCIA CORPORATE GOVERNANCE REPORT

## Integrated Sustainability Reporting

The Authority is a not-for-profit organisation. It *inter alia* provides services to the sugarcane industry. The Authority has throughout acted responsibly both as a service provider in a strategic position and a 'responsible citizen'.

### Code of Ethics

The Authority is committed to the highest standards of integrity and ethical conduct with all its stakeholders. It has built up a culture of efficiency and effectiveness at work and follows the general code of ethics prevailing in the public sector. Some of the ethics are Integrity, Selflessness, Honesty, Impartiality, Accountability and Transparency.

Integrity	To put the obligations of the MCIA above one's own personal interests.
Selflessness	To avoid seeking financial or other material benefits for oneself or any other person through one's official position.
Impartiality	To act solely as per the merits of a case and to serve the Government of the day, irrespective of his or her own political affinity or preference.
Objectivity	To favour meritocracy basing his or her advice and decisions on rigorous analysis of evidence.
Accountability and Transparency	One should be responsible and accountable for his or her decisions and actions.
Openness	To be as open as possible in his or her decisions and to provide justification for his or her actions whenever required.
Honesty	To act in good faith and to be truthful.
Justice	To adhere to the principles of natural justice.

## PRINCIPLE 7: AUDIT

### INTERNAL AUDIT

The aim of the internal audit function is to assess the policies, methods and procedures in place at the organisation in order to cater for their adequate application. Independent assurance is provided on the quality and effectiveness of internal control, governance and processes, thus helping to protect the organisation. The MCIA's Internal Audit function reports functionally to the Board's Audit Committee and administratively to the Chief Executive Officer.

The Internal audit function is to provide independent, objective assurance aimed at adding value and improving MCIA's Operations, Governance, Risk Management and Internal Controls.

The Board has the overall responsibility for the Authority's system of risk management and internal controls as well as for the assessment of their effectiveness. The Board views risk management as an integral component of good business practice with a view to supporting management's decision making and improving the reliability of business performance.



Fig 3. Internal Auditing

# MCIA CORPORATE GOVERNANCE REPORT

**Table 10. Internal Audit versus Internal Control**

<b>Internal Audit</b>	<b>Internal Control</b>
The objective of the Internal Audit function is to assist in the effective discharge of MCIA responsibilities. It also undertakes reliable assessment and value adding services relating to systems, internal controls and procedures. The Internal Auditor/Senior Internal Auditor has unrestrained access to documentations and records in the execution of his function.	The internal control system is primarily designed to manage rather than eliminate the risks of failure in meeting business objectives. Internal controls can provide only reasonable assurance against material misstatement or loss. MCIA's internal controls are tested on a regular basis by the Internal audit function.

## **Auditing and Accounting**

### **Accounting**

The Board is responsible for the preparation of accounts which fairly presents the state of affairs of the Authority and the results of its operations and complies with International Public Sector Accounting Standards (IPSASs). In this context, the Board is responsible for adequate accounting records, maintenance of an effective system of internal control, and choice of accounting policies supported by reasonable and prudent judgment.

### **Audit**

Section 52 (3) of the Mauritius Cane Industry Authority Act provides that the Auditor to be appointed under Section 5 (1) of the Statutory Bodies (Accounts and Audit) Act shall be the Director of Audit.

## **PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS**

The responsibilities of the Board of Directors of the MCIA is to achieve and sustain the highest standards of Corporate Governance. The objective is to help to continue survival and maximize the long term value with different stakeholders. Good governance is important for the continuous success and survival of the organisation.

# MCIA CORPORATE GOVERNANCE REPORT

## Corporate Social Responsibility

The Authority is a not-for-profit entity and as such endeavours to minimise operating costs for the benefit of the planters' community.

The Sugar Storage and Handling Unit of the Authority organises guided visits to the Sugar Terminal during the crop season on Tuesdays and Thursdays for students of primary school. From feedback received, such visits have been very beneficial to the students.

Moreover, the Policy Planning Unit (PPU), under the Scheme of Phasing out of sugar camps provides grant for an amount of MUR7,000 to all ex-sugar camp dwellers who have moved from a sugar camp to a new site. The amount is released by MCIA once the construction of their house has reached the slab level and upon certification by the PPU.

Furthermore, the Policy Planning Unit is also involved in the monitoring of the Scholarship Scheme for graduated courses, diploma, BSC offered by recognised institutions to children of Planters and workers in the context of factory closures and implementation of the Voluntary Retirement Scheme project.

  
.....  
**Indira RUGJEE (Mrs)**  
**Permanent Secretary**  
**Ministry of Agro-Industry and**  
**Food Security**  
**CHAIRPERSON**

  
.....  
**Jacques M d'UNIENVILLE, G.O.S.K**  
**BOARD MEMBER**

# MCIA CORPORATE GOVERNANCE REPORT

## Corporate Governance Report

### Compliance and Enforcement

The Board of Directors adheres to the highest principles of good governance and ensures that proper standards of Corporate Governance are maintained, and applied throughout the organisation. The report has been prepared as far as practicable in accordance with the 'Code of Corporate Governance for Mauritius'. The Chairperson and Members of the Board of Directors fully understand the importance of Corporate Governance, and believe that the adoption of high standard of governance is imperative for the enhancement of all stakeholders' trust and confidence including the planters' community and continuously take steps to improve governance within the framework of the Mauritius Cane Industry Authority Act (No. 40 of 2011) and other applicable legislations.

### Statement of Compliance

We confirm that to the best of our knowledge that the Mauritius Cane Industry Authority has complied with all its obligations and requirements under the Code of Corporate Governance.

  
.....  
**Indira RUGJEE (Mrs)**  
**Permanent Secretary**  
**Ministry of Agro-Industry and**  
**Food Security**  
**CHAIRPERSON**

  
.....  
**Jacques M d'UNIENVILLE, G.O.S.K**  
**BOARD MEMBER**

## A (2) HUMAN RESOURCE MANAGEMENT

### Introduction

The role of the Human Resource Department is primarily to make an effective contribution towards the achievement of the Authority's corporate objectives as well as fulfilling its social responsibilities. To accomplish this role, the Human Resource Department is, *inter alia*, committed to:

- (i) Assist in the design and development of an effective structure which will respond to changing environment and needs of the Authority.
- (ii) Obtain and develop the human resources required by the Authority and to use and motivate them effectively.
- (iii) Assist in creating and maintaining a co-operative climate of relationships within the Authority through effective communication channels and cross-functional team work.
- (iv) Assist in meeting the Authority's social and legal responsibilities.

- (v) Promote a safe working environment and general welfare of staff at the Authority.

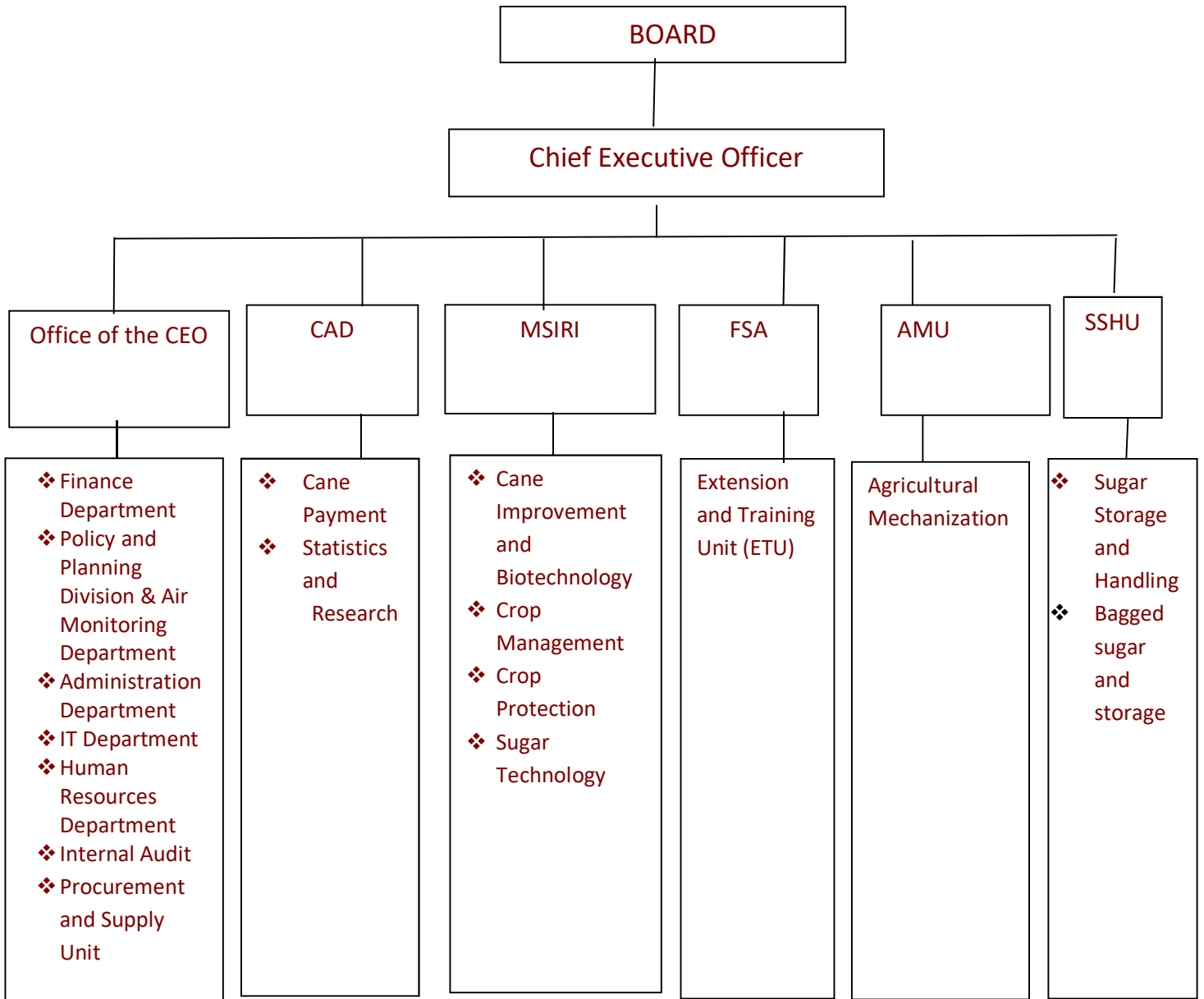
The Authority had a total workforce of 468 employees as at 30 June 2023 on its permanent and pensionable establishment.

### Organisational Structure

The organisational structure of the MCIA, as approved by the Mauritius Cane Industry Board, provides for six departments, namely:

- (a) Office of the Chief Executive Officer
- (b) Control and Arbitration Department (CAD)
- (c) Mauritius Sugarcane Industry Research Institute (MSIRI)
- (d) Farmers Service Agency (FSA)
- (e) Agricultural Mechanization Unit (AMU)
- (f) Sugar Storage and Handling Unit (SSHU)

The Organisation Structure is depicted in the figure 4 below: -



**(a) OFFICE OF THE CHIEF EXECUTIVE OFFICER**

This Department is responsible for providing support service throughout the Authority, ensuring that all resources and facilities are made available to facilitate all other departments to achieve their respective objectives. It assists the Chief Executive Officer in execution of policies and the overall administration and management of the MCIA. It comprises of the following Departments at 30 June 2023:

- (i) **Finance Department** – responsible, *inter alia*, for the proper administration of the general fund of the Authority, preparation of the annual budget estimates, statement of accounts and annual reports. It also has to provide accurate and timely financial information and statistics to internal and external bodies. Eleven (11) employees were attached to the Department.
- (ii) **Policy and Planning Department** – responsible, *inter alia*, for the preparation and reviewing of the strategic plan of the Authority, carrying out regular assessment of the challenges and opportunities of the industry, both in the local and international scene and preparation of plans and policies with the objective of ensuring long term viability and sustainability of the

sugar cane cluster. It is also responsible for the Air Monitoring Unit. Twelve (12) employees were attached to this Department.

- (iii) **Administration Department** – responsible, *inter alia*, for providing secretarial facilities to the Board and its sub committees, for establishing and implementing administrative procedures for the efficient functioning of the Authority, management of office space and general maintenance of building and premises and also for internal and external communication. Fourteen (14) employees were attached to this Department.
- (iv) **Information Technology Department**  
The IT Section is responsible for the overall design, implementation and management of the IT infrastructure and applications within the MCIA. The unit provides support services to all the other sections in the organization including the sub-offices (outstations) and is also responsible for ensuring that all the hardware/system owned by the Authority are in good working conditions. Assistance is also provided to any user having difficulties with either a

software/program or with hardware such as printers, scanners, and workstations. Three (3) employees were attached to this Department.

(v) **Human Resources Department**

The Human Resource Department is responsible, *inter alia*, for the development and implementation of HR policies and procedures, monitoring disciplinary cases, employees' grievances and promotion of a safe work environment and general welfare of staff. This department has also to undertake constant review of the organisational structure in view of Department changing needs of the Authority. Seven (7) employees were attached to this Department.

(vi) **Internal Audit Unit**

The Internal Audit function is to provide independent, objective assurance aimed at adding value and improving MCIAs operations, governance, risk management and internal controls.

The MCIAs Internal Audit function reports functionally to the Board's Audit and Risk Committee and administratively to the Chief Executive Officer. The Internal Audit Unit is governed by an Internal Audit and Risk Charter approved by the Audit and Risk Committee. In addition, the internal audit function's

mandate and annual audit coverage plans are approved by the Audit and Risk Committee. Two (2) employees were attached to this Unit

(vii) **Procurement and Supply Unit**

The Procurement and Supply division is the office responsible for the acquisition of supplies and services to support the MCIAs activities. It is the entity, within the MCIAs, authorized to do the procurement and supply such as seeking for quotations for small value items, issuing of purchase orders, following up of deliveries, receiving of goods, stocking at the right locations and issuing to users. Seven (7) employees were attached to this Unit

**(b) CONTROL AND ARBITRATION DEPARTMENT (CAD)**

Prior to the setting up of the MCIAs, the Control and Arbitration Department was a department of the Ministry of Agriculture, known as the Cane Planters and Millers Arbitration and Control Board.

The objectives of the Control and Arbitration Department are, *inter alia*, to control milling activities, arbitrate disputes among Millers, Planters and other stakeholders and determine the quantum of sugar and by-products accruing to producers. Nineteen (19) employees were attached to this Department.

**(c) MAURITIUS SUGARCANE  
INDUSTRY RESEARCH INSTITUTE  
(MSIRI)**

The MSIRI, a Research Centre of international repute, was, prior to the creation of the MCIA, an autonomous statutory body, governed by its own terms and conditions of service as approved by its Board. With the creation of the Mauritius Cane Industry Authority, the MSIRI has now become a department of the Authority. This department is mainly responsible to carry out research on canes with a view to enhance competitiveness of the cane industry and also on technical and engineering options for improving efficiency of factories and for value addition to co-products. One hundred and five (105) employees were attached to this Department.

**(d) FARMERS SERVICE AGENCY  
(FSA)**

This department is, *inter alia*, responsible to:

- (a) organise training/seminars with a view to improve the cane yield of planters
- (b) ensure the supply of planting materials to planters.

Prior to the setting of the MCIA, this Department was an autonomous parastatal body, that is, the Farmers' Service Corporation. Fifty-four (54) employees were attached to this Department.

**(e) AGRICULTURAL  
MECHANISATION Unit (AMU)**

This Unit is primarily responsible for the provision of mechanical cultivation services to the sugarcane planters in preparing their lands prior to replantation after a sugarcane crop cycle. It also provides cane loading facilities during crop season.

Like other departments, this department was, prior to the creation of the MCIA, also an autonomous parastatal body and was known as the Sugar Planters Mechanical Pool Corporation. In the execution of its activities, the department has 129 employees in its establishment.

**(f) STORAGE AND HANDLING  
UNIT(SSHU)**

This Unit comprises of two sections

**(i) Sugar Terminal**

This section is responsible, *inter alia*, for the receipt, storage and loading of sugar into ships. This unit was, prior to the setting up of the MCIA, an autonomous parastatal body, known as the Mauritius Sugar Terminal Corporation. Thirty-one (31) employees are attached to this section.

**(ii) Bagged Sugar Storage and  
Distribution**

This unit also falls under the supervision of the Director, SSHU and is responsible, *inter alia*, for the receipt, handling and storing of bagged sugar from the Sugar Estates and for the distribution of sugar for local consumption and for export. Prior to it being merged with the MCIA, this Unit was a private company, known as, the Bagged Sugar Storage and Distribution Co. Ltd. The unit has 88 employees in its establishment.

## Senior Management Profile at 30 June 2023

Table 11. Senior Management Profile			
SN	Name	Post	Qualifications
1	Mr Purmessur Satish	Chief Executive Officer (on contract)	BSc (Maur), MSc (Maur)
2	Mr Ramdharee Yashwantsingh	Director, FSA	BSc (Maur), MBA (Maur), MSc (Maur)
3	Mr Jhurry Luckraj	Director, SSHU	BSc (Maur), MSc in Agricultural Development (London)
4	Mr Mungroo Ishwurduth	Director, AMU	BSc (Maur), MSc (Maur), Registered Professional Engineer
5	Dr Seeruttun Sumantlall	Ag. PRM (Research Manager, MSIRI)  Director, MSIRI wef 13 September 2022	BSc (Maur), MSc (Cranfield), PhD (Pretoria), MIAgre
6	Mr Awotarowa Anil	Assistant Director, FSA	BSc (Maur), MBA (Maur)
7	Dr (Mrs) Dookun-Saumtally Asha	Principal Research Manager, MSIRI (Ag. Director, MSIRI Up to 12 September 2022)	BSc (Newcastle) MSc (Newcastle) PhD (Reading)
8	Dr Ng Cheong Ronald	Principal Research Manager wef 17 Jan 2023	BSc (Reading), MSc (Cranfield), MBA (Maur), PhD (Free State)
9	Mr Santbakshsingh Sunil	Manager, Human Resource & Acting Administrative Manager	BA (Delhi), MBA (Delhi), Master in Public Policy and Administration (Maur)
10	Mr Deena Sachim Duth	Manager, Finance	FCCA
11	Mr Woodun Ritesh	Manager, IT	BSc (Maur), MSc (Maur)
12	Mr Chandandeo Baboolall	Manager, ETU	BSc (Maur), MBA (Maur)
13	Mr Ramchurn Narottam Sharma	Manager, BSSD	LCCI (H), ACCA II
14	Mr Bolanath Mistry	Manager, ETU	BSc (Maur), MBA (Maur)
15	Mr Rameswar Bhaugeerautty	Manager, ETU	BSc (Maur), MBA (Maur)
16	Mr Geerjanand Foolmaun	Manager, ETU	BSc (Maur), MSc (Maur)
17	Mr Nandan Ramburrun	Manager, ETU	BSc (Maur), MBA (Maur)

## **Industrial Relations**

The majority of the employees at MCIA are members of unions.

To ensure sound employee relations, regular meetings are held with representatives of the unions, where most disputes are discussed and resolved. The union representatives have appointed a Coordinator in the person of Mr P. Ramasawmy. Meetings are also held with non-unionised employees and their grievances are, as far as possible, attended to.

## **Performance Management System**

A Performance Management System was introduced at the MCIA.

## **Safety and Health**

As the policy at the Authority is to provide a safe and healthy work environment and to bring to the minimum, potential accident hazards and risks of injury, the Authority has appointed on its permanent and pensionable establishment, a full-time Health and Safety Officer.

## **Safety and Health Committees**

The Safety and Health Committee provides the platform where Management and representatives of employees jointly identify potential hazards and finds ways

and means to eliminate or reduce them.

For the Authority, Safety and Health is an absolute priority. Therefore, the safety-related objectives are mandatory components for each unit/department while carrying out its activities. The MCIA is committed to implementing its Safety and Health Policy, through compliance with legislative requirements as a minimum standard. To achieve the objective, the Authority has appointed a full-time Safety and Health Officer.

During year 2022/2023 the Safety and Health Committee held eight (8) meetings.

## **Personal Protective Equipment**

With a view of minimizing the risk of injury, all employees concerned are granted Personal Protective Equipment adapted to the nature of their respective duties.

## **Health Surveillance**

In the performance of their respective duties, some employees are exposed to various hazardous materials such as: used engine oil, welding fumes, laboratory chemicals etc. A health surveillance exercise is carried out in respect of all employees concerned on an either 6-month basis or yearly basis depending in their nature of work, to ascertain their fitness.

### **Machinery Inspections at the MCIA**

Machinery inspections are carried out on a 6-month and yearly basis at following departments to ensure that vehicle lifts, hoists and lifts and other machineries are of substantial construction, sound material, adequate strength and free from patent defect and are also properly maintained:

- i. Sugar Storage and Handling Unit
- ii. Sugar Storage and Handling Unit (Bagged Sugar)
- iii. Agricultural Mechanization Unit
- iv. Mauritius Sugarcane Industry Research Institute
- v. Control and Arbitration Department

### **Protocol maintained by the MCIA- Re: COVID-19 Pandemic**

The MCIA is implementing existing national protocol.

## Safety and Health Training

The following employees attended Safety and Health Training courses/workshops during the period 1 July 2022 to 30 June 2023:

<b>Table 12. Courses/Workshops</b>				
<b>Course Title</b>	<b>Name</b>	<b>Delivered by</b>	<b>From</b>	<b>To</b>
Training Theoretical and Practical for Hazardous waste Operations and Emergency Standards	Mrs A Deeljur-Brizmohun	Ministry of Environment, Solid Waste Operations and Emergency Standards	21 November 2022	25 November 2022
Behaviour based Safety Training course	Mr A F Lau Ah Wing, Mr Y Bissessur, Mrs A Deeljur-Brizmohun	SGS	30 March 2023	31 <sup>st</sup> March 2023
Safe use of Personal Protective Equipment (On the job)	Air Monitoring Section	HR Dept	21 April 2023	21 April 2023
Safe Operating Procedures – MCIA Core Sampler Sites (On the job)	Employees posted at Alteo CAD Laboratory and annexed cane transit sites: (1) Deep River Beau Champ (DRBC), (2) Beau Champ, (3) Constance and (4) Mon Desert Alma	HR and CAD Dept	21 June 2023	21 June 2023
Occupational Safety and Health for employers/employees engaged in activities involving chemicals	Mrs T Mardamootoo Mardamootoo-Sawmynaden	Ministry of Labour, Human Resource Development and Training	28 June 2023	29 June 2023

## Training and Development

The Authority is aware that its objectives can be achieved only if it has knowledgeable Human Resources.

The main objective of training is to establish a sound relationship between the employee and his job, the optimum

man-task relationship. Such a relationship is at its best when employees' attitude to the job is right, when his knowledge of the job is adequate and he has developed the necessary and required skills. Thus, training is a continuous activity to provide employees with the desired knowledge, skill, aptitude and habit to manage external pressure and competition.

The following employees attended the following short courses/workshops during the period 1 July 2022 to 30 June 2023:

<b>Table 13. Courses/Workshops</b>				
<b>Course Title</b>	<b>Name</b>	<b>Delivered by</b>	<b>From</b>	<b>To</b>
The Manager's Toolkit	Messrs I Mungroo, L Jhurry, S Deena, D Busgeeth and Mrs P Seeruttun	ASR Corporate Leadership Centre Ltd	06-Sep-22	07-Sep-22
Tender Preparation and Evaluation	Mrs M C Marion	Civil Service College	26 and 28 September 2022	
Awareness Raising and Sensitization Sessions regarding Stockholm	Mrs P Seeruttun, Mrs R Rambhujun and Mrs A Deeljur-Brizmohun	Civil Service College	27-Sep-22	
Presentation of Innovative Product for Planters (in house)	Ag. Assistant Director, Managers, TO/STOs at FSA	Senior Sales Manager of Blychem	04 October 2022	
Registry Procedures	Mr M Beharee	Civil Service College	14-Oct-22	-
Public Financial Management	Mrs B Gopee, Mrs S Maudhoo, Messrs R Soomaroo and L Teelonah	Civil Service College	14-Nov-22	
Collaboration with Fairtrade in Mauritius (in house)	Ag. Assistant Director, Managers, TO/STOs at FSA		13 December 2022	
Email (in house)	TO/STOs	Mr N Pokhun	07 January 2023	

<b>Table 13. Courses/Workshops (contd.)</b>				
<b>Course Title</b>	<b>Name</b>	<b>Delivered by</b>	<b>From</b>	<b>To</b>
Bio Fertiliser (in house)	All TO/STOs (Extension)	Mr A. Awotarowa	26 January 2023	
Electronic Attendance & Caper (in house)	50% Staff at FSA  50% Staff at FSA	Messrs R Woodun and K Tapsee	26 January 2023  02 February 2023	
Executive Course on HR Convention: HR Core-Decoding the Grim Reality	Mr S Santbakshsingh	BDO IT Consulting Ltd	07-Mar-23	
Public Procurement Law	Mr N Adjodha and Mrs B Ramessur Rawoo	MMA Business School Ltd	16 March to 04 April 2023	On 8 Wednesdays and 2 Saturdays
Strategic Procurement Management in Practice	Mr N Adjodha, Mrs A Choytoo Bisesar, Mrs R Deena, Mr P Jeebodhun and Mrs B Ramessur Rawoo	MMA Business School Ltd	16-Mar-23 (10 sessions)	20-May-23
Behaviour Based Safety Training	Messrs A F Lau Ah Wing, Bhavish K Pudaruth, Y Bissessur and Mrs A Deeljur Brizmohun	Ministry of Environment, Solid Waste Management and Climate Change	30-Mar-23	31-Mar-23
Core Competencies for Successful HR Professionals	Mrs P Seewooshurn	Valdus Training Centre	4-May-23	5-May-23
Public Procurement Law: National and International	Messrs I Senrundon and R Padaruth	MMA Business School Ltd	01-Apr-23 (10 sessions)	06-Jun-23
Annual Compliance Convention Conference	Mr R Woodun	BDO IT Consulting Ltd	31-May-23	

## Mission

The following employees proceeded on mission overseas during the period 1 July 2022 to 30 June 2023:

<b>Table 14. Mission</b>				
<b>Name</b>	<b>Grade</b>	<b>From</b>	<b>To</b>	<b>Purpose</b>
Mrs N Behary Paray	Research Officer/ Senior Research Officer	03-Sep-22	17-Sep-22	Attended the 1 <sup>st</sup> Research Coordination Meeting in Vienna, Austria
Mr S Purmessur	Chief Executive Officer	7 Nov 2022	8 Nov 2022	Visit and meeting with eRcane
Dr S Seeruttun	Director MSIRI	7 Nov 2022	8 Nov 2022	Visit and meeting with CIRAD and eRcane.
Mr S Purmessur	Chief Executive Officer	22 Nov 2022	23 Nov 2023	Attended 31 <sup>st</sup> International Sugar Organisation (ISO) Seminar, United Kingdom
Mr S Purmessur	Chief Executive Officer	20 Feb 2023	23 Feb 2023	Attended and presented paper at the XXXI ISSCT 2023 Congress, Hyderabad, India
Dr S Seeruttun	Director MSIRI	16 Feb 2023	24 Feb 2023	Attended and presented paper at the XXXI ISSCT 2023 Congress, Hyderabad, India
Dr G H Badaloo	Research Manager	19-Feb-23	24-Feb-23	Attended and presented paper at the XXXI ISSCT 2023 Congress, Hyderabad, India
Dr (Mrs) A Dookun-Saumtally	Principal Research Manager	16-Feb-23	07-Mar-23	
Mr S Purmessur	Chief Executive Officer	5 June 2023	9 June 2023	Attended 62 <sup>nd</sup> ISO Council session - Ezulmini, Eswatini
Dr G H Badaloo	MSIRI	17-Jun-23	26-Jun-23	Visited PT Gunung Madu Plantations, Lampung Province, Indonesia.

## Retirement

The following Officers retired during the year 01 July 2022 -30 June 2023:

<b>Table 15. Retirement</b>				
SN	Name	Post	Department / Section	Date
1	Mr DAIRION Antonio Mario	Cleaner/Gardener	FSA	10-Aug-22
2	Mr REDDI, Nadessen	Forklift Diver/Operator	BSSD	05-Sep-22
3	Mr SAMBAT, Laval	Forklift Diver/Operator	BSSD	07-Sep-22
4	Mr ANODIN, Joseph Gino	Handy Worker	BSSD	24-Sep-22
5	Mr KOONJUL, Sanzive	Arrimeur/ Baghandler	BSSD	05-Oct-22
6	Mr RAMGURRIB Joseph Patrick	Workshop/ Vehicle/ Machinery Attendant	AMU	18-Oct-22
7	Mr CHINNAYEN Freddy	General Worker/Field Worker/Gardener	MSIRI	26-Dec-22
8	Mrs SEENAUTH Ghamantee	Finance Operations Officer/Senior Finance Operations Officer	ex-SPMPC/ Finance	28-Jan-23
9	Mr MALECAUT Joseph Jacques Alain	Senior Terminal Operator (Civil)	SSHU	13-Feb-23
10	Mr GUNGARAM Surendranath Somanathan	Office Attendant	AMU	28-Feb-23

**Table 15. Retirement (contd.)**

11	Mr CATAPERMAN Jean Francois	Operator	AMU	01-Mar-23
12	Mr RIVET Max Laval	Operator	AMU	01-Mar-23
13	Mr KANARAM Premchand	AMO	AMU	01-Mar-23
14	Mr FUGOOAH Sunil	Head Operator	AMU	01-Mar-23
15	Mrs GAUNGOO Zeenat	OMA	PPU	01-Mar-23
16	Mr Devendranath Busgeeth	Ag. Director	CAD	16 April 2023
16	Mr AULLYJANE Mohamud Rabbany	Senior Test Chemist	CAD	09-Mar-23
17	Mr BUCKTOWAR Gyandeo	Senior Test Chemist	CAD	13-Mar-23
18	Mr BUNDHOO Vijay Kumar	Senior Terminal Operator (Mechanical)	SSHU	17-Mar-23
19	Mr CUPIDON, Joseph Jim Denis	Baghandler	BSSD	23-Mar-23
20	Mr G.RAMIGADU Parmenseeven	Field Supervisor	MSIRI	01-Apr-23
21	Mr PUDARUTH Ravideo	Driver	MSIRI	01-Apr-23

**Table 15. Retirement (contd.)**

<b>SN</b>	<b>Name</b>	<b>Post</b>	<b>Department / Section</b>	<b>Date</b>
22	Mr BISSOONDOYAL Luchmun	General Worker/Field Worker/Gardener	MSIRI	01-Apr-23
23	Mr DILHOLAUSH Abdool Latiff	General Worker/Field Worker/Gardener	MSIRI	01-Apr-23
24	Mrs BELL Marie Sylvie Nadine	General Worker	MSIRI	01-Apr-23
25	Mr BHAUGEERUTTY Ramessur	Manager, Extension and Training Centre, FSA	FSA	10-Apr-23
26	Mr JOYRAM Porunjay	TA/STA	FSA	12-Apr-23
27	Mr TOORY Viswamitra	Research Officer/Snr Research Officer	MSIRI	14-Apr-23
28	Mr LEMETTRE, Louis Antoine	Arrimeur/ Bag handler	BSSD	25-Apr-23
29	Mr SUDDUL Hammant Kumar	Senior Terminal Operator (Mechanical)	SSHU	31-May-23
30	Mr GREEDHARRY Gowtam	TMO/Snr TMO	AMU	09-Jun-23

The MCIA organizes a ceremony to thank its retired employees for their contribution and services rendered to the Authority. Besides, a certificate of recognition and a token are offered to each of them.

### **Termination of contract**

**Table 16. Termination of contract**

<b>SN</b>	<b>Name</b>	<b>Post</b>	<b>Department/ Section</b>	<b>Date</b>
1	JHUBOO Leeladhanjiv	Internal Auditor/ Snr Internal Auditor	CORP	05-Jan-23

### Resignation

<b>Table 17. Resignation</b>				
<i><b>SN</b></i>	<i><b>Name</b></i>	<i><b>Post</b></i>	<i><b>Department / Section</b></i>	<i><b>Date</b></i>
1	HURDOWAR V	Stores Superintendent	CORP/PROC	1-Jul-22
2	CHUKOORY T	Contractual	CORP/Finance	15-Jul-23
3	NEKITSING K	TO/STO	MSIRI	21-Nov-22
4	PANPADOO K	TO/STO	MSIRI	09-Jan-23
5	BEEHARRY S D	TA/STA	FSA	22-Jul-22

### Leave without pay

<b>Table 18. Leave without pay</b>					
<i><b>SN</b></i>	<i><b>Name</b></i>	<i><b>Post</b></i>	<i><b>Department /Section</b></i>	<i><b>Period</b></i>	
1	RAMSURRUN S	FO/SFO	CORP/ FINANCE	1-Jul-22	31-Jul-23
2	MUNGUN K	MWTO	MSIRI	17-Sep-22	16-Sep-23
3	SOOBADAR A Dr	TO/STO	MSIRI	01-Jan-22	06-Jul-22

### Appointment (on permanent and pensionable establishment)

<b>Table 19. Appointment (on permanent and pensionable establishment)</b>				
<i><b>SN</b></i>	<i><b>Name</b></i>	<i><b>Post</b></i>	<i><b>Department / Section</b></i>	<i><b>Date</b></i>
1	BALLEEA Haywin	Air Monitoring Officer	Policy & Planning/Air Mon Unit	01-Aug-22
2	SEERUTTUN Suman Dr	Director	MSIRI	13-Sept-22
3	ADJODHA Neelkant	APSO	CORP/SSHU	03-Oct-22
4	CHOYTOO BISESAR Adarshinee	APSO	CORP/MSIRI	03-Oct-22

**Table 19. Appointment (on permanent and pensionable establishment) (contd.)**

<b>SN</b>	<b>Name</b>	<b>Post</b>	<b>Department / Section</b>	<b>Date</b>
5	DEENA Reena Lakshmi Devi	APSO	CORPORATE	03-Oct-22
6	JEEBODHUN Pravishek Kumar	APSO	CORP/AMU	27-Oct-22
7	RAMESSUR RAWOO Bindia	APSO	CORP/FSA	03-Nov-22
8	PARMESSUR Y Dr	RO/SRO	MSIRI	15-Nov-22
9	JOOMUN N Dr	RO/SRO	MSIRI	15-Nov-22
10	SANTCHURN D Dr	RO/SRO	MSIRI	15-Nov-22
11	SOOBADAR A Dr	RO/SRO	MSIRI	15-Nov-22
12	KOONJAH S	RO/SRO	MSIRI	15-Nov-22
13	MAHADEA-NEMDHARRY P	RO/SRO	MSIRI	15-Nov-22
14	LAU AH WING A F	RO/SRO	MSIRI	17-Nov-22
15	BISSESSUR Y	Project Officer (Civil Engineer)	CORP	16-Dec-22
16	NG CHEONG R Dr	PRM	MSIRI	17-Jan-23
17	AWOTAROWA A	Assistant Director, FSA	FSA	18-Jan-23
18	CAHOOLESSUR K	MANAGER	Policy & Planning	18-Jan-23
19	BHAUGEERUTTY R	MANAGER	ETU, FSA	18-Jan-23
20	MISTRY B	MANAGER	ETU, FSA	18-Jan-23
21	FOOLMAUN G	MANAGER	ETU, FSA	23-Jan-23
22	BADALOO G H Dr	RM	MSIRI	02-Feb-23

**Table 19. Appointment (on permanent and pensionable establishment) (contd.)**

SN	Name	Post	Department / Section	Date
23	GAUNGOO A Dr	RO/SRO	MSIRI	03-Feb-23
24	BHANDA M	WVMA	CAD	10-Feb-23
25	LUCHMEE K	Driver HMU	CAD	10-Feb-23
26	SAHYE SEENUNDON B	General Worker	SSHU	27-Mar-23
27	RAMBURRUN N	MANAGER	FSA	03-Apr-23
28	MARDAWOOTOO-SAWMYNADEN T Dr	RO/SRO	MSIRI	14-Apr-23
29	PADARUTH Ravichan	PSO	AMU	02-May-23

### Death in Service

**Table 20. Death in Service**

SN	Name	Department	Date
1.	MARCHURCHAND Ramdine Mr	FSA	25-Aug-22
2.	RAMDHUR Pavina Mrs	CORP/Finance	09-Nov-22
3.	SUNGEELEE Marday Mootoo Pandian Mr	FSA	11-May-23

### Internship

Further to its social commitment to help young people in getting on-the-job training, the MCIA welcomed some sixteen (16) trainees, among whom were HSC holders, or graduates, from the MITD or

from the University of Mauritius, to undergo training in various departments during the year 01 July 2022 to 30 June 2023.

## B. POLICY AND PLANNING

“CHOOSING THE RIGHT STRATEGY IS THE KEY ROLE OF THIS UNIT”

### Mandate and Functions

The Policy and Planning Division under the Corporate office of the Chief Executive Officer at the MCIA continues to fulfill the important mandate and functions of the former apex Mauritius Sugar Authority (ex MSA) which is to promote the The objectives of the Policy and Planning Division are:

development of the sugar industry and to ensure its long-term viability and also to safeguard its interests, both at national and international level.



- ✓ Monitoring, overseeing and coordinating all activities relating to the operation of the cane industry and ensuring its fair, efficient and effective administration.
- ✓ Promoting efficiency and viability in the cane industry.
- ✓ Formulating and implementing policies, strategies, plans programs and schemes in relation to the cane industry.
- ✓ Assessing the challenges and opportunities of the industry both on local and international fronts.
- ✓ Promoting and facilitating the sustainable development of the cane cluster in Mauritius and in the region.
- ✓ Acting as a think tank of the industry to spearhead changes and respond to future needs of the industry.

## New Strategies

- (a) Increase the area under cane cultivation and area replanted island wide

This strategy is expected to increase the yield and production of cane which will in turn ensure

economic activities of planters and the sugar cane cluster for the benefit of the country.

- (b) Increase the production of biomass (cane and non-cane sources) to increase the supply of renewable energy in the electricity mix.

## New Amendments of the SIE Act and others and Budgetary measures in June 2023

In June 2023, Government in its Budget 2023/2024 made provisions to include in its Finance (Miscellaneous Provisions) Bill 2023 the following amendments related to the sugar sector:

**Table 21. Amendments to legislation in Budget 2023/2024**

S/N	Legislations	Amendments
1	Sugar Industry Efficiency Act	(a) To provide that applications for land conversion will have to be made on the National E-Licensing system. (b) To exempt the New Social Living Development Ltd. (NSLD) from payment of land conversion tax.

Another regulation that was amended was the Morcellement (Amendment of Schedule) Regulations 2023 on 20 May 2023 concerning the sugar sector:

This regulation allows for *“the sale of land at a nominal price, of a plot of land*

*belonging to a miller or ex-miller, to his worker, ex-worker or the heir of the worker or ex-worker, and on which land stands a residential unit occupied by the worker, ex-worker or the heir of the worker or ex-worker as the case may be.”*

In June 2023, the Government announced in its Budget 2023/2024 the following measures in support of the sugar sector:

- ✓ DBM Ltd. will also extend the Crop Replantation Scheme at annual preferential rate of 2.5% to biomass production and afforestation.
- ✓ DBM Ltd will write-off long outstanding loans of more than 20 years and loans of deceased planters.
- ✓ Provision of MUR 75 million under the Cane Replantation Scheme which has enabled the replantation of 1,000 arpents of land over the last 2 years.
- ✓ The Cane Revolving Fund Scheme is being increased from MUR 200 million to MUR 500 million.
- ✓ MUR 22 million is being earmarked for the maintenance of irrigation networks in Pointe-aux-Piments, St-Felix and Plaisance.
- ✓ For planters producing up to 60 tons of sugar, Government will Provide a 50% subsidy on purchase of fertilisers.
- ✓ Continue to pay the premium to the Sugar Insurance Fund Board.
- ✓ Provide a financial assistance of MUR 150,000 for purchase of drip irrigation systems; and
- ✓ Waive CESS in respect of crop 2023.
- ✓ For crop 2023, increase in the minimum guaranteed price of sugar from MUR 25,000 to MUR 27,500.
- ✓ The industry is also called to play a major role in achieving 60% share of energy from renewable sources. In this respect, funds have been provided for the operationalisation of the Biomass Framework.
- ✓ Cane trash and woody biomass will also be remunerated at MUR 3.50/kWh similar to bagasse.
- ✓ Job contractors will be encouraged to recruit a pool of agricultural workers subject to compliance with conditions such as lodging and accommodation as well as registration of the job contractors.
- ✓ The ratio of foreign to local employees is being removed for specific sectors including Construction, Manufacturing, Agriculture and SMEs, including Bakery Operators.

## Budgetary measures for financial year 2022/23 and progress on previous measures

The status and progress on budget measures for period July 2022 to June 2023 concerning the sugar sector are tabulated as follows:

Financial year	Budget Measures	Progress/ achievements
2021/2022		All measures were implemented
2022/2023	<i>To support small sugarcane planters and ensure a fair and equitable distribution of proceeds from sugar cane cultivation, Government will:</i>	
	<i>(a) Maintain the minimum guaranteed price of MUR 25,000 per tonne for planters producing up to 60 tonnes sugar</i>	For crop 2022, the total revenue derived by planters taking into consideration revenue sugar, bagasse and molasses exceeded the guaranteed price of MUR 25,000 per tonne sugar. As such there was no need for Government to intervene to provide the additional financial support.
	<i>(b) Continue to pay the premium to the Sugar Insurance Fund Board in respect of those producing less than 60 tonnes of sugar; and</i>	Sugar cane planters producing up to 60 tonnes sugar were waived from payment of SIF premium for crop 2022. An equivalent amount was refunded by Government to the SIFB.
	<i>(c) Waive CESS in respect of Crop 2022</i>	Sugar cane planters producing up to 60 tonnes sugar were waived from payment of CESS contribution for crop 2022. CESS contribution is normally used to meet operational costs of the MCIA. Government makes a provision of Fund from the budget to meet part of the operational costs of MCIA.

**Table 22. Implementation progress of Budgetary measures 2022/2023 (contd.)**

<b>Financial year</b>	<b>Budget Measures</b>	<b>Progress/ achievements</b>
	<p><i>To encourage sugar planters to renew some 10,000 ha of crops:</i></p> <p><i>(a) The grant under the Cane Replantation Scheme will be increased by 43% from MUR 35,000 to MUR 50,000 per arpent. Those who want to bring back abandoned land into cane cultivation will also be eligible under this scheme; and</i></p>	<p>Contracts have been signed for 541.5 ha. Land preparation has been completed on 476 ha and replantation completed on 441 ha. 81% of replantation is complete involving 654 planters.</p> <p>For FY2021/22, contracts were signed for 455 ha. As at 30 June 2023 a total of 442 ha of land has been prepared and a total extent of 426 ha has been replanted. Replantation is 94% complete as at 30 June 2023.</p>
	<p><i>(b) A "Cane Replantation Revolving Fund" will be introduced by the DBM to provide loans at annual preferential rate of 2.5% p.a. Those who want to bring back abandoned land into cane cultivation will also be eligible under this scheme.</i></p>	<p>This scheme is a new budget measure which is being introduced by the DBM to provide loans at a preferential rate of 2.5% p.a. As at end June 2023, seventeen companies including free planters and planters in Cooperatives applied for the loan. These are Omnicane Limited, Omnicane Agricultural Operations Ltd, Domaine de Labourdonnais Ltee, Medine Ltd, Alteo Agric Ltd, Terragri Ltd, Rose Belle SE, Sugar Investment Trust, Gros Cailloux, MCAF and ENL, Circonstance, Senneville Agricultural Ltd, fifteen planters in Plaine Des Roches Multipurpose Cooperative Society and three free planters. The MCIA approved the eligible extent of 6,302.84 arpent. DBM has made part disbursement to six grower companies and three free planters, while for others it is in process at level of DBM as at 30 June 2023.</p>
	<p><i>Sugar cane planters to benefit from MUR 3.50/ kWh of electricity. Thus, all planters and producers will benefit from a remuneration of MUR 3,300/ tonne of sugar for bagasse for crop 2022.</i></p>	<p>A total sum of MUR 772.2 M was disbursed from the National Resilience Fund for a total production of 233,998.71 tonnes sugar at 98 Pol. A first provisional payment to beneficiaries was made in December 2022, and final payment in June 2023 to reach the total MUR 3,300 / tonne sugar for bagasse.</p>

**Table 22. Implementation progress of Budgetary measures 2022/2023 (contd.)**

Financial year	Budget Measures	Progress/ achievements
	<i>Planters producing up to 60 tonnes of sugar will be entitled to a 50% subsidy on the advance made for the purchase of fertilisers for Crop 2022.</i>	Launching of Scheme was held in September 2022. Issue of vouchers for crop 2022 started in September 2022 and was extended till 11 February 2023. For Crop 2022, vouchers for 4427.55 t fertilisers were issued concerning 6734 planters at 4 July 2023 who benefitted from scheme. MUR 124,057,000 was disbursed by the Ministry of Finance Economic Planning and Development from the National Resilience Fund.
	<i>50% refund on the costs related to certification, testing and accreditation. The 50% refund will allow sugar cane growers, processors and food companies that are committed to sustainability to connect along the sugar cane value chain by adopting standards such as Bonsucro.</i>	Claims have been received from Omnicane for Bonsucro for a total sum of MUR 982,974.12 and from Cooperatives for Fairtrade for a total sum of MUR 1,439,455.37. A total sum of MUR 1,211,214.685 was received from the vote of the Ministry of Agro-Industry and Food Security representing a 50% refund. This sum was transferred to the MSS for payment to beneficiaries.
	<i>Setting up of a National Biomass Framework</i>	On 26 May 2023 Cabinet adopted the Biomass Framework which is in line with the vision of Government to increase the share of renewable sources of energy in the electricity mix and also to phase out coal by timeline 2030. The launching ceremony of the National Biomass Framework by the Ministry of Agro-Industry and Food Security in collaboration with the MCIA was held on 26 June 2023 at the MCIA in the presence of the Minister of Agro-Industry and Food Security, Ministry of Energy and Public Utilities, Ministry of Environment, Solid Waste Management and Climate Change.

**Table 22. Implementation progress of Budgetary measures 2022/2023 (contd.)**

<b>Financial year</b>	<b>Budget Measures</b>	<b>Progress/ achievements</b>
	<i>Modern State of the Art and Fully Automated Sugar Storage Facility. Construction of a modern sugar storage facility at Riche Terre whereby 150,000 tonnes of bagged sugar from Sugar Estates will be received, handled and stored prior to local sale and export.</i>	The Consultant Benchmark Consulting Engineers Ltd who was awarded contract as project manager has completed the site survey and preliminary study including costing of this project on 17 November 2022. A sum of MUR 3.408M was disbursed to the consultant for works completed. The Consultant has already submitted the draft final version of Civil Works Bidding Documents to MCIA. The approval of Cabinet was awaited on the increase in cost of the project.
	<i>Renewal of the fleet of tractors (three Crawler Tractors and one Wheel Tractor) of the Agricultural Mechanisation Unit of the MCIA, as announced in Budget Speech 2021/22.</i>	Receipt and commissioning of one Crawler Tractor effected in August 2022. A Wheel tractor was delivered on 10 February 2023 and commissioning was done on 14 February 2023. Receipt of two D6 Crawler tractors was still awaited as at end June 2023. Delay was due to the war crisis of Ukraine which is impacting on lack of components for heavy duty machines on the global scale.

### **Price sugar -Crop 2022**

Government has guaranteed a stable price of MUR 25,000 per tonne of sugar for all planters with sugar accrued up to 60t sugar. After taking into consideration the price of sugar, bagasse, molasses, the total revenue to planters exceeded the guaranteed price and as such no Government top up was required for crop 2022.

The ex-syndicate price of sugar for crop 2022 reached a peak price of MUR 25,554.38/ tonne sugar. This represents a remarkable increase of 52% over the previous crop's price of MUR 16,765/tonne sugar. This outcome results from an exceptional combination of high world market prices, a sugar deficit in the EU further to its weather-affected crop, which has therefore made it become more reliant on imports, and a surge in its production costs following the Russian invasion of Ukraine. Consequently, EU prices have almost doubled compared with the preceding year and over 80% of our exports have therefore been directed to this market, from some 45% in the preceding campaign.

The table below shows the ex-syndicate price of sugar over the period 2012 to 2022.

<b>Table 23. Ex Syndicate price sugar 2012 to 2022</b>	
<b>Crop year</b>	<b>Ex Syndicate price sugar (MUR / tonne sugar)</b>
2012	17,573.32
2013	15,830.00
2014	12,693.00
2015	13,166.36
2016	15,571.50
2017	10,716.64
2018	8685.60
2019	11,383.65
2020	14,062.22
2021	16,765.09
2022	25,554.38

The ex-syndicate price of sugar derived by the different categories of producers is shown below for the crops 2021 and 2022.

**Table 24. Revenue derived by category of producers -crops 2021 and 2022**

	<b>Crop 2021</b>			<b>Crop 2022</b>		
	<b>Up to 60 t sugar</b>	<b>Above 60 t sugar</b>	<b>Millers</b>	<b>Up to 60 t sugar</b>	<b>Above 60 t sugar</b>	<b>Millers</b>
Sugar accrued (tons)	40,964.440	159,984.32	56,206.05	36,522.670	146,544.34	50,931.70
	<b>Rs / t sugar</b>			<b>Rs / t sugar</b>		
Price guarantee	25,000					
Cess	670.6					
SIFB Insurance	1,403.38	NA	NA	NA	NA	NA
Net price	22,926.02	21,888.30	20,065.09			
Sugar	16,765.09	16,765.09	16,765.09	25,554.38	25,554.38	25,558.38
Bagasse	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00
Molasses (including bottler)	1,823.21	1,823.21		1,964.64	1,964.64	
Other Government support	1,037.72					
<b>Gross Income( Rs / ton sugar)</b>	<b>22,926.02</b>	<b>21,888.30</b>	<b>20,065.09</b>	<b>30,819.02</b>	<b>30,819.02</b>	<b>28,858.38</b>

## Refund of SIFB Premium to small planters for crops 2019, 2020 and 2021

The Budget measures for the past 4 years concerned with the price guarantee, waiver of SIFB premium and CESS are tabulated below.

<b>Table 25. Refund of SIFB Premium to small planters</b>					
<b>SN</b>	<b>Budget Measures</b>	<b>Crop 2019</b>	<b>Crop 2020</b>	<b>Crop 2021</b>	<b>Crop 2022</b>
1	Guaranteed price MUR 25,000 / tonne sugar for planters for the first 60 tonnes sugar	✓	✓		
2	Guaranteed price sugar MUR 25,000 / tonne sugar for planters up to 60 tonnes sugar			✓	✓
3	Waiving of SIFB premium by planters producing up to 60 tonnes sugar	✓	✓	✓	✓
4	Waiving of CESS as announced				✓

The price guarantee of MUR25,000/ tonne sugar for planters producing up to 60 tonnes sugar was introduced by Government in the Budget 2019. This category of planters was also entitled to a waiver of SIFB premium. In practice, the computation of the price guarantee of MUR 25,000 was composed of ex syndicate price sugar, bagasse and molasses revenue with a deduction of SIFB premium and CESS. The balance was being topped up by Government to guarantee the MUR 25,000. With this method of computation, the small planters were not benefiting from the SIFB premium waiver as announced in the Budget.

The Government in August 2022 decided to correct this anomaly by providing a refund of the SIFB premium for an additional amount of MUR 105 M that was disbursed from the National Resilience Fund for crops 2019, 2020 and 2021. In addition, the Government decided that no deduction will be made with respect to SIFB premium and CESS for crop 2022. The sum of MUR 105 M was equivalent to a refund of MUR 467.29/ tonne sugar for crop 2019, MUR 591.47/ tonne sugar for crop 2020 and MUR 1403.38/ tonne sugar for crop 2021.

The MSS effected the payment refund to all planters producing up to 60 tonnes sugar in November 2022.

## Agricultural Land Management System- Cane Replantation Scheme

Another component of the ALMS is the implementation of the Cane Replantation Scheme (CRS). The objective of the CRS is to motivate planters to replant sugarcane, either in their abandoned fields or renew their fields. In the Budget 2022/2023 the Government made a provision of MUR 55 M for the implementation of this scheme.

Under this scheme planters receive a cash grant upon completion of land preparation and plantation of their fields. The grant is as follows:

- For fields which have already completed a cane cycle of at least 6 years under the Field Operations, Regrouping and Irrigation Project,

planters were receiving a cash grant of MUR 83,000/ha and which was increased to MUR 118,500/ ha in budget 2022/2023.

- For fields which had not completed a cane cycle of 6 years were eligible for a reduced cash grant of MUR 58,500/ha and which was increased to MUR 83,500/ ha in budget 2022/2023.

The Policy and Planning unit is responsible for monitoring progress and reports on a monthly basis to the Ministry of Agro-Industry and Food Security and to the Ministry of Finance, Economic Planning and Development. The purpose of this monitoring exercise is to identify any bottlenecks that need to be addressed for the smooth implementation of projects.

<b>FY</b>	<b>Extent contract signed (ha)</b>	<b>No planters</b>	<b>Replantation completed(ha)</b>	<b>% works completed</b>
20/21	570.4	863	417.7	73
21/22	471.2	721	377.5	80
22/23	541.5	783	441	81

For the period July 2022 to June 2023, contracts were signed for a total of 541.5 ha, involving 783 planters. Land preparation and replantation was

complete on 441 ha involving 654 planters. Out of the 441ha replanted, 93.1 ha was previously abandoned land being replanted and this involved 150 planters.

It is to be noted that at end June of Financial year 2022/23 the project was 81% complete due to delays encountered because of adverse weather. The rest of the plantation would be completed after June 2023.

### **Cane Replantation Scheme-Upfront Financing by DBM Ltd**

For all those planters who are not able to meet the upfront financing and claim back for the cash grant, the MCIA had held consultations with the DBM whereby DBM provides a loan of MUR 50,000/ arpent repayable at an interest rate of 2% per annum, subject to the borrower complying and/or satisfying all terms and conditions of the Bank. The loan shall be reimbursed as follows:

- (i) MUR 35,000 per arpent by the MCIA as grant element on behalf of the eligible; and
- (ii) the balance of MUR 15,000/ arpent together with interest thereon over 2 years shall be repaid by the planter in two consecutive annual instalments.

Following discussions that the Ministry of Agro-Industry and Food Security had with the DBM in presence MCIA in April 2022 it was decided that the loan will be disbursed in two instalments as follows after clearance from the MCIA:

- Prior to land preparation work; and
- Just before cane replantation.

As part of the loan procedures at the DBM Ltd, the planter needs to provide a floating charge as security. Most planters who could not provide such security were not eligible to avail of this loan facility.

### **Cane Replantation Scheme- Through SME Contractors / Private operators**

It is also noted that in view of increasing the capacity for tractor hire services by the MCIA and to provide timely land preparation services to sugar cane planters, the MCIA Board of Directors approved that the services of SMEs contractors be enlisted having expertise in derocking and land preparation works over a period of 2 years. These planters also benefit from the Cane Replantation Scheme.

### **Cane Replantation Revolving Fund (CRRF)**

In the Budget 2022/2023 Government made a provision of MUR 200 M for the setting up of a Cane Replantation Revolving Fund at the BDM Ltd to provide for replantation loans to all planters. Planters wishing to bring back their abandoned land to cultivation could also benefit from the loan. The purpose of the loan is to target the replantation of 2000 ha on an annual basis by facilitating access to finance, thus alleviating the cash flow difficulties of planters for the replacement of old cane ratoons of six years and older.

Based on data 2021 it has been observed that for the Corporate and large growers out of 33,509 ha under cane, 60% has up

to seventh ratoon and the remaining 40% is on the eighth ratoon and older. A similar trend exists for the small planters, that is, out of 10,991 ha, 67% has up to seventh ratoon and the remaining 33% is on eighth ratoon and older. The financial difficulties

met by planters for replantation is one of the major causes of concern for low productivity. The overall yield has declined from 74.65 t/ha in 2020 to 63.72 t/ha in 2021.

In October 2022, the DBM Ltd finalised the terms and conditions of the loan scheme which was presented to the Government in November 2022 as shown in the Table 27 below.

<b>Table 27. Terms and Conditions of the loan for Cane Replantation under the CRRF</b>	
Purpose of Loan	To meet cost of replantation of sugarcane
Maximum Loan amount	MUR 60,000/ Arpent
Interest Rate	2.5% p.a
Repayment period	4 years (annual payment), including 1-year moratorium
Moratorium period	1 year
Eligibility	Planters as recommended by the MCIA
Security	Pledge on Sugar Crop Proceeds
Financing	90% of project cost 10% own funds

A press notice was advertised in November 2022 to invite interested planters to apply for the loan. A Steering Committee and a Sub Committee were set at the MCIA for implementation of this scheme. The Steering Committee is composed of members from the Policy and Planning Unit, MSIRI, Farmers Service Agency from the MCIA, a representative from the DBM Ltd, a representative of small planters, a representative of large

growers, a representative of miller-planters and a representative of the Mauritius Chamber of Agriculture. The purpose of the Steering Committee is to follow up on disbursement and to facilitate the implementation of the scheme by discussing issues such as resource allocation (replantation logistics, cane nurseries), varieties etc., and also monitoring progress and reporting.

### **Sugar produced under sustainable and accredited trade labels- Fairtrade, Bonsucro, Organic**

Export of sugar for small planters under sustainable and accredited trade labels is yet another avenue for generating

additional revenue and placing the country on the world sugar niche markets map. Adherence to voluntary sustainability standards of production is therefore an important step to diminish supply chain risks and improve environmental management so as to enhance accessibility to the market.



There is a potential for growers to export some 40,000t of sugar under the Fairtrade label. Export of sugar sold at a premium

rate of 60 USD/t of sugar under this label is tabulated below.

<b>Table 28. Tonnes of sugar traded under Fairtrade</b>	
<b>FY</b>	<b>Tonnes sugar traded under Fairtrade label</b>
2020/2021	17,200
2021/2022	15,275
2022/2023	14,000

The total premium received and paid to producers for Crop 2022 is estimated around USD 840 K. Currently there are twenty Credit Cooperative Societies (CCS) which are certified and three more CCS are in the process of certification.

It is noted that the Covid-19 sanitary restrictions that prevailed during the year unfortunately prevented certain co-ops aspiring to regain certification from holding their AGM. This delayed the audit and certification process, and consequently hindered MSS from taking full advantage of sales opportunities in the Fairtrade segment.

A new system of accreditation for the small planters who are grouped into cooperatives has been set up under the Ctm Altromercato/Ferrero Sustainable Development Programme, which involved the export of some 4,000t of white refined sugar shipped to Ferrero whereby an additional premium of €40/t of sugar was received by the cooperatives. Under this scheme, some 700 registered cooperative

planters are also eligible to receive both bio and chemical fertilizers free of cost in line with the recommendation made by the MSIRI after soil analysis.

Bonsucro is a global multi-stakeholder non-profit organization aiming at promoting voluntary sustainable sugarcane production, processing and trade around the world. Omnicane, Alteo, Terra and MSIRI are members of Bonsucro in Mauritius. The MSIRI is involved in R&D to assist the industry in meeting the standard in cultivation practices. In September 2020, Bonsucro has announced that it has included the Syndicate's certification to its Chain of Custody Standard, making the MSS to become the first sub-Saharan marketing organisation to be awarded this recognition. This accreditation will enable the MSS to source out their sugar requirements in priority from sustainable producers.

Organic production is becoming more prevalent among suppliers who are setting company policies to increase their organic



offerings to mainstream consumers who have a rising interest in these products. In a spirit to increase further the revenue of producers and to promote the marketing of value addition to the cane industry, stakeholders are currently working on mechanisms and modalities for the production and marketing of certified organic sugars with the support and assistance from the Government.

Research works are being pursued with respect to agronomic field practices, milling processes, legal frameworks, sensitization of planters, training of growers and service providers. There was a need to make provisions for certification costs.

For the Financial year 2022/2023 a sum of MUR 719,727 was disbursed representing the 50% refund for Fairtrade certification and MUR 491,487.06 was also disbursed by the Government representing the 50% refund for Bonsucro standards.

### **MoU between MCIA and MCAF – Acquisition of Cane Harvesters**

Funds were made available in the Government budgets 2019-2020 and 2021-2022 to materialise the purchase of cane harvesters from India for use by the

small planters. It is being recalled that 51% of the cost of the harvester and associated in field equipment is a grant to the MCAF Ltd and the other 49% is a loan refundable by the MCAF in equal instalments of 7% over 7 years.

It is recalled that a first Memorandum of Understanding was signed between the MCIA and MCAF on 22 June 2020 followed by another one on 23 March 2022 for the purchase of a second sugar cane harvester.

The MCIA forms part of the monitoring committee at the MCAF on the use of the cane harvesters. In 2022 some 12,000 t of cane belonging to small planters were harvested mechanically out of 400,000 t. This represents some 3% of small planters' fields being harvested mechanically. In it targeted that for crop 2023 some 20,000 t of cane would be harvested mechanically representing some 5% of small planters' fields to be harvested mechanically.

As from Budget 2022/ 2023, the Government is encouraging the acquisition of machineries through leasing by providing appropriate terms of lease agreements with Industrial Finance Corporation of Mauritius Ltd (IFCM).

## Progress on issues related to existing provisions of the law

### (a) Molasses pricing mechanism-Provisions of MCIA Act and SIE Act

The Molasses pricing mechanism for the different users of molasses is as per the amendments brought to the SIE (Amendment Act) 2016:

<b>Table 29. Evolution of the Sale price of Molasses from 2014 to date</b>			
Year	AMCO/MMCO export molasses	Distillers who produce alcohol for the local market and export market	Livestock sector who use molasses for animal feed
Prior to 2014	Ex-factory price	Local market and export MUR 3,000/t	MUR 3,000/t or FOB whichever is higher
2016 (SIE Act)	Deemed FOB	Local market :1.75*deemed FOB Export market: deemed FOB	MUR 2,500/t revised to MUR 3,000/t in 2021 by MCIA Board of Directors.
2021 (Sale price of Molasses) Regulations 2021		To set the upper limit of price of molasses sold to distiller-bottlers producing potable alcohol for the domestic market or any person using molasses to produce syrup and beverages and which shall not exceed MUR4,000/t molasses. This regulation is applicable for crop years 2021, 2022, and 2023. The regulation was published in Government Notice No 175 of 2021.	
2022- Amendment brought to SIE (Amendment) Act 2016 in 2022 through the Finance and Miscellaneous provisions Act 2022			Livestock sector to pay deemed FOB price

For crop 2022, a total of 74,237.461 t of molasses tel quel have been produced by the three factories in operation and which was calculated to be 75,320.5 t of molasses at 86 Brix.

Out of the total production of 75,320.5 t molasses at 86° Brix, 71,437.03 t were allocated for the production of alcohol by the local distilleries, namely Grays, Medine, Omnicane and Oxenham and the

remaining 3,883.47 t were allocated to livestock sector, namely Livestock Feed Factory, Meaders Feed Factory, breeders, Yemen and taken in kind by planters. The

allocation of molasses to the three distilleries is based in principle on the agreed sharing ratio of 22.97:18.49:58.54 between Grays, Medine and Omnicane.

<b>Table 30. Allocation of molasses -Crop 2022</b>	
<b>Delivery of Molasses</b>	<b>Molasses @ 86<sup>o</sup> Brix(t)</b>
Grays distillery	15,486.55
Medine distillery	13,410.53
Omnicane distillery	42,445.70
Oxenham distillery	94.25
<b>Sub-total to distilleries</b>	<b>71,437.03</b>
Livestock sector	2,976.86
In kind	906.61
<b>Total Molasses</b>	<b>75,320.50</b>

The total net proceeds from sale of molasses was MUR 211.027M. In June 2023 the MCIA Board of Directors approved the blended price of molasses

paid to planters for crop 2022 at MUR2, 835.86/t of molasses.



The table below shows the blended price of molasses paid to planters for the period 2004 to 2022.

<b>Table31. Blended price paid to planters (2004 to 2021)</b>							
Year	Total molasses produced (Tel quel) tonne	Tonnes molasses sold at 86 <sup>0</sup> Brix after deducting amount in kind	LEI USD	Freight USD	Other costs USD	FOB (USD paid by users of molasses)	Price paid to planters (MUR/t molasses)
2004	154,987	n.a	103.78	44.96	17.22	41.6	911.57
2005	144,423	n.a	135.24	55.91	21.51	57.82	1,563.31
2006	139,081	n.a	152.42	69.13	20	63.29	1,898.18
2007	129,752	n.a	160.48	98.75	10.82	50.91	1,361.69
2008	141,847	n.a	187.6	94.05	15.6	77.95	2,181.32
2009	145,338	n.a	215.57	90.64	15.12	109.81	3,016.29
2010	144,137	n.a	206.09	96.06	12.21	97.82	2,689.33
2011	136,324	n.a	204.96	120.15	11.86	72.95	1,981.64
2012	123,916	n.a	201.67	116.07	11.1	74.5	2,235.18
2013	125,837	n.a	218.64	140.59	13.52	64.53	1,970.98
2014	139,309	137,379	207.48	130(a)	12.94	64.54	2,316.51
2015	132,107	130,952	187.55	126.7(b)	10.63*	50.22	2,074.00
2016	117,675	117,215	175.04	112.7(c)	5.59	56.75	2,242.89
2017	121,815	121,367					Deemed FOB price of MUR 2,147.18/t 2,390.88(d)
2018	102,084	101,938.77					Deemed FOB price of MUR2,147.18/t 2,376.10
2019	117,106	114,953.56					Deemed FOB price of MUR 2,147.18/t 2,347.24
2020	88,912	87,507.78					Deemed FOB price of MUR2,147.18/t 2,441.16
2021	90,797	89,438.74					Deemed FOB price of MUR 2,620.41/t 2,914.75
2022	74,237.461	74,413.89					Deemed FOB price of MUR 2,546.83/t 2,835.86

Note:

(a) Prior to 2014, molasses were traded by MMCO and AMCO. No data available on quantity sold @ 86 Brix. For 2014 and onwards when MMCO ceased operations, MCIA took record of volume traded

(b) For 2014 crop: freight taken as indicative (available from MSS)

(c) For 2015 crop: freight taken as average 4 years period 2011- 2014

\* abolished the \$2 commission computed in other costs that is deducted from LEI reference price

(d) For crop 2016 freight taken as average 5 years period 2009- 2013

(e) For crop 2017 to 2020: molasses sold is at 86 Brix and excludes molasses taken in kind. Price paid to planters is on basis of a deemed FOB price of MUR2,147.18 and MUR 3,500 for distiller-bottlers producing potable alcohol for domestic market.

(f) For crop 2021 : deemed Fob price of MUR2,620.41 has been calculated using a matrix table and the maximum price for distiller bottlers producing potable alcohol for domestic market would be MUR4,000 as per the new regulation 2021.

(g) For Crop 2022: deemed Fob price of MUR2,546.83 has been calculated using a matrix table and the maximum price for distiller bottlers producing potable alcohol for domestic market would be MUR4,000 as per the regulation 2021.

## **(b) Contribution of MUR40/L of absolute alcohol**

The contribution collected by the Mauritius Revenue Authority for crop 2022 (May 2022 to April 2023) both from the distiller-bottler or manufacturer and importers based on potable alcohol derived from cane or cane products reached MUR 148,634,320. This contribution was generated from some 3.715 million litres of potable alcohol sold on the local market. Planters were paid at the rate of MUR 811.91/t of sugar at 98.5° Pol or MUR 1,997.40 /t of molasses @ 86° Brix after deducting molasses taken in kind.

The total revenue derived from molasses including the bottler contribution and paid to planters for crop 2022 amounted to MUR4,833.26/t of molasses (MUR2,835.86+MUR 1,997.40) or equivalent MUR 1964.64/sugar (MUR 1152.73 +MUR 811.91)

## **(c) Biomass Framework- Provision of the MCIA Act and SIE Act**

In a nutshell, the proposed National Biomass Framework provides for:

- Around 22.8% of our country's energy needs representing some 773 GWh out of 3,384 GWh to be produced from locally grown sugar cane and woody biomass by 2030. Sugarcane biomass, which currently consists of essentially bagasse is used to produce some 200 GWh of electricity.
- The remaining 37.2% required to reach the target of 60% will, as indicated in the MARENA Renewable Energy Roadmap

2030 for the Electricity Sector (Review 2022), be produced by the various IPPs, the Small and Medium Scale Distributed Generation Schemes being operated by the CEB and from other renewable sources including Photo Voltaic and Wind Farming,

- 15.9% out of the 22.8%, i.e. around 538 GWh out of the 773 GWh to be produced from green sources will be from sugar cane biomass consisting of Bagasse (443 GWh), Cane Trash (65 GWh), implementation of Bagasse Dryer (25 GWh) and additional High Fibre Cane (5 GWh),
- The remaining 6.9% amounting to some 235 GWh will be generated from Eucalyptus to be grown locally and to be first harvested as from 2025, wood wastes from domestic, industrial, State forests and Parks. By 2030, these will each contribute to the national electricity grid as follows: State Forests - 100 GWh; Eucalyptus - 50 GWh; domestic and industrial waste - 80 GWh; waste from National Parks - 5 GWh,
- Imported wood pellets and chips with no carbon emission to complement our local biomass sources as and when required and especially during the transition period from the coming into operation of the National Biomass Framework and until the local production of biomass is able to cater for its demand. The use of coal will be gradually phased out. Our dependency on coal will be reduced by some 182,000t upon the implementation of the National

Biomass Framework and 491,000t by 2030.

- It is to be noted that the report has not captured the potential

from privately-owned forests which is estimated to cover more than 20,000 ha.

The table below shows the potential bioelectricity production from biomass sources by the timeline 2030 and an illustration follows on the percentage of cane and woody biomass sources in the electricity mix in Mauritius by 2030.

**Table 32. Potential Bioelectricity Production from Biomass**

	Short-Term			Medium-Term	
	2023	2024	2025	2026	2030
<b>Cane to be Harvested Area (ha)</b>	40 200	42 000	42 000	42 600	45 000
<b>Cane Total (million t)</b>	2.7	3.0	3.2	3.4	3.8
<b>Electricity Sugarcane (GWh)</b>	266	302	450	486	538
<b>Electricity Woody (GWh)</b>	20	41	137	168	235
<b>Electricity Local Biomass (GWh)</b>	286	343	587	654	773

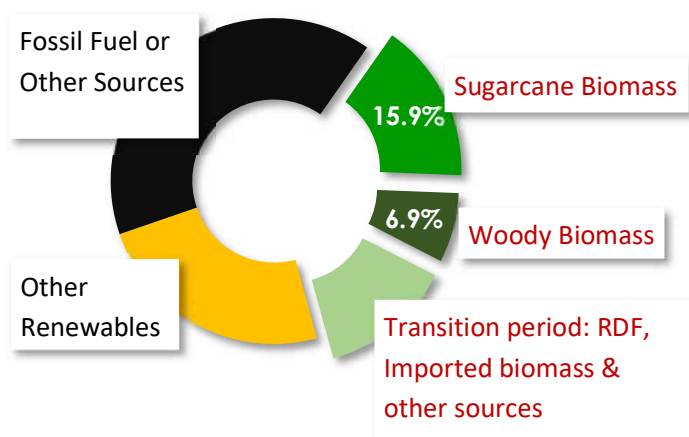


Fig 5. Electricity Mix in Mauritius by 2030

The measures to support the National Biomass Framework includes the following:

### **Sugarcane Biomass**

- ❖ To secure the 40,200 ha presently under cane cultivation and should, at no cost, be allowed to be converted. Same would also apply to the 4,800 ha of abandoned land proposed to be rehabilitated
- ❖ The introduction of a Biomass Land Rehabilitation Scheme to enable the immediate rehabilitation of 2,400 ha out of the 4,800 ha. The Scheme should provide for a low interest loan.
- ❖ **Accompanying measures to restore abandoned cane lands (ALMS Scheme)** should be maintained.
- ❖ Maintain the **Cane Replantation Revolving Fund Scheme** to enable Large and Corporate growers to renew their cane plants every 7 years. It is to be highlighted that currently more than 40% of fields of corporate growers, are from 7<sup>th</sup> or older ratoon crops. The renewal of sugar cane crops every 7 years should be reinstated as it is a *sine qua non* condition to increase productivity.
- ❖ Installation of bagasse dryers in all Power Plants with a view to boost electricity production by 25 GWh/year as from 2025. Facilities for Green loans and Grants should be assured to promote such private investment.

Capital investments in more efficient power plants, together with improved technologies by the Independent Power Producers.

- ❖ Upscaling the collection of sugarcane trash from 10,000t to 65,000t on the 60% of the cane area harvested mechanically over the island. This will generate 65 GWh of electricity annually as from 2026. However, it will require private investment and transport logistics estimated around MUR 300M.
- ❖ Availability of water and use of improved technology for the irrigation network of sugarcane fields with the introduction of an Electricity/Irrigation Network Improvement grant.
- ❖ Financing Research & Development, for analyses of woody biomass and capacity building.

### **Local Woody Biomass**

- ❖ The immediate planting of some 3,500 ha of already identified marginal sugarcane lands (including those in the ex-Tea Belt) with Eucalyptus and alternative species of energy crops. This will generate 5 GWh of energy as from 2025 (year of first harvest) to gradually reach 50 GWh by 2030.
- ❖ Introduction of an **Afforestation Scheme** with a low interest loan would encourage the production of such biomass on a large scale. This will generate 100 GWh of bioelectricity by 2030.
- ❖ The collection of some 25,000t to 40,000t of domestic and industrial waste consisting of trees, shrubs, greeneries, wooden pallets, wood poles used in construction, etc. These sources will generate around 80 GWh yearly as from 2025. The NBF foresees the emergence of new SMEs for this

activity and recommends that facilities in terms of loans with low interest rates be provided to them for the collection, processing and storage of such waste and the purchase of equipment for wood chipping stations.

- ❖ The collection of invasive species from some 8,000 ha of State Forest and Conservation areas and Parks. This is expected to generate around 5 GWh of electricity as from 2028.

### **Pricing of sources of biomass**

- Bagasse - the price to be maintained at MUR 3.50/kWh as per Government decision as from the Budget 2021/22.
- Baled trash from mechanically harvested cane delivered at IPP gate - to be capped at MUR 3.50 /kWh at par with bagasse
- Ready for combustion woody biomass delivered at IPP gate - to be capped at MUR 3.50/ kWh at par with bagasse

All the combustibles have been brought *at par* as they would be burnt in the same boilers.

The Ministry of Energy and Public Utilities considered that it will not be prudent to consider the estimates of the National Biomass Framework (based on potentials of each biomass) in energy planning scenarios to ensure continuity and security of electricity supply by CEB. Subsequently, an Inter-Ministerial meeting between the

Hon. Ministers of Energy and Public Utilities and Hon. Minister Agro-Industry and Food Security was held in February 2023 followed by two technical meetings in presence of MEPU, MoAFS, MCIA and CEB to discuss on pertinent issues with regards to the proposed National Biomass Framework which was mandated to propose a more conservative potential of local biomass, thus ensuring long-term energy planning by CEB.

- ❖ Electricity produced from bagasse would be kept at the revised target of 190 GWh for 2023 and 2024. Thereafter, there will be a gradual increase of bagasse-based electricity up to 371 GWh by 2030. The amended target of 371 GWh by 2030 would represent 11% of renewable energy from sugarcane biomass sources in the electricity mix of the country.
- ❖ the MCIA will be assigned the responsibility to ensure that 582 GWh can be produced from local biomass sources as per the potentials of the National Biomass Framework
- ❖ the cost of Bagasse Dryer will not be passed on cost to customers

As for the Ministry of Finance Economic Planning and Development, which was consulted on the overall financial

implications associated with the implementation of the National Biomass Framework, this Ministry has informed that it has no financial objection for the payment of remuneration to planters for On 26 May 2023, Government approved the National Biomass Framework for implementation.

cane trash and woody biomass. In addition, the funding for the various schemes and the low interest loans were under consideration for the budgetary exercise 2023/24.



Fig 6. National Biomass Framework

**(d) Registration and payment of a contribution to the MCIA for the importation and sales of sugar on the local market-Provision of the MCIA Act**

As per the Regulation made under section 63 of the MCIA Act in 2012 and subsequent amendment made thereon, every importer of sugar for domestic consumption and industrial usage has to make a contribution of MUR 3.70/kg of sugar to MCIA. Furthermore, Government has increased the import duty from 80% to 100% on all imported sugars for domestic consumption to render such sugar less competitive vis-à-vis locally produced sugar.

For the year 2022, 21 companies/importers were registered with the MCIA. The MCIA has received a

total contribution of MUR 114,928,068 from some 31,061.64 Mt of imported /locally produced sugar sold on the local market and which have been used for the payment of pensions for the ex-dockers. To ensure that the sugar imported for local consumption is of good quality and fit for human consumption, the following important documents are required by the Policy and Planning Unit of MCIA from importers:

- i. A certificate of analysis of the sugar; and
- ii. A health certificate.

The importers are also requested to submit to the MCIA a copy of the import documents for scrutiny by the Policy and

Planning Unit of the MCIA. Upon satisfactory verification of the documents by Mr. D. Nursimulu, the Financial Operations Officer/Senior Financial

Operations Officer, the MCIA accepts the payment of the contribution of MUR 3.70/kg of sugar.

	2022-2023	2021-2022
No. of importers of sugar registered with the MCIA	21	21
Tonnage of sugar for sale on local market	31,061.64 Mt	35,060 Mt
Contribution received from imported and locally produced sugar	MUR 114.9M	MUR 129.7 M

#### (e) **Métayers -Provisions of the SIE Act**

In line with the agreement reached between the Ministry of Agro-Industry and Food Security (MoAIFS) representing Government and MSPA in 2010, the MCIA requested sugar estates to implement provisions of the agreement. This agreement made provision for the possibility for a métayer to buy the land under cane cultivation if it is considered as non-strategic or an alternative plot of land if the land occupied is considered as being strategic by the owner estate. The final price will include a discount of 35% as per the provision of the said agreement.

The Policy and Planning Unit of the MCIA is acting as a facilitator regarding the implementation of the provisions of the agreement. For the Crop 2022, Constance La Gaiete (CLG) Co. Ltd and Alteo have submitted their requests to the MCIA for the sales of métayers land to their métayers. MCIA has made arrangements with the Ministry of Agro-Industry and Food Security to request the Government

Valuation Office to proceed with cross-valuation of the land based on the valuation report submitted by CLG Co. Ltd.

#### **Other components**

##### **Electricity Generation from Independent Power Producers**

In 2022, electricity generation increased by 4.2% from 2,992.1 GWh (257 ktoe) in 2021 to 3,119.2 GWh (268 ktoe), of which 80.8% (2,520.8 GWh or 216 ktoe) was generated from non-renewable sources and 19.2% (598.4GWh or 51.45 ktoe) from renewable sources.

The Independent Power Producers produced around 46.3% of the total electricity generated and the Central Electricity Board produced the remaining 53.7%.

From 2021 to 2022, sales of electricity increased by 6.9% from 2,524.3 GWh to 2,698.1 GWh and the average sales price was MUR 5.85 per kWh.

### Electricity Generation from Bagasse

Bagasse production is following a similar trend to cane production which has declined from 5 million t cane in 2000 to 2.255 million t canes in 2022. With the declining trend in bagasse production the

amount of electricity produced from bagasse has declined from 274 GWh in 2000 to 178 GWh in 2022. This decline was also due to the temporary stop order of electricity export by Terragen Ltd. in 2022.

	<b>Tonne Cane crushed-crop 2022</b>	<b>kwh Exported crop 2022</b>	<b>kWh/t cane</b>
Terragen Ltd	687,241	40,761,028	59.31
Alteo Energy	824,891	57,927,077	70.22
Omnicanne	742,914	80,146,575	107.88
<b>Total/Average</b>	<b>2,255,046</b>	<b>178,834,680</b>	<b>79.30</b>

	<b>Alteo Energy Ltd</b>			<b>Terragen</b>		
	<b>kWh from trash</b>	<b>Tonnes cane trash</b>	<b>kWh / t trash *</b>	<b>kWh from trash</b>	<b>Tonnes cane trash</b>	<b>kWh / t trash</b>
2017	1,100,000	1943	566	7,561,385	7,433	1,017
2018	3,900,000	6370	612	7,730,212	8,154	948
2019	1,489,807	4379	340	9,003,956	9,639	934
2020	6,000,000	3968	1512	4,106,101	4,171	985
2021	0			6,103,355	6,200	984
2022				6,810,473	7,191	947

<b>Financial Year June 2022</b>	<b>kwh Exported</b>
Terragen Ltd	160,087,288
Alteo Energy	112,247,306
Omnicanne (La Baraque)	421,263,578
Omnicanne St Aubin	223,858,644
<b>Total</b>	<b>917,456,816</b>



## Environment Issues of the Sugar Cane Cluster- Air Pollution Monitoring System

### Air Pollution Monitoring Unit

The MCIA in addition to providing support to the sugarcane industry in Mauritius, offers air pollution monitoring services through its Air Pollution Monitoring Unit.

The test results allow clients to demonstrate compliance with national environmental standards. However, with rising concerns on the quality of breathing air, stricter regulations will be enforced around the world and including Mauritius, where currently our air quality is regulated by the Environmental Protection (Standards for Air) Regulations 1998, under the Environment Protection Act, (1991).

To be able to meet the upcoming air standard requirements, we shall need faster and more sensitive equipment to analyze for a wider range of air contaminants, and at lower levels. To this end, the analytical capability of the Air Pollution Monitoring Unit is being completely renewed and improved through the acquisition of equipment based on new technologies for the monitoring of ambient air, indoor air, and stack gaseous/particulate emissions.

During the time frame August 2022 to June 2023, the Air Pollution Monitoring Unit has acquired an NO<sub>x</sub> analyzer based on chemiluminescence to measure NO<sub>x</sub> in ambient air; an MP101M analyzer using the beta ray radiation attenuation technology to determine Total Suspended Particulates (TSP) and Particulate Matter PM10 and PM2.5 in ambient air; and a Micro Emission Analyzer which uses electrochemical sensors for measuring residual O<sub>2</sub>, CO<sub>2</sub>, CO, SO<sub>2</sub> and NO<sub>x</sub> in stack gaseous emissions.



Fig 7. (a) TSP/PM10/PM2.5 analyzer, (b) hand held Micro Emission analyzer

For the period July 2022 - July 2023 the total number of tests carried out was 78 as illustrated in Table 37.

**Table 37. Number of tests performed during the past 5 years**

Parameters tested	Number of tests performed over 12 months period				
	2018 (Jul 2018 to June 2019)	2019 (Jul 2019 to June 2020)	2020 (Jul 2020 to June 2021)	2021 (Jul 2021 to June 2022)	2022 (Jul 2022 to June 2023)
<b>Stack emissions</b>	78	48	39	31	2
<b>Particulate matter</b>	73	-	-	1	2
<b>Ambient air quality</b>	45	31	56	86	65
<b>Indoor Air Quality</b>	25	16	23	-	9
<b>Total</b>	238	110	140	136	78

One of our regular clients for both ambient air and stack emission monitoring, Terragen, was not in operation during the period December 2022 to May 2023, thus

explaining the overall lower number of tests conducted from July 2022 to June 2023.

Activities related to the Multi Annual Adaptation Strategy (MAAS) (2006 - 2015)  
During the course of the year 2020 to June 2022 the following activities continued under the projects related to MAAS plan:

- Project 1: Centralization of sugar factories-Sugar factory closure as per Blue Print
- Project 2: Socio-Economic Projects in favour of Employees of the Cane Industry
- Project 3: Phasing out of Sugar Camps



**Project 1: Centralization of sugar factories -*Sugar Factory closure as per Blue Print***

The progress on monitoring of factory closure conditions for the period 2017 to June 2023 is tabulated below:

<b>Table 38. Factory Closures and progress</b>						
	<b>Closed Factories in 2006</b>	<b>Disbursement of Fund from EU to meet Cash Compensation to Beneficiaries</b>	<b>Disbursement of Planters Fund</b>	<b>Handing over of Title Deeds to Beneficiaries</b>	<b>Erection of 150 m<sup>2</sup> fertilizer store or multipurpose building</b>	<b>Road Infrastructure</b>
1.	St Felix closure in 2006	√	√	√	*	√
2.	Riche En Eau closure in 2007	√	√	√	*	√
3.	Mon Desert Mon Tresor closure in 2007	√	√	√	*	√
4.	Mon Desert Alma closure in 2008	√	√	√	Site visits effected for selection of site	√

<b>Table 38. Factory Closures and progress (contd.)</b>						
	<b>Closed Factories in 2006</b>	<b>Disbursement of Fund from EU to meet Cash Compensation to Beneficiaries</b>	<b>Disbursement of Planters Fund</b>	<b>Handing over of Title Deeds to Beneficiaries</b>	<b>Erection of 150 m<sup>2</sup> fertilizer store or multipurpose building</b>	<b>Road Infrastructure</b>
5.	Union St Aubin closure in 2011	√	Overdue MUR 6M not yet settled by Omnicane	√	*	√
6.	Mon Loisir closure in 2012	√	√	√	pending	√
7.	Deep River Beau Champ closure in 2014	√	√	√	pending	√
8	Medine closure in 2019	No EU fund. Payment was made to beneficiaries by Medine Ltd. √	√ A total payment of MUR12 M was made by Medine Ltd	√	√	Not required

Note:√ means completed

\* one of the two earmarked site in progress

### **Planters' Fund**

Following the closure of the Medine Sugar Factory as from crop 2019, a last tranche of the payment of the Medine Planters Fund for the sum of MUR 3 M was awaited.

The total payment received from Medine Ltd amounted to MUR 12 M for the Medine Planters' Fund.

### **Fertilizer Store/Multipurpose Complex**

With regard to the erection of fertilizer stores or multipurpose complexes, there was in principle an agreement that for all the closures that have occurred in the South, OMOL will provide fertilizer stores at two sites namely Plaine Magnien and Britannia. The land conversion Committee at the Ministry of Agro-Industry and Food Security had in March 2023 received clearances from Authorities for the site at Plaine Magnien.

For the site at Britania, Omnicane has informed MCIA that it will start applications for the permit from the District Council in the month of October 2023.

In the context of closure of Mon Loisir sugar factory, MCIA wrote a letter on 12 May 2023 for Terra Milling Ltd to propose sites for the fertilizer stores. MCIA has not yet received any proposal and is following up with Terra Milling Ltd.

For the Mon Desert Alma sugar factory closure, the cane receiving mills namely Alteo Milling has carried out site visits in the presence of MCAF. The proposed site is being awaited and yet to be finalized between MCAF and Alteo Milling Ltd.

In the context of the closure of Deep River Beau Champ sugar factory, Alteo Milling Ltd has yet to propose a site for the development of the multipurpose complex which will be vested to the MCIA as per the conditions of the Blue Print Package.

With respect to closure of the Medine sugar factory, the fertilizer store has been completed. As at July 2023, procedures have been initiated by Medine Ltd to vest the land and building to MCIA as per the conditions of closure.

No application for closure of sugar factories was reported for the year. The last factory that closed down was Medine as from crop 2019.

**Project 2: Socio-Economic Projects in favour of Employees of the Sugar Industry -VRS/ERS/Blue Print (Monitoring undertaken by Policy and Planning Unit of the MCIA) Morcellement developed by Medine Ltd at VRS Geoffrey Bambous employees' site:**

The Morcellement VRS at GEOFFREY in Bambous was issued a Morcellement permit and the Company had developed the site as per the Govt Authorities prior to a Court Case between UBP and Beaux Songes Development Ltd.

In 2011, United Basalts Products Ltd. lodged an objection to the Environment and Land Use Appeal Tribunal against the Environment Impact Assessment Licence granted to *the Beau Songes Development Ltd* for a residential morcellement project within the 1km buffer zone of its stone crushing plant at Bambous.

The matter was subsequently brought to the Supreme Court and ultimately to the Privy Council by the Beau Songe Development Ltd.

In its judgment, the Privy Council supported the decision of the Supreme Court which was in favour of United Basalt Product Ltd and concluded that the 1km

buffer shown in the Black River Outline Scheme around the existing stone crushing plant was 'prescriptive'. This judgement implies that no new sensitive land uses such as residential, health and educational facilities are to be allowed within the 1 km buffer zone.

Thereafter, District Council is not issuing any construction permit to all those who are in the buffer perimeter of 1 km from the UBP site.

As per the Judgment of the Judicial Committee of the Privy Council, no construction permit within that buffer zone of 1 km is thereby being entertained.

The outline of the planning scheme of Black River and planning Policy Guidance of Mauritius, all residential development within the 1 km buffer zone of an existing crusher plant is not allowed. There are some VRS beneficiaries are not having their Building and Land Use Permit as their VRS plots are in the 1km buffer of the stone crusher plant.

MCIA has raised this matter at the level of several authorities to find a way forward so that the district council issues BULP to the VRS beneficiaries.

**Table 39. Details of Title Deeds handed over to VRS beneficiaries under VRS 2001**

SN	Company Name	Site No.	Site location	No. Of beneficiaries.
1	Cie Sucriere de St Antoine	1	St Antoine	226
2	Mon Desert Alma Ltd	1	Beau Bois	9
		2	L'Avenir	266
		3	L'Assurance	51
		4	Valetta	111
3	SLDC(Now Landscape)	1	Cote D'Or	43
		2	Highlands	363
4	The St Andre SE Co Ltd	1	Morc. St Andre	29
5	Cie Suc. De Mon Songe Ltee	1	Pont Praslin	22
6	Soc. Rouillard Freres & Cie	1	Pavillion, Cap Malheureux	79
7	Constance & La Gaiete Sugar Estate	1	Plaine Des Gersigny	414
8	Medine SE Co Ltd (Phase 1)	1	Bambous (1)	316
		2	Bambous (2)	78
		3	La Confiance, Beau Bassin	84
		4	La Marie, Henrietta	230
		5	Cascavelle	43
9	Savannah SE	1	Plein Bois	61
		2	New Grove	67
		3	Mare Tabac	45
		4	Riv Du Poste	8
		5	Camp Diable	71
		6	L'Escalier	160

**Table 39. Details of Title Deeds handed over to VRS beneficiaries under VRS 2001**

SN	Company Name	Site No.	Site location	No. of beneficiaries.
10	Rose Belle SE	1	Morc. Orchidee	91
		2	Chimney Road, U. Park	112
		3	Baitka Road, Union Park	141
		4	Gros Billot, New Grove	174
11	Cie De Beau Vallon Ltee	1	Ville Noire, Mahebourg	401
		2	St Henry, St Hilaire	22
		3	Grand Bel Air (Phase 1) Grand Bel Air (Phase 2)	92 67
12	Cie Agricole De Mount Ltd	1	Mont Gout	46
		2	Petite Julie	74
		3	D'Epinay	122
13	Mon Tresor SE	1	La Rosa	42
		2	Plaine Magnien	250
		3	SITLH- Trois Boutiques	87
14	Medine SE (Phase 2)	1	Cascavelle	43
		2	La confiance, Beau Bassin	23
		3	Pousson, La Marie	20
		4	Pousson, Camp Mapou	20
15	Bel Air SE Ltd	1	Riv Des Anguilles	90
16	DRBC Ltd	1	Deep River	52
		2	Riv Des Creoles (a)	163
			Riv Des Creoles (b)	34
		3	La Lucie (a)	393
			La Lucie (b)	3
		4	Belle Rive (Kewal Nagar)	106
5	Camp Des Pecheurs	95		

<b>SN</b>	<b>Company Name</b>	<b>Site No.</b>	<b>Site location</b>	<b>No. of beneficiaries.</b>
17	The Mount SE (CAM Ltd)	1	Mont Gout	20
		2	D'Epina	37
18	Cie Sucriere De Mon Choisy Ltee	1	Mon Choisy	91
19	Harel Freres Ltd	1	Cottage	96
		2	Bois Mangues	131
		3	Maison Blanche	164
		4	Baichoo, Pte Aux Piments	70
		5	L'Amitie	93
20	Britannia SE & Benares SE	1	Batimarais	29
		2	Nouvelle France	49
		3	Grand Bois	178
		4	Britannia (St Avold)	156
21	Fuel	1	Bel Etang	244
		2	Camp De Masques	118
22	Fuel	1	Bramsthan	244
		2	Lallmatie	184
23	Union SE	1	Rte Barkly, Souillac (Portions 1&2)	265
24	St Aubin (Ex Cascades Ltd)	1	St Aubin, Riv. Des Anguilles	165
25	Soc. De Gerance Mon Loisir	1	Schoenfeld, P. d'Or Hamlet	147
		2	Gokhoola	117
26	Cie Suc. De Bel Ombre Ltd	1	La Gaulette (a)	30
			La Gaulette (b)	55
		2	Beau Champ, Bel Ombre	131
				8 353

### **(b) Progress of Voluntary Retirement Scheme 2007- From 2007 to 2023**

The sugar Industry Efficiency Act 2001 was amended in 2007.

**Table 40. Status on Title deeds handed for VRS 2007**

YEAR	No. of beneficiaries
2007-2014	6734
2014-2019	
2019-2023	318
For 2 Sites not ready	161

For VRS 2007, it is to be noted that up to 2014 there had been few official handing over of title deeds ceremonies in the presence of the Hon. Ministers of Agro-Industry and Food Security and Members of National Assembly. Most of the title deeds were handed over to VRS 2007 beneficiaries by the Management of Sugar Estates, in some cases in the presence of the MSA / MCIA and sometimes in the presence of officials of MOA.

In many cases, as and when title deeds were registered and transcribed, the title deeds were handed over as per the exigencies of the beneficiaries who were not willing to attend any ceremony.

#### **Palma VRS employees' site for Medine Ltd.**

- Infrastructure works have restarted in the month of May 2023 and is expected to be completed by August 2024 depending on the weather. The company will need extension of time from the Morcellement Board.
- There is a court case with regard to land allocation



**Fig 8. Infrastructure Works in progress at VRS Palma Employees Site – June 2023**

### **Kahin VRS employees' site for Cie. De Gros Cailloux Ltée**

The Company has completed all the infrastructure works to the satisfaction of the government authorities and is waiting for the final clearances from CWA and TMRSU to proceed with preparation of title deeds.

MCIA has requested Cie. de Gros Cailloux Ltée to submit CWA Location Plan and site Plan as early as possible.

The company has also to liaise with TMRSU with regard to road signs. The initial road sign fixed on the site had been stolen.

There is a court case by retired workers prior to the application of VRS.



Fig 9. Infrastructure works completed at Cie. De Gros Cailloux Ltee

### **The Saint Félix Sugar Estates Co. Ltd VRS 2007-Site Riambel**

The Saint Félix SE. Co. Ltd was set up in year 1831 and The St. Félix Sugar Factory was closed in year 2005 under the Blue Print scheme.

All 115 employees terminated their contracts of employment under the conditions of the eleventh schedule of the SIE Act.

The handing over of official title deeds was done on 1 March 2023 for 20 beneficiaries and the 95 VRS beneficiaries received their title deeds on the 2 March 2023 at the MCIA head office, Reduit.

**(c) Main differences between eleventh Schedule SIE Act on VRS 2001 and VRS 2007**

Table 41. Main difference between eleventh Schedule SIE Act on VRS 2001 and VRS 2007		
S.N	VRS 2001 Eleventh Schedule	VRS 2007 Eleventh Schedule
1.	<p>Determination of F (F is the formula for the number of months of compensation payable per year of service)</p> <p>(a) Female Agricultural Worker of 50 years or more.</p> <p>(b) Male agricultural or non-agricultural worker of 55 years or more.</p> <p>All other cases including staff:                      First 5 years of service : 1.50                      Next 10 years of service : 1.25                      Next 10 years of service : 1.00                      Remainder of service : 0.75</p>	<p>Determination of F (F is the formula for the number of months of compensation payable per year of service)</p> <p>Female agricultural or non-agricultural Worker – of the age of 45 or over; or reckoning not less than 25 years of service.</p> <p>Male agricultural or non-agricultural worker – of the age of 50 or over; or reckoning not less than 30 years of service.</p> <p>All other cases including staff: 1.5</p>
2.	<p>Land Entitlement</p> <p>Female agricultural worker of 50 years or more.</p> <p>Male agricultural or non-agricultural worker of 55 years or more.</p> <p>All other cases including staff.</p>	<p>Land Entitlement</p> <p>Female agricultural or non-agricultural worker – Of the age of 45 or over; or Reckoning not less than 25 years of service.</p> <p>Male agricultural or non-agricultural worker – of the age of 50 or over; or reckoning not less than 30 years of service.</p> <p>All other cases including staff.</p>
3.	Voluntary Retirement Scheme	Voluntary Retirement Scheme or an Early Retirement Scheme
4.	No Training Scheme	Training Scheme: The planter, miller, service provider or any other relevant company undertaking a VRS or an ERS shall dispense, where a worker or employee has signified his acceptance in writing in respect of an offer for a VRS or an ERS, a training scheme, in collaboration with the Mauritius Sugar Authority, to the worker or employee 2 months prior to the voluntary termination of his contract of employment

Table 42. Title deeds handed over through official ceremonies - Period 2019 up to June 2023

Sugar Company	Site	No. of Beneficiaries	Date of ceremony	Scheme
Mon Loisir	La Clemence	131	Sep.2019	Blue Print
Mon Loisir	Piton	69	Feb. 2021	VRS
Medine	Bambous	115	Aug.2021	VRS
Mon Loisir	B.V.Maurel	21	July 2021	Blue Print
Alteo Fuel	Bonne Mere	124	Oct. 2021	Blue Print
St.Felix	Chemin Grenier	134	March 2023	VRS
	Total	594		

### Rose Belle Sugar Estate Board (RBSEB)

RBSEB had initially applied for VRS as per SIE Act 2007 and actually the company is seeking funds for the implementation in two phases. The company has the intention to implement the first phase before the end of September 2024 and the second phase by June 2025.

Table 43. Statistics on VRS 2007-VRS 2012

Total VRS beneficiaries 2007 up to 2012	6617
Total VRS beneficiaries in 2012 (including Palma Site where infrastructure works are ongoing for 118 beneficiaries)	553
Total VRS beneficiaries in 2016 - for Cie de Gros Cailloux Ltee (No VRS was offered during years 2013 to 2015)	43
Total Number of 2007 VRS employees' sites completed as at June 2023	69
Total number of 2007 VRS employees' sites not completed around the island as at June 2023	2
Total number of Title Deeds handed over to VRS 2007 beneficiaries as at June 2023	7052
Total number of Title Deeds not yet handed over to 2012 and 2016 beneficiaries as at June 2023 (Medine Ltd - Palma Site and Cie Gros Cailloux Ltee - Kahin Site)	161



**Fig10. Photo of the VRS site Proposed and agreed by potential VRS beneficiaries**

**(d) Blue Print on Centralisation of Sugar Milling Operations in Mauritius**

**Table 44. Dates title deeds handed over to beneficiaries of Blue Print Scheme**

S.N	Sugar Factories	Date Closed	Sites	No. of beneficiaries			Title deeds handed over /implemented
				Workers (Artisan)	Staff	Total	
1	Reufac	1985	No Blue Print				Before 2001
2	Solitude	1985	No Blue Print				Before 2001
3	St. Antoine	1994	Balgobin Report				Before 2001
4	Mount	1995	Blue Print				Before 2007
5	Constance	1997	Blue Print				2001
6	Beau Plan	1999	Blue Print				2001
7	Bel Ombre	1999	Blue Print				2001
8	Rose Belle	2001	Blue Print	148	0	148	2007
9	Highlands	2002	Blue Print	144	11	155	2007
10	Britannia	2003	Blue Print	127	7	134	2007
11	St.Felix	2007	Chemin Grenier	135	9	144	2014
12	Omnicanne(Riche En Eau)	2007	Ville Noire	150	13	163	2014
13	MDA	2007	Circonstance, St Pierre	164	0	164	2014
			Verdun	29	0	29	2014
14	Mon Tresor	2007	Memoire(P.Magnien)	116	11	127	2014
			Desplaces				2014
15	Omnicanne Union St Aubin	2010	Riv. Des Anguilles	135	14	149	2014
16	Mon Loisir	2012	Gokhoola	178		178	Feb 2017
			Poudre d'or Hamlet				2018
			La Clemence				Sep 2019
			Belle Vue Maurel				July 2021
17	DRBC	2014	Queen Victoria	18	0	18	Nov. 2018
			Bel Air	26	0	26	March 2019
			Riv. Des Creoles	9	0	9	Feb. 2020
			Bonne Mere	126	0	126	October 2021
18	Medine	2019	Casela	100	7	107	Avril 2023

A few title deeds are pending at the level of the company notary due to missing documents of the beneficiaries or the heirs of the deceased beneficiaries.

### **Medine Sugar Factory Closure - Handing Over of Title deeds**

The Medine Sugar Milling Ltd made its application on 26 September 2018 for the closure of Medine Sugar Factory.

All infrastructure works were completed in 2022.

Upon receipt of Morcellement Permit on 02 December 2022, title deeds were prepared by company notary and vetted by the Policy Planning Unit of the MCIA. Title deeds were signed on 28 February 2023 and handed over on 7 April 2023 to all employees/staff and heirs of deceased workers at Medine in the presence of MCIA



**Fig 11. Title deeds - Blue Print Beneficiaries – Site Casela**

**(e) Court Cases/Disputes in the cane industry in presence of MCIA Policy and Planning Unit**

**Table 45. Summary of Court Cases / Disputes in Cane Industry**

S.N	Sugar Company	Site	Status
1	Medine Ltd.	Palma	<p>Infrastructure works have restarted in May 2023 after receipt of amended Letter of Intent and EIA.</p> <p>Some beneficiaries have lodged a court case to know by when they will benefit from their land compensation.</p> <p>MCIA has submitted all required information at the level of MOAIFS and SLO.</p> <p>The infrastructure works will be completed by August 2024 depending on weather.</p>
2	Cie. De Gros Cailloux Ltée	Kahin-P.Rivière	All retired employees between the date of enactment of SIE Act up to the date of approval of VRS in 2016 at the company are claiming that they should also benefit from VRS.
3.	St. Felix SE Co. Ltd.	Riambel	44 Ex- workers of St. Felix SE Co. Ltd terminated Voluntarily their contract of employment before the SIE ACT. This is not a VRS Case. These ex-workers are not willing to pay the amount proposed by the company for the land. Case fixed for Arguments on 16 January 2024.
4.	Bel Air Agricultural Limited (BAAL)	Cash in Lieu of Land and Cash Compensation	The 26 employees have received their compensation as per the agreement of the Early Termination of Contract Employment Scheme whereas the remaining 13 employees are still waiting for their compensation.
5	Cie Sucrière de Bel Ombre Ltée	Cash in Lieu of Land and cash compensation	The plaintiff contends that he should have benefitted from VRS package. Case settled on 8 June 2023.

## **Disputes**

Twelve ex-employees of Mauritius Sugar Syndicate have entered a dispute at the Level of the Ministry of Labour, HRD & Training.

Nineteen workers are not agreeable with the compensation proposed to them.

In the Sugar Industry there are often industrial dispute and court cases in the presence of The Policy Planning Unit (PPU). They are attended by Mr. R. Gutteea, Project Operations Executive with regard to HR matters and on agreements that have been signed by unions and sugar companies.

Mrs. K. Cahoolessur, Manager of PPU also attends court cases and other disputes related to FORIP planters etc. There is one ongoing case at the court regarding one FORIP planter.

Mr. D. Nursimulu, Financial Operations Officer/ Senior Financial Operations Officer at the Policy Planning Unit assists in the financial matters involved.

Whenever there has been the request, the Policy Planning Unit does its maximum: To settle as far as possible in an amicable manner the disputes between employees and employers of the cane industry

To attend disputes at the level of the Ministry of Labour, Human Resource Development & Training regarding the 11<sup>th</sup> Schedule of SIE Act

Submit clarifications to the Human Rights Commission and Office of the Ombudsman Attend to queries at the level of Ministry of Social Security and National Solidarity with regard retired employees having

terminated their contract of employment under the VRS/ERS/Blue Print to pension issues and loss of documents (Quittance)

## **(f) Public Relations in the Sugar Industry**

As and when the sugar cane planters meet difficulties concerning registration, plantation, replantation and harvest, the Policy Planning Unit direct them to the authorities concerned.

## **(g) Early Termination of Contract of Employment Scheme (ETCES)- Bel Air Agricultural Limited (BAAL)**

### **Early Termination of Contract of Employment Scheme (ETCES)**

On 10<sup>th</sup> December 2019, an agreement was reached between BAAL and the Artisans and General Workers Union/ Sugar Industry Labourers Union regarding the implementation of an Early Termination of Contract of Employment Scheme for 26 employees at first instance and other 13 remaining ones.

The 26 employees have received their compensation as per the agreement whereas the remaining 13 employees are still waiting for their compensation.

A provision has been made in the said agreement for BAAL to recoup the cost incurred during the implementation of the ETCES but no provision is made in the law namely in the Sugar Industry Efficiency Act on how the company will be eligible to recoup the costs incurred under the ETCES.

The remaining thirteen employees of BAAL are waiting for their compensation. MCIA has informed the concerned authorities on this issue and the advice of State Law Office for action.

- Project 3: Phasing out of Sugar Camps (POC)

On 20 December 2017 an official ceremony was held to wind up the Phasing Out of Sugar Camps project. The winding up of the ceremony was organised to settle the 71 beneficiaries of Omnicane Ltd., Cie. de Beau Vallon Ltée. and that of twelve beneficiaries of St Aubin Ltée.

There were a few cases that are pending at the Level of Omnicane Ltd for three cases, Mon Choisy SE regarding 2 cases and Terra at Solitude for two cases. MCIA has liaised with Omnicane Ltd, Mon Choisy SE and Terra to finalised these cases.

The sugar companies having implemented the POC have been requested by PPU of the MCIA to submit the status on beneficiaries who have been allocated land under POC and who have not yet moved to the newly developed sites allocated to them.

During the implementation of VRS/ERS/Blue Print in 2007 there was a meeting at the level of MSA with all sugar companies that implemented these schemes and POC project. It was decided that all sugar companies would submit the status of sites on completion of the schemes in the presence of ex-MSPA. In case there would be any surplus plots of land on the employee's sites after completion of the above schemes, the ex-MSA (now MCIA) would take decisions concerning these plots and the sugar companies would be apprised accordingly. In October 2017 MCIA had decided on the conditions of disposal of surplus plots of land as stipulated hereunder. The decision

was communicated by the PPU to all sugar companies:

**(a) Refund of infrastructural cost to MCIA**

For Phasing out of sugar camp scheme, the sugar companies concerned should pay an amount of MUR 300,000 (three hundred thousand rupees) to the MCIA for each plot to be disposed of; and

For VRS, ERS, Blue Print scheme: -

For sugar companies which had not exhausted their Land Conversion Rights, necessary adjustments would have to be made; and

For sugar companies which had exhausted their Land Conversion Rights, an amount of MUR 300,000 (three hundred thousand rupees) for each plot of land would have to be paid to the MCIA.

The PPU monitors the process and contributions involved.

**(b) Persons eligible to acquire surplus plots**

All persons with whom the company had an agreement, with evidence as at December 2016 and MCIA having been informed;

Land will not be sold to those employees who have already benefitted from plots of land under the VRS/ERS/ Blue Print and POC scheme; and.

Land to be sold by sugar companies to existing permanent employees in the Cane Industry after having refunded the amount of MUR 300,000 (representing the infrastructural cost) to the MCIA.

Following a query received by MCIA on surplus plots, the MCIA issued a letter on the subject matter on 30 November 2022 to all sugar companies concerned requesting them to submit the following information on each surplus plot:

The name of the company having implemented the above scheme(s) and the scheme concerned;

Original certified site location plans of the Morcellement where surplus plots of land are found;

Morcellement Permit Reference and date of issue;

Plot Number;

Extent; and

Parcel Identification Number (PIN).

The sugar companies have also been requested by MCIA to indicate the actions, if any, being taken to proceed with the sale of the surplus plots and as well to submit details of the surplus plots as per an attached template that have been forwarded to them

The sugar companies were requested to submit the information by Friday 30 of June 2023.

The companies have requested some more time up to end of July 2023 to submit the required information.

**Sale of Surplus Plots - Contribution made to MCIA**

As at June 2023 the undermentioned companies have paid an amount of MUR 300,000 (three hundred thousand rupees) to the MCIA for each plot that has been sold:

Mon Choisy SE	- 2 Plots	- POC
St. Felix SE. Co. Ltd	- 10 Plots	- VRS

### Companies in negotiation with MCIA and interested to sell their Surplus plots

Alteo Agri Ltd -Mon Loisir SE	- 1 Plot	- VRS
Alteo Agri Ltd- DRBC Ltd	- 33 plots	- VRS/ERS
Cie. Usiniere de Mon Loisir-	- 1 Plot	- Blue Print
Alteo Milling Ltd- DRBC Mill	- 2 Plots	- Blue Print
Terragri Ltd. (The Beau Plan SE Co. Ltd)	- 8 Plots	-VRS 2001
Site- Bois Mangues- Plaine des Papayes		
Terragri Ltd. (The Beau Plan SE Co. Ltd)	- 6 Plots	-VRS 2007
Site – Maison Blanche- Pamplémousses		
Terragri Ltd (The Beau Plan SE Co. Ltd)	- 6 Plots	-VRS 2007
Site- Bois Mangues- Plaine des Papayes		
Terragri Ltd (The Beau Plan SE Co. Ltd)	- 6 Plots	-VRS 2007
Site – Mon Gout		

### **Allocation of Land to NGO'S/Religious Bodies by Sugar Companies under VRS Blue Print Schemes /Elimination of Phasing out of Sugar Camps project**

In the interest of all stakeholders MCIA has indicated to the sugar companies to provide a list of Federations/NGOs to which land has been allocated and will and/or will be allocated as per agreement while implementing the socio-economic schemes

#### *Mon Loisir SE/ Le Bois Morand Ltd*

##### The Mon Loisir Dravida Sangham

The Dravida Sangham has a temple since 1954 on a plot of land of 25 Perches previously owned by Mon Loisir SE now under Le Bois Morand Ltd. During the relocation of the ex-workers of sugar camp to a new site, it was agreed by MSA and MSPA that the sugar estate should donate the plot of land to the Sangham through a title.

##### Omnicanne

MCIA had meetings with Omnicanne with regard to the request of the undermentioned associations:

Village Council of Camp Carol

Mauritius Telegu Maha Sabha

Telegu Temple of Mon Tresor

Mauritius Tamil Temple Federation

Union Ducray Kovil

## Ferney Sugar Estate - Land Occupation by former employees

On 23 May 2022, MCIA was invited at a meeting at the Ministry of Housing and Land Use Planning to explore possible options for the former employees of Ferney SE occupying land of the company after the passage of cyclone Carol in 1960 to obtain their title deeds.

The plots of land are situated at Grand Port (two sites), Bois des Amourettes, Anse Jonchée and Bon Espoir-Riviere des Creoles

Number of Potential Beneficiaries per site:

Old Grand Port	-	45
Anse Jonche	-	12
Bon Espoir	-	8
Total families	-	65



Fig 12. Site Visit in connection with the Land allocation – MCIA ‘PPU’ with all stakeholders

MCIA inputs were submitted to the ministries on the way forward for the former employees of Ferney SE to have their title deeds legally.

In April 2023 actions have been taken to facilitate the task of all stakeholders for sale of land.

*Legal Supplement  
to the Government Gazette of Mauritius  
No.43 of 20 May 2023  
Government Notice No. 65 of 2023*

**THE MORCELLEMENT ACT**

*Regulations made by the Minister under  
section 10(2) of the Morcellement Act  
These regulations may be cited as the  
Morcellement (Amendment of Schedule)  
Regulations 2023*

*The First Schedule to the Act is amended by  
adding the following new paragraph, the  
full stop at the end of paragraph (i) being  
deleted and replaced by a semicolon-*

*(j) a sale, at a nominal price, of a plot of land  
belonging to a miller or ex-miller, to his  
worker, ex-worker or the heir of the worker  
or ex-worker, and on which land stands a  
residential unit occupied by the worker, ex-  
worker or the heir of the worker or ex-  
worker, as the case may be*

*These regulations shall come into  
operation on 20 May 2023*

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The Operations & Property Manager of  
Ferney Ltd has informed MCIA that the  
company is liaising with the MOHLUP and  
is in process of finalizing the survey  
report of the land /the title deeds.

Ferney Ltd have agreed to submit the  
names of the persons to whom land will  
be allocated.

**Submission to National Remuneration  
Board on VRS/ERS/Blue Print Schemes**

On a yearly basis, the Ministry of Agro-  
Industry & FS request MCIA to submit  
information on VRS/ERS/Blue Print  
Schemes. Same is transmitted to NRB for  
updating information on the Sugar  
Agricultural Workers and Sugar Non-  
Agricultural Workers Remuneration  
Regulations.

In year 2016, Section 21 of the principal  
SIE Act was amended for MCIA to  
determine, the number of working days to  
be performed by seasonal workers and  
workers employed by Job contractors in  
consultation with the Ministry responsible  
for the subject of Labour, recognised trade  
unions and the employers.

For Crop 2023, Nine (9) Technical  
Committees were held. Mr. R. Guttea  
(Project Operations Executive) and Mr. D.  
Nursimulu (Financial Operations  
Officer/Senior Financial Operations  
Officer) were designated as Chairperson  
and Secretary of the Committee  
respectively.



For Crop 2023 there had been several Technical Meetings and site meetings as indicated in table below:

Table 46. Technical Committee Members on Seasonal Workers for Crop 2023			
Name	Representative of (Institutions)	Status	No. of Meetings Attended
Mr S. Purmessur	MCIA - Chief Executive Officer	Chairperson	1
Mr R. Guttea	MCIA - Project Operations Executive (PPU)	Designated Chairperson	5
Mr S. Damry	Ministry of Labour & Industrial Relations	Member	5
Mr A. D'Unienville	Employers -Sugarcane Growing Companies	Member	1
Mrs K. Veerapen	Employers -Sugarcane Growing Companies	Alternate Member	2
Mr M. Antonio	Employers -Sugar Milling Companies	Member	4
Mr J.L. Caboche	Employers -Sugar Milling Companies	Alternate Member	-
Mrs S. Auffrey Moonien	Employers -Sugar Milling Companies	Replacing Alternate Member	1
Mr P. Ramjuttun	Agricultural Workers (as at 15 June 2023)	Member	2
Mr. A. Subron	Agricultural Workers (as from 16 June 2023)	Member	2
Mr P. Sydamah	Agricultural Workers	Alternate Member	-
Mr L. Dewnath	Non- Agricultural Workers	Member	3
Mrs S. Soobratty	Non- Agricultural Workers	Alternate Member	0
Mr D. Nursimulu	Financial Operations Officer/ Senior Financial Operations Officer (MCIA - PPU)	Secretary	5

Paragraph 12 of SIE (Amendment) ACT 2016 concerning seasonal workers reads as follows:

*Para 12. Section 21 of principal Act Amended*

*Section 21 of the principal Act is amended-*

*By repealing subsection (2) and replacing it by the following subsection-*

*(2) (a) subject to paragraph (b), where an employer has recourse to one or more job contractors, the total number of man-days to be performed in any crop year by-*

*(i) workers employed by the job contractor; and*

*(ii) seasonal workers employed by the employer,*

*Shall be determined by the Mauritius Cane Industry Authority, in consultation with the Ministry responsible for the subject of Labour, recognised trade unions and the employers, on or before 30 April of each year for the following crop year.*

*Where an employer has recourse to one or more job contractors, or intends to employ seasonal workers, he shall, on or before 31 March of each year, inform the Mauritius Cane Industry Authority of the number of seasonal workers he will require for the following crop year.*

*The number of seasonal workers to be required under paragraph (b) shall be determined by the Mauritius Cane Industry authority in consultation with the recognised trade unions and the employers*

*(b) by inserting, after subsection (2), the following new subsections-*

*(2A) For the purpose of this section, the Mauritius Cane Industry Authority shall set up a committee which shall consist of – a representative of the Authority, as chairperson  
a representative of the employer; and  
a representative of the relevant recognised trade union*

During the year 2022/2023 there has been no amendment brought to the above-mentioned SIE ACT 2016.

The MCIA determined the man- days as recommended by Technical Committee (TC) and on 12 May 2023 issued letters to the following thirteen (13) sugar companies.

1	Soc. Rouillard Freres & Cie	8	Cie De Gros Cailloux Ltee
2	Cie. Sucrière de St. Antoine Ltée	9	Ramphul Ltee
3	Bel Air Agricultural Ltd	10	Compagnie du Mapou Ltée Cie Sucriere de Mon Songe
4	The St Felix Sugar Estates Co. Ltd	11	Ltee
5	Sté D'Exploitation Cantin	12	Cie de Mont Choisy Ltee
6	Sté D'Exploitation Versailles	13	Senneville Agricultural Ltd
7	Circonstance Estates Ltd		

- Prior to finalizing the man-days of seasonal labour for the remaining 17 companies, the TC decided that site visits be carried out at some sugar companies to ensure/enquire that permanent field workers are allocated the cane cutting /loading task.

-Technical Committee carried out 15 site meetings with permanent field workers during the month of May 2023 throughout the island.

-MCIA has analysed the man-days for the following remaining 15 companies:

(a) Growing Companies

Omnican Limited (Britannia Garage)

Medine Ltd. (Agriculture)

Constance La Gaieté Co.Ltd.

Terragri Ltd.

Alteo Agri Ltd.

Omnican Ltd. (Mon Trésor)

Omnican Ltd. (Ex- Britannia)

Omnican Agricultural Operations Ltd. (Ex- Benares)

ENL Agri Ltd.

Cie. De Beau Vallon Ltée.

Union Sugar Estate Co. Ltd.

Rose Belle Sugar Estate Board

SIT Land Holdings Ltd.

Domaine de Labourdonnais

(b) Milling Companies

Alteo Milling Ltd

Terra Milling Ltd

Omnican Milling Operations Ltd

- The findings of the site meetings were communicated and discussed at the TC meeting held on 22 June 2023.

### **Case of Landscape (Mauritius Ltd)**

MCIA was convened to Ministry of Labour, HRD & Training regarding a dispute between the Union representing the seventeen Agricultural workers, one Time Keeper and two Sirdars and Landscape (Mauritius) Ltd. MCIA was requested to form part of the Joint Negotiating Panel which included, Landscape (Mauritius) Ltd and Ministry of Labour, HRD & Training on the legal obligations applicable on the laying off of employees of the sugar industry.

### **Land Conversion Rights (Recoup Costs)**

MCIA has the intention to prepare a database on land developed from land conversion rights under the VRS/ERS/Blue Print Schemes.

### **Import of Foreign Labour/ Job Contractor**

The government in the Budget Speech 2022/2023 has announced the following: Streamlining the process for work permit for foreign labour;

The ratio of foreign to local employees is being removed for specific sectors including Construction, Manufacturing, Agriculture and SMEs including Bakery Operations; and

Job contractors will be encouraged to recruit a pool of agricultural workers subject to compliance with conditions such as lodging and accommodation as well as registration of the job contractors.

MCIA has been called upon by the Ministry of Agro-Industry & Food Security to work

out the modalities for job contractors for agricultural workers and to submit a consolidated paper after consultation with all stakeholders.

A preliminary outline of the issues under consideration has been submitted to the parent Ministry.

At a first instance the undermentioned institutions will be convened at the meeting and other institutions will be convened if need be in the interest of the stakeholders.

Ministry of Agro-Industry & Food Security  
Ministry of Labour, HRD & TD  
Ministry of Health & Q.L  
Passport & Immigration Office  
Mauritius Sugar Syndicate  
Mauritius Chamber of Agriculture  
Representatives of Recognised Unions  
Representatives of Sugar Milling Companies  
Representatives of Growing Companies  
FAREI  
Small Planters Welfare Fund

### **Complaints from several workers and inhabitants Near Cane fields (Fire in cane fields)**

The Policy & Planning Unit has received several complaints concerning criminal cane burning and cane dust near residential areas as well as around the VRS employees' sites.

The Policy and Planning Unit had followed these cases and referred them to authorities concerned for prompt action

## International Scene

Comprehensive Economic Cooperation and Partnership Agreement between Mauritius and India (CECPA)

The CECPA, between Mauritius and India, signed on 22 February 2021, entered into force on 1 April 2021. It represents an important milestone in the Trade and Economic relationship between Mauritius and India, provides access to a market of more than 1.3 billion inhabitants to Mauritius. The Agreement has three key components namely Trade in goods, Trade in services and Economic Cooperation.

Under the agreement, Mauritius has been given market access to India for around 600 products at preferential rates. Some of the benefits to Indian importers in sourcing from Mauritius at preferential rates are special sugar (40,000 t at 10% duty, which is currently at 100% in India);

At the SADC level, the trade of sugar is regulated by Annex VII of the SADC Trade Protocol. This annex is discriminatory in nature, given that only member countries of the SACU are able to restrict access to their markets while non-SACU countries have agreed to open their markets to other SADC member States. Such a unilateral quota restriction by the SACU is considered as a non-tariff barrier to trade. In response to these barriers to trade, non-SACU Member States have also introduced tariff and non-tariff barriers for sugars imported from other SADC countries and this situation is penalising the export of Mauritius. Mauritius is exploring all possibilities to remove this trade restriction for its sugar traded on the regional markets. The interest of Mauritius was discussed at meeting of the

Technical Committee on Sugar last July. The fact that the Mauritius sugarcane industry is in a very difficult situation and pending the proposed review of the SADC sugar regime, Mauritius has asked for a duty-free quota of 50,000 tonnes in the SADC sugar market. The Mauritius Sugarcane Industry has also witnessed the efforts made to help to open new market opportunities in order to safeguard the interest of all partners of this sector. It is with very much difficulties that persistent marketing strategies coupled with economic diplomacy has finally managed to make a breakthrough on the Chinese market, which has allowed Mauritius to benefit from a reduced tariff quota for 50,000t of the export of its special sugars, which will become effective progressively as from 2022. Furthermore, efforts are being made to secure an additional export volume of our sugars on the Indian market.

At this stage, 50% of Mauritian special sugars are exported to Europe, to around twenty countries. Some 12,000 tonnes are sent to the United States. The rest is exported to other markets in Eastern Europe, the Middle East, Southeast Asia, China, Singapore, Kenya and South Africa in particular.

For the 2021 campaign, approximately 155,000 t of special sugars were marketed, i.e. some 8% more than for the previous campaign, a positive trend that began in 2020 which had also recorded an increase of 8%. The customer base for Mauritian specialty sugars has been consolidated and expanded in recent years.

The ex-Syndicate price increase is also due to a sharp commercial strategy with the all-out promotion of Mauritian special

sugars, products with higher added value which brings more to the common kitty, thus contributing to the increase in the ex-Syndicate price. As the average selling price of special sugars is higher, the average price/t is improving.

The 52% price increase for the 2022 harvest is remarkable and is explained by

high world market prices, sugar deficit in the EU and a surge in production cost due to the Russian invasion of Ukraine.

## C MAURITIUS SUGARCANE INDUSTRY RESEARCH INSTITUTE

### Directorship MSIRI

Dr Asha Dookun-Saumtally was appointed Director, MSIRI on 4 January 2022 and remained in post until 12 September 2022. Dr Suman Seeruttun was appointed Director, MSIRI with effect from 13 September 2022.

### Research and Development Committee

During the period January to December 2022, 11 meetings of the R&D Committee took place (Table 47). Mr Y Mungroo, representative of the Ministry of Agro-

Industry and Food Security retired during the year and his replacement was awaited. During these meetings, members of the Committee were apprised of on-going projects to meet the objectives and challenges of the MSIRI as well as new research avenues, progress in R&D including energy cane, biomass framework, drone applications and sequencing techniques, and sugarcane disease and pest status on the island, human and financial resources, new and on-going agreements with institutions and key equipment purchased, amongst others.

**Table 47. Attendance of Members to the R&D Committee  
January – December 2022**

<b>Names</b>	<b>Number of meetings attended</b>
Dr J C Autrey, CSK, Chairperson	11
<b>Members</b>	
Prof T Bahorun, GOSK	9
Mr J L Caboche	9
Mr N Basant Roi, PDSM	9
Mr R K Hemoo	10
Mr J R Lincoln	9
Mr J Li Yuen Fong	8
Mr Y Mungroo	1
Mr D Lavoipierre	1

In June 2022, the Committee was apprised of the new MSIRI Research, Development

and Innovation (RDI) Plan for the period 2022-2026. This Plan, elaborated around

seven Research Focus Areas, takes into consideration the major challenges of the sugarcane industry as well as emerging opportunities and new innovative technologies. The plan was thoroughly discussed with members during two meetings before its circulation and approval by the MCIA Board.

In November 2022, seven staff in the grade of Technical Officer/Senior Technical Officer at MSIRI were promoted to the grade of Research Officer. This was the first batch of promotion exercise that took place amongst MSIRI staff since the Institute was placed under the aegis of the Mauritius Cane Industry Authority.

The new MSIRI Training Centre, housed in the Jean Espitalier-Noël Building, was completed and equipped in August 2021. A Policy Manual for the Centre was prepared in March 2022 to meet the requirements of the Mauritius Qualifications Authority for its certification. The document describes the training courses proposed by MSIRI as well as the Centre's policies with respect to administrative procedures. From 9-27 May 2022, three staff members of SUCAF-CI, SOMDIAA, from Côte D'Ivoire successfully completed a training in Sugarcane Breeding at the Centre.

In May 2022, MAURITAS performed its 2<sup>nd</sup> assessment of the 4<sup>th</sup> accreditation cycle related to accreditation of the three MSIRI laboratories and in October the certification body approved maintenance of ISO/IEC 17025: 2017 accreditation of all three MSIRI laboratories. A voluntary suspension for part of the Chemical scope was officially requested, while a few tests

of the Environmental scope were removed from the scope of accreditation.

Three externally funded projects were completed during the year. (1) The project entitled '*Turning sugarcane trash into bioplastics*' in partnership with Queensland University of Technology (QUT), Australia was completed in 2022. It was funded by the Mauritius Research and Innovation Council (MRIC) and Omnicane Ltd, and had as major objective to deliver pilot scale demonstration of conversion of trash into bioplastics at QUT Mackay Renewable Biocommodities Pilot Plant. A techno-economic assessment of polyhydroxybutyrate (PHB) production concluded that the cost of production of bioplastics from cane trash was higher than using cane molasses or mixed juice as alternative substrates, because of the higher investment required. The project on '*Pole of innovation for Biotechnology*' also funded by the MRIC for the sum of MUR 6,775,000 since July 2018 was successfully completed. The major achievements of the project were presented to the MRIC in August 2022 and a complete report submitted. In March 2022, a desktop consultancy study project undertaken in collaboration with SOPEX Consulting, Belgium, on the '*Étude de faisabilité concernant un nouveau projet sucrier pour la province de Kasai, en République Démocratique du Congo*', was finalised and a report submitted.

Following approval of the MCIA Board, an agreement was signed with Cybernaptics Ltd in view of upgrading one sugarcane breeding glasshouse to a Smart glasshouse equipped with sensors to monitor temperature, humidity and light, with the objectives of better controlling these parameters, thus improving crossing efficiency. Cybernaptics Ltd agreed to fully

### Visitors

A number of visitors called at the MSIRI during the year as follows:

19 January - Mrs Jayantee Gokhool and Mr Ritesh Kumar Dhora from the Campus Numérique Francophone de Réduit et Institut de la Francophonie pour l'Entrepreneuriat (IFE) – Maurice

7 February – Messrs. M Hoffmann and L Clifford from Silverspoon, UK, accompanied by Mr Chetanand Dookhony, Mauritius Sugar Syndicate

15 March – Messrs. B Morel, C Tang, G Martin from Réunion island- SWIO-Energy Project, accompanied by a representative of the Mauritius Meteorological Station

29 March – Ms Roberta Boscolo - World Meteorological Organization, Geneva, Switzerland, Mr Sebastian Grey – World Meteorological Organization, Nairobi, Kenya and Messrs M Jacob Mateyisi and S S Nangombe – CSIR accompanied by

fund the project. An agreement was also signed with the International Atomic Energy Agency (IAEA) to fund a project to 'Improve the mass rearing of Lepidoptera pests for sterile insect technique programmes' for a sum of Euros 6000 annually for a period of five years starting in 2022.

Mr Dhurmea K Ram – Mauritius Meteorological Services

4 April – Mr Brehn Otto – Mannheim, Germany and Messrs. Friedrich – W Becker, Jens M Knarr from Sudzucker, Germany, accompanied by a Mauritius Sugar Syndicate representative

13 May – Ms Valentine Bachelier – MRIC/Qualitropic

9 June – Mr Piero Venturi, EU Science Councillor to the African Union

24 June – Mr Girish Bucktowarsingh from the Economic Development Board (EDB)

4 July – Mrs Geraldine D'Unienville from Le Velo Vert

6 October – Messrs. G Laurent, D Poustis and H Charpentier-Tity from Martinique

12 October – Mr Eric Jeuffrault and Mrs Isabelle Mallet-Serra – CIRAD Réunion

11 November – Mr Tim Beard, Silver Spoon Ltd, UK

## The 2022 Crop

Stalk height for crop 2022 was measured at 54 sites in the five sugarcane growing sectors of the island as from the last week of December 2021. The sites selected are representative of the various agro-climatic zones, varieties and crop categories. Cane elongation measurements were continued on a fortnightly basis till end of June 2022. Monthly samplings of cane for sucrose content were carried out from April to October 2022 in 113 fields in the different agro-climatic zones of the island under different varieties in order to assess sucrose accumulation.

Cumulative rainfall island wide from October 2021 to April 2022 amounted to 1651 mm, which was higher than the normal (1991-2020) by 21%. This amount is also the 2<sup>nd</sup> highest during the past decade (2011 -2020) after that of crop 2018. High rainfall was linked to the passage of two tropical cyclones Batsirai and Emnati in February 2022 as well as heavy rainfall events that occurred in March and April 2022 island wide. Solar radiation was below normal during the major part of the growth phase. Maximum temperature was generally close to the normal over the island. Final stalk height recorded at the end of June 2022 was

inferior to the normal in all sectors ranging from -7% in the South to -18% in the Centre, and -9% over the island. The ripening phase for Crop 2022 was generally characterized by below normal rainfall in most sectors. Solar radiation was above normal and temperature amplitude was close to or higher than normal in most sectors. Thus, the climatic conditions that prevailed during Crop 2022 were conducive for sucrose accumulation with an extraction rate of 10.32% compared to 9.59% in 2021.

Total cane milled stood at 2,255,046 t compared to 2,668,465 t in 2021, while total sugar production amounted to 232 707 t from 39 199 ha for Crop 2022, compared to 255 818 t obtained from 41 897 ha harvested for Crop 2021. This represented the lowest amount of sugar produced in the last two decades. The area under cane harvested also decreased by 2 698 ha in Crop 2022. Cane productivity for the whole island during crop 2022 was 57.6 TCH compared to 63.7 TCH for Crop 2021. The resulting sugar productivity stood at 5.94 TSH in 2022 compared to 6.11 TSH obtained in Crop 2021. These were the lowest cane and sugar productivities recorded during the past two decades.

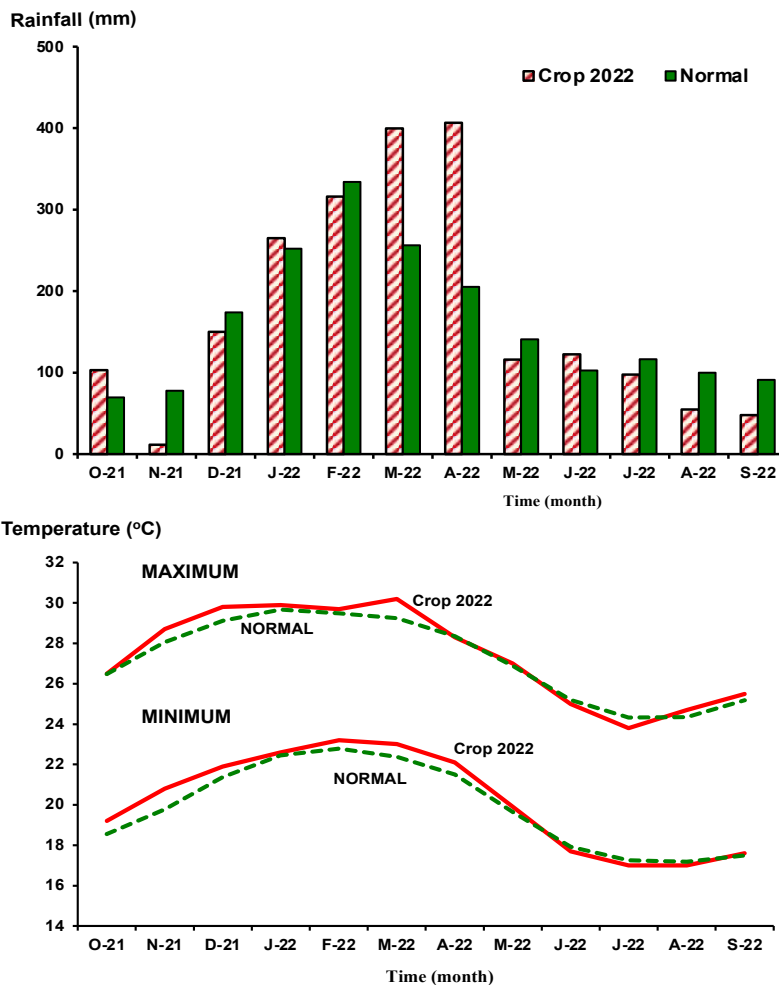


Fig 13. Rainfall, minimum and maximum temperatures over the cane area in 2022 compared to normal

### Breeding and Selection Programme

During the year, 839 crosses were carried out comprising of 275 genetic combinations and involving 124 different female parents, including recently released ones, new promising parent varieties from multiplication nurseries and recent foreign parents. Some 6.131 kg of fuzz were produced during the season. Germination tests were performed on 301 cross combinations in an attempt to exploit new genetic variation created through controlled assortment of characterized female and male-fertile

parent varieties, under glasshouse conditions. Sowing of fuzz was carried out from August to December 2022 in order to raise a new population of 55 000 seedlings (each representing a potential variety) for selection purposes.

For quarantine cycle 2021-2023, five M-varieties were exchanged with SRA (Australia) and five with West Indies Central Sugar Cane Breeding Station (WICSCBS), Barbados, while five varieties were sent to Sugar Research Institute of Fiji (SRIF) within the scope of reciprocal exchange of parent varieties for breeding purpose. Six varieties were exported to

eRcane, Réunion Island and four clones were received from China, through the Visacane quarantine facility at Montpellier. Five new foreign parent varieties were planted in an open quarantine area at Réduit for a period of 1 year, whereas three varieties from Philippines, one from Reunion and one from South Africa are undergoing cleansing through tissue culture.

A second batch of seven elite M-varieties was proposed for evaluation for potential commercial exploitation under Brazilian conditions, based on the agreement signed with Boyd Biotech Ltd, Brazil, in 2021. Five were selected by Boyd Biotech for initiation of tissue culture plantlets.

The preliminary selection programme is summarized in Table 48 for the four

selection stages. In stage 4, a total of 121 clones (119 selected from stage 3 and two foreign varieties) were planted in replicated trials in August 2022. The two foreign varieties were selected based on visual appreciation from open quarantine and were included in stage 4 trials planted at Belle Vue. Data collection involved measuring morphological traits, disease ratings, sampling for cane quality characters and plot weight in 1<sup>st</sup> and 2<sup>nd</sup> ratoon crops. Selection was done in ratoon crops at Valetta, Deep River and Belle Vue. Twenty-six (26) elite clones were promoted to N1 nurseries and eleven clones were selected based on their high sucrose/fibre content for breeding purposes.

**Table 48. Number of genotypes selected at different selection stages in 2022**

Site	Stage 1	Stage 2/3	Stage 4
Belle Rive	760	-	-
Valetta	-	22	3
Deep River	-	-	4 + 1 BP
Réduit	595	-	-
Union Park	563	24	-
Savannah	-	27	-
Belle Vue	1274	46	19 + 10 BP
Total	3212	119	26 + 11 BP

In January 2022, the agronomic performances of 95 unique test varieties were reviewed. This exercise was carried out for each variety in conjunction with susceptibility to diseases of economic

importance and favourable morphological attributes. Four promising varieties *M 604/04*, *M 494/08*, *M 848/09* and *M 1639/09*, were promoted to N2 nursery, *M 821/07* to N3 and *M 1952/07* to N4 nurseries whereas fifteen genotypes were



discarded and seventeen promising clones were selected for further testing in T1/T2 trials. No variety was proposed for release to the Cane Release Committee. Three varieties (*M 821/07*, *M 1952/07* and *M 1669/08*) were recommended for inclusion in Observation Plots/Industrial trials and eight candidate varieties were earmarked for evaluation in Regional Committee field visits. Eight varieties were selected for accelerated disease testing: *M 604/07*, *M 494/08*, *M 64/09*, *M 848/09*, *M 752/10* and *M 742/10* for leaf scald and rust, and *M 1639/09* for rust only, while 12 varieties were identified for breeding purposes.

Two Regional Committee field visits involving Estate Agronomists and Field/Section Managers, large planters, representatives from the FSA and MSIRI scientists, were organized on 14 and 16 June 2022. Good participation was noted with 27 participants in the North (Fig14) and 32 in the South of the island. The members assessed five elite varieties, namely *M 604/07*, *M 821/07*, *M 1952/07*, *M 1669/08* and *M 1639/09*, which were at the advanced N2 to N4 nurseries. Apart from *M 604/07*, all varieties received good appreciation, with *M 1952/07* scoring the highest marks. Other promising candidates at the N1 nurseries, namely *742/10*, *M 292/11* and *M 293/11*, were also evaluated and were well appreciated.



**Fig14 Regional Committee field visit in the North (left) and *M 1952/07*, a promising variety, mainly for the super-humid environment at early- and mid-season harvests**

**M 1952/07** is a fairly erect and fairly tall variety with an average number of canes of medium diameter (Figure 14). Flowering is low to nil. It is a fairly high cane and sugar yielding variety with fairly high sucrose content across the harvest season. *M 1952/07* has fairly high fibre content leading to high fibre yield. The variety adapts to all agro-climatic zones at early- and mid-season harvests, and preliminary results at late-season harvest appear promising. *M 1952/07* shows potential for cultivation in the super-humid environment, where there is a lack of commercial varieties for early- and mid-season harvests. The variety is resistant to gumming, smut, leaf scald and rust, and slightly susceptible to yellow spot.

### Biotechnology

In the new context of the National Biomass Framework, *M 1334/84*, a high biomass unreleased variety, was proposed for exploitation in specific climatic zones and soils.

Some 3 000 disease-free plantlets of this variety were multiplied *in vitro* to establish new nurseries. Furthermore, to fulfill the agreement signed with Green Fuel Ltd. in Zimbabwe, an additional 6 000 tissue culture disease free sugarcane

plantlets of varieties *M 1989/99*, *M 2502/99* and *M 1256/04* were produced and exported. Besides sugarcane, some 3 000 virus-free *in vitro* grown plantlets of Dwarf Cavendish banana cultivar were produced and potted plants were delivered during the year.

Marker assisted selection linked to brown rust (*Puccinia melanocephala*) disease is now in routine use to screen promising clones for the presence or absence of molecular markers linked to the disease. DNA extracted from seven clones and variety *R 570*, known to harbour the *Bru* marker that confers resistance to brown rust, were screened with two sets of *Bru1* diagnostic markers, R12H16 and R12E03-2 to detect presence (resistance) or absence (susceptible) of a 569 bp or a 589 bp band respectively. Both sets of markers identified *R 570* and six other clones, namely *M 604/07*, *M 494/08*, *M 64/09*, *M 848/09*, *M 1639/09*, *M 752/10*, as carrying the *Bru1* gene, while *M 742/10* was negative for the two diagnostic markers, indicating its potential susceptibility to the disease (Figure 15). These results matched field observations of susceptibility of *M 742/10* to brown rust, while the other six varieties did not show disease symptoms, indicating their likely resistance.



Fig 15. Detection of *Bru1* among eight sugarcane cultivars (tested in duplicate) using R12H16 marker (left) and R12E03-02 markers, where presence of a 569 bp band and a 589 bp band respectively are associated with resistance to brown rust disease. Variety *M 742/10* did not harbour the *Bru1* gene

DNA barcoding has been in routine use for insect pests' identification following amplification of a fragment of the mitochondrial cytochrome C oxidase I (COI) gene. The technique has now been extended to identify fungal species using consensus internal transcribed spacer (ITS) region primers as well as through amplification of specific fragments of the translational elongation factor 1 $\alpha$  (TEF1 $\alpha$ ) and the D1/D2 domain of the nuclear large subunit (nLSU) ribosomal DNA. A number of fungal species causing diseases in vanilla were successfully identified and the results provided prompt action for disease control. Fungal sugarcane pathogens can also be identified using DNA barcoding.

Improving diagnostic capacity is of utmost importance for interception of exotic disease agents. Currently molecular tests are available for *Sugarcane yellow leaf virus* (ScYLV), *Sugarcane bacilliform virus* (SCBV), *Sorghum mosaic virus* (SrMV) and *Sugarcane mosaic virus* (SCMV), *Sugarcane streak mosaic virus* (SCSMV), *Xanthomonas albilineans*, *Leifsonia xyli* subsp. *xyli* (Lxx), *Phytocercomonas venanans* and phytoplasmas causing the following diseases respectively; yellow leaf, leaf fleck, mosaic, streak mosaic, leaf scald, ratoon stunt, chlorotic streak and phytoplasma disorders. These tests are applied in sugarcane quarantine to ensure that varieties imported in the country are free from pathogens and during the year, twenty-four clones introduced in quarantine were tested for presence of pathogens. Ratoon stunt pathogen Lxx was detected in nine out of the twenty-four clones tested and the causal bacterium was confirmed following sequencing of amplified fragments. Viruses SCBV and

ScYLV were detected in four and five clones respectively. At the time of testing, no symptoms were present in any of the plants, highlighting the significance of molecular diagnostic tools in maintaining an effective sugarcane biosecurity programme.

During the year, reverse transcriptase polymerase chain reaction (RT-PCR) molecular diagnostic was implemented for Fiji leaf gall disease, which is absent in Mauritius, but commonly encountered in Australia, southeast Asia and Pacific countries. The disease is caused by Fiji disease virus (FDV), a double stranded RNA virus, transmitted by a vector. Its potential introduction through imported germplasm remains a threat, given that its transmission vector, the grasshopper *Perkinsiella saccharacida*, is present in Mauritius. Using total RNA received from Sugar Research Australia, the RT-PCR diagnostic assay was successfully optimized. This test is now available for testing of quarantine clones especially those originating from potential risk areas. Five varieties from Australia, in quarantine, tested negative to FDV using the RT-PCR assay. Further improvement regarding FDV testing is currently being envisaged using highly sensitive and specific Taqman® based RT-PCR.

Following the progress reported last year, further advancement was made in the project aiming at knocking out genes involved in the sugarcane flowering pathway through gene editing technology using the CRISPR-Cas9 system with the objective to develop cultivars with lower flowering ability. Besides, three genes involved in the flowering pathway of sugarcane that were partially sequenced, twenty-three new CRISPR/Cas9 plasmid

vectors, targeting the *GIGANTEA* gene involved in flowering as well as the *BRU* brown rust resistance gene, were constructed and these carried either the selective marker *bar* that confers resistance to the herbicide Basta® or the hygromycin antibiotic resistance gene.

All CRISPR/Cas9 modules were successfully cloned into two strains of *Agrobacterium tumefaciens* and were used to transform callus of seven sugarcane varieties known to have profuse and average flowering intensity under natural conditions in Mauritius. Following callus culture on selection medium containing either glufosinate ammonium or hygromycin, 25 plantlets were

successfully regenerated, rooted and potted in a contained glasshouse. Some 150 axillary buds of two varieties, derived from 6-month-old sugarcane stools, were also transformed with one *A. tumefaciens* strain containing the *GIGANTEA* gene and *bar* marker gene. Following exposure to glufosinate ammonium, six plantlets were regenerated and were transferred into the glasshouse. DNA was extracted from leaf tissue collected from the 31 transformed plants (Figure 16) and will be tested for the presence of the *Bar* or hygromycin genes. Once transformants are identified, gene editing events will be screened for targeted genes by Next Generation Sequencing.



**Fig16. Regenerated Basta® and hygromycin resistant plantlets in contained glasshouse**

### **Diseases**

Gumming disease (*Xanthomonas axonopodis* pv. *vasculorum*) was absent in commercial fields. In the eastern sector where race 2 of the bacterial disease is prevalent, no symptoms were observed in

remaining stools of the highly susceptible variety *M 3035/66* which is being phased out and in the largely cultivated susceptible variety *R 579*. Similarly, surveys carried out after the heavy rainfall and strong winds of tropical cyclone

Batsirai in February 2022 did not show any sign of the disease.

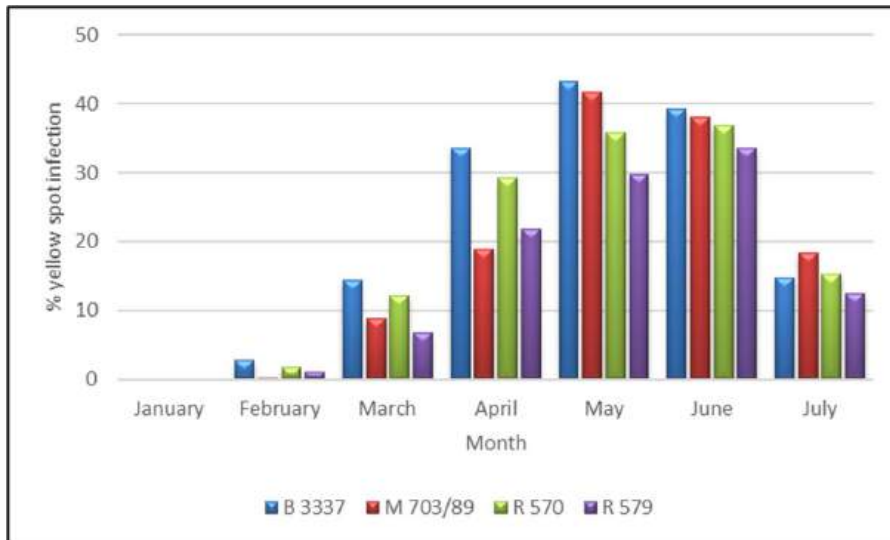
The incidence of leaf scald (*Xanthomonas albilineans*) was followed in variety *M 683/99*, which is highly susceptible to the disease and cultivated on a larger scale in areas where the disease is likely to occur. Although some foliar stripes and the systemic phase were observed, the infection was not important. Proper cultural practices were recommended to growers for its control. The disease was not detected in other cultivated varieties but foliar stripes and systemic infection were observed in the germplasm collection and in multiplication nurseries.

The high rainfall that occurred during the first six months of 2022 was conducive for

yellow spot (*Mycovellosiella koepkei*) infection (Figure 17), with first spots apparent in the field as from February. Monthly surveys carried out from January to July on the highly susceptible non-commercial reference variety *B 3337* and cultivated varieties *M 703/89*, *R 570* and *R 579* at Union Park experimental station showed an infection rate of 2.8% in *B 3337*, 0.2% in *M 703/89*, 1.8% in *R 570* and 1.0% in *R 579* by end-February. A gradual increase was noted in the subsequent months with a peak infection of 43.3% in *B 3337* and 41.6% in *M 703/89* in May and 36.8% in *R 570* and 33.6% in *R 579* in June (Figure 18). A peak infection of 46.2% was noted at St Julien in the highly susceptible variety *M 703/89* which is no longer propagated in the superhumid zone.



**Fig17. Leaves infected with yellow spot disease**



**Fig18. Evolution of yellow spot infection (%) in varieties B 3337, M 703/89, R 570 and R 579 from January to July 2022 at Union Park**

Smut (*Sporisorium scitamineum*) which is usually prevalent in the dry subhumid regions of the North and West was insignificant during the year. However, it was occasionally observed in commercial fields in the humid regions of the East and South. Mild infection to brown rust (*Puccinia melanocephala*) was noted in varieties M 1176/77 and M 2593/92 cultivated in the humid regions of the East and in irrigated fields of the North and South. Orange rust (*Puccinia kuehnii*) was present all over the island. The hot humid weather that prevailed during the first half of the year was favourable for this disease occurrence. However, the intensity of infection differed according to the variety cultivated and the environment. Infection was higher in highly humid areas of the northern, eastern, central, and southern sectors. Highest infection occurred in April/May and no cultivated variety showed a high susceptibility to the disease. The level of infection subsided during the cooler months of winter and remained low till the end of the year.

The assessment of elite varieties of the varietal selection programme for resistance to major diseases lasts for one year for gumming, two years for leaf scald and brown rust and three years for smut and yellow spot. The 2021 trial for race 2 of gumming disease at Ferney was inoculated in March and disease uptake was good. Out of 27 varieties evaluated, 19 were resistant, seven were slightly susceptible while variety M 387/13 turned out to be susceptible. Results of the trial planted in 2019 at Union Park with 28 varieties showed that eight varieties were resistant to yellow spot, nine were slightly susceptible, eight were susceptible and three were highly susceptible. Varieties belonging to the last two categories are not apt to be planted in the humid and superhumid zones. Concerning smut, the 2019 trial planted at Ferret with 26 varieties was affected by dry conditions, so a new trial was implemented in 2020 at the same site. Provisional results obtained at plant cane and 1<sup>st</sup> ratoon showed six varieties as slightly susceptible, two as

susceptible and one as highly susceptible. For leaf scald, the 2020 trial implemented at Belle Rive with three promising varieties was completed. No symptom was observed in variety *M 821/07*, which was thus rated as resistant. Mild infection was observed in the two other varieties, *M 3818/06* and *M 1669/08*, and they were rated as slightly susceptible. Six out of seven clones earmarked for assessment to brown rust were rated as resistant since they were positive for *Bru1* gene. Only variety *M 742/10* was planted in a field trial and was provisionally rated as susceptible to the disease. Trials were also implemented in the three climatic zones with commercial varieties, 24 cultivated ones and seven that are being phased out, to assess the development of orange rust in the contrasting environments. Preliminary survey observations showed that disease incidence and level of infection vary with temperature and humidity.

### Microbiological Analysis

During the year, around 2130 tests on some 380 sugars and other products were carried out, comprising determination of spoilage and pathogenic microorganisms in sugars, as well as other matrices such as molasses, massecuite and water. Studies for the extension of scope of accreditation of the laboratory were pursued. Validation studies for the detection of *Salmonella* in sugars and preparation of the report are in progress. Once extension of scope is approved by MAURITAS, the range of accredited microbiological tests requested by the clients for sugars will be completed. Sixteen soil samples were also analysed for the bacterial wilt pathogen, *Ralstonia solanacearum*. This is an important

activity in order to avoid potato plantation in infested fields.

Previous studies have shown that bioplastics can be successfully produced from sugarcane trash hydrolysate using the bacterium *Ralstonia eutropha* H16 even though yields were low. A new bacterial strain, *Cupriavidus necator* DSM 545, a mutant of *C. necator* DSM 529 which constitutively expresses glucose-6-phosphate dehydrogenase, is being investigated. Initial studies were carried out in shake flasks using a culture medium containing glucose. A much higher cell dry weight (CDW) was obtained with this strain than with *Ralstonia eutropha* H16 after a culture period of 72 h, indicating a greater capacity of the DSM 545 to utilize glucose and accumulate biomass. Further studies using trash hydrolysate showed that addition of an N source to the hydrolysate medium, in the form of  $(\text{NH}_4)_2\text{SO}_4$ , enhanced CDW production after a culture period of 72 h with the N source favouring an increase in CDW by more than twice. PHA accumulation which was initially low was greatly improved following supplementation with fresh hydrolysate after an initial culture period of 72 h. More extensive studies will be carried out to confirm these findings.

### Pests

Damage by sugarcane armyworms occurred at Mon Trésor in young re-growths of mechanically harvested fields over a total area of about 320 ha. Fields over an area of about 8 ha under variety *R 579* and 86 ha with *R 585* were similarly damaged at Riche en Eau and 62 ha under the latter variety were treated with lambda-cyhalothrin. A total area of 292 ha under *R 579* mainly and 15.8 ha under *M 2593/92* were damaged and

treated at Britannia and Bénarès respectively.

In October, dead heart symptoms due to the white borer, *Tetramoera schistaceana*, were prominent in ratoon fields under R 573 at Mon Trésor and under M 1176/86 and M 2593/92 in November at Valton and Amitié respectively. Field visits in all the three localities revealed that the pest was of no economic importance. No important infestation of the newly introduced Yellow Sugar cane Aphid, *Sipha flava*, was observed in sugar cane during the field surveys conducted at some selected sites namely Trois Ilots, Belle Vue and Helvétia. Poor root development was reported in R 579 in June at Constance over a limited area of about 4 rows over 10-15 m row length. Analysis of soil samples including nematode extraction in the laboratory revealed that these symptoms were not associated with nematodes and insect pests.

In the context of the implementation of the White Grub Protocol, light traps operated in January, November and December did not reveal any presence of the foreign species of white grub, *Hoplochelus marginalis* in Mauritius. Beetles were morphologically characterized and

comprised of *Heteronychus licas* (4.4 %), *Alissonotum piceum* (5.7 %), *Phyllophaga smithi* (11.9 %) and *Adoretus* spp. (78 %). Soil sampling conducted in young plant cane fields at Trois Ilots and Mon Désert Alma from June to September to identify infested fields for setting up insecticide trials, revealed a low larval population of the local white grub species.

Studies were pursued to review the status of the sugarcane armyworms, *Mythimna* spp., their biological control under natural conditions and the recommended management practices. From September to December, a total of 1524 larvae comprising of various stages were collected from Mon Trésor, Mon Loisir, Britannia, Riche en Eau and Savannah. Larvae were kept individually under observations in plastic boxes for a period of 3-4 weeks. Emerged parasitoid species were morphologically identified as the dipteran fly *Alsomyia anomala* and the parasitic wasps namely *Enicospilus hova* and *Netelia* sp. (Figure 19). The overall per cent parasitism was 8.7 compared to 18.8 % in 2021 and *A. anomala* was the predominant species accounting for 81.8 % of the total number of parasitoids.



**Fig19. *Netelia* parasitoid wasp and its pupal stage from sugar cane armyworm**

Field trials established in the previous year at Beau Séjour (M 2593/92) and Mon Trésor (R 579) were harvested. Stalk elongation and yield parameters were recorded in four middle rows in each of the plots treated with lambda-cyhalothrin and the control plots to determine the need for the chemical control of armyworms. There was no significant

difference in mean cane elongation and yield between the two treatments in both localities (Figure 20). To determine varietal reaction to the pest, a total of 24 field surveys were conducted in nine different localities. No difference among varieties was observed.

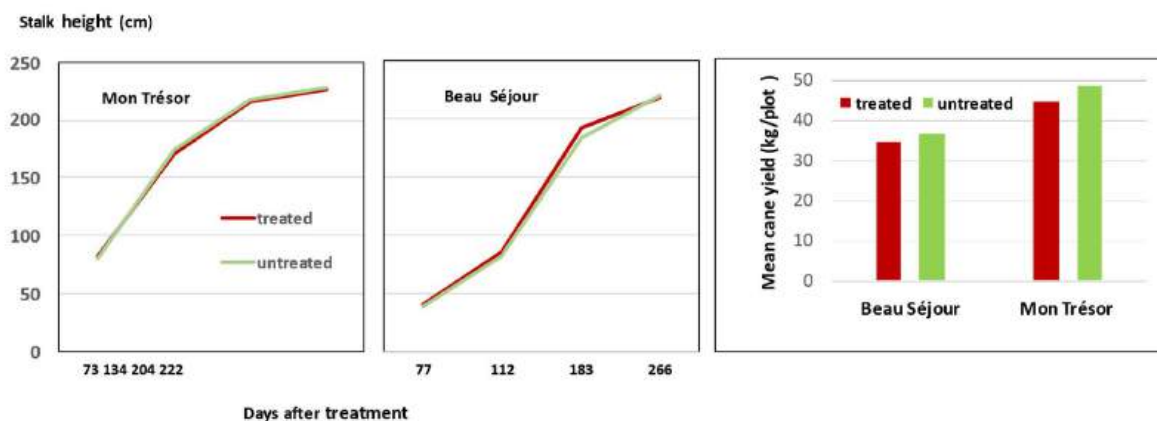


Fig20. Mean stalk height and cane yield in treated and control plots in armyworm field trials

Four promising varieties, M 821/07, M1952/07, M 1639/09 and M 1669/08 were assessed for their reaction to the stalk borer, *Chilo sacchariphagus* and the armoured scale insect, *Aulacaspis tegalensis* at Bon Espoir, Sauveterre and Amitié. Damage exceeded the economic threshold with more than 10% internodes

bored (IB) in the first two varieties only at Bon Espoir while M 1639/09 was slightly infested. At Amitié and Sauveterre, borer damage in all four varieties was rated as slight and the proportion of internodes bored was less than 3% (Figure 21). Scale insect infestation was not important in all three localities.

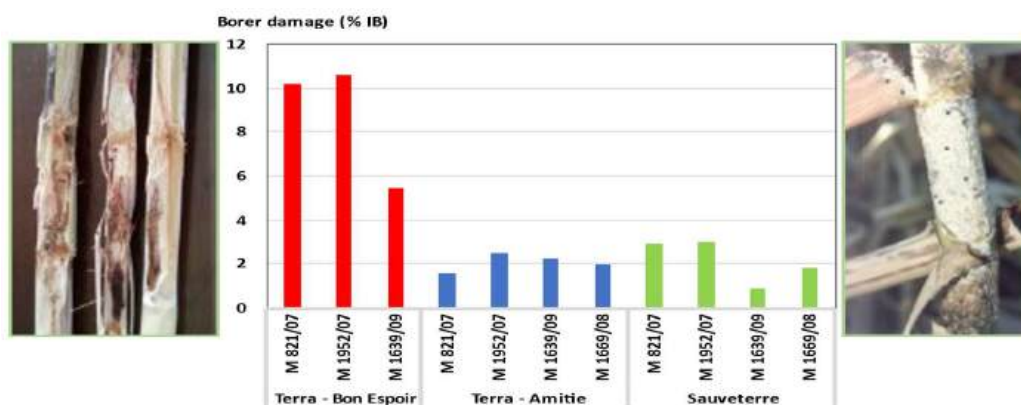
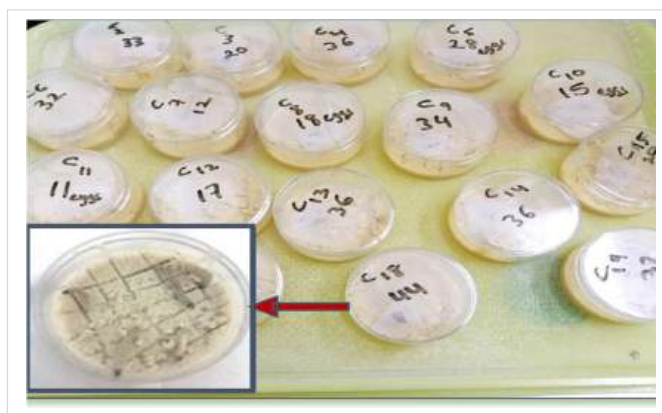


Fig21. Insect pest assessments in promising varieties

The project on the mass rearing of the sugar cane spotted borer, *C. sacchariphagus*, for the eventual development of a sterile insect technique was pursued. To establish a colony, larvae were collected from May to September from infested sugarcane fields at Belle-Vue and Bon Espoir and reared to adult stages in the insectary at Réduit. Neonate larvae from the oviposition nylon cages were used to test artificial diets based on a

review of published diets for *Chilo* spp. (including *C. sacchariphagus*). The original composition and method of preparation of these diets, together with some modifications, were evaluated in round plastic boxes in 18 different bioassays using approximately 2500 neonate larvae and 2000 eggs (Figure 22). A minimum specification diet was developed and also tested. Three diets have been identified for further optimization and testing.



**Fig22. Testing of artificial diets in round plastic boxes**

### **Agronomic practices**

One main activity of the project to evaluate the inclusion of leguminous crops as *Plants de Service (PdS)* within sugarcane interrows or fallow periods includes the local multiplication of *Canavalia ensiformis* seeds. This species does not twine and climb on sugarcane due to its bushy-type morphology and appears to suppress weeds effectively because of its large leaf surface area in

addition to its ability for fixing atmospheric nitrogen. The seed multiplication activity of *C. ensiformis* started in the year 2021 with some one hundred seeds. These were sown at Réduit Experiment Station and 20 kg of seeds have been produced after two years of careful monitoring (Figure 23). Multiplication is ongoing in order to produce sufficient seeds to share with growers to further increase seed production



**Fig23. Stand of *Canavalia ensiformis* legume in a field (left) at Reduit Experiment Station. Close monitoring of field conditions is ensured for good pod (middle) and seeds produced (right).**

### **Biomass crops for Bioelectricity**

In 2020, seeds from twelve varieties of eucalyptus were imported from Australia. Two varieties were eliminated at the initial stage due to poor response at the nursery level. The remaining varieties, *E. tereticornis*, *E. urophylla*, *E. pellita*, *E. robusta*, *E. grandis*, *E. citriodora*, *E. dunnii*, *E. camaldulensis* and *E. brassiana*, as well

as the local *E. tereticornis* were put on trial at numerous sites by Alteo, Terragri and ENL in May 2021. By end 2022, site inspections confirmed the higher potential with *E. grandis*, whereas *E. dunnii* and *E. camaldulensis* seem to be interesting for biomass production. One of the trials at Petite Julie (Terragri) is shown in Figure 24.



**Fig24. Stand of *Eucalyptus* species (background) and energy cane (foreground) under trial on a Terragri field at Petite Julie.**

### **Weed Agronomy**

Pioneering work for assessing the efficacy of applying selective herbicides in sugarcane with the drone sprayer model AGRAS MG-1 of DJI started in January 2022 at Médine. The drone sprayed the herbicide onto a vine infestation of

*Ipomoea triloba* in a ratoon cane with a canopy height of 1.5 m. Other tests were subsequently undertaken at Mon Loisir with the drone sprayer for the control of vine in taller cane, canopy height varying from 2.0 to 2.5 m (Figure 25). Trials were also conducted for the application of pre-emergence treatment after planting at

Britannia and Bon Espoir, and plant cane second post-emergence herbicide tank-mix at La Laura.



**Fig25.** Drone sprayer AGRAS MG-1 applying herbicide treatment for the control of vine weed in tall cane (2.0 -2.5 m high) in a trial at Mon Loisir.

Thus, the drone sprayer was evaluated in seven different situations for weed control in sugarcane fields. The weed control obtained from these evaluations was very satisfactory (Figure 26) providing good scope for developing the drone sprayer

technology further. Hence, future trials will investigate more deeply on the technical details of the drone sprayer to optimize its efficient use. These will include flight speed, nozzle types, width of spraying swath and height of spray.



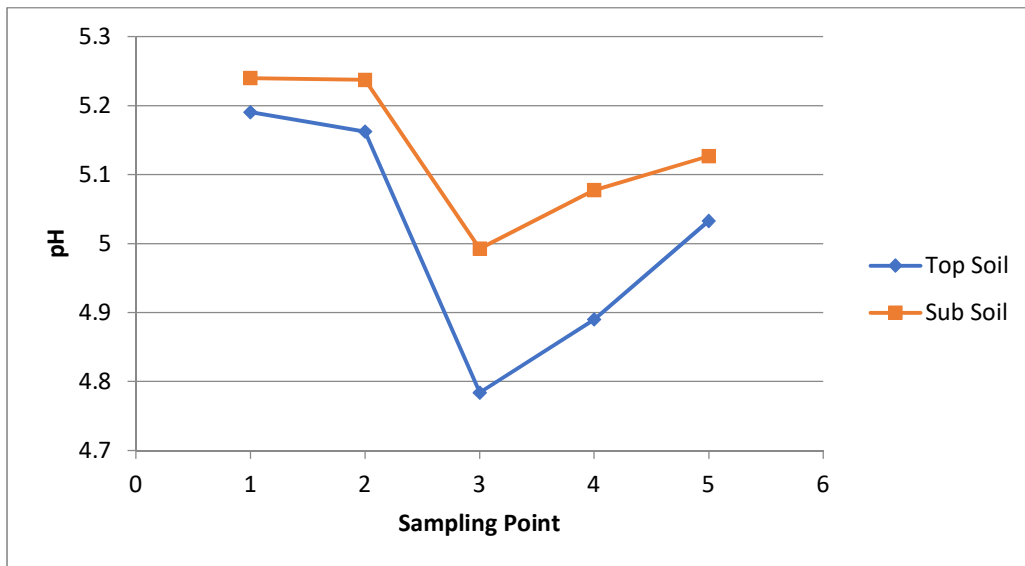
**Fig26.** Control of vine weed infestation 3 weeks after applying herbicide treatment with the drone sprayer AGRAS MG-1.

## Fertilizer Management

The study of biofertilizers containing N-fixing, P-solubilising and K-mobilising bacteria as a means of improving soil NPK use efficiency to enhance sugar cane production was extended to field experiments. Field trials were planted at Union Park and Ferret MSIRI experimental stations in 2021 with four treatments, namely with biofertilizer, without biofertilizer, at 80% fertilizer dosage or at 100% fertilizer dosage. Two applications of biofertilizers were carried out with the first application done near end of the tillering phase (around **2-3 months** after plantation) and the second application 1 to 1.5 months after 1<sup>st</sup> application at an application rate of 1.2 L of each biofertilizer per hectare. No significant difference in either N-fixing, P-solubilizing or K-mobilizing bacterial populations was observed amongst the four treatments both at Ferret and Union Park. In general, a higher population of P-solubilizing bacteria was observed at both sites irrespective of the treatments. Harvest data for 2022 showed no significant differences for NPK crop uptake and cane

yields amongst the different treatments at both sites.

A study was conducted to assess the pH status of the soil in five fields of different ages in the superhumid zone. The sampling pattern produced five samples perpendicular to the direction of the cane rows, to ensure a proper representation of the lateral distribution across the rows. The samples were also taken from two depths, namely topsoil (0-15 cm) and subsoil (15-30 cm). Samples were analyzed for pH and the average results for all the fields sampled are presented in Figure 27. Sampling points 1 and 5 represent the middle of the interrow whereas sampling point 3 represents the cane row. The results demonstrate that (1) the fields are highly acidic, both in the row and interrow, their pH being on average lower than the acceptable value of 5.5; (2) pH is lower in the row than in the interrow; and (3) pH in the topsoil is lower than the pH in the subsoil. The trend from this study indicates that there may a high degree of field acidity in the superhumid zone, which warrants a more in-depth study to confirm whether this is a generalized phenomenon.



**Fig27. Average pH distribution across the cane row**

### Analytical services

A total number of 1177 soil samples were analyzed as part of the routine analytical services that are provided to small and medium planters, as well as corporate planters. Parameters determined included mainly pH and available P, K and Si, with some samples also analyzed for other parameters such as organic carbon. Of the 1 177 samples, 291 were received from small planters through the Farmers Services Agency. The test reports also included fertilizer recommendations when requested. The monitoring of N, P, K and Si status in TVD leaves on ratoon cane was also undertaken as per usual practice, with leaf samples originating from 153 Permanent Sampling Units (PSUs) being analyzed. Results were reported to

stakeholders to guide in fine-tuning the fertilization of ratoon crops.

Non-routine analytical services were provided for 587 samples comprising a

wide range of matrices including liquid and granular fertilizer, sugar molasses and water. Analysis of concentrated molasses stillage (CMS), which is used as a fertilizer source, has continued to increase, with 372 such samples being analyzed during 2022, i.e. about twice the number of samples compared to the previous year.

### Irrigation

An audit was conducted on a centre pivot on the western coast. The test results showed that the unit operated at an acceptable efficiency (>80%), with a coefficient of uniformity of 85%. Furthermore, the irrigation dose recorded at 100% speed matched the theoretical dose of 7 mm. While these results are good, there is room for improvement as the dose applied is higher than expected on the outer half to the pivot and lower on its inner half.

A water distribution test was carried out on a travelling sprinkler (Figure 28) in the East. The sprinkler nozzle tested had a diameter of 30 mm and the operating pressure at the sprinkler was 2.6 bar, lower than the manufacturer-prescribed

pressure of 3 bar. Travelling lanes were spaced at 48 m. The Christiansen coefficient of uniformity for the test was deemed to be acceptable at 79.8%, while measured application rate was 24.2 mm.



**Fig28. Travelling sprinkler in operation**

### **Sugar Technology**

The Industrial Recoverable Sucrose % Cane (IRSC) formula was first derived in 1960 by Saint Antoine and Halais [IRSC =  $((0.9 \times SC) - 1.80)$ ], and reviewed in 2000 by Kong Win Chan [IRSC =  $((0.85 \times SC) - 1.65)$ ]. Since 2000, the sugar industry has gone through a major phase of restructuring with emphasis on downsizing of sugar factories, lengthening of the crushing season, increasing the mill capacity in terms of tonnes cane per hour, and upgrading of factory process performance. This new context made it necessary to undertake a study to check the validity of the IRSC formula currently being used, particularly since cane quality has declined at the sugar mills over the last two decades, whereas there has also been a substantial improvement in factory performance. From this study, a revised IRSC equation is being validated before same may be proposed for such estimation.

A request was received from Alteo Milling to carry out validation tests on polarization of special sugars namely Golden Granulated and Dry Demerara samples. Parallel tests have been carried out on the polarisation of the special sugars samples using:

- Wet lead clarification method and Polarimetry at 589 nm and
- Clarcel CBL3 as filter aid and NIR Polarimetry at 882 nm

Results obtained showed no significant differences between the two tests methods. The test report has been submitted to Alteo Milling. An intensive study shall be conducted during crop 2023 on the polarization of sugars without wet lead clarification.

The aim of laboratory audits is to ensure that good practices are diligently followed in terms of product sampling and analytical procedures as described in the Official Methods. During crop 2022, audits were conducted at the sugar milling laboratories of Alteo, Terra, and Omnicane

as well as at their respective CAD laboratories. Verification of laboratory equipment such as refractometers, polarimeters, pH meters, and analytical balances has been carried out using Certified Reference Materials and known standards. Reports have been issued and necessary corrective measures have been recommended.

A request was received from the processing department of Alteo Milling and Terra Milling for validation of quality parameters of special sugars namely Light Muscovado, Dark Muscovado, and Dry Demerara. The parameters tested were as follows:-

- The determination of the polarization of raw sugar by

polarimetry as per ICUMSA Method GS1/2/3/9-1 (2011)

- Reducing sugars by method Lane and Eynon titrimetric procedure as per ICUMSA Method GS1/3/7-3
- Moisture by loss on drying as per ICUMSA Method GS2/1/3/9 15 (2007)
- Determination of the solution colour of raw sugars, brown sugars and coloured syrups at pH 7.0 - Official as per ICUMSA Method GS1/3-7 (2011)

The validation exercises were successfully completed at both sugar factories and corrective actions were recommended where necessary.

## D SERVICE TO FARMERS (EXTENSION & TRAINING)

### Objectives

- (i) Ensure that essential services are available to planters.
- (ii) Promote the setting up of cane nurseries and the supply of cane setts to planters.
- (iii) Facilitate the adoption of modern and efficient agricultural practices by planters.

### Functions

- (i) Provide technical advice, assistance and training to planters on cane cultivation, harvesting and transport of cane and post-harvest operations.

- (ii) Enter into management contracts on behalf of planters.
- (iii) Devise agricultural credit schemes in consultation with financing agencies.
- (iv) Ensure that arrangements are made so that cane of small planters are harvested at their optimal sucrose content.
- (v) Assist cooperative societies in benefitting from the Fairtrade initiative or such other similar projects.
- (vi) Set up a Planters' Data Bank.

## Farmers Service Agency (FSA)

Located in different regions around the island, the Farmers Service Agency (FSA) operates eight Farmers Service Centres

(FSCs) in order to fulfill all the functions assigned to the department.

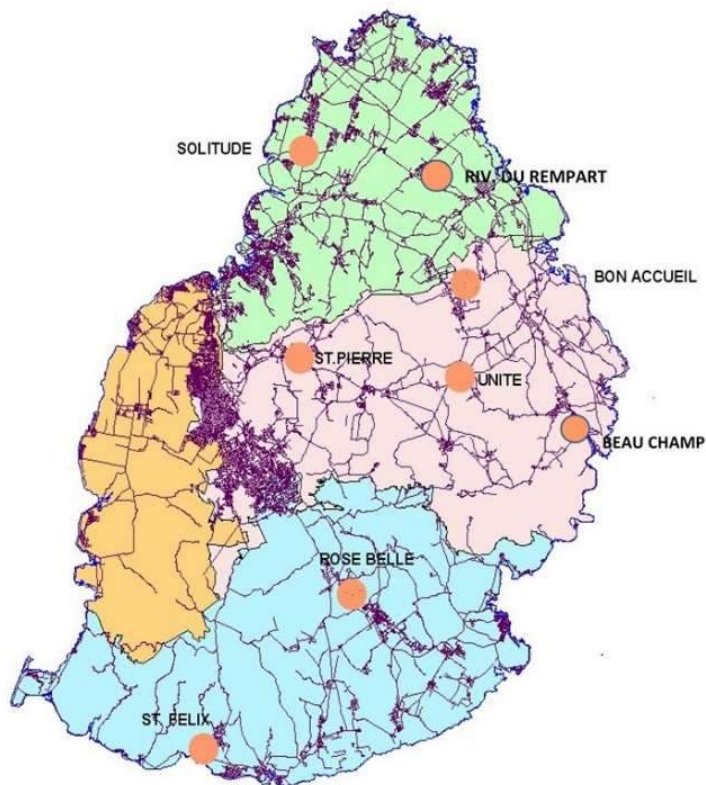


Fig29.Farmers Service Centres around the island

## Computerization of Activities of FSCs

The Farmers Information Management System (FIMS), the cloud-based electronic database management system initiated in February 2020, is now also being used by the FSA for the implementation of the ALMS-Cane Replanting Scheme. In collaboration with the SIFB, the system also validates the acreage planted which is

then used for processing of claims for the disbursement of funds for planters.

Other features such as a national harvest monitoring module, in collaboration with the CAD and millers as well as computerization of recording of all field activities are being developed.

## Field Visits

One of the core activities of the Farmers Service Centre (FSC) is field visits, involving mainly the technical staff. This first level of front liners is continuously involved in planning, monitoring and

implementing of schemes, with particular emphasis laid on the Agricultural Land Management System – Cane Replantation Scheme (ALMS-CRS) which takes most of their time, i.e. 67.5% of total field visits.

<b>Field Visits</b>	2021/22	2022/23
ALMS-CRS	11,541	10,630
Others	10,918	5,105
<b>TOTAL</b>	<b>22,459</b>	<b>15,735</b>

## Demonstrations

Some 128 demonstrations were undertaken with regards to the various aspects of sugar cane cultivation. Apart from the traditional best practices such as encouraging the adoption of newly released varieties, the use of appropriate

herbicide mixes, demonstrations using biofertilisers were renewed as well as a new demonstration for the use of a drone for the application of ripener or herbicides.

These demonstrations aim at the promoting the use of the new technologies by planters.

<b>Demonstrations</b>	2021/22	2022/23
Sugar cane varieties	91	56
Herbicide mix	36	48
Use of biofertilizers	6	11
Planting and recruiting using - eye setts		4
Good harvest practices		7
Application of ripener using drone		1
Others	4	1
<b>TOTAL</b>	<b>137</b>	<b>128</b>



*Fig 30. Use of new technology – Application of herbicides using drone*

### Conducted Tours

A total of 29 conducted tours were organized for planters to see the operation of a mechanical cane harvester, fields treated with biofertilizer, newly released

varieties as well as planning and layout of fields for a fully-mechanized of sugar cane production. Some 162 planters attended.

Table 51. Conducted Tours		
Themes	2021/22	2022/23
Mechanical cane harvester		1
Newly released varieties		19
Field treated with biofertilizers		8
Mechanisation in ALMS-CRS		1
<b>TOTAL</b>	<b>26</b>	<b>29</b>



*Fig 31. Mechanical harvesting in small grower's field*

## Group Meetings

Some 130 group meetings representing an increase of 78% over last year were organized and emphasis was laid on sending clean cane to mills this year. Other topics included Fairtrade standards (good

management practices), newly released varieties and fertilization of fields among others. Some 1,245 planters attended these group meetings.

<b>Table 52. Group Meetings</b>		
<b>Group Meetings</b>	<b>2021/22</b>	<b>2022/23</b>
Regrouping/Cane Planting Scheme	11	15
Productivity improvement		9
Cane fire mitigation and management	1	9
Cane harvest (Clean cane)	21	26
Good management practice	5	14
Fertilisation in sugar cane	11	7
Planters Scheme/Fairtrade	5	13
Nursery management	19	31
Role of institutions		6
<b>TOTAL</b>	<b>73</b>	<b>130</b>



*Fig 32. Group meeting at Rivière du Rempart FSC*

## Info Sheets

Some 7,559 info sheets were distributed to the small planters on topics such as importance of sending clean cane to be sent to mills, selections of herbicide-mixes as well as on newly released varieties. With regards to the Clean Cane Campaign,

efforts were geared towards the distribution of a specially prepared coloured pamphlet to all planters during the crop registration exercise at FSCs in May 2023.

<b>Table 53. Info Sheets</b>	
<b>Topics</b>	<b>2022/23</b>
Newly released varieties	457
List of contractors	203
Clean Cane Campaign	6,606
Fertilization of Sugar Cane	43
Mechanical cane harvester	6
Cane fire prevention and management	53
Weed control and herbicide-mix selection	191
<b>TOTAL</b>	<b>7,559</b>

## Soil Sampling

To ensure recommended fertilizer application rates as well as appropriate soil amendments, 254 soil samples were collected by the technical staff and sent to

MSIRI Soil Chemistry Lab. Soil test results and recommendations were communicated to the small planters.

## Planters Visits

A total of 25,101 small planters visited the various Centres located around the island to avail themselves of technical

information, application of various schemes and incentives.

## Liaison Meetings

Thirty-two meetings were held with the main stakeholders of the cane industry in order to plan and coordinate provision of services of agencies such as the Irrigation

Authority, SME contractors offering land preparation services, sugar estates as well as AMU and CAD (which are departments of the MCIA).



Fig 33.Clean cane campaign joint meeting ALTEO, CAD & FSA

## Radio Talks

Radio talks were presented on a monthly basis in both Creole and Bhojpuri and broadcasted by the MBC during slots reserved for agricultural issues.

The following topics were broadcasted for year 2022/23.

<b>Table 54. Radio Talks</b>	
<b>Topic</b>	<b>Date</b>
Fertilization in sugar cane	20.07.22
Weed control in sugar cane	24.08.22
Incentives in the small sugar cane planter sector-Projects, Schemes and Subsidies	21.09.22
Safe use of pesticides	19.10.22
Costs and revenues in sugar cane production	23.11.22
Analysis of Crop 2022	21.12.22
Factors to consider for a proper land preparation for sugarcane cultivation	18.01.23
The importance of waterways/drains in sugarcane cultivation	15.02.23
Soils of Mauritius	15.03.23
Consequences of cane fire on cane production and soil flora. Remedial action that could be taken	19.04.23
An integrated approach to improve soil health.	21.05.23
An overview of the small planter sector: threats and challenges	21.06.23

**ALMS 2022/23**

With a view to reverse the tendency of abandonment of sugar cane fields, the Agricultural Land Management System (ALMS) was initiated in 2017/18. For FY

2022/23 contracts were signed on an area of about 541 ha involving some 783 planters.

<b>Table55. ALMS 2022/2023</b>				
<b>Sector</b>	Year 2021/22		Year 2022/23	
	Area Contracted (ha)	No of Planters	Area Completed (ha)	No of Planters
North	110.994	203	89.188	161
East	216.025	287	175.597	243
Centre	79.176	88	56.113	65
South	135.291	205	120.097	185
<b>TOTAL</b>	<b>541.486</b>	<b>783</b>	<b>440.995</b>	<b>654</b>



Fig 34. Replantation of abandoned field under ALMS at Mervan

## Rehabilitation of Abandoned Lands under ALMS

It is to be noted that 233 planters with abandoned cane lands returned to sugar cane production over an area of some 149-ha representing an increase of 82.4% over FY 2021/22.

Sector	Year 2021/22		Year 2022/23	
	Area Contracted (ha)	No of Planters	Area Completed (ha)	No of Planters
North	28.67	50	38.459	71
East	34.09	56	16.392	16
Centre	7.06	12	14.310	15
South	11.68	20	79.515	131
<b>TOTAL</b>	<b>81.50</b>	<b>138</b>	<b>148.676</b>	<b>233</b>



Fig 35. ALMS at L'Etoile – Dual row prepared for full mechanisation

## Nurseries Established

Apart from popular varieties like *M 3035/66* or *R 570*, nurseries were also established with newly released varieties and out of the 85 ha, 62.9% consisted of

recently released varieties. Variety *M 683/99* seems popular among planters.

Varieties	Area (ha)	
	2021/22	2022/23
R 570	0.84	7.49
M 3035/66	0.41	0.84
M 683/99*	21.13	29.63
M 1176/77	0.95	
M 2283/98*	0.76	1.18
M 1256/04*	2.69	5.18
M 1392/00*	3.59	9.35
M 915/05*	1.40	2.9
R 579	2.31	9.64
M 1400/86	4.64	13.47
M 1959/03*	3.08	1.55
M 1989/99*	0.84	2.84
M 3779/06*	2.10	0.84
<b>TOTAL</b>	<b>44.74</b>	<b>84.91</b>

\* Newly released varieties



Fig 36. Fields replanted under newly released varieties

### Acreage of Land Preparation by SME Tractors

To cope with increasing demand for tractors for land preparation, the services of private contractors were enlisted and

some 117 planters benefitted over 87 ha of land.

SME Area Completed (ha)	No of Planters
87.45	117

### Planters Fund – Upgrading of In-field Roads

Some 1,832 planters availed themselves of road mending projects under the Planters' Fund. For FY 2022/23, about 43 km of MS

field roads have been patched and repaired for some MUR 2.5 M.

Type of Work	Distance (km)	No of Planters
Compaction work	1.20	84
Road mending	41.80	1,742
Upgrading main roads with concrete slabs	0.01	6
<b>TOTAL</b>	<b>43.01</b>	<b>1,832</b>



Fig 37. Road mending work in coastal regions

## Sale of Setts

Sale of setts remains another core activity of the FSA. Some 5,213 t of cane setts of different varieties have been sold to more than 1,000 planters. The variety *M 683/99*

has started to become more popular among the small growers even surpassing the variety *R 570* in FY 2022/23.

<b>Variety</b>	<b>2021/22 (t)</b>	<b>No of Beneficiaries</b>	<b>2022/23 (t)</b>	<b>No of Beneficiaries</b>
<i>R 570</i>	1,125	219	1,177	234
<i>M 683/99</i>	2,151	416	1,199	255
<i>M 1400/86</i>	1,211	267	1,086	202
<i>R 579</i>	456	87	815	133
<i>M 3035/66</i>	386	67	263	62
<i>M 1959/03</i>	42	12	37	7
<i>M 1989/99</i>	269	48	177	51
<i>M 1392/00</i>	93	22	155	30
<i>M 915/05</i>	47	14	28	10
<i>M 1256/04</i>	150	43	190	36
<i>M 2283/98</i>	36	10	51	14
<i>M 1176/77</i>	81	14	22	5
<i>M 3770/06</i>	34	7	13	4
<i>M 216/02</i>	1	1		
<b>TOTAL</b>	<b>6,082</b>	<b>1,227</b>	<b>5,213.25</b>	<b>1,043</b>

## Advance on Supply of Fertilizers

The Government maintained the Scheme for the provision of Advance on Supply of Fertilizers to the planters for the FY 2022/23. A total of 6,584 planters benefitted from the Fertilizer Subsidy Scheme for 4,594.5 t of fertilizer. It is to be noted that this Scheme is operated on a voucher system whereby planters cultivating up to 100 ha are eligible for a voucher equivalent to 592.5 kg of fertilizers/ha. The voucher is then redeemed from anyone of the eleven importers/distributors enlisted under this Scheme. The distribution of vouchers per FSC is shown in Table 61:

<b>Table 61. Advance on supply of fertilizers</b>			
<b>FSC</b>	<b>No of Planters</b>	<b>No of 25-kg bags</b>	<b>Tonnage (tonnes)</b>
Beau Champ	446	15,428	385.70
Bon Accueil	655	16,197	404.93
Rivière du Rempart	515	12,832	320.80
Rose Belle	1,419	32,390	809.75
St Félix	358	15,785	394.63
St Pierre	1,471	41,477	1,036.93
Solitude	773	23,735	593.38
Unité	947	25,934	648.35
<b>TOTAL</b>	<b>6,584</b>	<b>183,778</b>	<b>4,594.50</b>

## Events

The FSA participated in the “Assise de l’Agriculture” held at Cote d’Or Sport Complex on 17, 18, 19 and 20 March 2023.

## Human Resource Matters

### (i) Retirement

(a) Mr Rameshwar BHAUGEERUTTY, Manager 01 April 2023.

(b) Mr Porunjay JOYRAM, TA/STA on 11 April 2023.

### (ii) Appointment

Mr Anilkumar AWOTAROWA has been appointed as Officer-in-Charge at Control and Arbitration Department with effect from 27 June 2023.

Mr Chandandeo BABOOLALL has been appointed as Ag Assistant Director with effect from 27 June 2023.

Mr Nandan RAMBURRUN has been appointed Manager, FSA as from 4 April 2023 and been posted at Bon Accueil and Beau Champ FSCs.

## Training

(i) Training was pursued both for staff and planters. With regards to staff, emphasis was laid on the use of ICTs.

(ii) Following registration of the FSA as a training institution last year, the first MQA Approved Course (May 2022) entitled "Management of Production

Course	Attendees	Date
Training on First-Aid	TA/STA	07.07.22 15.07.22
Productivity Tools using Laptops	Ag Asst Director TO/STO	07.11.22
Establishment and Monitoring of Biofertiliser Trials	TO/STO	26.01.23
Implementation FIMS and Electronic Attendance System	FSA Staff	26.01.23 02.02.23

Practice in Fairtrade including Environment, Development & Labour Conditions" was delivered to some 178 members of the MSS-MCS Ltd. It is to be noted that the FSA through a Memorandum of Understanding with the MSS-MCS Ltd, will provide inter-alia training for its members and environment representatives.

Furthermore, a 2-day Workshop on Integrated Nutrient and Weed Management was held for some 30 members of Fairtrade certified Cooperative Credit Societies (CCS).

Course	Attendees	Date
Management of Production Practice in Fairtrade	MSS-MCS planters	May-June 2023
Integrated Nutrient and Weed Management	Fairtrade certified CCS	27-28 Sept 2022



**Fig38. Workshop on integrated Nutrient and Weed Management**

### **Committees**

The FSA represented the MCI A on the following:

<b>Table 64. Committees</b>		
<b>Name</b>	<b>Grade</b>	<b>Committee</b>
Yashwantsingh RAMDHAREE	Director	(i) Anti-Corruption Committee, MCI A  (ii) Mount and Beau Plant Planters Fund  (iii) National Vulnerability Assessment Committee

## E. SERVICE TO FARMERS (AGRICULTURAL MECHANISATION)

### Objectives and Functions

- (i) To maintain a pool of machinery for agricultural purposes
- (ii) To hire the agricultural machinery of the Authority to such persons and on such terms and conditions as the Board may determine.

### Services to the Planting Community

The Agricultural Mechanisation Unit of the Mauritius Cane Industry Authority manages a fleet of agricultural machines and equipment consisting mainly of Crawler Tractors, Pneumatic Tractors, Excavators, Bell Loaders, a Roller, as well as various equipment and accessories. Table 65 shows the different types and numbers constituting the fleet.

<b>Table 65. Services to the Planting Community</b>				
<b>SR</b>	<b>DESCRIPTION</b>	<b>TYPE</b>	<b>CAPACITY</b>	<b>QTY</b>
1	Crawler Tractor	'D6'	165 - 185 HP	23
2	Crawler Tractor	'D7'	220 HP	8
3	Crawler Tractor	'D8'	300 HP	2
4	Excavator	PC - 350	35 tonnes	2
5	Bell Loader	1250 Cane Loader	38 HP	5
6	Roller	3410P	130 HP	1
7	Wheel Tractor	-	90 HP	1
8	Wheel Tractor	-	175-185 HP	12
9	Wheel Tractor	-	250 HP	1
10	Wheel Tractor		50 HP	1
11	Wheel Tractor		72 HP	1
				<b>57</b>

The Unit undertakes land preparation works for various categories of hirers. The types of services provided consist mainly of:

1. Land Clearing
2. Derocking
3. Levelling to facilitate mechanisation
4. Furrowing
5. Road tracing
6. Cane Loading
7. Bed Forming for food crops and ornamentals

Approximately 72% of work performed by AMU machines was for sugarcane plantation and approximately 27% was for food crop planters.

## **Main Categories of Hirers**

### **1. Small sugarcane planters**

This category of planter consists mainly of small sugarcane planters and constituted approximately 72% of the AMU's workload. More than 80% of planters found in this category have land of less than 1 ha while more than 58% have less than 0.5 ha. These planters benefit from highly subsidized tractor rates.

### **2. Sugar Estates**

Some sugar estates also hire the machines of AMU for their sugarcane land preparation. They benefit from subsidized tractor hire rates but at a slightly higher hire rate than small sugar cane planters.

### **3. Small non-sugar planters**

This category consists mainly of food crop growers. The demand for land preparation services is increasing and represents approximately 19% of the total hours work done by AMU's tractors.

#### 4. Revenue

<b>Table 66. Revenue</b>		
	<b>July 2022- June 2023</b>	
	<b>Effective Hrs</b>	<b>Revenue (MUR)</b>
<b>Small sugarcane planters</b>	27,010.80	14,881,135.00
<b>Sugar Estates</b>	313.00	300,480.00
<b>Parastatal</b>	612.25	1,782,330.00
<b>Small non-sugar Planters</b>	6,584.75	8,199,210.00
<b>Ministry</b>	131.75	452,561.25
<b>Large Planters</b>	303.50	352,590.00
<b>TOTAL</b>	<b>35,072.30</b>	<b>25,968,306.25</b>

Source: Planters System MCIA

***Increase in Effective Hours:*** 6% increase relative to 2021/2022

***Increase in Revenue:*** 4.29% relative to 2021/2022

Revenue increase by MUR1M



Fig 39. Land Preparation at Solferino for Potato Cultivation



Fig 40. Potato Cultivation after Land Preparation

## F CONTROL AND ARBITRATION DEPARTMENT

### Role and Function

The Control and Arbitration Department (CAD), formerly known as the Cane Planters and Millers Arbitration and Control Board is a Department of the Mauritius Cane Industry Authority (MCIA) since the proclamation of the MCIA Act No.40 of 2011 on 19 March 2012.

The CAD is managed by a Director who is responsible for the execution of the policy of the Control and Arbitration Committee (CAC) and the day-to-day business of the department. In the discharge of his functions, currently the Ag. Director is assisted by three Sugar Technologists.

**Vision:** *To provide effective service to planters, millers and other institutions of the sugar industry in order to promote and sustain social stability among partners of the Sugar Industry.*

**Mission:** To control milling activities, arbitrate disputes and determine the quantum of sugar and by-products accruing to growers.

### Functions and powers of the Control and Arbitration Committee includes:

- (i) *Arbitration of disputes between planters and millers;*
- (ii) *Control of the milling of canes and the manufacture of sugar;*
- (iii) *Determination of the quantity of sugar and co-products accruing to planters and millers;*
- (iv) *Determination of Refund of Transport Cost;*
- (v) *Registration of Cane Contracts;*
- (vi) *Delimitation of Factory Areas*

The composition of the Control and Arbitration Committee during period 01 July 2022 - 30 June 2023 was as shown in Table 67.

<b>Table 67. Composition of the Committee 2022 - 2023</b>	
<b><i>Chairperson</i></b>	
Mr. Dheerendra Kumar Dabee, G.O.S.K	
<b><i>Members</i></b>	
Mrs. Geetawantee Ramnauth	Representative of the Ministry of Agro-Industry and Food Security
Mr. Jean Li Yuen Fong	Representative of millers
Mr. Soobas Muniah	Representatives of small planters
Mr. Vhinaye Dookhony P.M.S.M	Representatives of large planters
Mr. Amal Mungur	Representative of the MCIA Board
Vacant	Independent member

**Note: Mrs G. Ramnauth has replaced Mrs I. Rugjee as representative from the Ministry of Agro-Industry and Food Security as from March 2023.**

During period 1 July 2022 - 30 June 2023, the Committee held twelve meetings. The attendance of each member is displayed at Table 68:

<b>Table 68. Attendance for period 1 July 2022 to 30 June 2023</b>	
Mr. Dheerendra Kumar Dabee, G.O.S.K	12
Mrs. Geetawantee Ramnauth	4
Mrs Indira Rugjee	7
Mr. Jean Li Yuen Fong	12
Mr. Soobas Muniah	12
Mr. Vhinaye Dookhony P.M.S.M	11
Mr. Amal Kumar Mohabeer Mungur	12

## Arbitration of disputes and grievance handling

During period July 2022-June 2023, no formal dispute was reported to the Committee for arbitration. However, seventeen complaints have been registered and successfully addressed by the management of the CAD during that period. The number of complaints has decreased as compared to last year where twenty-one complaints were registered.

## Registration of Cane contracts

Section 28 of the MCIA Act (Provision relating to Cane Contracts) provides that cane contracts between planters and millers shall be entered into for any crop year on or before 31 of May and forwarded to the Committee for registration not later than 15 June of that crop year.

## Start and End of Crop 2022

The milling of canes started on 18 June at Alteo factory and ended at Terra on

For crop 2022, the one stop service was not offered, due to restrictions related to the pandemic of COVID 19. As such, the Ministry together with MCIA had decided that all cane contract agreements would automatically be renewed for those planters who have registered during last crop season 2021. To this effect, the Minister has made a regulation to be in conformity with the MCIA Act.

For crop 2023 the one-stop shop facility, in collaboration with the Sugar Insurance Fund Board and Millers, was provided for the registration and signing of the cane contract agreements for all planters. A total of 3,094 cane contract agreements were registered by the Control and Arbitration Department for a total of 8295 registered planters.

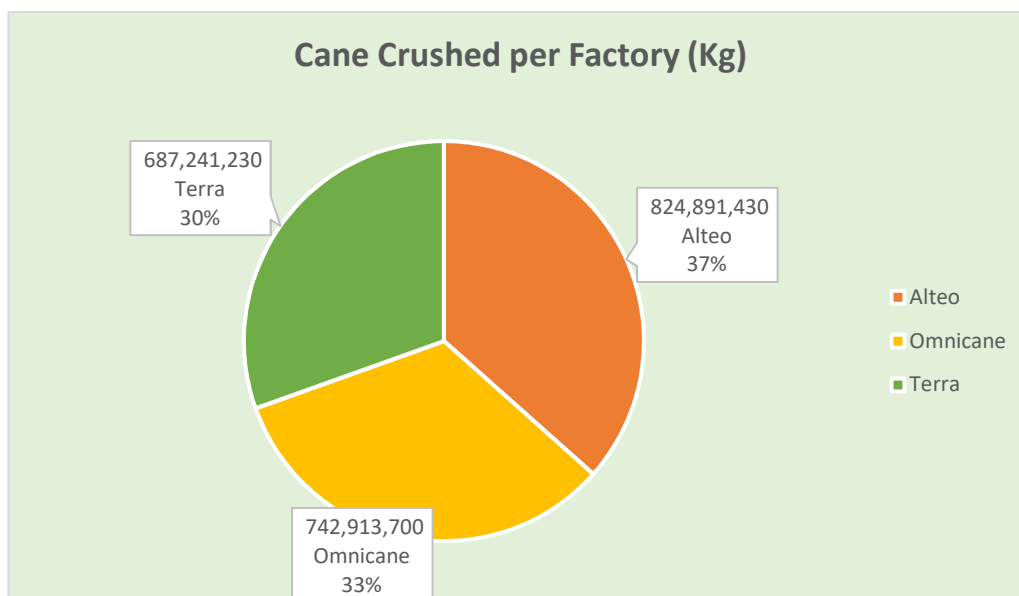
6 December 2022 with a crop duration of 139 crushing days. The start and end of milling activities at each sugar factory is given in Table 69.

Factory	Date receiving estate canes	Date receiving planters'	Date start crushing	End of Harvest	Crushing days
Terra	22 June	27 June	27 June	06 Dec 22	136
Alteo	18 June	20 June	20 June	06 Dec 22	139
Omnicanne	04 July	04 July	05 July	19 Nov 22	109

## Canes Milled

Three factories were operational for Crop 2022; namely: Terra, Alteo and Omnicane. A total of 2,256,806 t of canes were supplied to the mills, out

of which 2,255,046 tonnes were milled while the remaining 1,759 t were lost during transportation between the cane transit sites and the receiving factories. Figure 41 illustrates cane crushed by the three sugar factories:



**Fig 41. Cane Crushed per Factory - Crop 2022**

## Sucrose Content Tests

The Control and Arbitration Department carries out sucrose content tests on the canes of planters at the CAD Laboratories.

As in the previous year, any planter or group of planters having an amount of 300 tonnes of canes could apply for a separate sucrose content test in case he wanted his canes to be assessed separately for Crop 2023. As at the closing date of 15 March, one new separate test, five cancellations (due to low tonnage of canes) and one amendment to existing tests were approved by the Committee.

There are four laboratories of CAD situated at Terra, Alteo, Medine and Omnicane. In total there are seven InfraCana Cane Analysers, two each at Terra, Alteo and Omnicane and one at Medine. The InfraCana is used to analyse cane samples for three parameters namely Brix, Pol% and Fibre%. These parameters are subsequently used to determine the sugar accruing for each of the regions and planters bearing separate tests. Table 70 below illustrates the number of valid tests used in the assessment of sugar with their corresponding amounts of canes.

<b>Table 70. Number of Valid tests per laboratory</b>		
<b>Laboratory</b>	<b>Cane received at Site (t)</b>	<b>Valid number of tests</b>
<b>Terra</b>	676,732	22,235
<b>Alteo</b>	826,089	28,349
<b>Medine</b>	10,964	812
<b>Omnicanne</b>	743,020	22,267
<b>Total</b>	<b>2,256,805</b>	<b>73,663</b>

### Sugar Production

The final sugar production at 98.5° Pol for crop 2022 was 233,998 t compared to 257,154 t for Crop 2021, a shortfall of 23,156 t.

The average sucrose extracted percent canes (extraction) was

The amount of sugar produced by each mill is shown in Figure 42.

higher at 10.32% in Crop 2022 as compared to 9.59% for crop 2021. A similar trend was observed for sucrose% cane (Richesse) that is 11.93 for crop 2022 in comparison to 11.16 for 2021.

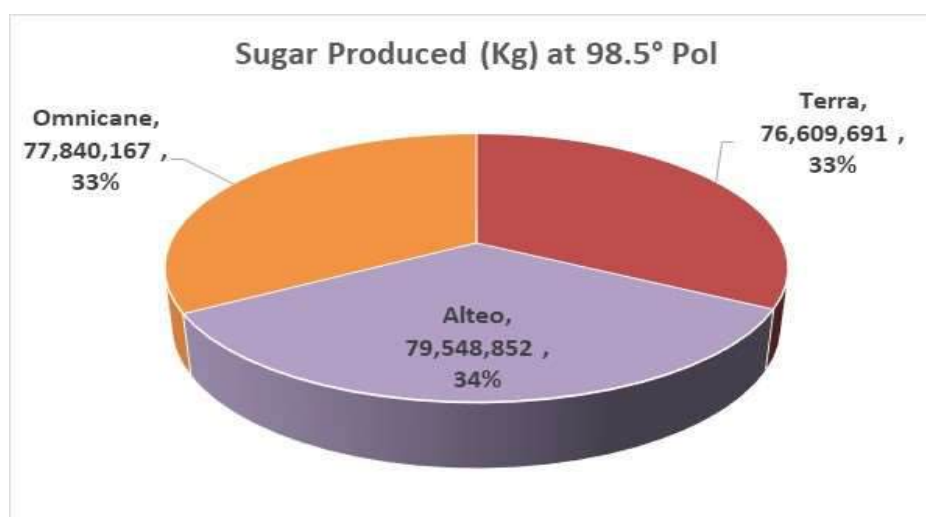


Fig 42. Sugar Produced at 98.5° Pol per factory - Crop 2022

### Assessment of sugar and molasses

The final assessment of sugar and molasses for crop 2022, was

approved by the Control and Arbitration Committee in February 2023. Table 71 illustrates the division of sugar and Table 72 for assessment of molasses.

Factory	Planters' Share		Miller's Share		Sugar (kg) @ 98.5° Pol	
	Sugar (kg)	kg sugar per ton cane	Sugar (kg)	kg sugar per ton cane	Average Efficiency	Produced
<b>Terra</b>	59,707,584	86.82	16,902,107	24.58	76,294,834	76,609,691
<b>Alteo</b>	62,772,806	75.99	16,776,046	20.31	80,361,495	79,548,852
<b>Omnicanne</b>	60,586,512	81.54	17,253,655	23.22	77,349,117	77,840,167
<b>Total/mean</b>	<b>183,066,902</b>	<b>81.12</b>	<b>50,931,808</b>	<b>22.57</b>	<b>234,005,446</b>	<b>233,998,710</b>

Factory	Brix of molasses	Molasses % Cane crushed	kg Molasses per tonne of cane @ 86° Brix
<b>Terra</b>	86.75	3.16	31.901
<b>Alteo</b>	89.70	3.03	31.587
<b>Omnicanne</b>	85.38	3.66	36.324

### Assessment of scum

The Final Assessment of Scum for Crop 2022 based on the average quantity of scums produced by

each factory per tonne of canes milled were approved by the Control and Arbitration Committee during the preceding crop year at specified moisture content is shown in Table 73.

<b>Table 73. Final Assessment of Scum for Crop 2022</b>		
<b>Factory</b>	<b>Moisture % scum</b>	<b>scum per tonne cane</b>
Terra	68.58	32.91
Alteo	71.52	50.86

Omnicanne factory produces limited amounts of scums every year for planters going for re-plantation of the enlarged Omnicanne factory area at the rate of 7 t per acre based on a decision of the Committee taken on 30 May 2013.

### Final Road Rate for Crop 2022

In accordance with section 40 of the MCIA Act, sugarcane growers are entitled to a refund of the transport cost of their canes where the distance over which the canes are transported by the planters to a factory or a cane transit site is greater than 6.4 kilometers.

In practice, small planters supplying up to 100 t of cane

benefit from a special rate (+ 10%) as they pay a higher cost of transport due to poor state of roads leading to their fields and lower bargaining power as compared to big planters who benefit from economies of scale due to larger production.

Alternatively, where the transport is undertaken by the miller, the latter is refunded a fixed cost and the cost of transport over the first 6.4 km only.

The recommended rates applicable where the transport cost was undertaken by the planter is provided in Tables 74 and 75.

<b>Table 74. Rate of refund for transport undertaken by the planter (above 6.4 km)</b>		
<b>Type of Planters</b>	<b>Crop 2021 Rates (per tonne/km)</b>	<b>Crop 2022 Rates (per t/km)</b>
	<b>MUR</b>	<b>MUR</b>
Supplying more than 100 t of canes	7.61	8.63
Supplying up to 100 t of canes (+10%)	8.37	9.49

Where the transport cost was undertaken by the miller, the fixed

and variable costs applicable are provided in Table 75.

**Table 75. Fixed cost to be refunded to the miller by the planters/t for the first 6.4 km**

For Crop 2021 it was:	MUR 27.28
<b>For Crop 2022 it will be:</b>	<b>MUR 30.92</b>

### **Determination of Price of Molasses**

Pursuant to Section 39(2)(c) of the MCIA Act, where a planter has opted to receive the molasses to which he is entitled wholly or partly in cash, the value of the molasses shall be determined, where the molasses are sold by a miller or otherwise, on the average price of the molasses.

For Crop 2022, a total of 74,954 t of molasses at 86° brix was produced by the three factories. An amount of 906 t was delivered in kind to planters while the remaining 71,342 t were sold to local distilleries and 3,071 t to livestock breeders. The price applicable to each

category of users and the Final Price of Molasses for Crop 2022 at 86° Brix was as follows:

- (1) Sale Price to Livestock Breeders: MUR 2,546.83/t
- (2) Deemed FOB price of molasses to distillers producing alcohol destined for exportation: MUR 2,546.83/t
- (3) Price to distillers producing potable alcohol for domestic market: MUR4,000 /t
- (4) Average Blended Price of Molasses/t: MUR 2,835.86

- (5) Final Price of Molasses payable to planters/t of molasses at 86° Brix inclusive of Distiller/Bottler Contribution: MUR4,833.26

Livestock breeders were charged the Deemed FOB price after amendments were made to the Sugar Industry Efficiency Act (SIE) through budget 2022-2023.

### WEIGHBRIDGE CALIBRATIONS AND CHECKS

In compliance with Section 32 of the MCIA Act, the CAD regularly calibrates and checks the weighbridges located at the sugar factories, cane transit sites, refineries and Sugar Storage Units of the MCIA.

For this purpose, the CAD possesses two lorries equipped with cranes and forty-five 1-tonne standard weights which are

calibrated by the Legal Metrology Division of the Ministry of Commerce prior to the start of each crop season.

The number of canes and sugar weighing platforms in operation for 2022 was thirty-nine and a total of 2,296 accuracy checks have been performed on those weighbridges as at 30 June 2022 by our officers as shown in Table 76.

<b>Type of Checks</b>	<b>Number of checks</b>
Calibration/ Recalibration	57
Taring	162
Daily weighbridge accuracy checks	2296
<b>Total</b>	<b>2515</b>

### Value added products

Pursuant to the Section 25 of the MCIA and Regulation, a person may apply to the Control and Arbitration Committee to utilise canes for the commercialisation of cane juice for direct consumption. A yearly fee is applicable for permit holders

that is for those using less than 10 t of cane annually they pay MUR 2000 and MUR 10,000 for more than 10 t.

For the period July 2022- June 2023, the CAD has issued two new permits, renewed twenty-five permits and has cancelled one.



## **Staff matters**

### **Retirement of CAD Staff**

Crop 2022 was the last crop season for the Acting Director, Mr D. Busgeeth and Senior Test Chemists, Mr G. Bucktowar and Mr R. Aullyjane. They retired during the month of March and April 2023 after many years of service to the department.

### **Seasonal employees**

For Crop 2022 and 2023, as in previous years, the CAD recruited a number of seasonal employees in the grade of Laboratory Head, Supervisor/Operator, Sampler/Cleaner and Helper/Cleaner to work at the various laboratories and cane transit sites.

**Table 77. Summary of Crop 2022**

Factory	Crushing Period		Crushing days	Canes (tonnes)			RICHESSE (Sucrose % Cane)	Extraction (Sucrose Extracted % Cane)	Sugar Produced (tonnes)				Molasses Produced tel quel (tonnes)
	Start	End		Received	Crushed	Loss in Transit			Tel Quel	Produced @ 98.5	Average Efficiency	Diff	
Terra	27-Jun	6-Dec	136	688,485	687,241	455	12.61	11.05	75,958	76,610	76,295	315	21,733
	13-Jul	8-Dec	145	719,319	718,969	350	11.61	10.01	71,952	72,594	72,571	23	22,489
Alteo	20-Jun	6-Dec	139	826,089	824,891	1198	11.31	9.64	79,531	79,549	80,361	-812	24,972
	16-Jun	23-Dec	157	1,064,723	1,064,000	723	10.69	9.23	98,203	98,190	97,617	573	32,758
Omnican	5-Jul	19-Nov	109	743,021	742,914	107	11.99	10.39	77,218	77,840	77,349	491	27,181
	13-Jul	16-Dec	128	885,625	885,495	129	11.37	9.67	85,663	86,371	86,942	-571	35,549
Total				2,257,594	2,255,046	1759	11.93	10.32	232,707	233,999	234,005	-6	73,886
				2,669,667	2,668,465	1202	11.16	9.59	255,817	257,155	257,130	25	90,797

Note: Figures in italic relate to Crop 2021



## G(1) SUGAR STORAGE AND HANDLING UNIT (SUGAR TERMINAL)

### Introduction

The Sugar Storage and Handling Unit (Ex-Mauritius Sugar Terminal Corporation) is located on a piece of reclaimed land having an area of 10.93 ha at Les Salines, Fort William, Port Louis.

Initially, at its inception in 1980, the main activities at the Terminal were to receive, store and bulk load into sugar vessels the raw sugar produced by the sugar factories. The terminal is equipped with receiving facilities, accurate weighing equipment, two-storage sheds of bulk capacity of 175,000 t sugar each and an efficient out-loading station with a loading rate of 1,440 t/h.

Following the dismantling of the sugar protocol and the cessation of raw sugar production and exportation, the activities of the Sugar Storage and Handling Unit (SSHU) are mainly focussed on the sugar receipt, storage and delivery of both Plantation White Sugar

(PWS) and non-originating sugars (NOS) to the two refineries of the island. Presently PWS and NOS is delivered to Terra Milling Ltd and Omnicane Milling Operations Ltd. (OMOL) respectively.

### Receiving Station

Sugar is transported in trucks from the sugar factories (PWS) or from the Terminal Quay / Mauritius Port Authority (MPA) Quay (NOS) to the receiving station. Fully computerized weighbridges ensure accurate weighing of the sugar lorries at the receiving station. The sugar boxes are then tipped using electro-mechanical equipment to unload the sugar onto conveyor belts which is then conveyed to the storage sheds.



Fig43. Unloading sugar boxes



Fig.44. Storage of Non-Originating Sugar (NOS) and Loading of trucks



Fig45. Transport by trucks



Fig46. Grabs filling chute

## The Sugar Storage Sheds

Two sugar storage sheds, each having a storage capacity of 175,000 t harbours in bulk the plantation white sugar as well as the non-originating sugar. The infrastructures are designed to resist cyclonic winds of approximately 300 km/h. The storage sheds are protected against fire outbreaks through a state-of-the-art fire detection and firefighting system. Since 2009, Shed No. 2 is dedicated to the storage of special sugars in 1-t bags, 25-kg Jumbo bags and 50-kg Jumbo bags, and soft sugars in 50 kg bags (slings) destined for exportation. Part of Shed No. 1 is devoted to the storage of special sugars in 1-t bags and soft sugars in 50-kg bags (slings).

### Unloading of Non-Originating Sugar at the Terminal Quay

The unloading of sugar vessels is carried out on a 24-h basis which may last between 6 to 8 days, depending on prevailing climatic

conditions. The operations are complex with several operators



Fig47. Storage Shed

within the port sector working simultaneously and converging towards the same goals and objectives of unloading NOS from the sugar vessels to the Terminal's receiving station or directly to the sugar factory (i.e., OMOL). Thus, proper coordination, cooperation, communication and control are key factors for successful end results. The unloading rate is approximately 4,000 t/ 24 h with some 2,000 truck-trips involved in the to and fro movements from the wharf to the receiving station for the whole operations.

## Delivery of Sugar to Refineries

Plantation White Sugar (PWS) and Non-Originating Sugar (NOS) from Shed No. 1 were previously delivered through the C14 conveying system, which was located inside Shed No. 1. The C14 conveyor system has been relocated and is annexed to the batch weigher tower. During the process of delivery, the lorry is positioned under discharging hoppers where an operator triggers the pneumatic gate to load the sugar boxes. The lorry is then weighed at the receiving station and directed to the refinery.



Fig48. Delivery of sugar from Shed No.1

Delivery of NOS is also done through the out-loading conveyors and reclaimed at the return bin of the sugar quay.



Fig49. Delivery of sugar from return bin of quay

## Staff Matters

### Health and Safety Committee

The Health and Safety Committee met regularly to discuss matters relating to the health and safety of the employees.

All provisions of the Occupational Safety and Health Act 2005 were complied with and all the equipment at the Sugar Storage and Handling Unit are inspected by a Registered Machinery Inspector.

### Meetings with Staff Associations

The management had regular meetings with the Mauritius Sugar Terminal Corporation Employees Union (MSTCEU) to discuss establishment problems, including those relating to the terms and conditions of service and the maintenance of good industrial relations.

## Maintenance and Repairs Works

All equipment and machineries undergo rigorous maintenance phases based on a pre-planned preventive maintenance programme and coupled to that, critical equipment is routed to a conditioned-based monitoring cycle.

Most of the maintenance and repair works are carried in-house except for big projects which are outsourced. The workshop is equipped with specialized tools and equipment and among others this includes a lathe, a milling machine, a hydraulic press, welding equipment both arc and gas, and a heavy-duty drilling machine. Two mobile cranes facilitate transportation of heavy loads, tarring of weighbridges, maintenance of sugar boxes and working at heights with the man-platform attachment.

In view of the geographical position of the terminal and being exposed to the saline environment, the whole structure which is made of steel and aluminium cladding are subject to adverse environmental impacts. Coupled to that, the ageing of the terminal escalates the maintenance and repair works. The total built-up area is approximately 43,000 m<sup>2</sup>.

## **Sugar Movements during Crop Year 2022**

### **Plantation White Sugar received for Crop Year 2022**

Nil

### **Plantation White Sugar delivered for Crop Year 2022**

Nil

### **Closing Stock of NOS as at 30 June 2022**

15,540.020 Mt

### **Non-Originating Sugar received for Crop Year 2022**

<b>Table 78. Receipt of Non-Originating Sugar for Crop Year 2022 (01.07.2022 - 30.06.2023)</b>	
<b>Sugar Vessels</b>	<b>(Mt)</b>
MV Royal Samurai (05.09.2022 - 12.09.2022)	33,619.790
MV AKTI (19.12.2022 - 27.12.2022)	33,143.970
MV Sarika Naree (08.06.2023 - 16.06.2023)	27,770.440
<b>TOTAL</b>	<b>94,534.200</b>

### **Non-Originating Sugar delivered for Crop Year 2022**

<b>Table 79. Delivery of Non-Originating Sugar for Crop Year 2022 (01.07.2022 - 30.06.2023)</b>	
	<b>(Mt)</b>
Omnicanne Milling Operations Ltd.	86,532.220
<b>TOTAL</b>	<b>86,532.220</b>

**Closing Stocks of PWS and NOS as at 30 June 2023 were as follows:**

Plantation White Sugar: **Nil**

Non-Originating Sugar: **23,542.000 Mt**

## Importance of the Terminal Wharf / Quay

The Terminal Wharf / Quay is an integral part of the SSHU Terminal infrastructure and since its construction in the 1980's, it became a critical component associated with the provision of efficient and effective activities to the industry and economy. The SSHU quay accommodates both sugar vessels for unloading of non-originating sugars and also for the offloading / uploading of HFO's for the account of CEB and STC as well as for anchorage purposes. At least

three sugar vessels amounting to a total of 120,000 t of sugar are being uploaded on a yearly basis. Furthermore, the Terminal Wharf is also used as and when required by the MPA for the free berthing of inter-island passengers vessels / cruise vessels. The berthing operations (except for passengers' /cruises' vessels) at the wharf represent a source of revenue to meet MCIA's operational costs.

Table 81 summarises the berthing operations at the Terminal Wharf during the period 01.07.2022 to 30.06.2023.

<b>Table 80. Berthing Operations</b>	
<b>Operations at the Terminal Wharf</b>	<b>Number of Operations</b>
Unloading of non-originating sugars	3
Offloading / Uploading of HFO's & anchorage	62
Inter-Island Passengers' Vessels	-
Cruise Vessels *	-

\* Due to Covid-19 Pandemic

## Major Achievements during the Financial Year

The major achievements at SSHU are summarized below:

- (i) preventive and continuous maintenance works to ensure that all electrical, mechanical and on-site infrastructures are fully operational and efficient at all time to ensure receipt, storage and delivery of sugar under optimal conditions.
- (ii) relocation and modifications work of C14 conveyor system and batch-weigher to facilitate the delivery of bulk sugar to the refinery in modified tandem type sugar trucks so as to reduce transport cost.
- (iii) tarring of weighbridges Nos. 1 to 4 at the receiving station.
- (iv) procurement of a new air compressor (45 kw) to enable better loading and unloading operations using our pneumatic system.
- (v) Procurement of a new front-end wheel loader (SEM) in replacement of an old Caterpillar front-end wheel loader for sugar delivery operations in Shed No. 1.
- (vi) Repair and maintenance work of roof cladding for Shed No. 2.
- (vii) Installation and commissioning of additional CCTV Security Surveillance Camera for SSHU premises.

## G(2) SUGAR STORAGE AND HANLDING UNIT (BAGGED SUGAR)

### Transfer of the Operations of The Bagged Sugar Storage and Distribution Co Ltd to MCIA

In the context of the rationalization of the service providing institutions to improve cost effectiveness, quality services and optimal use of human resources, in 2014 Government had agreed to the transfer of the operations of the Bagged Sugar Storage and Distribution Co Ltd to the Mauritius Cane Industry Authority. This department is now attached to as the Sugar Storage and Handling Unit (SSHU) of

the MCIA and is referred to as the SSHU (Bagged Sugar). The employees of the Company, who were on a permanent and pensionable establishment were redeployed to the Mauritius Cane Industry Authority.

The Bagged Sugar Storage and Distribution Co. Ltd has been removed from the Register of Companies, under Section 309(1)(d) of the Companies Act 2001, on 31<sup>st</sup> December 2014. All assets and liabilities have been transferred to the Mauritius Cane Industry Authority with effect from 1 January 2015.

### Principal Activities



**Fig50. Bagged Sugar**

The principal activity of the SSHU (Bagged Sugar) comprises of the receipt, storage and distribution of bagged sugar as follows:

- Special Sugars are received from sugar factories for both local and export markets;
- White Refined / Raw Sugars are received from sugar factories for both local and export markets; and
- Imported Sugars were received from overseas suppliers for local market and bottlers up to year 2012.

The sugars are received from Terra Milling Ltd, Alteo Milling Ltd. and Omnicane Milling Ltd. in 25 kg, 50 kg and 1-t bags.

To this end, the Unit operates three warehouses held at the following locations:

- (a) Les Salines - MCIA Shed No 1
- (b) Les Salines - MCIA Shed No 2
- (c) Caudan

***The sugar weight received for the past 8 years are as shown in the Table 81:***

<b>Table81. Weight of sugar received</b>								
<b>Crop Year</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<i>Sugar Received from Sugar Estates (t)</i>	<b>104,172</b>	<b>134,566</b>	<b>87,457</b>	<b>93,990</b>	<b>96,183</b>	<b>104,348</b>	<b>117,370</b>	<b>101,098</b>



## H. DIRECTORS RESPONSIBILITY STATEMENT

### General

Directors are responsible to present financial statements of the Authority that give a faithful representation of the financial position as at the end of the financial period and of the results of its operations for the period then ended. It is responsible for the integrity of these financial statements and for the objectivity of any other information presented therein.

The Directors confirm that, in preparing these financial statements, they have ensured that proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority; the assets of the Authority have been safeguarded by maintaining appropriate internal control systems and procedures; reasonable steps have been taken for the prevention and detection of fraud and other irregularities; the financial statements have been prepared on the going concern basis; judgments and estimates have been made that are reasonable and prudent; and accounting policies have been selected in accordance with International Public Sector Accounting Standards (IPSASs) and have been applied consistently.

### Internal Control

The Directors have overall responsibility for taking such steps, as are reasonably open to them, to safeguard the assets of the Authority and to prevent and detect fraud and other irregularities. The internal control system has been designed to provide the Directors with such reasonable assurance. Such systems ensure that all transactions are authorised and recorded and that any material irregularities are detected and rectified within a reasonable time-frame. The Authority has an established internal control system which assists management in effectively discharging its responsibilities. The internal control system is reviewed on an ongoing basis to ensure its effectiveness.

### Risk Management

The Authority does not have a specific Risk Management Committee. However, all risky issues are considered by the Audit and Risk Committee. The Board is also responsible for taking appropriate action to mitigate risks, if any, using such measures, policies, procedures and other controls that it deems fit.

  
.....  
**Indira RUGJEE (Mrs)**  
**Permanent Secretary**  
**Ministry of Agro-Industry and**  
**Food Security**  
**CHAIRPERSON**

  
.....  
**Jacques M d'UNIENVILLE, G.O.S.K**  
**BOARD MEMBER**

## **I. INDEPENDENT AUDITOR'S REPORT**





# NATIONAL AUDIT OFFICE

## REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE MAURITIUS CANE INDUSTRY AUTHORITY

### Report on the Audit of the Financial Statements

#### Opinion

I have audited the financial statements of the Mauritius Cane Industry Authority, which comprise the statement of financial position as at 30 June 2023 and the statement of financial performance, statement of changes in net assets/equity, cash flow statement, and statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Mauritius Cane Industry Authority as at 30 June 2023, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

#### Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report. I am independent of the Mauritius Cane Industry Authority in accordance with the INTOSAI Code of Ethics, together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

#### Emphasis of Matter

##### *Accumulated Deficit - Rs 1,506,574,949*

I draw attention to Note 22 of the financial statements which showed an accumulated deficit of Rs 1,506,574,949 as at 30 June 2023 as compared to the deficit of Rs 1,456,745,977 as at 30 June 2022.



My opinion is not modified in respect of the above matter.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report of the Mauritius Cane Industry Authority, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Mauritius Cane Industry Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Mauritius Cane Industry Authority's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Mauritius Cane Industry Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Mauritius Cane Industry Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Mauritius Cane Industry Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

### ***Management's Responsibilities for Compliance***

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible to ensure that the Mauritius Cane Industry Authority's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements.

### *Auditor's Responsibilities*

In addition to the responsibility to express an opinion on the financial statements described above, I am also responsible to report to the Board whether:

- (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
- (b) the Statutory Bodies (Accounts and Audit) Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with;
- (c) in my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, any expenditure incurred is of an extravagant or wasteful nature, judged by normal commercial practice and prudence;
- (d) in my opinion, the Mauritius Cane Industry Authority has applied its resources and carried out its operations economically, efficiently and effectively;
- (e) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with; and
- (f) the Mauritius Cane Industry Authority has complied with the National Code of Corporate Governance in accordance with the Financial Reporting Act.

I performed procedures, including the assessment of the risks of material non-compliance, to obtain audit evidence to discharge the above responsibilities.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### *Statutory Bodies (Accounts and Audit) Act*

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

As far as it could be ascertained from my examination of the relevant records:

- (a) the Mauritius Cane Industry Authority has complied with the Statutory Bodies (Accounts and Audit) Act; and
- (b) no direction relating to the accounts has been issued by the responsible Minister to Mauritius Cane Industry Authority.

Based on my examination of the records of Mauritius Cane Industry Authority, nothing has come to my attention that causes me to believe that:

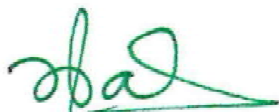
- (a) expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- (b) the Authority has not applied its resources and carried out its operations economically, efficiently and effectively.

### ***Public Procurement Act***

In my opinion, the provisions of Part V of the Act have been complied with as far as it could be ascertained from my examination of the relevant records.

### ***Corporate Governance Report***

My responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From my assessment of the disclosures made on corporate governance in the annual report, the Mauritius Cane Industry Authority has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.



**DR D. PALIGADU**  
Director of Audit

National Audit Office  
Level 14  
Air Mauritius Centre  
PORT LOUIS

30 April 2024

**THE MAURITIUS CANE INDUSTRY AUTHORITY**

**FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2023**



# THE MAURITIUS CANE INDUSTRY AUTHORITY

## TABLE OF CONTENTS

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	<b>PAGES</b>
Report of the directors	1
Statement of financial position	2
Statement of financial performance	3
Statement of changes in net assets/equity	4
Cash flow statement	5
Statement of comparison of budget and actual amounts	6
Notes to the financial statements	7- 35

REPORT OF THE DIRECTORS

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1. The Directors have the pleasure to submit the financial statements of the Mauritius Cane Industry Authority (MCIA) for the year ended 30 June 2023.

2. State of affairs and review of activities

The Statement of financial position as at 30 June 2023 is set on page 2 and the Statement of financial performance for the year then ended on page 3.

The main activity of the Mauritius Cane Industry Authority, is unchanged since 30 June 2022.

3 Statement of Directors

The Directors state that :

- Suitable accounting policies are selected and applied consistently.
- Judgements and estimates made are reasonable and prudent.
- Applicable accounting standards are followed subject to any material departures, disclosed and explained in the financial statements.
- Financial statements are prepared on the going concern basis, given the Board presumes that the Authority will continue its activities.



**CHAIRPERSON**  
**MCIA Board of Directors**

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	30 Jun 2023	30 Jun 2022
		MUR	MUR
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	139,526,674	349,552,078
Trade receivables	10	153,103,114	245,867,004
Loan receivables	11	7,174,668	8,024,035
Inventories	12	51,545,104	51,774,765
Prepayments		5,898,446	1,096,200
		<u>357,248,007</u>	<u>656,314,083</u>
<b>Non-current assets</b>			
Trade receivables	10	28,483,503	24,193,333
Loan receivables	11	14,860,692	18,652,303
Investment in financial assets	13	456,500	482,000
Property, plant and equipment	14	2,153,967,794	2,224,069,307
Investment property	15	7,770,000	8,140,000
Intangible assets	16	1,830,212	3,092,247
		<u>2,207,368,702</u>	<u>2,278,629,190</u>
<b>Total assets</b>		<u><u>2,564,616,708</u></u>	<u><u>2,934,943,273</u></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	17	134,327,920	283,675,125
Short term borrowings	18	1,649,743	1,558,522
Short term employee benefit provisions	19	35,500,000	35,000,000
Other short term provisions	19	950,000	52,132,400
		<u>172,427,663</u>	<u>372,366,047</u>
<b>Non-current liabilities</b>			
Trade payables	17	6,831,024	953,292
Long term borrowings	18	12,373,070	13,023,760
Long term employee benefit provisions	19	167,576,349	179,488,249
Other long term provisions	19	2,766,126	3,159,343
Retirement benefits obligations	20	1,521,575,727	1,522,273,929
		<u>1,711,122,296</u>	<u>1,718,898,573</u>
<b>Total Liabilities</b>		<u>1,883,549,959</u>	<u>2,091,264,620</u>
<b>Net Assets</b>		<u>681,066,749</u>	<u>843,678,653</u>
<b>NET ASSETS/EQUITY</b>			
Contributed capital	21	300,000,000	300,000,000
Revaluation reserve		1,887,322,948	2,000,080,380
Fair value reserve		318,750	344,250
Accumulated deficit	22	(1,506,574,949)	(1,456,745,977)
<b>Total Net Assets/Equity</b>		<u>681,066,749</u>	<u>843,678,653</u>

Approved by the MCIA Board of Directors on 26 April 2024



Mrs Indra Rugjee  
Chairperson



Mr Jacques Maffrier d'Unienville, G.O.S.K  
Board member

The notes on pages 7 to 35 form an integral part of these financial statements.

**THE MAURITIUS CANE INDUSTRY AUTHORITY**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	Year ended 30 Jun 2023	Year ended 30 Jun 2022
		MUR	MUR
<b>Revenue</b>			
<b>Non - Exchange Transactions</b>			
Grants	24	1,404,335,596	1,379,866,495
Levy on sale of sugar	25	114,928,050	129,721,792
Other non-exchange income	26	1,276,566	758,568
		<u>1,520,540,212</u>	<u>1,510,346,855</u>
<b>Exchange Transactions</b>			
Hire of tractors and trailers	27	26,823,169	25,798,326
Other exchange income	26	31,947,687	87,970,213
		<u>58,770,856</u>	<u>113,768,539</u>
<b>Expenses</b>			
Salaries and salary related expenses	28	(443,171,883)	(449,938,956)
Administrative and general expenses	29	(202,675,352)	(187,845,692)
Ex- dockers pensions	30	(113,790,578)	(111,484,166)
Depreciation of property, plant & equipment	14	(138,283,211)	(135,296,867)
Depreciation of investment property	15	(370,000)	(370,000)
Amortisation of intangible assets	16	(1,262,035)	(1,339,902)
Cane setts and SPRP expenses		(6,585,952)	(9,643,556)
Planters fund expenses		(12,218,931)	(9,885,585)
ALMS expenses		(49,544,799)	(47,584,023)
Sugar cane sustainability expenses	31	(772,196,700)	(891,120,492)
VRS expenses		(1,996,585)	(9,063,088)
Finance costs		(499,647)	(432,041)
Decrease / (Increase) in retirement benefits obligations	20	(62,866,113)	(56,668,885)
		<u>(1,805,461,787)</u>	<u>(1,910,673,252)</u>
<b>Deficit for the year</b>		<u>(226,150,719)</u>	<u>(286,557,858)</u>

The notes on pages 7 to 35 form an integral part of these financial statements.

THE MAURITIUS CANE INDUSTRY AUTHORITY  
STATEMENT OF CHANGES IN NET ASSETS/ EQUITY

YEAR ENDED 30 JUNE 2023

	Contributed Capital	Accumulated Surplus/(Deficit)	Fair Value Reserve	Revaluation Reserve	Total
	MUR	MUR	MUR	MUR	MUR
As previously stated at 01 July 2022	300,000,000	(1,456,745,977)	344,250	2,000,080,380	843,678,653
Transfers	-	112,757,432	-	(112,757,432)	-
Deficit for the year	-	(226,150,719)	-	-	(226,150,719)
	300,000,000	(1,570,139,264)	344,250	1,887,322,948	617,527,934
Actuarial gain on defined benefit pension plans	-	63,564,315	-	-	63,564,315
Decrease on investment revaluation	-	-	(25,500)	-	(25,500)
<b>As at 30 June 2023</b>	<b>300,000,000</b>	<b>(1,506,574,949)</b>	<b>318,750</b>	<b>1,887,322,948</b>	<b>681,066,749</b>

Car Loan Fund of MUR 30,417,987 representing money obtained by MSIRI from ex MSA to be used as a revolving fund. As it is no more used for the intended purpose, it has been transferred to Accumulated Fund in 2015.  
Car Loan Interest fund of MUR 51,112,351 representing interest earned on car loans to MSIRI officers transferred to Accumulated Fund on 30 June 2017.

	Contributed Capital	Accumulated Surplus/(Deficit)	Fair Value Reserve	Revaluation Reserve	Total
	MUR	MUR	MUR	MUR	MUR
As previously stated at 01 July 2021	300,000,000	(1,059,595,443)	314,500	2,100,319,835	1,341,038,892
Transfers	-	100,239,455	-	(100,239,455)	-
Deficit for the year	-	(286,557,859)	-	-	(286,557,859)
	300,000,000	(1,245,913,847)	314,500	2,000,080,380	1,054,481,033
*** Actuarial losses on defined benefit pension plans	-	(210,832,130)	-	-	(210,832,130)
Increase on investment revaluation	-	-	29,750	-	29,750
Restatement of opening retirement benefit obligations	-	-	-	-	-
<b>As at 30 June 2022</b>	<b>300,000,000</b>	<b>(1,456,745,977)</b>	<b>344,250</b>	<b>2,000,080,380</b>	<b>843,678,653</b>

\*\*\* Actuarial losses on defined benefit pension plans (MUR 210,832,130) is net of funds transferred from MSIRI Pension Fund to MCIA Pension Fund (MUR 97,141,339).

The notes on pages 7 to 35 form an integral part of these financial statements.

**THE MAURITIUS CANE INDUSTRY AUTHORITY**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 30 JUNE 2023**

	Notes	Year ended 30 Jun 2023 MUR	Year ended 30 Jun 2022 MUR
<b>Cash flows from operating activities</b>			
Cash absorbed in operations	38.1	(149,623,482)	32,789,572
Interest paid		(303,744)	(273,531)
<b>Net cash used in operating activities</b>		<b>(149,927,226)</b>	<b>32,516,041</b>
<b>Cash flows from investing activities</b>			
Capital expenditure		(64,110,754)	(60,273,282)
Disposal proceeds		-	3,272,215
Interest received		934,070	1,132,320
<b>Net cash generated from/(used in) investing activities</b>		<b>(63,176,684)</b>	<b>(55,868,747)</b>
<b>Cash flows from financing activities</b>			
Staff loans recovered		11,941,784	12,966,366
Staff loans granted		(7,300,806)	(9,928,710)
Repayment of loans		(1,562,472)	(1,668,058)
<b>Net cash flow generated from financing activities</b>		<b>3,078,506</b>	<b>1,369,598</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents</b>		<b>(210,025,404)</b>	<b>(21,983,108)</b>
<b>Movement in cash and cash equivalents</b>			
		MUR	MUR
As at 01 July 2022		349,552,078	371,535,186
Increase / (Decrease)		(210,025,404)	(21,983,108)
<b>As at 30 June 2023</b>	38.3	<b>139,526,674</b>	<b>349,552,078</b>

The notes on pages 7 to 35 form an integral part of these financial statements.

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	YEAR ENDED 30 JUNE 2023						REASONS
	ORIGINAL BUDGET	ACTUAL RECEIVED/PAID	VARIANCE	AMOUNTS AS PER FINANCIAL STATEMENTS	VARIANCE		
	(A)	(B)	(A-B)	(C)	(A-C)		
<b>RECURRENT EXPENDITURE</b>	<b>MUR</b>	<b>MUR</b>	<b>MUR</b>	<b>MUR</b>	<b>MUR</b>		
Salaries, Salary related expenses and Travelling	362,579,300	357,202,002	5,377,298	388,971,104	(26,391,804)	Provision for PRB increase to Ex-MSA and BSSD employees and higher COLA	
Pension and Insurance of employees	69,710,200	64,758,386	4,951,814	70,560,815	(850,615)	Provision for PRB increase to Ex-MSA and BSSD employees and higher COLA	
MSS Ex- Dockers Pension	114,000,000	112,433,559	1,566,441	113,790,578	209,422	Reduction in number of pensioners	
Rent, Rates and Utilities	36,018,200	41,826,711	(5,808,511)	42,497,600	(6,479,400)	Increase in MPA, rentals	
General Office Expenses	6,960,700	11,183,460	(4,222,760)	8,759,177	(1,798,477)	General increase in costs	
Maintenance and Insurance	84,390,400	92,706,620	(8,316,220)	106,601,502	(22,211,102)	Higher breakdowns & successive increases in cost of fuel	
Welfare and Health & Safety	3,877,000	3,168,777	708,223	3,336,564	540,436		
Finance Cost	428,300	1,151,722	(723,422)	499,647	(71,347)	Finance charge on Leases included	
Mission	300,000	1,396,597	(1,096,597)	1,396,597	(1,096,597)	MCIA's participation in International conferences	
Field Experimentation	600,000	791,517	(191,517)	820,816	(220,816)		
Publication and Advertisement	500,000	203,688	296,312	228,517	271,483		
Training & Support Services	300,000	841,770	(541,770)	841,770	(541,770)	More employees attended short courses	
Security	36,230,000	19,165,422	17,064,578	20,189,675	16,040,325	Security services maintained on a month to month basis	
Air Pollution Monitoring Expenses	300,000	229,043	70,957	249,742	50,258		
Payment of Royalties	3,000,000	4,965,112	(1,965,112)	2,214,671	785,329	Only 50% payable by MCIA	
Research & Development	13,395,000	11,483,537	1,911,463	11,853,111	1,541,889	Cost savings	
	<b>732,589,100</b>	<b>723,507,923</b>	<b>9,081,177</b>	<b>772,811,885</b>	<b>(40,222,785)</b>		
<b>CAPITAL EXPENDITURE</b>							
Non Current Assets	15,515,000	67,876,834	(52,361,834)	68,181,699	(52,666,699)	Agricultural equipment acquired on lease	
Repayment of Loans	1,426,600	1,536,158	(109,558)	1,536,158	(109,558)		
	<b>16,941,600</b>	<b>69,412,992</b>	<b>(52,471,392)</b>	<b>69,717,857</b>	<b>(52,776,257)</b>		
<b>TOTAL EXPENDITURE</b>	<b>749,530,700</b>	<b>792,920,915</b>	<b>(43,390,215)</b>	<b>842,529,742</b>	<b>(92,999,042)</b>		
<b>REVENUE</b>							
Hire of Tractors & Trailers	18,600,000	26,823,169	8,223,169	26,823,169	8,223,169	Higher effective hours	
Co - financing from Government	483,140,700	380,000,000	(103,140,700)	380,000,000	(103,140,700)	Limited Co-financing from Govt	
MSS - Refund of BSSD Expenses	105,000,000	105,000,000	-	126,800,000	21,800,000	Implementation of PRB report at BSSD	
Levy on sale of sugar on local market	125,800,000	106,969,772	(18,830,228)	114,928,050	(10,871,950)	Actual sugar consumption less than budgeted	
Air Pollution Monitoring Income	2,000,000	484,000	(1,516,000)	1,043,000	(957,000)		
Others	14,990,000	35,171,773	20,181,773	32,181,253	17,191,253	Higher proceeds from sale of cane & Agronomic Services	
	<b>749,530,700</b>	<b>654,448,714</b>	<b>(95,081,986)</b>	<b>681,775,472</b>	<b>(67,755,228)</b>		

The notes on pages 7 to 35 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2023

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**1 REPORTING ENTITY**

The Mauritius Cane Industry Authority (**The Authority**) is a body corporate established under the Mauritius Cane Industry Authority Act 2011 which was proclaimed on 19 March 2012 to take over the activities of the following ex- Service Providing Institutions (SPIs):

- Mauritius Sugar Authority
- Mauritius Sugar Industry Research Institute
- Mauritius Sugar Terminal Corporation
- Farmers' Service Corporation
- Sugar Planters Mechanical Pool Corporation
- Cane Planters and Millers Arbitration and Control Board

MCIA took over the activities of BSSD Co. Ltd as from 1 January 2015. The audited financial statements of the company as at 31 March 2015 have been consolidated with those of MCIA.

The Authority's registered office is situated at 1, Moka Road, MSIRI Complex, Reduit.

The objectives of the Authority include:

- Monitoring, overseeing and coordinating all the activities relating to, and ensuring a fair, efficient and effective administration and operation of the cane industry.
- Promoting and supporting the sustainable development, efficiency and viability of the cane industry.
- Formulating and implementing policies, strategies, plans, programmes and schemes in relation to the cane industry.
- Promoting and facilitating the sustainable development of the cane cluster in Mauritius and in the region.
- Monitoring and coordinating the activities of the cane industry, including planting, milling, processing, transport, bulk handling and marketing.

The assets and funds of every former SPI have been vested in the Authority and all rights, obligations and liabilities subsisting in favour of or against a former SPI continued to exist under the same terms and conditions in favour or against the Authority. Consequently, the Authority has incorporated in its financial statements all the assets, liabilities and funds of the ex-SPIs which were reclassified and consolidated. Depreciation policies have been standardised to achieve consistency and uniformity in reporting.

**2 REPORTING DATE AND COMPARATIVES**

The financial statements cover a period of 12 months ending 30 June 2023 and are presented in accordance with International Public Sector Accounting Standards (IPSASs)

**3 REPORTING CURRENCY**

The financial statements of the Authority are presented in Mauritian rupees (MUR).

**4 MEASUREMENT BASE**

As from financial year ending 30 June 2018, the Authority adopted International Public Sector Accounting Standards (IPSASs), issued by the International Public Sector Accounting Standards Board (IPSASB) which is a Board of the International Federation of Accountants (IFAC), as appropriate for the measurement and reporting of the financial position and financial performance on an accrual basis.

**5 ADOPTION OF IPSASs**

- 5.1** The Financial Statements comply in all material respects with applicable International Public Sector Accounting Standards. In the current period, the Mauritius Cane Industry Authority has adopted all of the improvements and amendments to the Standards effective at the reporting date.

## 5.2 Non-application of IPSASs

IPSAS 3 (Accounting Policies, Changes in Accounting Estimates and Errors) requires disclosure of new IPSAS that have been issued but are not yet effective. In November 2020, the IPSASB published the final pronouncement, COVID-19: Deferral of Effective Dates, which delayed the effective dates of recently published Standards and Amendments to IPSAS by one year to January 1, 2023.

- *IPSAS 41 - Financial Instruments (Initially set to be effective as from 1 January 2022, now effective on 1 January 2023)*  
IPSAS 41 replaces IPSAS 29, while providing entities a transition option to continue to apply the hedge accounting requirements of IPSAS 29. It sets out requirements for recognition and measurement of financial instruments, including impairment, derecognition and general hedge accounting.
- *IPSAS 42 - Social Benefits (Initially set to be effective as from 1 January 2022, now effective on 1 January 2023)*  
IPSAS 42 helps users of the financial statements and general purpose financial reports assess the nature of social benefits provided by the entity, the features of the operation of social benefit schemes; and the impact of social benefits on the entity's financial performance, financial position and cash flows.
- *IPSAS 43 - Leases (Effective as from 01 January 2025)*  
IPSAS 43 prescribes the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that leases and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.
- *IPSAS 44 - Non-current Assets held for Sale and Discontinued Operations (effective as from 01 January 2025)*  
IPSAS 44 prescribes the accounting treatment for assets held for sale and the presentation and disclosure of discontinued operations. The standard requires:
  - (i) Assets that meet the criteria to be classified on hold for sale to be measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and
  - (ii) Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial position.

## 5.3 Use of estimates and judgement

Where relevant, the Authority is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements. The preparation of financial statements in conformity with the International Public Sector Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in **note 8**.

## 6 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

### 6.1 Basis of preparation

The financial statements have been prepared on the historical cost basis except for non current assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting date.

### 6.2 Statement of Compliance

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs). Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) issued by the International Accounting Standards Board (IASB) are applied.

**6.3 Property, plant and equipment**

Assets, liabilities and funds of all ex-SPIs have been vested into the MCIA at the commencement of the MCIA Act 2011 and transferred at their book values. Assets and liabilities of BSSD Co. Ltd have been transferred at their book values at 01 January 2015.

Non-current assets are stated at their revalued amount, based on periodic valuations, by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

All property, plant and equipment transferred are stated at their carrying amount. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent to initial recognition, property, plant and equipment are measured at fair value. Gains and losses arising from changes in the fair value of property, plant and equipment are included in equity in the period in which they arise.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

Increases in the carrying amount arising on revaluation are credited to revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to the statement of financial performance.

Each period the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of financial performance and depreciation based on the asset's original cost is transferred from revaluation reserve to accumulated surplus/(deficit).

Depreciation is calculated on the straight line method to write off the cost or revalued amounts of the assets to their residual values over their estimated useful lives as follows:

	Annual rate
Buildings	2% - 10%
Plant, Machinery and Motor Vehicles	4% - 50%
Fixtures, Furniture and Fittings & Office Equipment	3.33% - 50%
Computer & Associated Equipment	10% - 50%
Laboratory Equipment	10% - 50%

Land is not depreciated.

Tractors are depreciated based on the number of effective hours. Tools are written off in the year of purchase.

Full provision for depreciation is made in the year of purchase and nil in the year of disposal.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of plant and equipment are determined by comparing proceeds with carrying amount and are included in the statement of financial performance.

**6.4 Investment property**

Investment property, which is building held to earn rentals and not occupied by the Authority, is carried at cost less impairment losses. Depreciation is calculated at 4% of the cost of the building. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in equity in the period in which they arise.

**6.5 Intangible assets**

## Computer Software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives. Subsequent to initial recognition, computer software are measured at fair value. Gains and losses arising from changes in the fair value of computer software are included in equity in the period in which they arise.

Costs associated with maintaining computer software are recognised as an expense as incurred.

**6.6 Inventories**

Inventories are valued at the lower of cost and net realisable value.

**6.7 Financial instruments****6.7.1 Financial assets**

The Authority classifies its financial assets as loans and receivables and available-for-sale financial assets. Management determines the classification of its financial assets at initial recognition.

**(i) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Authority provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets when maturity is within twelve months after the end of the reporting period or non-current assets for maturities greater than twelve months.

**(ii) Available-for-sale financial assets**

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless Management intends to dispose of the investment within twelve months of the end of the reporting period.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Authority commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs for all financial assets.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

The Authority assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of financial assets classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised is removed from equity and recognised in the statement of financial performance

**(iii) Long term receivables**

Long term receivables with fixed maturity terms are measured at amortised cost using the effective interest rate method, less provision for impairment. The carrying amount of the asset is reduced by the difference between the asset's carrying amount and the present value of estimated cash flows discounted using the effective interest rate. The amount of loss is recognised in the statement of financial performance. Long term receivables without fixed maturity terms are measured at cost. If there is objective evidence that an impairment loss has been incurred, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated cash flows discounted at the current market rate of return of similar financial assets.

**(iv) Other receivables**

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of other receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the statement of financial performance.

**6.7.2 Financial liabilities**

Financial liabilities are classified as borrowings, payables and other financial liabilities.

**(i) Borrowings**

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred.

Borrowings, except bank overdraft, are classified as current liabilities unless the Authority has an unconditional right to defer settlement of the liability for at least twelve months after reporting date.

**(ii) Other payables**

Other payables are stated at their fair value and subsequently measured at amortised cost using the effective interest method.

**(iii) Other Financial Liabilities**

They are recognised at fair value, net of any assets provided as guarantee to the financial institution issuing the loans.

Other financial liabilities are offset with financial assets to the extent that the liabilities and the assets are linked.

**6.7.3 Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, cash at bank, bank overdrafts and deposits.

**6.7.4 Retirement benefit obligations****(i) Defined benefit plans**

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service

and compensation.

The Authority contributes to a defined benefit plan for its employees. The cost of providing benefits is determined and the regular cost is spread over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of plans every year using the Projected Unit Method.

The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets.

**(ii) Defined contribution plans**

A defined contribution plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, dependent on the amount of contribution by the employee and the employer made to the plan.

A defined contribution plan is implemented for new entrants in the Authority after 1 January 2013 as recommended in the PRB report 2013.

**(iii) Gratuity on retirement**

For employees who are not covered by the above pension plan, the net present value of gratuity on retirement payable is calculated by qualified actuaries and provided for. The obligations arising under this item are not funded.

**6.8 Impairment of assets**

At each reporting date, the Authority reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

**6.9 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

Revenues earned by the Authority are recognised on the following bases:

**(i) Revenue from Non - Exchange Transactions**

- Capital grant - Capital grant received to finance acquisition of property, plant & equipment is recognised in the period in which it is received.
- Grant - Grant from the Mauritius Sugar Syndicate to finance BSSD expenditure, is accounted for in the same accounting period in which the related expenditure is incurred.
- Levy on sale of sugar - Levy on sale of sugar is recognised when imported & locally produced sugar is delivered for sale on the local market.
- Anchorage dues - Anchorage due from Mauritius Ports Authority is recognised when vessels berth at the Sugar Terminal wharf.
- Berthing dues - Berthing due from Central Electricity Board (CEB) is recognised when vessels berth at Sugar Terminal wharf to upload heavy fuel oil product from Fort Williams depot for CEB in Rodrigues.
- Cane juice application fee - When application is received for the production of cane juice for direct consumption.

**(ii) Revenue from Exchange Transactions**

- Hire of equipment - Upon completion of work at the invoiced value for hire of equipment. No value added tax is charged.
- Interest income - Interest is recognised on a time-proportion basis that takes into account the effective yield on the asset.
- Dividend income - Dividend income is recognised when the Authority's right to receive payment is established.
- Royalties - Royalty is recognised as they are earned in accordance with the substance of the relevant agreement.
- Sales of cane - Sale of cane is recognised when goods are delivered and title has passed.
- Cash advance to and contribution from planters - Cash advance is recognised when it is probable that economic benefits will flow to the Authority.

YEAR ENDED 30 JUNE 2023

**6.10 Provisions**

Provisions are recognised when the Authority has a present or constructive obligation as a result of past events and when it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

**7 FINANCIAL RISK MANAGEMENT****7.1 Financial Risk Factors**

The Authority's activities expose it to a variety of financial risks.

**7.1.1 Market risk****(i) Currency risk**

The Authority has limited exposure in respect of foreign currency risk.

**(ii) Price risk**

The Authority holds an investment of only MUR 456 500 ( at fair value on 30 June 2023) in equities and no investment in bonds or other securities. Accordingly, it has minimal exposure to price risk.

**(iii) Credit risk**

The Authority has limited concentration of credit risk in relation to car loans, and has policies in place requiring loan refund to be deducted directly from employees' salary. A 'gage sans déplacement' is created in favour of the Authority on vehicles acquired through MCIA loans.

Credit risk associated with advances made to planters under the FORIP Scheme is, however, more significant. Despite cash advance to planters is subject to contractual obligations, the recoverability is highly dependent on government policy. Decision to enforce repayment rests upon the Ministry of Agro-Industry and Food Security.

**(iv) Liquidity risk**

The Authority manages its liquidity risk by maintaining sufficient cash and also by ensuring the availability of funds through committed credit facilities.

The table below analyses the Authority's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

	Due within 12 months	Due after 1 year	Total
	MUR	MUR	MUR
<b>At 30 June 2023</b>			
Borrowings	1,649,743	12,373,070	14,022,813
Trade Payables	134,327,920	6,831,024	141,158,944
	135,977,663	19,204,094	155,181,757
	MUR	MUR	MUR
<b>At 30 June 2022</b>			
Borrowings	1,558,522	13,023,760	14,582,282
Trade Payables	283,675,125	953,292	284,628,417
	285,233,647	13,977,052	299,210,699

(v) **Cash flow and fair value interest rate risk**

As the Authority has no investment in significant interest-bearing assets, the Authority's income and operating cash flows are substantially independent of changes in market interest rates.

**7.2 Fair value estimation**

The nominal value less estimated credit adjustments of other receivables and payables are assumed to approximate their fair values.

**7.3 Capital risk management**

The Authority manages its capital to ensure that it will be able to continue as a going concern. Its overall strategy remained unchanged from 30 June 2022. The capital structure of the Authority consists of accumulated surplus/(deficit), revaluation reserve and other reserves.

**8 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**8.1 Critical accounting estimates and assumptions**

The Authority makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**8.2 Impairment of available-for-sale financial assets**

The Authority follows the guidance of IPSAS 26 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Authority evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

**8.3 Pension benefits**

The present value of the pension obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Authority determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Authority considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

**8.4 Revaluation of property, plant and equipment**

The Authority measures property, plant and equipment, investment property and intangible assets at revalued amounts with changes in fair value being recognised in equity. Independent valuation specialists were engaged to determine fair values.

YEAR ENDED 30 JUNE 2023

**8.5 Asset lives and residual values**

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors in reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

**8.6 Depreciation policies**

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Authority would currently obtain from disposal of the asset, if the asset was already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

**9 CASH AND CASH EQUIVALENTS**

	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	MUR	MUR
- Bank account with SBM Ltd- FORIP Account	14,718,898	15,943,337
- Bank account with SBM Ltd- Main Account	11,888,572	161,417,443
	<u>26,607,470</u>	<u>177,360,780</u>
- Other bank balances	112,756,655	172,023,926
- Cash	162,549	167,372
<b>TOTAL</b>	<u><u>139,526,674</u></u>	<u><u>349,552,078</u></u>

The effective rate of interest on bank overdrafts at the reporting date is 5.25 %.

**10 TRADE RECEIVABLES**

10.1	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	MUR	MUR
Receivables - Exchange transactions	171,058,736	253,167,691
Receivables - Non-exchange transactions	10,527,881	16,892,646
	<u><u>181,586,617</u></u>	<u><u>270,060,337</u></u>
<i>analysed as follows:</i>		
	MUR	MUR
Current		
Exchange transactions	142,575,233	228,974,358
Non-exchange transactions	10,527,881	16,892,646
	<u><u>153,103,114</u></u>	<u><u>245,867,004</u></u>
Non-Current		
Exchange transactions	28,483,503	24,193,333
Non-exchange transactions	-	-
	<u><u>28,483,503</u></u>	<u><u>24,193,333</u></u>
<b>TOTAL</b>	<u><u>181,586,617</u></u>	<u><u>270,060,337</u></u>

YEAR ENDED 30 JUNE 2023

	30 Jun 2023	30 Jun 2022
	MUR	MUR
<b>10.2</b> Receivables consist of:		
Planters - Hire of tractors	4,441,149	4,784,477
MSS - Levy on sale of sugar	7,958,278	12,052,380
Analytical & Agronomic Services	2,771,778	4,299,007
Air Pollution Monitoring Unit	957,000	2,226,500
MPA, CEB and Others	1,062,125	994,481
MCAF - Harvesters & Others	11,429,953	13,832,568
University of Mauritius	180,027	1,005,003
Planters - Fertilizer Scheme - Crop 2019 - 2021	6,915,180	7,653,778
MSS - Royalties	2,569,603	1,840,266
Planters - Fertilizer Scheme - Crop 2022	3,438,268	74,710,941
Dividend	17,000	17,000
Planters - Fertilizer Scheme - Crop 2023	114,187,426	-
MSS - PRB Salary Increase	21,800,000	-
Government of Mauritius - Land Acquisition	3,428,425	-
Planters funds	-	3,000,000
Rodrigues Assembly	-	3,147
MSIRI Support Staff	-	4,680
Blychem	-	73,200
Platinum Farms Ltd	-	228,387
RTC Rentals	-	330,000
MSS - Government Support	-	142,804,675
Others	430,405	199,847
	<b>181,586,617</b>	<b>270,060,337</b>

**10.3** The carrying amount of receivables approximate their fair value. Receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

**10.4** Receivable non - exchange transactions comprises of amount due by MSS with respect to levy on sale of sugar.

<b>11</b> LOAN RECEIVABLES	30 Jun 2023	30 Jun 2022
	MUR	MUR
<b>11.1</b> Staff loans		
Car loans	20,254,110	24,344,799
Motorcycle loans	1,754,550	2,127,139
Personal loans	26,700	204,400
	<b>22,035,360</b>	<b>26,676,338</b>
<i>analysed as follows:</i>	MUR	MUR
- Current	7,174,668	8,024,035
- Non-current	14,860,692	18,652,303
	<b>22,035,360</b>	<b>26,676,338</b>

YEAR ENDED 30 JUNE 2023

11.2 Movement in Staff Loans	Car	Motorcycle	Personal	TOTAL
	Loans MUR	Loans MUR	Loans MUR	MUR
Opening balance	24,344,799	2,127,139	204,400	26,676,338
New loans	6,813,600	187,706	299,500	7,300,806
Repayment	(10,904,289)	(560,295)	(477,200)	(11,941,784)
Closing balance	<u>20,254,110</u>	<u>1,754,550</u>	<u>26,700</u>	<u>22,035,360</u>

11.3 Car loans are issued to employees at concessionary rates of 3% to 8% interest per annum and are refundable over a period of five to seven years. Personal loans consist of both interest free loans and loans bearing interest at 7.5% per annum.

A 'gage sans déplacement' is created in favour of the Authority on vehicles acquired.

The effective rate of interest on bank overdrafts at the reporting date is 5.25%.

## 12 INVENTORIES

	30 Jun 2023 MUR	30 Jun 2022 MUR
Cost of spare parts and consumables		
SSHU	21,349,661	23,760,332
AMU	29,648,514	27,467,613
MSIRI	546,929	546,820
	<u>51,545,104</u>	<u>51,774,765</u>

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is estimated to approximate cost of inventories.

The recoverable amount of some items of inventories is estimated to be less than their carrying amount. Impairment loss is debited to the statement of financial performance.

## 13 INVESTMENT IN FINANCIAL ASSETS

Investment represents .

- 74,000 shares in Sugar Investment Trust
- 85 000 ordinary shares in SBM Ltd

Fair Value	30 Jun 2023 MUR	30 Jun 2022 MUR
SIT	74,000	74,000
SBM Ltd	382,500	408,000
	<u>456,500</u>	<u>482,000</u>
<b>Cost</b>		
Available-for-sale financial assets At 30 June 2023	<u>222,750</u>	<u>222,750</u>

THE MAURITIUS CANE INDUSTRY AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

14 PROPERTY, PLANT AND EQUIPMENT

14.1

	LAND & BUILDINGS	PLANT, MACHINERY & VEHICLES	FFF & OFFICE EQUIPMENT	COMPUTER & ASSOCIATED EQUIPMENT	LABORATORY EQUIPMENT	TOTAL
	MUR	MUR	MUR	MUR	MUR	MUR
<b>COST OR VALUATION</b>						
As at 01 July 2022	2,023,097,748.50	542,791,916.83	11,020,843.85	10,438,808.17	31,042,086.57	2,618,391,403.92
Additions	6,773,841.25	56,534,867.15	1,573,048.74	2,149,222.95	1,150,718.75	68,181,698.84
Disposal	-	-	-	-	-	-
<b>As at 30 June 2023</b>	<b>2,029,871,589.75</b>	<b>599,326,783.98</b>	<b>12,593,892.59</b>	<b>12,588,031.12</b>	<b>32,192,805.32</b>	<b>2,686,573,102.76</b>
<b>DEPRECIATION</b>						
As at 01 July 2022	207,802,060.53	157,987,090.92	5,572,413.19	7,146,327.03	15,814,205.18	394,322,096.85
Charge for the Year	69,282,761.71	57,984,265.42	2,337,883.54	2,367,723.05	6,310,577.74	138,283,211.46
Disposal	-	-	-	-	-	-
<b>As at 30 June 2023</b>	<b>277,084,822.24</b>	<b>215,971,356.34</b>	<b>7,910,296.73</b>	<b>9,514,050.08</b>	<b>22,124,782.92</b>	<b>532,605,308.31</b>
<b>NET BOOK VALUE</b>						
As at 30 June 2023	1,752,786,767.51	383,355,427.64	4,683,595.86	3,073,981.04	10,068,022.40	2,153,967,794.45
As at 30 June 2022	1,815,295,687.97	384,804,825.91	5,448,430.66	3,292,481.14	15,227,881.39	2,224,069,307.07



## YEAR ENDED 30 JUNE 2023

- 14.2 Property, plant and equipment, investment property and intangible assets of the Authority have been revalued at 30 June 2019 by Strategos Co. Ltd. Strategos Co. Ltd hired the services of Mr. Vyas S. Ramphul, MRICS, Chartered Valuation Surveyor.

The income capitalisation approach has been used as basis for valuing investment property, sales comparison approach and depreciated replacement cost basis for land and buildings and for plant, machinery and motor vehicles.

On 01 July 2019, the revaluation surplus was credited to revaluation reserve.

## 15 INVESTMENT PROPERTY

	30 Jun 2023 MUR	30 Jun 2022 MUR
15.1 COST OR VALUATION		
As at 01 July 2022	9,250,000	9,250,000
Revaluation adjustment	-	-
Additions	-	-
<b>As at 30 June 2023</b>	<b>9,250,000</b>	<b>9,250,000</b>
DEPRECIATION		
As at 01 July 2022	1,110,000	740,000
Revaluation adjustment	-	-
Charge for the year	370,000	370,000
<b>As at 30 June 2023</b>	<b>1,480,000</b>	<b>1,110,000</b>
NET BOOK VALUE		
As at 30 June 2023	<b>7,770,000</b>	<b>8,140,000</b>

- 15.2 The following have been recognised in the statement of financial performance:

	30 Jun 2023 MUR	30 Jun 2022 MUR
Rental income	300,000	300,000
Direct operating expenses arising from investment property that generates rental income	8,635	1,432

## 16 INTANGIBLE ASSETS

	30 Jun 2023 MUR	30 Jun 2022 MUR
<u>Computer software</u>		
COST OR VALUATION		
As at 01 July 2022	7,060,529	6,716,221
Revaluation adjustment	-	-
Additions	-	344,308
<b>As at 30 June 2023</b>	<b>7,060,529</b>	<b>7,060,529</b>
DEPRECIATION		
As at 01 July 2022	3,968,282	2,628,380
Revaluation adjustment	-	-
Charge for the year	1,262,035	1,339,902
<b>As at 30 June 2023</b>	<b>5,230,317</b>	<b>3,968,282</b>
NET BOOK VALUES		
As at 30 June 2023	<b>1,830,212</b>	<b>3,092,247</b>

YEAR ENDED 30 JUNE 2023

**17 TRADE PAYABLES**

	30 Jun 2023	30 Jun 2022
	MUR	MUR
<b>17.1 Payables</b>	<b>141,158,944</b>	<b>284,628,417</b>
<b>17.2 analysed as follows:</b>		
	MUR	MUR
- Current	134,327,920	283,675,125
- Non-current	6,831,024	953,292
	<b>141,158,944</b>	<b>284,628,417</b>
<b>17.3 Ex-dockers pensioners</b>	<b>9,383,951</b>	<b>8,026,932</b>
National Resilience Fund	-	157,904,675
Planters - SPRP, ALMS & Cane Setts	16,427,792	25,579,133
Mauritius Revenue Authority	3,007,317	2,396,663
Scomat Ltee	3,583,377	8,343,284
University of Mauritius	461,400	461,400
Vivo Energy & Total Ltd	5,402,446	489,021
CEB, CWA, MT and others	1,794,599	1,431,750
MCIA Employees	27,668,024	8,718,699
Compensation - Severance Allowance	1,764,391	-
RSL Security Services	966,634	1,796,192
National Audit Office	500,000	500,000
NVision IT	335,952	671,904
Ercane	4,965,112	3,680,532
Ministry of Agro-Industry - Advanced Fertilizer Scheme	40,327,439	53,183,240
MECOM	872,206	633,840
Annual Report	442,380	598,320
VRS Expenses	1,996,585	3,906,834
PES Metal Engineering	503,700	503,700
Rey Lenferna	454,480	1,437,500
ABC Motors Co. Ltd	247,665	230,610
Axess Ltd	859,760	-
IFCM Ltd	7,369,642	-
UMCL	3,785,933	-
SICOM	4,479,099	2,852,625
Others	3,559,059	1,281,563
	<b>141,158,944</b>	<b>284,628,417</b>

**18 BORROWINGS**

	30 Jun 2023	30 Jun 2022
	MUR	MUR
<b>Loans</b>		
- EDF loan	14,022,813	14,555,967
- Australian aid loan	-	26,315
	<b>14,022,813</b>	<b>14,582,282</b>
<b>Repayable as follows:</b>		
- Within one year	1,649,743	1,558,522
- Within two to five years	6,598,971	6,128,829
- After five years	5,774,099	6,894,931
	<b>14,022,813</b>	<b>14,582,282</b>
<b>analysed as follows:</b>		
- Current	1,649,743	1,558,522
- Non-current	12,373,070	13,023,760
	<b>14,022,813</b>	<b>14,582,282</b>

Loans are unsecured and repayable by annual instalments. The rate of interest ranges from 1 to 4 %.

The carrying amount of borrowings are not materially different from their fair value.

EDF loan is denominated in Euro and is translated at closing rate. Exchange loss on EDF Loan is MUR 1,003,003.

## 19 PROVISIONS

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Employees entitlement to bank of sick leave and vacation leave as defined in the PRB 2013 Report are recognised as and when they accrue to employees. An accrual is made for the estimated liability for bank of sick leave and vacation leave.

All provisions made are present obligations of uncertain timing or amount.

Movement in provisions is shown below.

	Sick Leave	Passage Benefit	Vacation Leave	Rental & Other Services	Legal Cost	TOTAL
	MUR	MUR	MUR	MUR	MUR	MUR
Balance as at 01 July 2022	95,174,621	27,653,206	91,660,422	55,116,742	175,000	269,779,992
Transferred	-	-	-	-	-	-
Earned	14,762,195	10,122,115	15,498,840	-	-	40,383,150
Increased / (Decreased)	(6,569,358)	17,864	(9,808,543)	870,925	(180)	(15,489,292)
Paid	(16,453,190)	(10,907,424)	(8,074,398)	(52,421,543)	(24,820)	(87,881,375)
Balance as at 30 June 2023	86,914,267	26,885,761	89,276,321	3,566,124	150,000	206,792,475

analysed as follows:

	MUR	MUR	MUR	MUR	MUR	MUR
Current	16,500,000	11,000,000	8,000,000	900,000	50,000	36,450,000
Non-Current	70,414,267	15,885,761	81,276,321	2,666,124	100,000	170,342,473
	86,914,267	26,885,761	89,276,321	3,566,124	150,000	206,792,475

<b>Current Liabilities</b>		MUR
Employee benefit provision		35,500,000
Others		950,000
<b>Non-Current Liabilities</b>		
Employee benefit provision		167,576,349
Others		2,766,126
		<u>206,792,475</u>

**20 RETIREMENT BENEFITS OBLIGATIONS****20 A 30 JUNE 2023 - DEFINED BENEFIT PENSION SCHEME**

- 20 A.1 (i) The Authority operates a defined benefit pension scheme. The scheme is a final salary scheme which provides benefits to employees in the form of a guaranteed pension payable for life. The level of pensions depends on the employees' length of service and their salary at the date of retirement.
- (ii) IPSAS 39 figures are computed by qualified actuaries - SICOM Ltd.
- (iii) IPSAS 39 *employee benefits* requires estimating the amount of liability that the employer has to recognise in its financial statements with respect to employees who are going to retire at normal retirement age.

Under IPSAS 39, liabilities refer to the liability of the employer at the reporting date, in respect of retirement benefit obligations. They represent estimates of the future stream of retirement benefit obligations which have been discounted to its present value.

The fair value of plan assets represents the value at the reporting date of the investment fund that shall be used to cover the liabilities as and when they become due.

- (iv) The three components of the defined benefit plan are accounted as follows:
- Service cost and net interest components accounted for in the statement of financial performance. Service cost component includes current and past service costs and net interest component relates to the change in measurement in both the plan obligation and plan assets arising from the passage of time.
  - The remeasurement component which comprises actuarial gains and losses made on obligations and the difference between the actual investment return and the expected return on assets during the reporting period. Remeasurements are accounted for in net assets/equity.
  - Plan obligations and plan assets reported in the statement of financial position.

**20 A.2 Amounts recognised in statement of financial position**

	<u>30 Jun 2023</u> MUR	<u>30 Jun 2022</u> MUR
Defined benefit obligation	2,120,338,536	2,006,257,563
Fair value of plan assets	(598,762,809)	(483,983,634)
	<u>1,521,575,727</u>	<u>1,522,273,929</u>

**20 A.3 Amounts recognised in statement of financial performance**

	<u>30 Jun 2023</u> MUR	<u>30 Jun 2022</u> MUR
<b>Service cost:</b>		
Current service cost	30,449,494	31,763,371
Past service cost	-	-
Employee contributions	(10,305,993)	(11,098,001)
Other contributions - redeployed members	(53,532)	(54,252)
Fund Expenses	776,027	689,841
Net Interest expense/(revenue)	70,537,806	59,402,237
	<u>91,403,802</u>	<u>80,703,196</u>
<b>Charge to statement of financial performance (Note 20 A.7)</b>		
<b>Remeasurement:</b>		
Liability (gain)/loss	94,229,388	283,975,126
Assets (gain)/loss	(1,379,408)	23,998,343

## YEAR ENDED 30 JUNE 2023

<i>Remeasurement recognised in net assets/equity</i>	<u>92,849,980</u>	<u>307,973,469</u>
<b>Total</b>	<b><u>184,253,782</u></b>	<b><u>388,676,665</u></b>

**20 A.4 Movements in liability recognised in statement of financial position**

	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	MUR	MUR
At start of period		
- As previously reported	1,522,273,929	1,254,772,914
- Effect of restatement	-	-
- As restated	1,522,273,929	1,254,772,914
Amount recognised in statement of financial performance	91,403,802	80,703,196
Past service funding	(52,152,530)	(1,524,631)
Transfer of fund	(104,261,765)	-
Actuarial reserves transferred in	-	(95,616,708)
Employer contributions and direct benefits	(28,430,625)	(23,925,951)
Other contributions - redeployed members	(107,064)	(108,360)
Amount recognised in net assets/equity	92,849,980	307,973,469
Effect of curtailment	-	-
At end of period	<u>1,521,575,727</u>	<u>1,522,273,929</u>

**20 A.5 Reconciliation of the present value of defined benefit obligations**

	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	MUR	MUR
Present value of obligation at start of period	2,006,257,563	1,705,824,908
Restatement	-	-
Current service cost	30,449,494	31,763,371
Interest cost	96,655,234	81,879,596
Benefits paid	(107,253,143)	(97,185,438)
Fund Expenses & Life Insurance	-	-
Effect of curtailment	-	-
Expected present value of obligation at end of period	<u>2,026,109,148</u>	<u>1,722,282,437</u>
Liability (gain)/loss	<u>94,229,388</u>	<u>283,975,126</u>
Actual present value of obligation at end of period	<u>2,120,338,536</u>	<u>2,006,257,563</u>

**20 A.6 Reconciliation of fair value of plan assets**

	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	MUR	MUR
Fair value of plan assets at start of period	483,983,634	451,051,994
Restatement	-	-
Expected return on plan assets	26,117,428	22,477,359
Employer contributions	28,430,625	23,925,951
Employee Contributions	10,305,993	11,098,001
Other employer contributions - redeployed members	107,064	108,360
Other employee contributions - redeployed members	53,532	54,252
Transfer of fund	104,261,765	95,616,708
Funds Expenses & Life Insurance	-	-
Past service funding	52,152,530	1,524,631
Benefits paid + other outgo	(108,029,170)	(97,875,279)
Expected fair value of plan assets at end of period	<u>597,383,401</u>	<u>507,981,977</u>
Asset gain/(loss)	<u>1,379,408</u>	<u>(23,998,343)</u>
Actual fair value of plan assets at end of period	<u>598,762,809</u>	<u>483,983,634</u>

## YEAR ENDED 30 JUNE 2023

20 A.7 Amounts recognised in the Statement of financial performance regarding retirement benefits obligations are as follows:

	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	MUR	MUR
<i>Included in Salaries and salary related expenses</i>		
Contribution to SICOM - MCIA employees	28,430,625	23,925,951
Contribution to SICOM - Redeployed employees	107,064	108,360
	<u>28,537,689</u>	<u>24,034,311</u>
<i>Other increase in net retirement benefits obligations</i>	62,866,113	56,668,885
<i>Total charge to Statement of financial performance</i>	<u><u>91,403,802</u></u>	<u><u>80,703,196</u></u>

(note 20 A.3)

## 20 A.8 Distribution of plan assets at end of period

*Percentage of assets at end of year*

	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	%	%
Fixed interest securities and cash	53.9	58.0
Loans	2.8	2.9
Local Equities	14.0	13.6
Overseas bonds and equities	28.8	25.0
Property	0.5	0.5
Total	<u><u>100.0</u></u>	<u><u>100.0</u></u>

## 20 A.9 Additional disclosure on assets issued or used by the reporting entity

*Percentage of assets at end of year*

	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	%	%
Assets held in the entity's own financial instruments	0	0
Property occupied by the entity	0	0
Other assets used by the entity	0	0

## 20 A.10 Components of the amount recognised in NAE

	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	MUR	MUR
Asset experience gain/(loss) during the period	1,379,408	(23,998,343)
Liability experience gain/(loss) during the period	(94,229,388)	(283,975,126)
	<u><u>(92,849,980)</u></u>	<u><u>(307,973,469)</u></u>
<b>Year</b>	<b>2023-2024</b>	<b>2022-2023</b>
	MUR	MUR
Expected employer contributions	28,661,223	24,875,512
Weighted average duration of the defined benefit obligation (Calculated as a % change in Present Value of liabilities for a 1% change in discount rate)	12 years	13 years

YEAR ENDED 30 JUNE 2023

**20 A.11 Pension Plan Risks**

The plan is exposed to actuarial risks such as Investment risk, Salary risk, Mortality and Longevity risk, Financial risk, Interest Rate risk and Regulatory risk.

*(i) Investment Risk*

The actual investment return achieved on the assets held could be lower/higher than assumed in the valuation exercise. A decrease in the real returns compared to salary increases will generate future deficit and require increases in rates of contributions and vice versa.

*(ii) Salary Risk*

The salary increases could be higher or lower than that assumed. In case of high salary increases relative to investment returns, this would decrease the real return, creating future deficit and hence require further annual contributions.

*(iii) Mortality and Longevity Risk*

In the same manner, post-retirement pension increases have a significant impact on the liabilities of the fund. The higher the increases compared to the return on the assets backing the liabilities, the higher the impact on the pension costs. In addition, the risk is magnified by the impact of improving mortality rates among pensioners. The longer the pensioners live, the higher the pension costs.

*(iv) Financial Risk*

MCIA may face unforeseen financial difficulties and be unable to pay contributions or fund for deficits when required.

It is to be highlighted that as from the year 2022-23, the Central Government has decided to inject Rs 52 million yearly in the MCIA Pension Fund for a period of 10 years to reduce the pension deficits.

*(v) Interest Rate Risk*

A decrease in the market yield on bond will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

*(vi) Regulatory Risk*

There may be changes in legislation and regulation governing Pension Funds that might adversely affect the Fund; for example, the introduction or increase of taxation, government fees and minimum benefits.

**20 A.12** The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used for the purpose of the actuarial valuation were as follows:

	Year ending 30 June 2023	Year ending 30 June 2022
Discount rate	5.87%	4.95%
Future salary increases	4.50%	3.50%
Future pension increases	3.50%	2.50%
Mortality before retirement	Nil	Nil
Mortality in retirement	PA (90) Tables rated down by 2 years	
Retirement age	65 years	65 years

The discount rate is determined by reference to market yield on bonds.

## YEAR ENDED 30 JUNE 2023

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period.

- If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligation would decrease by MUR 235.9 million (increase by MUR 286.3 million) if all other assumptions were held unchanged.
- if the expected salary growth would increase (decrease) by 1%, the defined benefit obligation would increase by MUR 100.2 million (decrease by MUR 90.7 million) if all assumptions were held unchanged.
- if life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by MUR 66.5 million (decrease by MUR 65.9 million) if all assumptions were held unchanged.

In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depend to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

**20 A.13 Data Summary - MCIA Employees****Active members**

As at 30 June 2023	Male	Female	Total
No of Members	318	55	373
Average Age	55	54	55
Average Salary	39,470	54,096	41,627
Average Service	342	338	342

**As at 30 June 2022**

No of Members	297	62	359
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**Pensioners**

As at 30 June 2023	Male	Female	Total
No of Members	282	45	327
Average Age	70	71	70
Average Monthly Pension	20,026	17,908	19,735

**As at 30 June 2022**

No of Members	267	42	309
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**20 B TRANSFER OF MSIRI PENSION FUND ASSETS TO SICOM LTD**

The Financial Services Commission approved the transfer of MSIRI Pension Fund to MCIA Pension Fund on 30 December 2020. The transfer of MSIRI Pension Fund assets which included local listed equities, foreign investments, fixed interest bearing securities and land at Balaclava started in early 2021 and was completed during the financial year ended 30 June 2022.

**20 C 30 JUNE 2023 - DEFINED CONTRIBUTION PENSION SCHEME**

A Contributory Defined Contribution (DC) Pension Scheme is implemented for new entrants in the public sector after 1 January 2013 as recommended in the PRB report 2013.

Total contributions with respect to employees appointed after 2013 amount to MUR 2,382,855 (MUR 2,353,082 for 2022).

YEAR ENDED 30 JUNE 2023

**21 CONTRIBUTED CAPITAL**

	<u>30 Jun 2023</u>
The initial capital of ex-Mauritius Sugar Terminal Corporation is MUR 300M, made up as follows:	MUR
	MUR
- Proceeds from cess levied on the sugar crop for years 1974 and 1975	109,440,675
- Interest accrued on amount of cess levied above	17,077,540
- Contribution by Government	173,481,785
	<u>300,000,000</u>

**22 RECONCILIATION OF ACCUMULATED SURPLUS OR DEFICIT**

	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	MUR	MUR
<b>As at 01 July 2022</b>	<b>(1,456,745,977)</b>	<b>(1,059,595,443)</b>
Transfer of revaluation reserve	112,757,432	100,239,455
Deficit for the year	(226,150,719)	(286,557,859)
Actuarial (loss) / gain on defined benefit pension plans	63,564,315	(210,832,130)
<b>As at 30 June 2023</b>	<b><u>(1,506,574,949)</u></b>	<b><u>(1,456,745,977)</u></b>

**23 RECONCILIATION OF NET ASSETS / EQUITY**

	<u>30 Jun 2022</u>	Movement	<u>30 Jun 2023</u>
	MUR	MUR	MUR
Contributed Capital	300,000,000	-	300,000,000
Accumulated Surplus / (Deficit)	(1,456,745,977)	(49,828,972)	(1,506,574,949)
Fair Value Reserve	344,250	(25,500)	318,750
Revaluation Reserve	2,000,080,380	(112,757,432)	1,887,322,948
<b>TOTAL</b>	<b><u>843,678,653</u></b>	<b><u>(162,611,904)</u></b>	<b><u>681,066,749</u></b>

**24 GRANTS****24.1 Cess is levied at the rate of 4% of sugar proceeds at ex MSS price.**

Cess money is recognised when there is reasonable assurance that the cess will be received and all attaching conditions will be complied with.

Government grants are received to finance the Authority's operating deficit and all related conditions are fulfilled.

**24.2 Cess on sugar proceeds**

Following the impact of reform in the EU Market, the main export market of the sugar industry, together with the response of the market to surplus supply of sugar, the price of sugar has experienced a substantial decrease. Ex MSS estimated price fell drastically. Ministry of Agro-Industry informed MCIA of the decision to suspend cess for crop year 2017. Grants from the Parent Ministry were received to meet MCIA's operational costs as from January 2018. The decision has been extended to crop year 2022.

## YEAR ENDED 30 JUNE 2023

## 24.3 Grants

	30 Jun 2023	30 Jun 2022
	MUR	MUR
Government of Mauritius - Co-financing	380,000,000	466,101,756
MSS - Refund of BSSD expenses	126,800,000	99,250,000
NRF - Sugar Cane Sustainability grant	* 772,196,700	613,300,000
MOAFS - Fertilizer Scheme	** 124,057,000	75,500,000
MOAFS - Agricultural Land Management System grant	55,000,000	40,500,000
MOAFS - Bonsucro and Fair Trade Labels	1,211,215	1,686,895
MOAFS - Grant for Medine Transport Cost	8,391,765	1,832,519
MOAFS - MPA Rentals	55,800,000	-
NRF - Modern Sugar Storage Facility	4,935,916	-
MOAFS - Sugar Cane Sustainability grant	*	351,100,000
MOAFS - Harvesting Equipment	-	15,000,000
	<u>1,528,392,596</u>	<u>1,664,271,170</u>
** Used to finance Govt share disbursed in current period	(83,729,561)	(22,316,760)
** Used to finance Govt share disbursed in future periods	(40,327,439)	(53,183,240)
* Previous years funds to finance Govt share disbursed in 2021-2022	-	(51,000,000)
* Used to finance SIFB Premium for Crop year 2019 to 2021	-	(104,855,142)
* Unutilised amount refundable to NRF	-	(53,049,533)
	<u>1,404,335,596</u>	<u>1,379,866,495</u>

## 25 LEVY ON SALE OF SUGAR

A contribution of MUR 3.70 per kg of sugar is levied on the sale of sugar on the local market to meet pensions payable to ex-dockers from ex-MSTC.

Levy earned during the period:

	30 Jun 2023	30 Jun 2022
	MUR	MUR
- Received	106,969,772	117,669,412
- Receivable	7,958,278	12,052,380
	<u>114,928,050</u>	<u>129,721,792</u>

YEAR ENDED 30 JUNE 2023

**26 OTHER INCOME**

Other income consists of:

	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	MUR	MUR
<b>Non - Exchange Transactions</b>		
Anchorage dues	668,566	165,393
Berthing dues	560,000	518,175
Cane juice application fee	48,000	75,000
	<u>1,276,566</u>	<u>758,568</u>
<b>Exchange Transactions</b>		
ACP Projects and WIKWIO Bank accounts	-	44,318,701
MRC grant	-	3,357,985
Air Pollution Monitoring income	1,043,000	3,694,550
Sale of cane	3,849,211	3,318,577
Interest on loans	934,070	1,132,320
Rent received	12,185,442	9,056,588
Analytical & agronomic services	3,173,015	3,798,717
Sale of varieties	1,045,880	1,684,713
Refund of medical expenses	389,383	369,362
SICOM - refund for damages & accidents	-	118,884
Loading of non originating sugar	802,000	1,405,566
Accountant General	44,100	21,175
Revenue from recycled oil	3,100	4,400
IAEA grant	740,797	285,239
Profit on disposal of assets	-	1,712,773
Amounts written back	202,905	967,114
MCAF - Part refund of cost of Harvester	-	7,269,537
MCAF - Refund for Garage	-	1,164,214
Exchange gain	-	3,632,460
Sale of Aluminium sheets	-	330,000
Calibration of Weighbridges	70,000	210,000
Interest & dividend received	17,000	17,000
Sale of publication	65,000	-
Sale of VRS plots of land	3,000,000	-
Compensation for land acquisition	3,428,425	-
Refund for lost items	867,557	-
Others	86,802	100,339
	<u>31,947,687</u>	<u>87,970,213</u>
<b>TOTAL</b>	<u><u>33,224,253</u></u>	<u><u>88,728,781</u></u>

**27 HIRE OF TRACTORS AND TRAILERS**

	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	MUR	MUR
Hire of tractors	25,885,549	24,842,981
Hire of trailers	937,620	955,345
	<u>26,823,169</u>	<u>25,798,326</u>

YEAR ENDED 30 JUNE 2023

## 28 SALARIES AND SALARY RELATED EXPENSES

	30 Jun 2023	30 Jun 2022
	MUR	MUR
Salaries and salary related expenses consist of:		
Salaries & wages	295,369,291	290,958,455
Overtime	18,100,683	16,525,659
Travelling	31,825,474	25,338,748
Uniforms	1,528,115	1,848,169
Pension - Ex-MSIRI	488,743	511,987
Pension contribution - SICOM	30,813,480	26,279,033
National Savings Fund	4,054,969	3,326,517
Family Protection Scheme	3,497,031	3,712,083
Contribution Sociale Generalisee	13,906,916	15,187,963
Civil service FPS	63,615	73,027
PRGF Contribution	579,387	169,753
HRDC Training Levy	415,553	413,064
Sick leave	14,762,195	15,903,085
Vacation leave & retirement gratuity	15,498,840	16,925,311
Passage benefits	10,122,115	10,507,719
Compensation and Car Benefits	1,764,391	-
Insurance of employees - GPA & others	5,127,578	10,825,339
Medical expenses	11,613,543	11,321,251
Increase / (Decrease) in provision	(16,360,036)	111,793
	<u>443,171,883</u>	<u>449,938,956</u>

YEAR ENDED 30 JUNE 2023

**29 ADMINISTRATIVE AND GENERAL EXPENSES**

	30 Jun 2023	30 Jun 2022
	MUR	MUR
Audit Fees	500,000	500,000
Board & Committee Fees	2,870,207	2,807,189
Legal & Professional Fees	259,001	357,750
Subscriptions	445,129	445,698
Cleaning	2,584,909	2,258,888
Maintenance and Repairs	9,409,035	19,036,136
Security	20,189,675	23,283,961
Computer Maintenance	848,535	657,439
Computer Supplies	1,160,211	939,643
Software licences	493,200	495,783
Field Experimentation Expenses	820,816	229,493
Other Office Expenses	289,710	275,149
Welfare	876,618	690,814
Advertisement	228,517	167,969
Maintenance of Office Equipment	703,668	632,523
Printing , Photocopy , Postage and Stationery	1,289,255	1,029,333
Health & Safety	2,527,021	2,182,764
Publications	160,375	285,830
Rent	27,052,687	9,532,817
Rates	213,348	134,233
Electricity	10,191,512	9,357,509
Water	2,593,043	2,382,079
Telephone , Internet & E-Mails	2,447,011	2,502,276
Research & Development	11,853,111	9,966,371
Running Expenses - Tractors ,Cranes & Other Vehicles	91,033,666	69,577,586
Training	841,770	92,000
Increase In Provision	870,745	19,205,601
Royalties	2,214,671	1,840,266
Insurance of Building and Equipment	2,199,940	2,149,105
Other Funds Expenses	2,015,957	2,928,326
Air Pollution Monitoring Unit Expenses	249,741	331,829
Loss on Exchange	45,002	-
Missions	1,396,597	241,404
Assets written off	1,800,669	1,327,928
	<u>202,675,352</u>	<u>187,845,692</u>

**30 EX-DOCKERS PENSIONS**

(i) The Authority has a legal obligation to provide and pay pension to ex-dockers who became redundant as a result of the coming into operation of the Bulk Sugar Terminal in 1980. The pension is currently funded by a contribution levied on sale of sugar on the local market. The number of pensioners as at 30 June 2023 was 1394 (June 2022: 1462).

(ii) Charge to Statement of financial performance is made up of the following:

	30 Jun 2023	30 Jun 2022
	MUR	MUR
Paid during the period	112,433,559	110,804,557
Add Pension due at end	9,383,951	8,026,932
	<u>121,817,510</u>	<u>118,831,489</u>
Less Pension due at start	(8,026,932)	(7,347,323)
	<u>113,790,578</u>	<u>111,484,166</u>

YEAR ENDED 30 JUNE 2023

**31 SUGAR CANE SUSTAINABILITY EXPENSES**

Sugar Cane Sustainability expenses consist of support provided to small planters and are made up of the following:

	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	MUR	MUR
GoM - Assistance to planters for Crop 2021	-	891,120,492
GoM - Assistance to planters for Crop 2022	722,196,700	-
	<u>722,196,700</u>	<u>891,120,492</u>

At 30 June 2022, MUR 142,804,675 was overpaid to MSS with respect to Crop 2021.

**32 FERTILIZER SCHEME EXPENSES**

- 32.1** In September 2018, the Government approved the Fertilizer Scheme to support sugarcane planters through the provision of fertilizers as an advance. Since then, the Government decided to renew the Fertilizer Scheme for all planters cultivating less than 100 ha of land and are eligible to a supply of 250 kg of fertilizer per arpent as an advance for the upkeep of their ratoon crop (repousse).

The Scheme provides for 50 per cent of the cost of fertilizers to be recouped from sugar proceeds of each beneficiary through the Mauritius Sugar Syndicate. The remaining 50 per cent is borne by the Government out of the National Resilience Fund.

- 32.2** Under the Fertilizer Scheme, advances were made to eligible sugarcane planters as follows:

Crop Year	MUR
2019	102,771,172
2020	109,279,568
2021	102,916,055
2022	189,332,486
2023	228,673,532

**33 FINANCIAL COMMITMENTS**

	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	MUR	MUR
Financial commitments relating to goods and services already contracted for	<u>9,250,326</u>	<u>29,744,976</u>

**34 RELATED PARTY TRANSACTIONS - COMPENSATION OF KEY MANAGEMENT PERSONNEL**

	<u>30 Jun 2023</u>	<u>30 Jun 2022</u>
	MUR	MUR
(i) Remuneration paid during the period to and on behalf of executive and non-executive Directors, including pension contributions.	<u>15,307,371</u>	<u>13,970,573</u>

The aggregate remuneration for key management personnel and the number of individuals receiving remuneration were as follows:

Chairperson of MCIA Board of Directors and Committees	3	3
MCIA Board and Committee Members	22	22
Chief Executive Officer	1	1
Directors	5	4

The Authority has made no contribution to any defined contribution plan for its key management personnel.

## YEAR ENDED 30 JUNE 2023

- (ii) Mr Devendra Nath Busgeeth, Acting Director of Control and Arbitration Department, and Mr Amal Kumar Mohabeer Mungur, Board Member, are sugarcane planters and have benefitted facilities under the various incentive schemes available.
- (iii) Since 1980 the Regional Training Centre ( RTC) has occupied a building which was constructed on the premises of MSIRI through funds obtained from UNDP. RTC has been managed by the Mauritius Sugar Planters Association (MSPA) since 1996. After the closure of MSPA, RTC has been managed by the Société Omnicane, Alteo and Terra.

Rental fee has been MUR 300,000 since 1996 and has been revised to MUR 330,000 for the year ended 30 June 2022 onwards until next revision. In 2018, a rental valuation was carried out and the monthly rental was assessed at higher than the actual rental.

MCIA Board of Directors approved that the rental fee amounting to MUR 600,000 for the years 2020 and 2021 be waived as a result of difficult economic conditions following COVID-19 pandemic.

The Chairman of the RTC is also a board member of the MCIA.

**35 IMPAIRMENT OF ASSETS**

The Authority carries out annual impairment test for its assets. The carrying amount of the assets is compared with its recoverable amount. Any impairment loss is then recognised in the financial statements in accordance with IPSAS 21 *Impairment of Non Cash Generating Assets*.

At 30 June 2023, no impairment loss for the Authority's assets is noted.

**36 OPERATING LEASES****The Authority as Lessee**

- 36.1 The Authority has contractual operating leases with Landscape (Mauritius) Ltd, Ministry of Housing and Land Use Planning, Mauritius Ports Authority, Rose Belle Sugar Estate, Sugar Investment Trust, ENL Agri Ltd and Terragri Ltd in the normal course of its business operations.

- 36.2 Lease payments recognised as expense in the period are as follows:

	Site Description	MUR
Landscape (Mauritius) Ltd	Riche Terre	4,341,600
Ministry of Housing and Land Use Planning	Reduit	155,496
Ministry of Housing and Land Use Planning	Ex-MSTC H.O	2,331,000
Ministry of Housing and Land Use Planning	Cassis	1,200,000
Mauritius Ports Authority	WSS - 2.1873 ha	5,180,000
Mauritius Ports Authority	Terminal - 24A735m <sup>2</sup>	13,775,000
Rose Belle Sugar Estate	Union Park - 26.34A	480,000
Sugar Investment Trust	Belle Rive	38,500
ENL Agri Ltd	La Sourdine	33,327
Terragri Ltd	Ferret	300,510

- 36.3 MCIA has subleased the ex- MSTC Head Office to the Mauritius Police Force to house the National Coast Guard headquarters. The annual rental is MUR 1,968,756 and MUR 2,331,000 for the building and the land respectively.

The lease agreement has been renewed for a further period of two (2) years up to 3 July 2024 against payment of a monthly rental of MUR 164,063 for the building as from 4 July 2022 and an annual rental of MUR 2,331,000 for the land.

MCIA has also subleased buildings at Reduit and various outlets located at Farmers Service Agency (FSA) centres.

The annual rental is as follows:

	MUR
Reduit - Ex Plant Breeding	1,845,600
Reduit - RTC	330,000
FSA Centres	5,020,850

## YEAR ENDED 30 JUNE 2023

36.4 Future minimum lease payments under operating leases for future periods are as follows:

	Per Annum MUR (M)
Within 1 year	27
Within 2 to 5 years	27
More than 5 years	27

Time value of money is not taken into consideration.

36.5 Under the operating leases held by MCIA, there exist no purchase option and no escalation clause.

The lease arrangements do not impose any restriction on additional debt and further leasing.

### 37 FINANCE LEASES

#### The Authority as Lessee

37.1 The Authority has contractual finance leases with Industrial Finance Corporation of Mauritius (IFCM) Ltd for the acquisition of agricultural equipment.

37.2 IFCM Ltd financed 90% of cost, excluding VAT, of a wheel tractor with accessories and 100% of cost, excluding VAT, of a double Cab. Total facility during the year amounted to MUR 7,615,000.

37.3 Details of the finance lease arrangement with IFCM Ltd are as follows:

- (i) Lease period is 84 months.
- (ii) Interest rate is 3% per annum Fixed.
- (iii) 84 constant and consecutive monthly rentals are payable.
- (iv) Lien on the agricultural equipment acquired is provided as security.
- (v) Residual value of 1% of finance amount is payable at the end of the lease period to give the Authority the option to purchase the assets.

37.4 Future minimum lease payments as at 30 June 2023 were as follows:

	MUR
(i) Not later than one year	1,207,431
(ii) Later than one year and not later than five years	4,829,725
(iii) Later than five years	2,113,005

37.5 Capital repayment as at 30 June 2023 were as follows:

	MUR
(i) Not later than one year	1,000,018
(ii) Later than one year and not later than five years	4,313,630
(iii) Later than five years	2,055,994

37.6 Finance charges allocated to future accounting periods as at 30 June 2023 were as follows:

	MUR
(i) Not later than one year	207,413
(ii) Later than one year and not later than five years	516,096
(iii) Later than five years	57,010

37.7 MCIA has not subleased any of the agricultural equipment.

37.8 Time value of money is not taken into consideration.

37.9 The lease arrangements do not impose any restriction on additional debt and further leasing.

**THE MAURITIUS CANE INDUSTRY AUTHORITY**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 30 JUNE 2023**

**38 CASH FLOW STATEMENT**

	Year ended 30 Jun 2023	Year ended 30 Jun 2022
	MUR	MUR
<b>38.1 Cash absorbed in operations</b>		
<b>Deficit for the year</b>	<b>(226,150,719)</b>	<b>(286,557,858)</b>
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	138,283,211	135,296,868
Depreciation on investment property	370,000	370,000
Amortisation of intangible assets	1,262,035	1,339,902
Loss /(Profit) on disposal	-	(1,712,773)
Exchange Loss/(Gain)	1,017,285	(1,517,271)
Interest paid	303,744	273,531
Interest received	(934,070)	(1,132,320)
Actuarial (Gain) / Loss	62,866,113	56,668,885
<b>Operating deficit before working capital changes</b>	<b>(22,982,401)</b>	<b>(96,971,036)</b>
(Increase) / decrease in accounts receivables (excluding car loans)	88,459,438	(75,474,937)
(Decrease) / increase in accounts payables	(147,540,417)	180,627,468
Increase / (decrease) in provisions	(62,987,517)	26,495,256
Decrease / (increase) in inventories	229,661	(2,081,796)
(Increase) / decrease in prepayments	(4,802,246)	194,617
<b>Cash absorbed in operations</b>	<b>(149,623,482)</b>	<b>32,789,572</b>

**38.2 Non cash transactions**

The principal non cash transactions are the adjustments for depreciation and amortisation, interest received, exchange loss and actuarial loss.

**38.3 Cash and cash equivalents**

Cash and cash equivalents include the following for the purpose of the statement of cash flows:

	30 Jun 2023	30 Jun 2022
	MUR	MUR
Cash in hand and at bank	139,526,674	349,552,078
Bank overdraft	-	-
	<b>139,526,674</b>	<b>349,552,078</b>

### BOARD CHARTER OF THE MCIA

#### 1.0 Introduction

The MCIA is governed by the MCIA Act (No. 40 of 2011) and as subsequently amended in 2014. The Mauritius Cane Industry Authority was established as a body corporate on 15 December 2011 with the enactment of the Mauritius Cane Industry Authority Act (No. 40 of 2011) which was proclaimed on 19 March 2012. MCIA is a non-profit and a Public Interest Entity whose ultimate objectives are not commercial, being dictated by State interests. It falls under the aegis of the Ministry of Agro-Industry and Food Security.

#### 1.1 Role and Responsibilities of the MCIA Board of Directors

The main role of the MCIA Board of Directors is to define the values to which the MCIA adheres. It has to abide to the general procedures in order to perform the duties and responsibilities entrusted to it in all integrity, transparency, accountability and fairness in the interest of:

- ✓ the Authority
- ✓ relevant stakeholders
- ✓ the planting community
- ✓ the public

#### 1.2 Board Charter

The Board Charter is a policy document that clearly establishes the framework and definition of respective roles, responsibilities, powers, authority, and accountability of the board of Directors. The charter sets a direction towards adopting principles of good governance and practice as per applicable laws.

The charter will be posted in the website of the MCIA.

The information contained on the MCIA's website can be consulted in a spirit of openness and disclosure. However, all queries or comments should be addressed to the Chief Executive Officer.

##### 1.2.1 Gender appreciation

In this Charter, the word 'HE' also would mean to express 'SHE'.

## **BOARD CHARTER OF THE MCIA**

### **1.2.2 Purpose of Charter**

The Code of Corporate Governance for Mauritius recommends the disclosure of the Board Charter on the organization's website and that a statement that the Board has approved its charter shall be included in the corporate governance section of the MCIA Annual Report. The Board Charter outlines the composition roles, responsibilities, powers, authority, accountability and operating procedures of the Board of Directors of the MCIA.

## **2. Board Profile, Constitution of the Board, Principles, Committees**

### **2.1 Board Profile**

The main objective of the MCIA Board of Directors is to ensure good performance within a framework of Good Governance in order to serve the interests of Mauritius.

#### **2.1.1 Constitution of the MCIA Board of Directors**

The composition of the MCIA Board of Directors for effective execution of its responsibilities as per Section 8(2) of the Act is as follows:

- (a) a Chairperson, appointed by the Minister;
- (b) a representative of the Ministry of Agro-Industry & Food Security;
- (c) a representative of the Ministry responsible for the subject of finance;
- (d) four members having wide experience in the sugar industry sector, including at least one representative from the milling activities sector and one from the small planter sector.

Every member, other than members referred to in sub section (2)(b) and (c), shall hold office for 2 years and shall be eligible for reappointment.

All Members of the Board are Non-Executive Members.

## **BOARD CHARTER OF THE MCIA**

### **2.1.2 General principles**

The Board shall ensure that:

- ✓ its members shall act independently;
- ✓ each Board member has the ability to assess the responsibilities of the MCIA;
- ✓ the Board member matches the Board Profile;
- ✓ at least one Board member is a financial expert, meaning he/she has expertise in financial administration and accounting.

### **2.1.3 Quorum**

The quorum necessary to conduct a meeting shall be at least three members.

### **2.1.4 Composition made public**

The composition of the MCIA Board of Directors and any changes shall be available on the Authority's website and in its Annual Reports.

### **2.1.5 Roles and Responsibilities of the Board of Directors**

The MCIA Board of Directors exist to provide strategic guidance, oversight and direction to the organization. The Board is responsible to ensure that the organization is fulfilling its mission, acting in accordance with its values and operating in a financially responsible and sustainable manner.

The Board has delegated authority to the Chief Executive Officer who will be responsible-

- ✓ to effectively manage the day-to-day business and activities of the Authority,
- ✓ to act in accordance with such directives as he may receive from the Board;
- ✓ to achieve such annual performance targets as may be set by the Board; and
- ✓ to submit to the Board, every 3 months, a report on the activities and finance of the Authority.

## BOARD CHARTER OF THE MCIA

### 2.2 Strategy

- ✓ Ensure that the vision, mission and objectives are met.
- ✓ Provide effective leadership, strategic guidance, oversight and direction in:
  - Ensuring that the cane industry is sustainable and continues to be an important pillar within the socio-economic framework in Mauritius by using latest technologies and mechanization.
  - Promoting the development of the cane sector and its clusters through systematic policy measures which will enable an innovative environment and enhance the provision of effective and efficient services to the planting community.
  - Carrying out effective Research and Development using latest technologies that will assist in adding more value and meet current and future challenges in the sugar industry.
- ✓ Monitoring the performance of the Chief Executive Officer with regard to the strategic plan and ensuring that performance indicators are met.

### 2.3 Role and Responsibilities of the Chairperson

The Chairperson of MCIA Board of Directors is appointed as per the Act.

#### 2.3.1 Duties

The Chairperson of the Board is primarily responsible for the activities of the Board and its Committees. He shall act as the spokesman of the Board. The Chief Executive Officer and the Chairperson of the Board shall meet regularly to discuss matters pertaining to the Authority.

#### 2.3.2 Responsibilities

The Chairperson of the Board of Directors is non-executive and is appointed by the Minister of Agro-Industry and Food Security under Section 8(2)(a) of the Act. The Chairperson ensures:

- smooth functioning of the MCIA in the interest of good governance
- active participation of members in discussions and Board matters
- all relevant information and facts are placed before the Board to enable members to reach informal decision
- contracts are executed, jointly with the Chief Executive Officer, on behalf of the Authority
- the agendas of the Board meetings are determined
- the meetings of the MCIA Board of Directors are chaired effectively
- the MCIA Board of Directors has sufficient time for consultation and effective and efficient decision making
- minutes of the MCIA Board of Directors are properly kept
- the performance of the MCIA Board of Directors is evaluated every year
- problems related to the performance of individual Board members are addressed effectively

## BOARD CHARTER OF THE MCIA

### 2.4 Secretary of the MCIA Board of Directors

#### 2.4.1 Secretary

The Secretary shall assist the Board in its proper functioning and establishing of procedures. He shall be accessible to the Chairperson for purposes/duties related to the Authority.

- ❖ The Secretary shall prepare and attend every meeting of the board;
- ❖ He shall keep minutes of proceedings of every meeting of the Board;
- ❖ He shall have such other duties as may be conferred on him by the Board.

#### 2.4.2 General Access

All Board members may consult the Board Secretary for advice or use his or her services.

#### 2.4.3 Responsibilities

The Secretary shall ensure that the Board adheres and complies with correct procedures and he shall assist the Chairperson of the Board to organize the activities relating to Board, for instance, searching and preparing information for Board, setting an agenda, reporting to Board, etc.

### 2.5 Committees

#### 2.5.1 Establishment of Committees

The Board may appoint members to perform specific tasks in committees. The Board shall determine the members of any Committee. The Board has the power to set up and establish an Audit and Risk Committee, a Staff Committee, a Finance Committee and a Corporate Governance Committee.

#### 2.5.2 Board Responsibility for Committee Action

The MCIA Board of Directors shall collectively be responsible for the decisions and actions taken by any Committee. Each Committee shall perform the tasks as delegated to it by the MCIA Board of Directors and has to abide as per the authority or powers of the Board.

#### 2.5.3 Committee Reporting

Each Committee shall immediately inform the Board about important actions which it has taken and thus shall keep the Board informed of major developments. A report shall be provided by the Committee concerning any action and findings.

#### 2.5.4 Website and Public Disclosure

The Board Charter and the composition of the Committees shall be posted on the MCIA's website and detailed in the Annual Report.

## BOARD CHARTER OF THE MCIA

### 3. Duties and Powers

#### 3.1 General Duties and Powers

##### 3.1.1 General Responsibilities

**The Board oversees the general performance of the MCIA and is responsible for such supervision.**

##### 3.1.2 Action of the Board in the Interest of the Organization

**The Board shall act in the best interests of the MCIA and its Departments.**

##### 3.1.3 Quality of Performance

**The Board is responsible for the quality and effective performance of the MCIA.**

##### 3.1.4 Provision of Information

**The Chief Executive Officer and the Secretary of the MCIA Board of Directors shall see to it that Management, in a timely manner, provides the Board and its Committees with important information for effective and efficient function.**

##### 3.1.5 Responsibility for Securing Information

**The Board and its individual members each has responsibility to get all information from Management and the internal and external auditors required in order to carry out their duties efficiently and effectively.**

#### 3.2 Duties Regarding the Supervision of Management

##### 3.2.1 Nature of Supervision

**In supervising the Management, the Board shall consider:**

- **that the Corporate Vision and Mission and objectives are met;**
- **strategy and associated risks in the activities of the MCIA;**
- **the process of the financial reporting;**
- **if the organization complies with law and regulations; and**
- **any other matters as per the MCIA Act.**

## BOARD CHARTER OF THE MCIA

### 3.2.2 Financial Reporting

There should be frequent financial reporting.

### 3.2.3 Annual Risk Review

At least once a year, the Board shall meet and discuss the strategies and associated risks at the MCIA. It has the responsibility to make an assessment of the internal risk and control systems.

### 3.3 Other Duties of the Board

The other duties of the Board shall include:

- ✓ duties as described in this Board Charter
- ✓ other duties imposed by law/MCIA Act/SIE Act
- ✓ Duties/ Requirements of Accounting Procedures and Policies in use or adopted by the MCIA.

### 3.4 Annual Report and Accounts

An Annual Report and Accounts shall be presented to the MCIA Board describing the MCIA's activities in the financial year, and containing the statements and information in line with Finance Reporting Council.

As far as practicable, MCIA will have to adopt the latest and most recent Good Practices and Reporting Policies.

## 4. Supervision of Financial Reporting

### 4.1.1 General Supervision Responsibilities

The Board, in consultation with the Audit and Risk Committee, will need to comply with written procedures for the effective preparation and publication of the Annual Report and Accounts and any other financial information. The Board, through the Audit and Risk Committee, also need to supervise and guide the internal control and audit.

### 4.1.2 Discussion of Financial Reports

The Finance Committee shall provide the Board with the annual report and accounts of the MCIA for each year.

The Annual Report and Accounts shall be discussed in a meeting with the Board within four months (i.e mid-August/start of September) before the end of the year.

## BOARD CHARTER OF THE MCIA

### 5. Conflicts of Interest

To ensure the independence of the Board, directors shall disclose actual or perceived conflicts of interest so that the Board can function independently and objectively in the best interests of the population.

On appointment and on a continuous basis, all directors shall disclose any business or other interest that is likely to create a potential conflict of interest. The other recommendations are as hereunder: -

- 5.1 It is the duty and responsibility of all Directors to act in the interest of MCIA;
- 5.2 The Chief Executive Officer should inform the Board if he needs prior consultation in a matter before a decision is made.

The Board will deliberate on perceived or actual conflict of interest in the absence of the person concerned.

### 6. Board Meetings and Decision-Making

#### 6.1 *Frequency, Notice, Agenda and Venue of Meetings*

##### 6.1.1 Frequency

The Board shall meet at least once every month at such time and place as the Chairperson may determine.

##### 6.1.2 Notice and Agenda

Meetings of the Board are called by the Chairperson. The agenda for a meeting shall be sent to all Board members at least 5 days before the meeting. For each item on the agenda, related documentation will be attached or sent by electronic means, wherever disclosure is possible. The Secretary shall consult the Chief Executive Officer on the proposed agenda and then seek approval of the Chairperson before convening any meeting.

## BOARD CHARTER OF THE MCIA

### 6.1.3 Venue

Board meetings are normally held in the Conference Room/Committee Room of the MCIA but may also take place elsewhere as may be designated.

### 6.2 Attendance of and Admittance to Meetings

#### 6.2.1 Attendance by Chief Executive Officer

The Chief Executive Officer shall be in attendance at Board meetings.

### 6.3 Chair of the Meeting

Board meetings are chaired by the Chairperson of the Board. In the absence of the Chairperson, a Member may be designated as Chairperson.

### 6.4 Decision-Making within the Board

#### 6.4.1 Preference for Unanimity

The Board members shall try to adopt resolutions unanimously. However, Board members are encouraged to voice their opinions to be recorded in the Minutes.

#### 6.4.2 Individual Vote

Each appointed Board member has the right to cast one vote. The Chairperson shall have a casting vote in case of deadlock.

#### 6.4.3 Majority Vote, Quorum

Where unanimity cannot be reached, Resolutions of the Board are adopted by a majority of the votes cast.

#### 6.4.4 Written Consent/approval by circularization

Board resolutions may also be adopted in writing, provided the proposal is submitted to all Board Members and no member objects to this form of adoption. Adoption of resolutions in writing shall be effected by statements in writing from all the Board Members. A statement from a Board Member who wishes to abstain from voting on a particular resolution which is adopted in writing must reflect the fact that he does not object to this form of adoption.

Approval by circularization is used in corporate decision-making processes. Normally, a circular/notice is sent to all Board Members to request them to indicate their preference or give their approval on a particular matter. Once their responses are received and based on the results, a decision is taken relating to the issue.

## BOARD CHARTER OF THE MCIA

### 6.5 Minutes

Minutes must be produced by the Board Secretary and certified for each Board meeting.

The Minutes will have to be signed by the Chairperson of the Board and the Chief Executive Officer or Secretary and then recorded properly in files.

Each member of the Board may request a note to explain how he voted or that a formal declaration by him be included in the Minutes.

## 7. Other Provisions

### 7.1 Confidentiality

#### 7.1.1 Information to be kept Confidential

Unless required to do so by law, no Board Member shall, during his or her membership on the Board or afterwards, disclose any information of a confidential nature regarding the information of the organization and/or any companies in which it holds a stake, that came to his or her knowledge in the capacity of his or her work for the organization and which he/she knows or should know to be of a confidential nature. A Board Member shall not use such confidential information for his or her personal benefit.

#### 7.1.2 Return of Confidential Information

At the end of each Board member's term of office, he/she shall return all confidential documents or other material in electronic or other form in his or her possession to the organization or guarantee their disposal in a manner that ensures confidentiality (This includes data storage equipment including CD, pen drive etc.).

#### 7.1.3 Notice of Disclosure

A Board Member may not disclose to a third-party confidential information related to the MCIA.

## 8. Review of Charter

The Board may review this Charter at its sole discretion regularly to ensure that it stays consistent with its objectives and responsibilities.

# L STRATEGIC PLAN 2021 TO 2023 FOR THE SUGAR SECTOR

## I. MISSION STATEMENT

- To promote the development of the cane sector and its clusters through systematic policy measures, creating an enabling environment with innovative and efficient services, research and development, technology transfer and value addition to meet current and future challenges.

## II. CURRENT SITUATION AND CHALLENGES

### CURRENT SITUATION

In 2022 the share of agriculture in the economy was 3.9 %, of which around 8.8 % was from sugarcane.

	2010	2020	2021	2022
Area harvested (ha)	58,709	43,771	41,897	39,199
Sugar production (tel quel) tonnes	452,473	270,875	255,818	232,707

- Sugarcane is still the most important crop in Mauritius, with over 85% of agricultural land dedicated to its cultivation. In 2022, some 41,965 ha were under cane cultivation and 39,199 hectares of sugarcane plantation were harvested with 232,707 t of raw sugar, 74,237 t of molasses, tel quel produced and 186 GWh electricity exported from bagasse and cane trash. Sugar produced is being exported to the European Union and other global markets and comprises mainly of special sugars.

### CHALLENGES

- **Cost of production** -Increasing production costs (labour, transport and agricultural inputs especially fertiliser and diesel), diminishing revenue and difficulties to export sugar on current and more remunerative markets coupled with surplus production of sugar on the world market, and the continued distortion and decrease in the world market price resulting in a very tough and competitive market for sugar commodities.
- **Labour laws, availability and import of labour** -There is an urgent need to review all current legislations pertaining to the operations of the sugarcane industry so as to make it *at par* with the other sectors of the economy and to render it more competitive vis-à-vis our competitors. An ageing population of labour and planters coupled with the disinterest of the younger generation to take over this activity, seriously impacting on the availability of labour for the timely cutting, loading and transport of the cane to the mills. Legislation on importation of labour for the agricultural sector needs be reviewed.
- **How to transition from loss to profit**-The producers are encountering low recoveries of cost leading to financial difficulties. The sugarcane sector incurs losses of approximately MUR1.35 billion annually. On a subsector level, nearly all the losses are borne by planters, followed by

millers. The decrease in the price of sugar and rising cost of production has led to abandonment of land.

- Threat of competition from LDCs sugar producing countries supplying sugars on the EU market with abolition of the sugar regime.
- An ageing fleet of agricultural equipment which has already exceeded its useful life and which necessitates urgent replacement.
- **Energy security:** Implementation of the Biomass Framework to ensure base load and firm production of electricity given that the policy of Government is to phase out the use of coal before 2030.

### III. STRATEGIC DIRECTIONS 2021-2023

STRATEGIC DIRECTION →	ENABLER
<p><b>Increase production of high value crops and commodities</b></p>	<ul style="list-style-type: none"> <li>▪ Increase revenue from premium and certified sugars, bagasse-based and biomass-based energy and other co-products including the implementation of the ethanol framework;</li> <li>▪ Increase revenue derived from biomass through increase use of biomass for bioelectricity production. Biomass is targeted to represent at least 22% in the energy mix of the country.</li> <li>▪ To increase the production of specialty sugars</li> <li>▪ Increase the production of sugar under Fairtrade, organic and other related labels with a view to fetch higher premium prices and increase producers' revenue.</li> <li>▪ Diversify sugar export markets to reduce over-dependence in EU markets.</li> </ul>
<p><b>Build resilience of the cane industry</b></p>	<p>→</p> <ul style="list-style-type: none"> <li>▪ The adoption of Disruptive Agricultural Technologies [DATs] (i.e. use of digital and technical innovations) so as to address many agricultural sector challenges.</li> <li>▪ Provision of public sector support should enable the transition of smallholders towards consolidation or towards investing in higher tech farming or a combination of both</li> <li>▪ Renewal and purchase of machines together with ancillary equipment for land preparation works and mechanization of in-field operations for both sugar cane and food-crops growers.</li> <li>▪ The setting up one modern state-of-the-art and fully automated sugar storage facility in the region of the port with a storage capacity of 150,000 t of sugars in order to reduce the cost for the storage / handling of sugar. The</li> </ul>

**Smarter agricultural land use**



objective is to rationalise all the sugar storage facilities locally.

- The purchase of mechanized harvesters adapted to local conditions through the collaboration between MCIA and MCAF to address the problem of scarcity of labour especially during the harvest and in difficult areas.
  - The purchase of lorries and associated equipment' to address the problem of availability of transport during the harvest as well as to curtail the rising cost each year.
- Encourage cultivation on abandoned lands through innovative approaches.
  - Develop a comprehensive centralised land data bank to ensure optimal utilisation of prime agricultural land.

**IV. KEY DELIVERABLES AND PERFORMANCE INDICATORS**

Outcome Indicator			Actual 2021/22	Actual 2022/23	Target 2023/24	Target 2024/25
Delivery Unit	Key Service	Key Performance Indicator				
Aggressive marketing strategy geared towards increasing exports of value-added sugar		Exports of Special sugars(t)	145,000	138,614	160,000	170,000
Agricultural Land Management System	Provision of machines and other associated agricultural equipment to enable land preparation and replantation of fields.	Extent of land replanted under the Cane Replantation Programme annually (ha)	500	2000	2900	2900



## M. ABBREVIATIONS

Agricultural Land Management Scheme	ALMS
Agricultural Land Management System – Cane Replantation Scheme	ALMS-CRS
Agricultural Mechanization Unit	AMU
Annual General Meeting	AGM
Bagged Sugar Storage Distribution	BSSD
Cane Replantation Scheme	CRS
Comprehensive Economic Cooperation and Partnership Agreement between Mauritius and India	CEPCA
Control and Arbitration Committee	CAC
Control and Arbitration Department	CAD
Data Protection Act	DPA
Deep River Beau Champ	DRBC
Development Bank of Mauritius	DBM
Early Retirement Scheme	ERS
Early Termination of Contract of Employment Scheme	ETCES
Economic Development Board	EDB
European Union	EU
Farmers Information Management System	FIMS
Farmers Service Agency	FSA
Field Operations Regrouping and Irrigation Project	FORIP
Industrial Finance Corporation of Mauritius Ltd	IFCM
International Atomic Energy Agency	IAEA
International Public Sector Accounting Standards	IPSA
International Sugar Organisation	ISO
Joint Negotiating Panel	JNP
land conversion right	LCR
Mauritian Rupee	MUR
Mauritius Cane Industry Authority	MCIA
Mauritius Research and Innovation Council	MRIC
Mauritius Sugar Authority	MSA
Mauritius Sugar Producers Association	MSPA
Mauritius Sugar Terminal Corporation Employees Union	MSTCEU
Mauritius Sugarcane Industry Research Institute	MSIRI
Memorandum of Understanding	MoU
Ministry of Agro-Industry and Food Security	MoAFS
Ministry of Energy and Public Utilities	MEPU
Multi Annual Adaptation Strategy	MAAS
National Biomass Framework	NBF
concentrated molasses stillage	CMS
Parcel Identification Number	PIN

Permanent Sampling Units	PSUs
Plantation White Sugar	PWS
Policy Planning Unit	PPU
Service Providing Institutions	SPI
Small Medium Enterprise	SME
South African Development Countries	SADC
State Land Development Corporation	SLDC
Sugar Industry Efficiency	SIE
Sugar Research Institute of Fiji	SRIF
Sugar Storage and Handling Unit	SSHU
Sugarcane Planters Regrouping Project	SPRP
Total Suspended Particulates	TSP
Voluntary Retirement Scheme	VRS