

**BILLS SUPPLEMENT**

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**Bill No. 36**

*Sugar (Amendment) Bill*

**2023**

**THE SUGAR (AMENDMENT) BILL, 2023**

**MEMORANDUM**

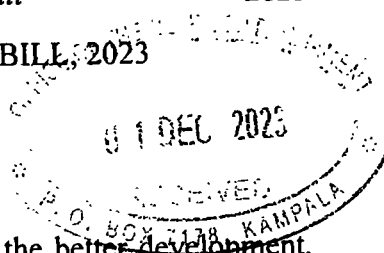
**1. Policy and principles of Bill**

The policy behind the Bill is to provide for the better development, regulation, and promotion of the sugar industry; to provide for the establishment of the Uganda Sugar Industry Stakeholder Council.

**2. Defects in existing law**

The sugar industry is regulated under the Sugar Act, 2020, Act 13 of 2020 which established the Sugar Board as the body responsible for implementing the Act. However, because of the Government Policy on Rationalisation which restricts the establishment of statutory bodies, the Sugar Board has never been established by Government. To address this challenge, the Bill seeks to amend the Sugar Act 2020 to establish the sugar industry stakeholder council which would comprise representatives of stakeholders in the sugar industry and be funded by a sugar levy charged on millers. The Government shall only provide regulatory oversight over the activities of the Council through a few representatives on the Council and technical officers at the secretariat of the Council.

Act 13 of 2020 provides a formula to determine the price of sugar cane sold to millers. The Bill seeks to amend the formula in accordance with international norms.



**3. Remedies proposed in Bill.**

The intention of the Bill is to establish the Sugar Industry Stakeholder Council to replace the Sugar Board as the body responsible for implementing the law. The Bill also establishes a secretariat comprising public officers and officers appointed by the Council to assist the Council to administer the law. Lastly, the Bill provides an updated formula to determine the price of sugar cane.

**4. Provisions of Bill**

The Bill has 13 clauses.

Clause 1 deals with interpretation, including the definition of “Council” which means the Sugar Industry Stakeholder Council established by the Act;”

Clause 2 establishes the Uganda Sugar Industry Stakeholder Council and sets out its composition, including a chairperson, four representatives of sugar cane outgrowers, four representatives of sugar cane millers, the Permanent Secretary of the Ministry responsible for agriculture or his or her representative, being an officer not below the rank of Commissioner, who shall have no right to vote; the Permanent Secretary of the Ministry responsible for finance, or his or her representative being an officer not below the rank of Commissioner, who shall have no right to vote and the Permanent Secretary of the Ministry responsible for industry or his or her representative being an officer not below the rank of Commissioner, who shall have no right to vote and shall be the secretary to the Council.

Clause 7 deals with the functions of the Council such as reviewing applications for sugar licensing for establishments, expansion of sugar production and providing recommendations with justifications to the Minister to grant licences or reject applications.

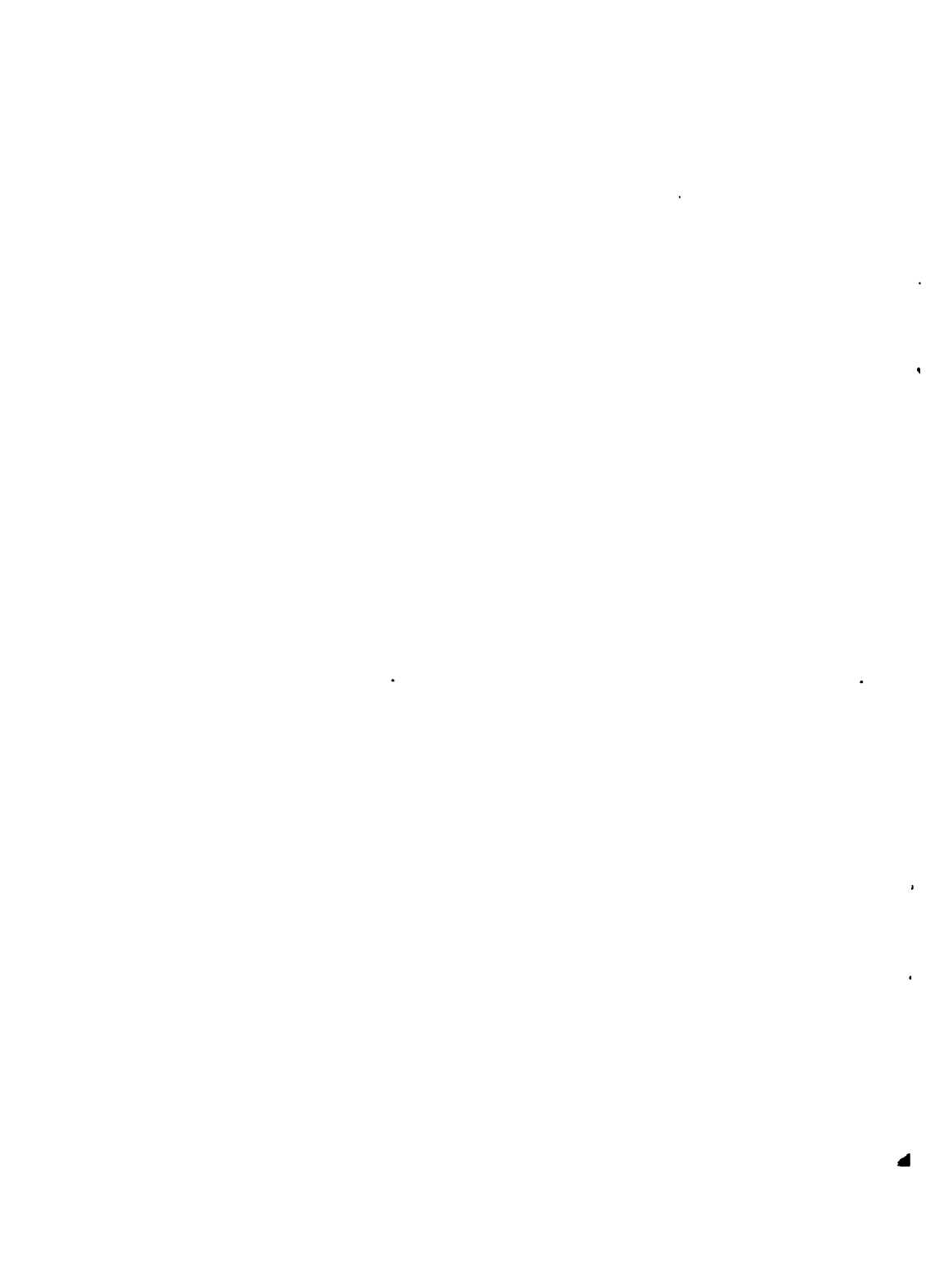
Clause 11 deals with the secretariat which shall comprise a legal officer, an industrial officer and a trade officer designated by the Minister; who shall be public officers and any other officers as shall from time to time be determined by the Council.

Clause 13 seeks to substitute for Schedule 3 a new Schedule providing a formula to determine the price of sugar cane.

**FRANCIS MWEBESA,**  
*Minister of Trade, Industry  
and Cooperatives*

**THE SUGAR (AMENDMENT) BILL.***Clause***ARRANGEMENT OF CLAUSES**

1. Amendment of section 2 of Sugar Act, 2020, Act 13 of 2020.
2. Substitution of heading to Part II of principal Act.
3. Substitution of section 3 of principal Act
4. Substitution of section 4 of principal Act
5. Amendment of section 5 of principal Act
6. Amendment of section 6 of principal Act
7. Amendment of section 7 of principal Act
8. Substitution of heading to Part III of principal Act.
9. Repeal of section 14 of principal Act.
10. Repeal of section 15 of principal Act.
11. Substitution of section 16 of principal Act
12. Substitution of section 17 of principal Act
13. Substitution of Schedule 3 to principal Act



A Bill for an Act

ENTITLED

**THE SUGAR (AMENDMENT) ACT, 2023**

**An Act to provide for the development, regulation and promotion of the sugar industry and to provide for the establishment of the Uganda Sugar Industry Stakeholder Council.**

**BE IT ENACTED** by Parliament as follows:

**1. Amendment of section 2 of Sugar Act, 2020, Act 13 of 2020.**

Section 13 of Act 13 of 2020, in this Act referred to as the “principal Act” is amended—

- (a) by repealing the definition of “Board”;
- (b) by inserting in the appropriate alphabetical order, the following—

“‘Council’ means the Sugar Industry Stakeholder Council established by this Act;” and

- (c) by substituting for the definition of “miller” the following—

““miller” means a person licensed to operate a sugar mill, crusher or jaggery plant in Uganda for the production of sugar, industrial refined sugar, ethanol and other by-products of sugar;”.

**2. Substitution of heading to Part II of principal Act.**

For the heading to Part II of the principal Act, there is substituted the following—

**“PART II—UGANDA SUGAR INDUSTRY STAKEHOLDER COUNCIL.”**

**3. Substitution of section 3 of principal Act**

For section 3 of the principal Act, there is substituted the following—

**“3. Establishment of Uganda Sugar Industry Stakeholder Council**

There is established the Uganda Sugar Industry Stakeholder Council.”

**4. Substitution of section 4 of principal Act**

For section 4 of principal Act, there is substituted the following—

**“4. Composition of Council**

(1) The Council shall comprise of—

- (a) a chairperson;
- (b) four representatives of sugar cane outgrowers;
- (c) four representatives of sugar cane millers;
- (d) the Permanent Secretary of the Ministry responsible for agriculture or his or her representative, being an officer not below the rank of Commissioner, who shall have no right to vote;

- (c) the Permanent Secretary of the Ministry responsible for finance, or his or her representative, being an officer not below the rank of Commissioner, who shall have no right to vote; and
- (f) the Permanent Secretary of the Ministry responsible for industry or his or her representative, being an officer not below the rank of Commissioner, who shall have no right to vote and who shall be the secretary to the Council.

(2) The members of the Council shall be appointed by the Minister.

(3) The chairperson and the persons referred to in subsection 1(b) and (c) shall be appointed by the Minister in consultation with stakeholders milling sugar cane or growing sugar cane in Uganda.

(4) The chairperson of the Council shall be a person with sufficient knowledge and experience of the sugar industry.

(5) The organisations in the relevant sugar industry shall ensure that the persons nominated for appointment under subsection 1(b) and (c) are generally representative of the sugar cane catchment areas and sugar cane growing areas in Uganda.

(6) The organisations in the relevant sugar sector shall, in nominating persons for appointment under subsection 1(b) and (c), ensure that there is a balance of skills, and gender and that the persons have knowledge and proven experience in the sugar industry.”

## **5. Amendment of section 5 of principal Act**

Section 5 of the principal Act is amended—



(a) by substituting for subsection (1) the following—

“(1) With the exception of the Permanent Secretaries or their representatives, a member of the Council shall hold office for four years and is eligible for reappointment for one further term.”; and

(b) by substituting for “Board” wherever it appears, the word “Council”.

#### **6. Amendment of section 6 of principal Act**

For section 6 of the principal Act, there is substituted the following—

##### **“6. Remuneration for serving on Council**

A person appointed to serve on the Council is not entitled to any salary from Government, but may be paid honoria or allowances based on terms and guidelines established by the Council.”

#### **7. Amendment of section 7 of principal Act**

Section 7 of the principal Act is amended by substituting for subsection (1) the following—

“(1) The functions of the Council are—

- (a) to coordinate the activities of individuals and organisations in the sugar industry;
- (b) to review applications for licensing and expansion of sugar mills, jaggery mills and plants to process byproducts of sugar cane and to recommend to the Minister the grant or rejection of applications;
- (c) to register acreage grown or owned by millers in their nucleaus estates, outgrowers supported by millers and independent outgrowers contracted by

millers to supply sugarcane and maintain an updated database;

- (d) to facilitate the implementation of an equitable mechanism for pricing of sugarcane and sharing of proceeds from disposal of sugar by-products between farmers and millers;
- (e) to monitor the domestic, regional and international market with a view of identifying market access opportunities or likely distortions and advise Government accordingly;
- (f) to develop a joint marketing mechanism for Uganda's sugar in order to optimise exports and fulfill the national target for the industry;
- (g) to support sugarcane cooperative societies and enable them to become effective intermediaries for providing financial credit and extension services to farmers;
- (h) to facilitate the flow of research findings to sugarcane farmers, millers, sugarcane cooperative societies, millers' associations and other stakeholders in the industry, including the provision of effective extension services;
- (i) to monitor the production, importation and consumption of sugar and its by-products with a view to ensuring a viable and sustainable industry;
- (j) to formulate guidelines and procedures to ensure the efficient and economical operation of the sugar industry;
- (k) to prepare a sugar industry development master plan for consideration and adoption by the Government;

- (l) to represent the industry in regional and international fora;
- (m) to arbitrate and mediate disputes between parties in the sugar industry;
- (n) to review, on a regular basis, the problems and prospects of the sugar industry;
- (o) to promote innovation and technology transfer in the sugar industry;
- (p) to advise the Minister on the disposal of the by-products of sugar production;
- (q) to provide advisory services to parties in the sugar industry; and
- (r) to promote and encourage the use of environmentally friendly technologies in the sugar industry.”

**8. Substitution of heading to Part III of principal Act**

For the heading to Part III of the principal Act, there is substituted the following—

**“PART III—SECRETARIAT”****9. Repeal of section 14 of principal Act**

Section 14 of the principal Act is repealed.

**10. Repeal of section 15 of principal Act**

Section 15 of the principal Act is repealed.

**11. Substitution of section 16 of principal Act**

For section 16 of the principal Act, there is substituted the following—

**“16. Secretariat of Council**

(1) There shall be a secretariat of the Council comprising a legal officer, an industrial officer and a trade officer designated by the Minister, who shall be public officers and any other officers as shall from time to time be determined by the Council.

(2) The officers of the secretariat shall be responsible for the proper and efficient performance of the functions of the Council including—

- (a) providing meeting support for the Council, including organising all meetings of the Council and logistics;
- (b) facilitating data collection and preparation of reports for Council meetings;
- (c) maintaining a registry of all documents and correspondence of the Council; and
- (d) any other functions as may be prescribed by the Council.

(3) The officers of the secretariat appointed by the Council shall be responsible to the Council, who shall pay remuneration to the secretariat staff as shall from time to time be determined by the Council.”

**12. Substitution of section 17 of principal Act**

For section 17 of the principal Act, there is substituted the following—

**“17. Sugar levy to fund Council activities**

(1) There is imposed a sugar levy on millers of sugar cane for the purpose of funding the activities of the Council.

(2) The levy shall be charged on millers, on the annual gross sale of sugar.

(3) The levy shall be at a rate prescribed by the Minister by Regulations after consultation with the Council.”

**13. Substitution of Schedule 3 to principal Act**

For Schedule 3 to the Principal Act, there is substituted the following—

**“SCHEDULE 3***section 25(1)***FORMULA TO DETERMINE THE PRICE OF SUGAR CANE**

$$P_c = P_s \times R \times D$$

Where-

$P_c$  = Average price of sugar cane per ton

$P_s$  = Average price of raw sugar per ton.

$R$  = Rendement (*tons of sugar made per every 100 tons of sugar cane*)

$D$  = Percentage to be negotiated by concerned parties as decided by the Council the minimum being 50%

**14. Consequential amendment of principal Act**

The principal Act is amended by substituting for “Board” wherever it appears, the word “Council”.