

The SWEETNER

MITHA DOVU

FSC Newsletter

2018 May - June, Volume 1



CEO Graham Clark

Bula Vinaka from the CEO's Desk

It gives me great pleasure to introduce our new FSC newsletter, The Sweetner Mitha Dovu.

2017 will be remembered as a year which saw FSC heralding in a new era of transformation, at Board level through to Executive Management and throughout FSC. This transformation is still occurring, as we continue to adapt to a changing environment. We have a five year Strategic Plan which sees increasing cane production as our core focus, creating the platform for cash generation which will drive FSC's turnaround.

Our total cane crushed last year increased by 18% year on year. This was a disappointing result compared to our expectations but did reflect the damage of Cyclone Winston in 2016 and floods and drought in 2017. Sugar production increased by 29% and TCTS improved by 9%. Our mill Stoppages at national level were also better, recording a decline of 21% and 19% in Inside and Outside Stops respectively.

Good progress has been made in cash savings this year and we are forecasting a further reduction in our net loss for the 2018 financial year. This is attributed to improvements in operational and factory efficiencies as well as a rigorous approach to cost control throughout FSC.

In December 2017, FSC employees received a 5% wage increase as a cost-of-living-adjustment. This was approved at the company's board meeting on 23rd November. This wage increase benefitted a total of one thousand nine hundred and twenty-eight employees across FSC's four mills.

Also in the month, ten of FSC's senior mill engineers graduated from India's Vasantdada Sugar Institute in Pune. Their graduation saw the culmination of three-years of advanced mill operations training, designed to enhance factory performance and responses to mill breakdowns and stoppages, to ultimately reduce factory downtime.

We have commenced major repairs and upgrades to our sugar mills; this \$30 million investment is crucial to improving the operational capabilities of our mills, so that we are better prepared for future growth. Major renovations are being carried out at Lautoka's Mill's diffuser plant which will enhance the sugar extraction process. Renovations are also being carried out in Rarawai and Labasa Mills.

The Hon. Prime Minister and Minister for Sugar Industry, Rear Admiral (Retired) Voreqe Bainimarama officially launched our Tractor and Implement fleet in late March. The thirty tractors and implements have been dispatched to FSC's sector offices nationally. There are more mechanization developments to come later this year, including mechanical harvesters and haulage trucks.

Early April saw the industry take a double hit with two successive cyclones. They brought about widespread flooding across the sugar cane belt. The impact of the floods left many of our growers despondent, as up till that point, the industry had on many accounts, been gearing up to a good year.

Our mill in Rarawai was hit extensively. When the Ba river burst its banks, the mill got flooded leaving behind huge amounts of silt and debris. I commend the Rarawai Mill team for the massive clean-up afterwards, some of which is still being finished off this month, as we prepare the mill for the 2018 Crush.

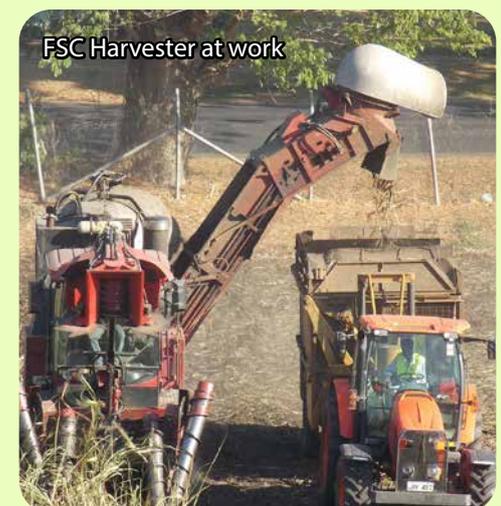
Prior to the floods, we were quite optimistic with our 2018 cane production estimates at a forecast of 1.9 million tonnes of sugar. The forecast now stands at 1.7 million tonnes, which whilst below our initial forecast is still higher than 2017 actual production figures by 100,000 tonnes.

Our Agriculture Services Team's engagement with the grower community has been most encouraging. Prior to the floods, they were successfully focusing on increasing sugar cane planting. After the floods, their focus shifted towards flood rehabilitation with our grower community, to accelerate recovery efforts.

After a little over year being here at FSC, I am encouraged by the resilience you have all shown, especially during the transformation of the organization which commenced last year. I am also touched by the resilience and strength you have shown after the floods in April. I specially commend the Rarawai team's rehabilitation drive to restore the mill before the 2018 Crush.

I thank you all for your passion and commitment to our five-year Strategic Plan as we embark on this journey to return FSC and the industry to a brighter future. I am also very grateful for the support and collaboration of our growers and our other industry stakeholders.

I look forward to working with you this year as we continue our efforts towards building a robust sugar industry.



Diffuser's New Lease of Life

FSC's Lautoka Mill is undergoing major renovations to its diffuser plant. The diffuser, an integral part of the sugar extraction process was initially installed in 1996. Unlike the sugar milling process, which squeezes the sugar from the cane, sugar extraction by diffuser is done through a washing process, and the sucrose contained in the fibre cells is washed out over 16 stages of gradually diminishing sucrose concentration.

Head of Engineering & Capital Projects Martin Welch says "although a new chain was last fitted to the diffuser in 2009, since the diffuser installation over 20 years ago we have had an accumulation of some very tired and worn out structural parts both inside and outside of the diffuser which required replacement before they broke".

The repairs and maintenance to the plant this off-crop should ensure better reliability, and the enhancements made to some of the sub-systems help to improve extraction rates increasing from 95% to above 97%. Diffusers are able to extract 2% more than sugar milling tandems.



CEO inspecting the Diffuser renovations

PM Launches the FSC Tractors

In March the Hon PM and Minister for Sugar, Hon Bainimarama launched 30 new Mahindra tractors for the FSC. These tractors will be distributed to all FSC sectors nationally.



PM trying out the new Mahindra tractor



PM with growers at the FSC tractor launch in March



Rarawai Mill OHS Awareness



Lautoka Mill OHS Awareness



Rarawai Mill Clean-up Campaign



Head Office Tree Planting



Grower Visitation - Rarawai



Grower Consultation - Tavua

Rarawai Resilience

Living through one flood is challenging enough. But going through successive floods over a week can be an excruciating experience and a real testament to the human spirit.

In April, when Tropical Cyclone Keni and Josie before that, battered western Viti Levu, FSC's Rarawai Mill took a hit. The mill, built in 1886, sits on the banks of the Ba river. And as the river burst its banks, the mill became submerged in water, which brought with it massive amounts of silt and debris.

John Danford, Chief Engineer at Rarawai Mill admitted that the thought of the mammoth clean-up afterwards was at first daunting. "Initially our team was a bit downtrodden, after the realization of the amount of clean-up required". The mill's ground machinery like motors and pumps were heavily covered in silt.

Prior to the floods, the mill had already completed around fifty percent of its non-crush season repairs and maintenance. This set the mill's maintenance program back a bit.

All FSC Mills have natural disaster Contingency Plans which is usually activated as bad weather approaches. "But this flood came up really fast, within 30 minutes as opposed to a gradual rise of water level over a few hours, said Chief Danford

The one consoling factor was that this year's flood water levels were lower by at least one and half meters than that experienced in 2012.

"In 2012, when we went through that massive flood, we were fortunate to have the assistance of the Fiji Military Forces", says Danford. "This time around, it was our people, who rose to the challenge. Everyone played their part and pitched in with the clean-up".

What they had initially perceived to be an overwhelming task, turned out to be a morale booster. "They knew we can get do it!" says Danford

Rarawai Mill has now shifted its focus back to the continuation of the non-crush season maintenance and they have hired seasonal workers to finish off the clean-up of the mill.



Chief Engineer John Danford inspecting the mill motors.

Mrs Shahin Khan has come a long way from merely assisting her husband in the cane fields fifteen years ago, to owning today, a total of 7.5 acres of sugar cane farmland. "I used help him with a bucket of fertilizer"

"It was tough in the beginning, you know. It's a lot of hard work and women are not used to that physical work", she says.

With the support of her husband, a successful cattle farmer himself, Mrs Khan pursued her dream in sugar cane farming. Taking over her husband's 5 acre farm, she quickly grew this through share-farming. In 2011, her brother in law recognizing her passion and commitment to sugar cane farming offered her his farm on a share-farm basis, as he was migrating to New Zealand.

"With sugar cane farming, you really just work head-on for one month in a year, the remaining eleven months you just monitor", says Mrs Khan. In that one month, she is usually up early at 430am to prepare breakfast for her family and by 5am she is off to the farm. She has three laborers who are coincidentally all women from the neighbouring village. At 11am they stop work for lunch and restart again at 230pm, until they eventually finish off the day at 4.30pm.

According to Mrs Khan, time management is crucial in sugar cane farming. Mrs Khan has been instrumental in setting up a cooperative in Ciri, Olosila and Maro, within the Lomawai sector in Cuvu, Nadroga.

Through her determination, the cooperative was able to source funding for a mechanical harvester. "Knocking on doors has paid off and we are very happy with the harvester", she said.

This year, Mrs Khan will be the first grower within her district, who has planted her cane, mechanical harvester ready. For mechanical harvesting, you need to allow a 1.5 metres gap to allow for mechanical harvesting. She is expecting 400 tonnes from this section of her farm.

Mrs Khan been a Leader Farmer since 2013. Through the Leader Farmer programme, she has attended trainings. These trainings has been funded by the European Union and facilitated by the South Pacific Commission

Mrs Khan's Successful Farming



WELCOME



Sachin Deo

FSC's new Head of Business Integrations is Sachin Deo, who joins us from FNU where he was the Deputy Director of National Training and Productivity Centre. He holds a Masters of Information Systems from Central Queensland University.



Deepak Lal

FSC's new OHS Manager is Deepak Lal. Deepak is an experienced OHS Practitioner and an accredited Health and Safety Auditor. He was previously with Coca Cola Amatil Fiji for eight years, four of which as the OHS, Security and Property Manager. He holds a degree in Science majoring in Environmental Science and a Diploma in Health & Safety.



Above: Rarawai Mill's Team Elite, Silver Award Winners, 2017 National Convention on Quality.



Above: Lautoka Mill Staff showcasing their new overalls.



Above: Lautoka Apprentice Awardees ceremony.

HR's DO's & DON'T's

DO'S

Do be flexible. Sometimes a project calls for earlier or later hours; be OK with adjusting your schedule accordingly
Do always wear a smile. Having a positive attitude about being at work will affect your job performance...significantly.

DON'TS

Don't "Reply All" to an email chain. Understand the differences—and repercussions—between "Reply" and "Reply All" to avoid humiliation.

May Born

Pleasing and attractive personality. Good looking. You adapt well to new situations. Joyful attitude towards life. Independent. Secretive. Intelligent mind. You get easily angry. Very stubborn at times. You love attention. More logical than emotional. You dream big. Dynamic and active. Quick to return favours. Honest

June Born

Foresighted. Get easily worried. Quite talkative. Very friendly. Stylish and fashionable. Soft spoken and polite. Warm and considerate towards people. Great sense of humour. Quite sensitive. Star in the crowd. Active and visionary thinker. Kind and generous. Loyal lover. Love to debate. Love the finer things of life

From the Editor's Desk:

Send your pictures, stories and suggestions to: sweetneditor@fsc.com.fj