CEO Update

We have plenty to look forward to in 2019 with a number of diversification and continuous improvement projects starting to realise their potential.

Our Low GI Sugar has attracted a lot of interest internationally and we have started supplying solid volumes into Central Sugars Refinery (CSR) Malaysia. CSR is a major player in Malaysia and our Low GI sugar is helping to fulfill their commitment to the promotion of a healthier lifestyle among Malaysians.

CSR Malaysia is packaging the Low GI sugar as ‘Better Brown’, and has supported its introduction with a major advertising campaign pitching a wholesome sugar suitable for anyone looking to lead a healthier lifestyle.

We also have some big brands in Australia releasing products using our Low GI Sugar, with Baker’s Delight just one example.

Our work around training has also received some positive attention, with TAFE NSW on board to deliver Certificate IV training in Leadership and Management. TAFE NSW have tailored a program specifically for our needs as an influential NSW agribusiness contributor. This partnership aligns to continuous improvement as we ensure our staff are properly skilled for the changing business landscape.

The Warehouse project at Harwood is in its final stages of build and fit out. We are looking at officially opening the facility in April.

We are also continuing to explore other potential business opportunities, with active business cases currently looking into commercial cane juice and the farming of mealworm as a source of protein in livestock feed.

With regard to the market, we are confident that we will start to see a recovery in price, albeit slowly, through the next 12 months.

What we desperately need now is an improvement in local weather conditions with some decent rainfall before the last of the strong growing season.

Chris Connors
The global sugar market made a cyclical low during September 2018. Fundamentally there are some good reasons to suggest this could be the case including moving from a large global surplus in 2017/18 (13.6mmt Oct/Sept year) to a significantly smaller surplus (current estimate 2.6mmt) or even a small deficit as put forward by some analysts in the current year.

The key is that production is being curtailed and the market is coming more into balance, the market is more likely to settle into a range this year.

Energy prices are expected to be a key factor this year. One of the near-term positives is energy prices (gasoline prices in Brazil) and what that will dictate in terms of a sugar/ethanol split in particular in CS Brazil. Last year Brazil maximised ethanol production, and in doing so, some 9m tonnes of potential sugar production was taken out of the market. If energy prices continue to support ethanol production then that will be supportive of sugar prices, although if sugar prices get too high in comparison, then mills there will switch back toward sugar and hence global production will increase. This would place a cap on market values with sugar prices determined in part by the energy market.

Another support feature in the market is that India has been slow to export sugar despite the raft of subsidies. With the Government this month increasing the domestic price of sugar in India, the price level at which sugar would come into the export market is now thought to be above 13 c/lb. While this is a near term positive, it does not cure Indian of massive stocks and it does not preclude a change in Government policy yet again to favour exports which could be a longer-term negative.

The key elements to monitor as we move through 2019 will be the eventual size of the Indian crop (considering there is a difference of several million tonnes among analysts), the amount of Indian sugar that has come onto the market, combined with anticipation of the coming Thai crop (expectations of a lower area), less production out of the EU and Black Sea beet regions, and any impact recent dry conditions have had on the Brazil cane crop.

All in all, 2019 looks much more positive than calendar 2018 in terms of sugar prices. While prices are unlikely to reach spectacular heights, it would seem the market is more likely in a transition stage, where the sugar cycle is turning from negative (over production) to a more positive outlook, it just may take a little time.

Did You Know?

The agricultural cost of weeds in Australia is $4.8 billion per year, or $13 million a day. A report released by the Centre for Invasive Species Solutions has found that the cost of weeds had increased 20 per cent from the last comprehensive national economic analysis carried out in 2004.

According to the SRA, yield loss from weed competition, combined with the cost of weed control in sugarcane in Australia, has been estimated to exceed $70 million annually. Analysis in 2008 estimated the average value of lost yield due to sub-optimal weed management to be $338/ha. Weeds compete with sugarcane for light, nutrients and moisture, significantly reducing yields in a relatively short period of time.
Around our Industry

Bonsucro Week 11-15 March, Thailand
Conference sessions include Water Stewardship, Innovation in Sustainable Sugarcane, a Bonsucro Certified Mill tour and the Inspire Awards Dinner.
Sunshine Sugar’s Low GI Sugar has been nominated in the Innovation category.

AG SERVICES INFO DAY
Tuesday 26th March
Harwood Hall
9am to 3pm
Open to growers across the three regions, the day will cover:
+ New Variety Development
+ Keeping our industry safe from pest & diseases
+ Weed management
+ Cane to Creek, improving farm practices and water quality
+ 2018 harvesting trials report
+ Ag Services work plan and financials
A courtesy bus will depart Condong Mill at 6.30am and Broadwater Mill at 8.00am.
RSVP to Alister on 0429 842 472 or alistersmith@sunshinesugar.com.au

Farm2Fork Rabobank is hosting an international food and agriculture summit in Australia on March 28, examining challenges and solutions for creating a sustainable future for farming and agriculture.

The Rabobank Farm2Fork Summit, previously held three years ago, is returning to Sydney’s Cockatoo Island, bringing together agribusiness industry leaders, local and international farmers, food and agribusiness start-ups, and prominent ag science and technology researchers and innovators.
Sunshine Sugar has been invited to exhibit and showcase our Low GI Sugar at this one-day invitation-only event which will feature leading international and local speakers discussing new ideas and innovations from the world of agriculture and further afield.

Sunshine Sugar will be attending Primex this year and showcasing our range of retail and industrial sugar products. Primex hosts some 1000 suppliers and attracts around 30,000 visitors over 3 days for this Northern Rivers Ag Expo.

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<td>Eat Street Lismore</td>
<td>9th March</td>
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<td>Tweed Coast Charity Walk – fundraiser for the Westpac Life Saver Rescue Helicopter</td>
<td>17th March</td>
<td>Fingal, Kingscliff, Salt and Norris Head</td>
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<td>Eat Street Grafton</td>
<td>23rd March</td>
<td>Grafton (Turf Street)</td>
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<td>Ocean Film Festival World Tour</td>
<td>27th March</td>
<td>Yamba</td>
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<td>Plunge Art &amp; Culture Festival</td>
<td>29th March</td>
<td>Grafton</td>
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<td>Maclean Highland Gathering</td>
<td>19th April</td>
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<td>Good Friday</td>
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<td>Easter Monday</td>
<td>22nd April</td>
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<td>ANZAC Day</td>
<td>25th April</td>
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<td>Maclean Agricultural Show</td>
<td>7th to 8th May</td>
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<td>Grafton Agricultural Show</td>
<td>10th to 11th May</td>
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<td>Primex</td>
<td>16th to 18th May</td>
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Classifieds NSW classifieds can be found in the “Agricultural Information” section of our website: www.sunshinesugar.com.au/agriculturalinformation
From the Mills

Condong Mill – Phil Scroope
It’s business as usual at Condong during maintenance season. We congratulate Ash Curran who has been promoted to Lead Process Engineer; and Aaron Baker for his appointment as Production Manager. Welcome to Eli Bryce, who joins us as a Fitter, having completed his apprenticeship at Broadwater. We would also like to acknowledge our 2018 Crushing Season Culture Award Winner, David Riviere, for outstanding display of our workplace values and behaviours.

Broadwater Mill – Dave Wood
Maintenance is on schedule and we are just waiting for some rain to fall on our crops. We welcome Administration Officer, Vicki Mangan and congratulate both Tom Lock and Daniel Meintjes for completing their apprenticeships. Tom now holds a Cert III in Rural Operations and Daniel has passed in Instrumentation.

Harwood Mill & Refinery – Grant Kaczorowski
The Refinery is ticking along nicely and maintenance across the milling operation on track. We welcome the following new staff: Todd Holden (Sugar Floor Operator), Joe Browning (Fitter), Glenn Armer (Fitter), Riley Lucas (Labourer), Brent Lowe (Labourer), Rob Walker (Labourer) and Aaron Westcott (Apprentice Fitter). Congratulations to Lucas Wunderlich on becoming a permanent Fitter having completed his Fitter/Welder apprenticeship and Ed Jenner for starting his Electrical Apprenticeship.

Corporate Office

Local Sponsorships & Donations – late 2018

Woodburn-Evans Head & District Orchid Society

Evans River K-12 School

Swed River Agricultural Show Society

Mullumbimby Agricultural Show Society

TEAMWORK - INTEGRITY - EXCELLENCE - ACCOUNTABILITY - SAFETY