CEO Update

As we approach the start of another crushing season, it seems appropriate to take a moment to reflect on the events of twelve months ago, when our industry and the communities in which we live were hit hard by severe flooding. True to form, not only have our growers tackled the hurdles faced in the wake of Cyclone Debbie to complete the season, but they are now facing the 2018 season with energy and optimism.

As a business, we have much to be optimistic about. Our strategic plan driving diversification and continuous improvement is already delivering a number of promising commercial prospects. Our low-GI sugar is attracting national and international interest. We are producing this new product at our Condong food-grade facility and have over 40 industrial customers already trialling our low-GI sugar in their food and beverage recipes.

Our premium-blend molasses along with treacle are heading to China later in the month with a sales delegation from Manildra. They will be on display at SIAL, Asia’s leading food and beverage exhibition. In addition, we are moving ahead with further trials of a mining explosives solution and seeing increasing interest from the waste treatment sector.

The Federal Agriculture Minister, David Littleproud visited the Harwood Mill and Refinery recently as part of a tour to a number of Northern Rivers agricultural industries. The Minister appears to have a good understanding of the Australian agricultural sector and was very interested in hearing first-hand about our specific industry concerns and plans. He welcomed our low-GI sugar innovation and shared his vehement opposition to the introduction of a sugar tax. Last, but certainly not least; I would like to acknowledge the outstanding contribution Ian McBean has made to our business over the past 5 years. We farewell Ian later this month as he moves on to the role of Executive Manager, Regional Delivery with SRA. I wish Ian well as he takes up this important industry role and look forward to working with him on SRA initiatives.

Chris Connors

This 10-minute video covers how sugar cane is grown and how crystal sugar is made. Thank you to all of the growers and staff who participated in the making of this documentary.
Market Snapshot

World sugar prices have recently moved to the lower end of the 12-15 c/lb (A$360-440) trading range, which has contained the market since June last year. The market has a weak tone to it currently, as the production estimates of the Indian and Thai crops far exceed initial expectations. At this stage, it would appear that Thailand could end up producing in-excess of 13m tonnes of sugar, while Indian production might reach 30m tonne (9m above last year).

Estimates of the global sugar surplus for 2017/18 continue to rise. Depending on the analyst and how they count their crop year, the range of estimates of the global surplus range from 7m to 14m tonne. What is clear is that there will be a large surplus not only for the current year but also 2018/19. This will see global sugar stocks continue to rise in the medium term before the market returns to balance (and deficit which the cycle in sugar tends to do).

How India deals with its large crop will have a major impact on the market. The Indian government appears to be preparing the ground for exports. They have removed a 20% export tax and now millers are being informed they may be required to export 2m tonnes in 2018 and possibly 4m tonnes in 2019 in order to support domestic prices. While subsidies have not been mentioned, exports would not work (without mills taking significant losses) at current prices levels.

While current weakness in sugar prices is not welcome, prices out for 2019 and 2020 remain reasonable at this stage (see the ICE11 forward curve chart). Weakness in the Australian dollar is assisting in this regard.

Did you know?

Blockchain technology represents the next generation of the internet, and it holds the potential to transform money, business, government and society.

What is Blockchain?

Blockchain is a type of distributed ledger or decentralized database that keeps records of digital transactions. Rather than having a central administrator like a traditional database, (think banks, governments & accountants), a distributed ledger has a network of replicated databases, synchronized via the internet and visible to anyone within the network. Blockchain networks can be private with restricted membership, or public like the internet, accessible to any person in the world.
**Around our Industry**

**NSW Harvesting Forum**
Sugar Research Australia will be holding a NSW Harvesting Forum in each mill area (dates in calendar), covering scope and results of harvesting trials and discussing development of future programs. RSVP: Casey Venables on (07) 4776 8206 or cvenables@sugarresearch.com.au

**Talking 2030**
Farmers are being urged to engage with the new ‘Talking 2030’ report released by Malcolm Turnbull recently, to help map out a bold strategic vision towards enhanced farm-gate profitability and sustainability. The discussion paper has been prepared by KPMG for the National Farmers’ Federation (NFF) and launched as part of the national farm lobby’s big picture goal of generating a $100 billion industry by 2030. Find out more at: www.home.kpmg.com/au/en/home/insights/2018/03/talking-2030-growing-australian-agriculture-industry.html

**Agribusiness Outlook 2018**
Rabobank have released their Agribusiness Outlook 2018 Report. Copies of the report can be read or downloaded at www.rabobank.com.au/knowledge/agribusiness-monthly/

**Australian Women’s Leadership Symposiums**
The Australian Women’s Leadership Symposiums are a national series of events focused on the experiences of women leaders in the contemporary workforce. Keynote speakers for 2018 include Gail Kelly, Professor Gillian Triggs, Nova Peris OAM OLY, Jessica Rowe AM, Ita Buttrose AO OBE, Katrina Webb OAM, The Right Hon Dame Jenny Shipley and many, many more. A discount of 25% is available by entering code ANSY18 on booking. For more information and to book: www.wla.edu.au/symposium

**Classifieds**
Can be found in the “Agricultural Information” section of our website www.sunshinesugar.com.au

**Upcoming Events**

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From the Mills

Condong Mill – Greg Petersen
Peter Voisey may be a quiet man, but when he says something, you know it’s worth listening to. And so it has been for 30 years. Having started as a fitter in 1988, the year that Condong converted #11 boiler over to suspension firing, Peter has always been a reliable, conscientious, competent tradesman & supervisor.

Broadwater Mill – Dave Wood
A team from our site are mentoring a local, small business as part of SafeWork NSW’s 2018 Mentor Pilot Program. Dave Wood, Mike Vaughan and Mark Campbell, have embraced the program to support a small engineering company in Lismore until September.

A group of Empire Vale Public School students spent time on site recently as part of their participation in the 2018 Green Innovation Awards. The focus of the group was on waterways management, waste management, green products and renewable energy.

The Broadwater Public School were finally able to run their movie night fundraiser after rain delays. Sunshine Sugar remains a major sponsor of this annual fund raising event for the school.

Harwood Mill & Refinery – Grant Kaczorowski
The focus is very much on readying the Mill for commencement of crushing in the first week of June. The scheduled off-season maintenance has gone to plan and budget, as we prepare for an estimated crop of 670,000 tonnes. The long-awaited staff Christmas party was held in February at the Yamba Bowls Club. During the festivities, Mark Duckworth was recognised for 44 years of service on his retirement and Deanna Jackson received a 20 year service award. We have also farewelled Nigel Hicks and David McIntyre as they leave us in pursuit of other ambitions.

The Westpac Rescue Helicopter Service visited the site in recognition of Sunshine Sugar staff having achieved $250,000 in payroll donations since the initiative was first started.

Congratulations Richmond River Cane Growers Association
1918 – 2018
Celebrating 100 Years