

# SUGAR INDUSTRY OF BELIZE DOCUMENT

## **Sugar Industry Strategic Development Plan Log Frame**

Last edited: 2 February 2016  
Draft #3

# INTRODUCTION

THE ELABORATION OF A SUGAR INDUSTRY STRATEGIC DEVELOPMENT PLAN WAS AGREED TO ON JANUARY 22<sup>ND</sup>, 2015 BY SUGAR INDUSTRY STAKEHOLDERS, TO ENSURE THE CONTINUED SOCIO-ECONOMIC VIABILITY OF THE SUGAR INDUSTRY IN NORTHERN BELIZE.

THE STEERING COMMITTEE OF THE SUGAR INDUSTRY STRATEGIC DEVELOPMENT PLAN ON JANUARY 9<sup>TH</sup>, 2016 AGREED ON A DRAFT LOGICAL FRAMEWORK, WHICH WOULD THROUGH A CONSULTATIVE PROCESS, BE PRESENTED TO STAKEHOLDERS.

THIS IS ATTACHED AND CIRCULATED FOR COMMENTS. COMMENTS AND RECOMMENDATIONS FROM THE CONSULTATIONS SHOULD BE FORWARDED TO THE SECRETARIAT at [ministryofagriculturebze@gmail.com](mailto:ministryofagriculturebze@gmail.com) BY THE 29<sup>TH</sup> OF APRIL 2016. THESE COMMENTS AND RECOMMENDATIONS WILL BE TABLED AT THE STEERING COMMITTEE MEETINGS AND CONSIDERED FOR INCLUSION IN THE FINAL LOGICAL FRAMEWORK OF THE STRATEGIC DEVELOPMENT PLAN.

# PREAMBLE

WE AS STAKEHOLDERS OF THE SUGAR INDUSTRY OF BELIZE

Have a deep shared interest to ensure the sustainability, viability and competitiveness of the sugar industry of Belize. The future of sugar production in Belize is increasingly challenging and this includes managing the industry within increasingly volatile and competitive international markets that directly impact on sugar prices and consequently cane prices. The focus is therefore on reducing per unit cost of production and increasing efficiencies to bolster industry competitiveness.

AS A MANIFESTATION OF OUR MUTAL INTEREST,

Belize Sugar Cane Farmers' Association (BSCFA), Corozal Sugar Cane Producers Association (CSCPA), Progressive Sugar Cane Producers Association (PSCPA), Belize Sugar Industries Limited (BSI) and Government of Belize (GOB) have agreed and signed this Strategic Development Plan (SDP), which provides a framework for industry development and long-term viability and recognizes the roles and responsibilities of respective stakeholders for its successful implementation.

# PREAMBLE (continued)

AND FOR THESE ENDS

The Strategic Development Plan (SDP) is premised on the following key principles recognized as fundamental foundation blocks and endorsed by stakeholders as part of the SDP.

1. The industry structure, operations and relationship among stakeholders must be governed by commercial arrangements that are fair, equitable and based on sound business principles.
2. Investment made by respective stakeholders, in the implementation of the SDP must be justified on its commercial merit and specifically on the basis of the particular stakeholder having the opportunity to realize a return which justifies that investment or makes it attractive.
3. A key role of GOB is to create the regulatory framework and investment climate that would be conducive to encouraging the investments required.
4. Implementation of the SDP will follow a three phased framework approach, with each phase being completed before moving to the next.

## PREAMBLE (continued)

5. The phased approach does not preclude Stakeholders from collaborating and jointly considering, developing and implementing either new projects or projects that can be achieved outside of the indicative timeframe.

6. Stakeholders recognize and accept that business sustainability requires compliance with internationally recognized standards of social responsibility, ethical trading and environmental, health and safety concerns.

7. Stakeholders also recognize and accept that business sustainability requires an approach of continuous improvement to achieve industry objectives and remain viable in the long-term.

8. By signing the SDP, Stakeholders recognize and accept their respective roles and responsibilities for the successful implementation of the SDP and will abide by these guiding principles.

# Overall Objective

Three Phases: 2016-2022: Completion of Each Phase Triggers to Proceed to Next Phase

Narrative	Indicators	Responsibility	Verification
A. Goal			
<p>Continued existence of an economically viable and environmentally sustainable sugar industry that contributes to economic development and social stability of northern Belize</p>	<p>- [Industry capable of growing sugarcane, manufacturing and marketing sugar at costs which are internationally competitive recognising the individual roles of stakeholders and result in - enhanced livelihoods for industry stakeholders]</p>	<p>All industry stakeholders</p>	<p>- Cost of sugar cane and sugar production is internationally competitive - Industry certified as a sustainable producer of sugar cane and sugar</p>

# **Phase 1 – Industry Consolidation at Current Capacity (1.25 MT)**

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**Indicative Timetable: 2016-2018**

*[In principle the Completion of Each Phase Triggers to Proceed to Next Phase]*

Narrative	Indicators	Responsibility	Verification
B. Purpose			
<p>An efficient and internationally competitive sugar industry in northern Belize. Under Phase 1 this means maximum mill efficiency at full grinding capacity of 1.25mt cane, maximum farm productivity, to match this capacity, [accompanied by reduction in costs of cane production, through harvesting and delivery efficiencies], and an SDP structure which enables cane farmers to receive agro-credit in line with their needs.</p>	<ul style="list-style-type: none"> <li>• Efficiently produced sugar cane matches maximum capacity at mill working at optimal efficiency.</li> <li>• Increase in farm yields to average of 25 tons cane per acre by 2018.</li> <li>• Reduction in harvesting and delivery costs to less than a third of cane price by 2018.</li> <li>• Improvement in sugar cane pol, sugar per acre and farmer profit/income</li> </ul>	<p>Farmer Associations Mill Government SICB/SCPC/SIRDI</p>	

Narrative	Indicators	Responsibility	Verification
B. Purpose			
	<ul style="list-style-type: none"> <li>• A well-coordinated harvesting and delivery system that is technically sound (permits delivery of early-mid-late maturing varieties) and improves efficiency</li> <li>• Progression to 7% mechanised harvesting by 2018.</li> <li>• Programmes and processes in place to diversify into new revenue streams , including agriculture to complement sugar cane income.</li> <li>• <b>[Farmers incentivized towards individual quality payment adaptation through information and acceptance]</b></li> </ul>		

Narrative	Indicators	Responsibility	Verification
C. Components			
C1. Field Productivity and Efficiency	<p><u>By 2018:</u></p> <ul style="list-style-type: none"> <li>• National Average yield increased to 25 TCA</li> <li>• Industry production in line with cane crushing capacity</li> <li>• A dedicated Sugar Cane Extension Service in place</li> <li>• SIMIS in place and responsive to industry's needs.</li> <li>• 7-10% of fields consistently replanted each year using best management practices.</li> <li>• <b>[Average harvesting group tonnage increased from current average xyz tons to over 50,000 (?) TC to improve efficiency.]</b></li> </ul>		

Narrative	Indicators	Responsibility	Verification
C. Components			
<p>C1. Field Productivity and Efficiency</p>	<p><u>By 2018::</u></p> <ul style="list-style-type: none"> <li>• A harvesting schedule in place, based on technical requirements to improve cane freshness and cane quality (variety, cane cycle, topography, etc).</li> <li>• <b>[Amalgamation of 15% of smaller farms into larger contiguous farming units to increase efficiency ]</b></li> <li>• Plan in place to rationalise mechanised units across farms to improve their efficiency and reduce costs</li> </ul>		

Narrative	Indicators	Responsibility	Verification
C. Components			
C1. Field Productivity and Efficiency	<p><u>By 2018::</u></p> <ul style="list-style-type: none"> <li>• Plan in place to protect the health, safety and environment of Sugar Industry workers and community</li> <li>• Plan in place to increase cane land under preparation for mechanical harvesting</li> </ul>		

Narrative	Indicators	Responsibility	Verification
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C. Components

<p>C2. Cane Farmer Credit Facility in Place</p>	<ul style="list-style-type: none"> <li>• Cane farmer credit scheme devised and funded by a consortia of credit agencies</li> <li>• Plan in place to provide support through direct services to farmers, including farmer service centres</li> <li>• Support from government institutions to secure affordable credit working through Central Bank, DFC and donor organisations.</li> <li>• Government and Opposition support for increase of domestic sugar price by B25Cents/lb; decrease illegal cross border trade of sugar.</li> </ul>		
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Narrative	Indicators	Responsibility	Verification
C. Components			
C3. Mill consolidation at 1.25 mt capacity, with targets met	<ul style="list-style-type: none"> <li>Investment of US\$3 million into cane yard and logistics efficiency realised by 2016, increasing cane delivery efficiency and sugar export efficiency</li> </ul>		
C4. Infrastructure Support	<ul style="list-style-type: none"> <li>Government/donor topographical study of cane area concluded with action plans for drainage and road maintenance agreed with industry stakeholders; multi-annual budget approved</li> </ul>		

# **Phase 2 – Industry Optimization at (1.35 MT)**

**Timetable: 2018-2020**

*Completion of Each Phase Triggers to Proceed to Next Phase*

Narrative	Indicators	Responsibility	Verification
D. Goal			
Continued existence of a viable sugar industry that contributes to the economic and social stability of northern Belize	Industry capable of growing sugarcane and manufacturing sugar at costs which are internationally competitive and result in improving livelihoods for industry stakeholders	All industry stakeholders	<ul style="list-style-type: none"> <li>• Cost of sugar cane and sugar production below world prices</li> <li>• Industry certified as a sustainable producer of sugar cane and sugar</li> </ul>

Narrative	Indicators	Responsibility	Verification
E. Purpose			
<p>An efficient and internationally competitive sugar industry in northern Belize. Under Phase 2 this means maximum mill efficiency at full capacity of 1.35 MT mill grinding capacity, maximum farm productivity, and agreed return on investment through SDP to enable investment to be made.</p>	<ul style="list-style-type: none"> <li>• Efficiently produced sugar cane increased to meet maximum capacity at mill following optimisation at 1.35 MT.</li> <li>• Continued increase in farm yields to average of 30 tons cane per acre by 2020.</li> <li>• Continued reduction in harvesting and delivery costs through increase in mechanised harvesting.</li> <li>• Continued improvement in sugar cane pol, sugar per acre and farmer profit/income</li> </ul>	<p>Farmer Associations Mill Government SICB/SCPC/ SIRDI</p>	

Narrative	Indicators	Responsibility	Verification
E. Purpose			
	<ul style="list-style-type: none"> <li>• Improvements in cane quality through seed variety programme and continued technical support.</li> <li>• Agreement in place with Government and farmers to incentivise investment in sugar cane production and mill optimization through adequate return on investment (ROI) to make investment possible.</li> </ul>		

Narrative	Indicators	Responsibility	Verification
F. Components			
F1. Field Productivity and Efficiency	<p><u>By 2020::</u></p> <ul style="list-style-type: none"> <li>National Average yield increased to 30 TCA</li> <li>Industry production in line with cane crushing capacity at 1.35 MT.</li> <li>SIMIS responsive to industry's needs.</li> <li>10-15% of fields replanted each year using best management practices.</li> <li>A harvesting plan in place, based on technical requirements. (variety, cane cycle, topography, etc)</li> </ul>	Farmer Associations Private Farmers Reaping Group Leaders SICB/SCPC/SIRDI Mill	Verified through SIMIS

Narrative	Indicators	Responsibility	Verification
F. Components			
<p>F1. Field Productivity and Efficiency</p>	<p><u>By 2020::</u></p> <ul style="list-style-type: none"> <li>• Plan in place to continue to increase cane land under preparation for mechanical harvesting</li> <li>• Introduction of new early, mid and late varieties covering xyz% of area under cultivation (to be decided)</li> <li>• Plan in place to continue protecting the health, safety and environment of Sugar Industry workers and community</li> <li>• 2% of land under comprehensive water management</li> <li>• 20% of 50,000 acres under block farming system</li> <li>• 10,000 acres of the 27,000 acres diversified</li> </ul>		

Narrative	Indicators	Responsibility	Verification
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F. Components

<p>F2. Cane Farmer Credit Facility in Place</p>	<ul style="list-style-type: none"> <li>• Cane farmer credit scheme continues to meet farmers needs</li> <li>• Plan to provide support through direct services to farmers accelerated, providing for new service providers and greater engagement with the mill.</li> <li>• Continued support from government institutions to secure affordable credit working through Central Bank, DFC and donor organisations.</li> </ul>	<p>Government Banking Institutions, Development Partners, Farmer Associations</p>	<p>Credit in place</p>
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Narrative	Indicators	Responsibility	Verification
F. Components			
<p>F3. Mill optimized at 1.35 MT capacity, with targets met</p>	<ul style="list-style-type: none"> <li>• Agreement in place between factory and government and associations to permit continued large scale investment to take place.</li> <li>• Investment of US\$ 11 million into factory and power plant to optimise factory capacity undertaken.</li> </ul>	<p>Mill Farmer Associations Government</p>	

Narrative	Indicators	Responsibility	Verification
F. Components			
<p>F4. Improvement in Logistics Efficiency</p>	<ul style="list-style-type: none"> <li>• Loading rate increased to 1000 tons a day realising savings to industry</li> <li>• Barges and tug replacement programme underway</li> <li>• Sugar storage increased by 20K tons</li> </ul>	<p>Mill</p>	<p>Loading rate increased</p>

Narrative	Indicators	Responsibility	Verification
F. Components			
F5. Infrastructure Support	<ul style="list-style-type: none"> <li>Continued Government/donor investment into infrastructure of sugar region.</li> </ul>	Government Development Partners	Adequate Government budget fully utilized

# **Phase 3 – Industry Expanded to 1.8 MT Capacity**

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**Timetable: 2021-2023**

*Completion of Each Phase Triggers to Proceed to Next Phase*

Narrative	Indicators	Responsibility	Verification
G. Goal			
Continued existence of a viable sugar industry that contributes to the economic and social stability of northern Belize	Industry capable of growing sugarcane and manufacturing sugar at costs which are internationally competitive and result in improving livelihoods for industry stakeholders	All industry stakeholders	<ul style="list-style-type: none"> <li>• Cost of sugar cane and sugar production below world prices</li> <li>• Industry certified as a sustainable producer of sugar cane and sugar</li> </ul>

Narrative	Indicators	Responsibility	Verification
H. Purpose			
<p>An efficient and internationally competitive sugar industry in northern Belize. Under Phase 3 this means maximum mill efficiency at full capacity of 1.8 MT mill grinding capacity, maximum farm productivity, and agreed return on investment through SDP to enable investment to be made.</p>	<ul style="list-style-type: none"> <li>• Efficiently produced sugar cane increased to meet maximum capacity at mill following optimisation at 1.8 MT.</li> <li>• Continued increase in farm yields to average of 34 tons cane per acre by 2023.</li> <li>• Continued improvement in sugar cane pol, sugar per acre and farmer profit/income</li> <li>• Continued reduction in harvesting and delivery costs through increase in mechanised harvesting.</li> </ul>	<p>Farmer Associations Mill Government SICB/SCPC/ SIRDI</p>	

Narrative	Indicators	Responsibility	Verification
H. Purpose			
<p>An efficient and internationally competitive sugar industry in northern Belize. Under Phase 3 this means maximum mill efficiency at full capacity of 1.8 MT mill grinding capacity, maximum farm productivity, and agreed return on investment through SDP to enable investment to be made.</p>	<ul style="list-style-type: none"> <li>• Improvements in cane quality through seed variety programme and continued technical support.</li> <li>• Agreement in place with Government and farmers to incentivise investment in sugar cane production and mill expansion, including binding implementation agreement.</li> </ul>	<p>Farmer Associations Mill Government SICB/SCPC/ SIRDI</p>	

Narrative	Indicators	Responsibility	Verification
I. Components			
I1. Field Productivity and Efficiency	<p><u>By 2023::</u></p> <ul style="list-style-type: none"> <li>• Average yield increased to 34 TCA</li> <li>• Industry production in line with cane crushing capacity at 1.8 mt.</li> <li>• SIMIS responsive to industry’s needs.</li> <li>• Continuation of replanting program of 10-15% of fields each year using best management practices.</li> <li>• Harvesting based on technical requirements. (variety, cane cycle, topography, etc)</li> </ul>		

Narrative	Indicators	Responsibility	Verification
I. Components			
I1. Field Productivity and Efficiency	<p><u>By 2023::</u></p> <ul style="list-style-type: none"> <li>• Land prepared for mechanised harvesting increased to 50% of total acreage</li> <li>• Plan in place to continue protecting the health, safety and environment of Sugar Industry workers and community</li> <li>• 10% under comprehensive water management</li> <li>• Introduction of new early, mid and late varieties covering xyz% of production area (to be decided)</li> </ul>		

Narrative	Indicators	Responsibility	Verification
I. Components			
12. Cane Farmer Credit Facility in Place	<ul style="list-style-type: none"> <li>• Cane farmer credit scheme continues to meet farmers needs</li> <li>• Sufficient service providers to provide farm inputs efficiently</li> <li>• Continued support from government institutions to secure affordable credit working through Central Bank, DFC and donor organisations.</li> </ul>		

Narrative	Indicators	Responsibility	Verification
I. Components			
<p>13. Mill expanded to 1.8 mt capacity with targets met</p>	<ul style="list-style-type: none"> <li>• Agreement in place between factory and government and associations to permit continued large scale investment to take place, including long term agreement on price structuring for electricity and domestic sugar.</li> <li>• Investment of US\$ 80 million into factory and power plant to optimise factory capacity undertaken by 2023.</li> </ul>		

Narrative	Indicators	Responsibility	Verification
I. Components			
14. Improvement in Logistics Efficiency	<ul style="list-style-type: none"> <li>• Loading rate increased to 4000 tons a day realising saving of US\$XX to industry</li> <li>• Barges and tug replacement programme in place</li> </ul>		
15. Infrastructure Support	<ul style="list-style-type: none"> <li>• Continued Government/donor investment into infrastructure of sugar region.</li> </ul>		
16. Legal Reform	<ul style="list-style-type: none"> <li>• Reform of Sugar Act to take account of industry developments and progress</li> </ul>		