QSL stands by grower choice as the solution for a sustainable future

Queensland Sugar Limited (QSL) today urged the industry to commit to grower choice and work collaboratively to come to an agreed model or potentially see the collapse of grower confidence in the Queensland sugar industry.

This followed today’s announcement that Tully Sugar Limited would join MSF and Wilmar in exiting the collaborative industry marketing arrangements after July 2017.

QSL CEO Greg Beashel said it was clear the industry wanted change and a new marketing framework needed to be agreed otherwise serious consequences could lie ahead, which may lead to a loss of grower confidence in the Queensland sugar industry.

“A profitable sugar industry relies on farmers investing in growing cane, just as much as it relies on millers to invest in processing. To invest, growers need confidence in the transparency and security of their marketing, financing, pricing and logistics functions,” Mr Beashel said.

“We face the possibility of an industry becoming deeply fractured and we need to consider as an entire industry the implications of recent developments on risk, transparency, value and competition.

“Growers and a number of millers, including Mackay Sugar, strongly support an industry agreed approach to marketing that creates fair distribution of value, provides transparency and ensures profits are returned to growers and millers. They don’t want to see their sugar marketed through trading companies whose priority is their shareholders.

“If millers want to be assured of cane supply into the long-term future then they need to start listening to the biggest investor in the sugar industry, the farmers that supply them cane, and start respecting their needs, as both rely on each other for survival.

“Grower choice is the solution that would provide competition, foster innovation and deliver the fairest outcome for all millers and growers. This would allow growers the opportunity to select either QSL or their mill to price and sell their sugar and provide growers with the confidence they need to continue to invest in the industry.

“Based on support for grower choice, QSL would present a robust value proposition with an estimated 2 million tonnes of raw sugar to market.

“Confidence needs to be restored by way of a genuine discussion around grower choice. With Raw Sugar Supply Agreements in place for the next three years, we have some time to work on a solution for the entire industry.”

QSL is owned by its members – growers and millers – and therefore has the best interests of the Queensland sugar industry as its priority. QSL will continue to work with growers, millers and government to come to an industry agreed solution to secure a sustainable future for the Queensland sugar industry.

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