

Year	Area under cane (ha)	Extent under 8th year ratoon and older * (ha)	% older ratoons over total extent under cane
2009	65,855	6,232	9.46
2010	64,132	6,053	9.44
2011	62,000	6,785	10.94
2012	60,378	7,135	11.82
2013	59,370	4,412	7.43
2014	58,305	8,542	14.65
2015	57,424	9,392	16.36
2016	55,878	10,957	19.61

Sources: SIFB and Sugar Industry Statistics

* Estimated figures

11.2 The non-renewal of ratoons will impact the supply chain with far reaching consequences on recent investments at factory level. The older the ratoons, lower are the yields of cane per ha. The average cane yield for 8 years and older ratoons is 65t cane per ha. Should these ratoons be replanted, average yields of these fields may increase by 30%. Should 2,000ha of old ratoons be replanted each year, this would generate an additional production of 4,000t sugar per 2,000ha and at final replantation an additional production of 20,000t sugar.

11.3 The JTC therefore considered the request from the corporate sector to put at their disposal a yearly loan of Rs 145 M at an interest rate of 1% per year over 5 years for a yearly replantation of 2,000 ha. The repayment period is over 8 years. It was also agreed that a similar instrument should be put at the disposal of the small planters for an estimated amount of Rs 65M per year. This measure will encourage producers to renew their old and low yielding cane ratoon thereby contributing to productivity improvement with the adoption of latest R&D techniques and technologies as well as curtailing the increasing trend of land abandonment. The estimated benefit to producers would range from **Rs 488 / t sugar to Rs 544 / t sugar** depending on the category of producers.

11.4 JTC had discussions were held with the Bank of Mauritius on different financing options and instruments to fund this expense. The MSS will try to cross-check whether revenue from sugar can act as collateral for the loan. Otherwise, a general 50% funding scheme can be worked out for growers wishing to replant their fields.

12.0 VAT exemption on land conversion rights (LCR) sold to third parties

12.1 In 2001 in the context of the sugar reform, the corporate sector and large planters agreed to undertake economic projects and the socially oriented voluntary retirement schemes, in field and factory, against counterparts offered by Government. One of