

MEDIA RELEASE

For immediate release

KwaZulu Natal, 17 January 2011

Whilst South Africa's 35 000 cane growers may be glad to see rains falling on their fields, there is still a realisation that the season ahead will be financially tough.

Despite the above average rainfall received in November and December the impact of the 2010 drought is going to be felt for some time to come. The good rains which have continued into January 2011 is much appreciated as it has fallen in the period of planting, promoting good germination and rapid growth. However, due to the drought in 2010 and the associated impacts such as cane root mortality and the forced harvest of young cane, which under normal conditions, would have been carried-over to the 2011/12 season, it is expected that there will be little cane to be harvested in the first half of the 2011/12 season. This is particularly so for the inland growers who operate on a 18 – 24 month cycle, the impact of the drought will, in fact, be felt by these growers in the 2011/12 season and, in some cases, inland growers production is expected to be 30% down on the 2010/11 season.

On the North and South Coasts, areas hardest hit by the drought, it is unlikely that there will be any considerable harvesting until later in the season. Consequently, these growers are likely to experience cash flow problems and will have to secure production finance.

An average-to-above average rainfall this year, is likely to result in significant carry-over at the end of the 2011/12 season, bringing an above-average production in 2012/13 leading to a positive cash flow situation.

Suresh Naidoo, Chairman of CANEGROWERS, commended the government for its speedy distribution of the recapitalisation grants and said this would go a long way in assisting cash strapped farmers. Government has also been approached for assistance in the form of interest relief on loans.

ENDS

COMPILED BY JAYNE FERGUSON
 COMMUNICATIONS MANAGER
 CANEGROWERS

CONTACT TEL: 031 508 7200
 FAX: 031 508 7201
 CELL: 083 381 3990
 E MAIL JFerguson@canegrowers.co.za