



## **MEDIA RELEASE**

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### **2019 Season preparations going well**

As announced by the Sugar Industry Tribunal at the beginning of this month, the 2019 crushing season start-up dates for FSC's three mills have been set as follows:

Labasa Mill – 6<sup>th</sup> June 2019  
Lautoka Mill – 13<sup>th</sup> June 2019  
Rarawai Mill – 25<sup>th</sup> June 2019

There has been a positive and progressive trend in sugar cane production. Sugar cane growers have shown a lot of resilience over the last two years. Continuous progress has seen good sustained growth in sugar cane production, which will continue into the future, notably in the next five years.

Sugar cane is a strong and forgiving plant. "Therein lies its attractiveness as a commercial crop for growers. If the basics are followed, it's a crop that's easy to plant and maintain", says CEO Graham Clark.

And by extension, it makes for good reason that the industry is still abuzz with optimism for a brighter future. It is a strong agricultural product that has yet to reach its full market potential in Fiji.

"To the international market, Fiji sugar has always had a premium connotation to it and we are working towards enforcing that brand advantage", Clark says.

Some key indicators provide proof of progressive cane production increases post Tropical Cyclone Winston in 2016; These include an increase in hectares fallow planting and replanting: - 2604 hectares in 2016, increased to 4299 hectares in 2017; and 5259 hectares in 2018.

Planting efforts are on the increase, after a sharp decline immediately after Tropical Cyclone Winston. Grower numbers remain around 11,500 although hectares planted have increased. This essentially translates to our growers getting more efficient in their sugar cane farming. "The combination of good support from the government, better technical support offered by our Field teams and the extended support from all the industry stakeholders, is starting to show positive outcomes", says Clark.

Government support remains significant. In 2016, Government financial support totaled \$24.2 million, this increased significantly after Winston and in 2018, increased to \$62.3 million. A key driver to this increase has been the Cane Planting Grant (CPG), which increased by 95% from 2016 to 2017 and also 71% in 2018. The CPG is a direct financial benefit to the grower. In 2016, 3,444 growers were assisted via the government grants, this figure increased to 4,541 in 2018, a 32% increase. There is an upward trend in assistance and indications are there that grower utilization is also increasing.

“This is an encouraging trend for the sugar industry, our growers are returning to cane or new growers are entering the industry”, says Clark

Another key driver contributing to a resurgence in planting is the fertilizer subsidies provided by Government. This subsidy increased by 59% from 2016 to 2018. Access to fertilizer has contributed to a healthier crop for our growers. Weedicide support has also been provided further strengthening the growth of the cane crop.

Accessibility to sugar cane farms has also been boosted through funding for the repairs and maintenance on our cane access roads. Funding for this has almost doubled over the last two year period and in 2018 this stood at \$6 million. “The sugar industry has a total of 3251 cane access roads across the cane belt in Viti Levu and Vanua Levu. The annual repairs and maintenance to these roads is crucial to our industry”, says Clark. Better roads allow more efficient access to sugar cane farms and vice versa to the mills.

FSC acts as the conduit for this growth funding from Government to be paid to growers. FSC has not received any direct funding from the Government since 2012. What Government has done though is act as a guarantor for FSC loans to both local and international lenders. “Misconceptions exist about FSC receiving annual funds from the government and that is not correct”, Clark adds



**Above:** CEO Clark with Lautoka Mill employees after their uniform launch earlier this month

All developments and capital investments have been delivered at FSC’s own cost, secured through loans, and managing these debts remains a key focus for the FSC.

The area under cane has steadily increased from 2016. Last year, the area under cane was 37,105 hectares; this year, this has increased to 38,946 hectares. Correspondingly, in 2016 cane tonnage was 1,387,034 and the current indicators for this year show a tonnage of 1,870,000 – an increase of 35%.

“So in terms of crop production, the sugar industry is on an upward trajectory. And if this continues, our five year goal to reach 3,000,000 tonnes of cane is certainly looking achievable”, says Clark.

With ongoing solid support from the Fiji government through cane payment grants, cushioning fertilizer and weedicide costs, funding cane access roads complemented with a sustained and improved milling performance by FSC and the continued cooperation of all industry stakeholders, the sugar industry is re-establishing its economic platform and looks poised for a return to growth and profitability into the future.

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