Grower choice still on the table; QSL urges MSF to engage

Queensland Sugar Limited (QSL) today called on sugar miller, MSF, to continue to engage in the industry discussion around grower choice of marketer, despite its decision to exit collaborative sugar marketing and export arrangements.

MSF today gave formal notice to QSL that it would exit the industry-owned system, which returns all profits to millers and growers and provides financing, pricing, marketing (selling) and logistics services to the industry.

QSL CEO, Greg Beashel, said that, while he was disappointed with MSF’s decision, he understood that the industry wanted change and needed time to discuss and determine its future after June 2017.

“Grower choice is still very much on the table as a viable solution for the future sustainability of the industry,” said Mr Beashel.

“We would encourage MSF to continue the industry conversation begun by Queensland Agriculture Minister, John McVeigh, around a model that we believe will encourage innovation while providing choice, competition and the fairest outcome for both millers and growers.

“Grower choice would allow growers to choose who markets their sugar – QSL or their mill – and would encourage increased competition and deliver the fairest outcome for both growers and millers alike.”

Mr Beashel said QSL Raw Sugar Supply Agreements (RSSAs) were in place for the next three years, so there was time to work out a solution for MSF and the entire industry.

“MSF has decided that there is enough uncertainty around industry settings for the 2017 season that it doesn’t want to roll over its agreement. We respect that decision and will work with MSF to address its concerns,” Mr Beashel said.

“QSL is owned by its members and therefore has the best interests of both at its core. We have adapted to change to meet the needs of the Queensland sugar industry over our 90 year history and will continue to work with the industry to come to an agreed model.”

MSF’s decision follows the withdrawal of international sugar trading business, Wilmar, from the system on 21 May – a decision which has been met with strident opposition from cane grower representative groups.

Mr Beashel said he feared that, if an industry agreed grower choice model was not developed, there could be serious consequences for all growers and smaller millers.
“QSL has always provided the balance between growers and millers ensuring value is appropriately distributed between the two and has protected growers from what is essentially a miller monopoly situation,” Mr Beashel said.

“A collaborative industry approach, such as QSL, allows growers and millers to share in the benefits of economies of scale and combined value in a transparent and fair manner.

“We still have a job to do for the industry to manage the 2014, 2015 and 2016 season crops and we will continue to be focused on maximising returns for our members during this time.”

ENDS

For more information:
Samantha Santy
Samantha.santy@qsl.com.au
0438 298 289