I am pleased to report that a number of diversification programs are tracking positively. One of the most exciting is the progress we are making on the production of a Low-GI sugar at Condong. Infrared technology with a proprietary algorithm developed by Nutrition Innovation allows the naturally occurring minerals found in cane sugar such as calcium, magnesium and potassium to be retained in the production process. This produces 100 per cent cane sugar that has the same taste and texture as regular white sugar, but a significantly lower GI. With a particular focus on the industrial side — we already have a number of food and beverage manufacturers trialling this sugar as an ingredient in their products.

The timing on the announcement of our low GI sugar couldn’t be more timely as the media is once again abuzz with calls for the introduction of a sugar tax, in particular on sugary drinks, in response to Australia’s obesity epidemic. Quite the debate continues between those in firm support of a sugar tax as a necessary step to reducing obesity rates, versus those who believe people need to take personal responsibility for their food intake.

As a business, we are looking to tighten our belts somewhat as we move into a short-term market environment that has a surplus in global sugar supply and a subsequent fall in price. Running our mills as efficiently as possible, whilst carefully considering and investing in new revenue streams is what I believe will carry our business forward and provide a sustainable future for our industry and our growers.

Chris Connors

Business Projects Update

Distillery – business case development continues and initial designs for the distillery and warehousing components have been scoped and designs are in progress.

Cane Juice – work continues in partnership with a juice company based in Sydney, with shelf-life a major area of focus. Experimentation of variety and age of cane continues as does optimisation of pressing techniques.

Logistics Warehouse – the site is continuing to settle. Construction company Ahrens has been awarded the contract to erect the warehouse structure and it is expected that work will be able to commence early April 2018.

The next edition of Manildra’s Cultivator Magazine is due out soon.
Market Snapshot

World sugar prices have been consolidating within a 12-15 c/lb (A$360-440) range since June last year and while they tried their hand at moving higher through December, the weight of global production kept a lid on the market. Since then prices have rapidly moved toward the lower end of the recent price range. It remains to be seen if this price range will hold and prices will bounce or whether the market pushes lower.

Estimates of the global sugar surplus for 2017/18 continue to rise and now could reach over 11M tonne. The size of surplus would be similar to that experienced in 2006/07, 2007/08 and more recently in 2011/12 and 2012/13. Like those years, it is possible that the anticipated surplus in 2017/18 will be followed by another sizable surplus in 2018/19 before the market returns to balance. While production in CS Brazil will swing more toward ethanol (taking several million tonnes off their sugar production), other producers such as the EU, India, Russia, Pakistan and Thailand all have good crops. The re-entry of the EU into the export market for white sugar is being felt, with reduced demand more recently for raws. More so, it is the bounce in Indian production that is a significant addition to global supply (which historically is often the case).

While recent weakness in sugar prices has been felt in the prompt or spot sugar futures and values further out along the forward curve (where the Australian industry tends to operate) have experienced less weakness. It is the value of the Australian dollar that is having as much impact as the actual sugar price when we look at forward values. The rise in the Australian dollar during late December and into January has not helped the sugar price in A$/t. A 5 cent rise in the currency currently takes around AUD$25 off values, which is a significant amount when prices are less than stellar. Weakness in the US$ has been a significant part of the recent strength in our Australian dollar. Whether this US$ weakness persists is debatable and overall one might suspect that weakness will return to the AUD$ during the course of the year, which will help support our sugar price.

Did you know?

Agriculture plays a vital role in Australia, contributing to our social, economic and environmental sustainability.

- There are approximately 85,681 farm businesses in Australia, 99% of which are Australian owned and operated.
- Australian farmers produce almost 93% of Australia’s daily domestic food supply.
- As of 2016/17, there are 304,200 people directly employed in Australian agriculture.
- The agricultural sector, at farm-gate, contributes 3% to Australia’s total gross domestic product (GDP).
- The gross value of Australian farm production 2016/17 was $60B.
- Australian farmers own, manage and care for 48% of Australia’s land mass.

Natural Disaster Grants from RAA
The Rural Assistance Authority has offered an extension of recovery grants to eligible primary producers in sugar cane, soybean, dairy, macadamia and vegetable industry sectors in Ballina, Byron, Clarence Valley, Kyogle and Richmond Valley. More information and application forms can be found at: www.raa.nsw.gov.au/assistance/natural-disaster-relief/grants-information-and-application-forms/north-coast-floods-primary-producer

Scholarship Funding for Women’s Leadership Development
Women & Leadership Australia is administering a national initiative to support the development of female leaders across Australia’s agriculture sector. The initiative is providing women with grants of between $3,000 and $8,000 to enable participation in a range of leadership development programs. The funding is strictly limited and will be allocated prior to the end of March 2018. Find out more and register your interest by completing the Expression of Interest form prior to Friday 16th March. https://www.wla.edu.au/farmingagriculture

SRA Varieties Guide
Sugar Research Australia (SRA) has produced a new hard copy publication for sugarcane growers and millers regarding sugarcane varieties. The 2017/18 Variety Guides have been posted to growers and millers and provide information for growers to help them select the best sugarcane varieties to plant. The six guides cover the regions of NSW, Southern QLD, Central QLD, Burdekin, Herbert, and Northern QLD. The guides can be viewed online at: https://sugarresearch.com.au/sra-information/publications/

Classifieds
For Classifieds, go to the “Agricultural Information” section of our website www.sunshinesugar.com.au.

Upcoming Events

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<td>Tweed Coast Enduro Triathlon</td>
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<td>Dahlia and Flower Show</td>
<td>Casino</td>
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<td>Eat The Street</td>
<td>Lismore</td>
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<td>Tweed Valley Relay for Life</td>
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<td>Byron Blues Arts &amp; Culture Festival</td>
<td>Clarence Valley</td>
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<td>Byron Bay</td>
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Keep up to date on Sugar Industry events at: canecalendar.com.au
From the Mills

Condong Mill

Congratulations to Guy Sinclair for his win in the Massive Murray Paddle. This 5-day paddling race covers a distance of 404klm, from Yarrawonga to Swan Hill. All monies raised were donated to Fred’s Place, Tweed Heads, which offers support services for people who are experiencing homelessness.

Our Grower Mill Tours run late last year were very well attended and provided lots of great feedback. Thank you to all those who participated, both from the mill staff and grower members and their families. We hope to make this a regular activity in future.

We recently celebrated 10 Year Service Awards for Greg Ritchie, Paul McKinnon and Bruce Harvey.

Broadwater Mill

The Woodburn Riverside Festival was held in October, proudly sponsored by Broadwater Mill. Even though the rain did dampen the festival and cut the day short, the rain held out for the Raft Race, in which the Broadwater team constructed and entered a raft and placed 3rd.

Chris Genat was farewelled, after 48 years of services on Friday 15th December at our Christmas Party. Chris will be remembered for his integrity, hard work, and dedication, along with his commitment to the Social Club. Chris commenced as an apprentice Fitter, then progressed to Shift Engineer/Supervisor and then our first RCM Facilitator. We also said farewell to Tyler Szczerbanik on his successful completion of his apprenticeship.

Awarded for 10 Years of Service - Ross Holly, Brent Pearson, James Luke and Andrew Clements.

Harwood Mill & Refinery

In partnership with Maclean High School, we introduced a new Award in honour of Professor Warwick Anderson. Professor Anderson was raised on a cane farm at Chatsworth and attended Maclean High. He is currently the Secretary-General of the Human Frontier Science Program. The award recognises academic and leadership excellence displayed by a Year 12 student undertaking studies in Science, Technology, Engineering and Mathematics (STEM). Worthy winner, Sam Brandon is off to Monash University in Melbourne where he has been offered a place in the Bachelor of Advanced Science – Global Challenges (Honours) course.

99-year-old Bill Scales was a very special guest recently. On Bill’s ‘bucket list’ was to visit the Harwood Sugar Mill and Operations Manager, Grant Kaczorowski and Engineer Peter Coram were only too happy to show him around.

We recognise and thank the following staff for their years of service;

Alistair Wallace and Fred Connor – 30 years
Deanna Jackson – 20 years
Paul Clarke, Ron Bain, Scott Cameron – 10 years

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