



# CANEGROWERS ISIS

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20 July 2015

Ms Jennifer Howard MP  
Chair  
Agriculture and Environment Committee  
Parliament House  
George Street  
BRISBANE QLD 4000

By email: [aec@parliament.qld.gov.au](mailto:aec@parliament.qld.gov.au)

Dear Ms Howard

## **Sugar Industry (Real Choice in Marketing) Amendment Bill 2015**

CANEGROWERS Isis is the local organisation representing 200 sugarcane growers supplying the Isis Central Sugar Mill near Childers. The Isis Central Sugar Mill is grower owned and therefore, the sugarcane growers, for whom CANEGROWERS Isis acts as Bargaining Agent, have a large investment not only in primary production but also in the manufacture of raw sugar. The future viability of the Isis sugar industry is dependent on remaining profitable, whilst competing in an uneven world market environment because 90% of Australia's sugar production is sold overseas.

The withdrawal of Wilmar, COFCO and MSF Sugar, after 2016, from the industry owned marketer Queensland Sugar Limited (QSL) threatens further the future profitability of the Isis sugarcane growers by potentially reducing the tonnage available to QSL to market.

Isis sugarcane growers have been very supportive of the concept, embodied by QSL, in having access to an industry (grower and miller) owned 'not for profit' marketing entity, which distributes all the net proceeds from sugar sales back to the two parties. This has been historically proven to be the best model for marketing grower economic interest (GEI) sugar over the decades. Growers have confidence in this system, knowing that QSL's operations always benefit the parties, are transparent, and all the proceeds from marketing are distributed between growers and millers in accordance with the established agreements regarding the sharing of sugar proceeds.

The Isis district is a very difficult environment to profitably produce commercial crops of sugarcane, being the driest production area in Queensland mostly reliant on high cost irrigation requirements. The QSL marketing model has helped to provide stability and consistency in what is a very volatile marketing environment. This model gives some comfort to growers who struggle through difficult times to maintain their sugarcane production. We believe if growers lose access to QSL and the benefits this marketing model provides, this will jeopardise the areas planted to sugarcane thereby threatening the viability of the local industry and tonnages available to Isis Mill.

While CANEGROWERS Isis supports the QSL marketing model we acknowledge that improvements can always be made. The emergence of a new marketer into the industry could

have a positive impact for growers provided each marketer retains sufficient tonnage to compete efficiently.

Growers require continued access to QSL and at least one other marketer to achieve competition and the best possible returns. CANEGROWERS Isis believes this will provide true competition and choice in marketing. Whereas, the proposal by MSF, COFCO and Wilmar, to exclusively market individually all sugar produced (including GEI) at their mills, is anti-competitive in two respects. Firstly, it denies growers a choice of marketer and secondly, reduces QSL's tonnage to a point where it cannot be competitive.

The best way to rectify the situation is through legislation as proposed in the Sugar Industry (Real Choice in Marketing) Amendment Bill 2015. We therefore support the proposed Amendment Bill in order to provide Grower Choice, true competition in marketing, transparency of costs and returns and to provide confidence for growers to continue to invest in this industry into the future.

CANEGROWERS Isis believes this action is essential for the continued prosperity of Queensland's economy and the survival of the regional communities dependent on the sugar industry. To deny growers choice of marketer will lead to the transference of wealth from growers into the hands of overseas entities, which is not in the interests of Queensland.

In conclusion, CANEGROWERS Isis, as a Grower representative body, hereby states our total support of the joint submission lodged to the Agricultural and Environment Committee by CANEGROWERS and Australian Cane Farmers.

Yours faithfully



Wayne Stanley  
MANAGER