

**CANEGROWERS Cairns Region Ltd**

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10<sup>th</sup> August, 2016

Mr Paul Lindwall  
Presiding Commissioner  
Regulation of Australian Agriculture  
Productivity Commission  
Locked Bag 2, Collins Street  
East MELBOURNE Victoria 8003

By email: [agriculture@pc.gov.au](mailto:agriculture@pc.gov.au)

Dear Mr Lindwall,

Please find attached, the submission lodged on behalf of CANEGROWERS Cairns Region Limited and Innisfail District Cane Growers.

It is to be noted that our Organisations also strongly support the submissions lodged by Queensland Cane Growers Organisation Limited (QCGO Ltd) and Queensland Farmers Federation (QFF).

Kind regards,

Sarah Standen  
REGIONAL MANAGER

# Productivity Commission Draft Report – Regulation of Australian Agriculture

## Competition Regulation

### Draft Recommendation 11.2

**That the Queensland Government should repeal the amendment made by the *Sugar Industry (Real Choice in Marketing) Amendment Act 2015***

CANEGROWERS Cairns Region and CANEGROWERS Innisfail represent 90% of the cane farmers in the Northern Region of Queensland, spanning an area from the northern beaches of Cairns to Silkwood in the south, supplying South Johnstone Sugar Mill. It is the vision of our Organisations to ensure and secure a profitable future for Cane Growers in the area through representation, leadership and services. The sugar industry is a cornerstone industry for the many coastal communities within our membership area and continues to be the key driver of economic activity within these centres.

Due to the geographical location of cane crops in Far North Queensland and the perishability of the crop once harvested, growers have no choice in relation to the milling company they supply. As well as this, the nature of the agricultural land, the weather patterns of this region and the invested capital in sugar cane farming, removes any possibility of alternate crops.

Our sugar cane farmers, due to location, can only supply the MSF Sugar (owned by Mitr Phol). Prior to the amendments to the Sugar Industry Act this milling company announced their intention to withdraw from Queensland Sugar Limited (QSL), removing any opportunity for **Grower Choice**.

Our respective Organisations, strongly driven by our members, lobbied at every level and sought support wherever possible the amendments to the Sugar Industry Act, thus assisting in the implementation of the *Sugar Industry (Real Choice in Marketing) Amendment Act 2015*. This process saw the joining of all sugar producers across the eastern states in a collaborative approach, possibly one of the greatest demonstrations of strength ever seen from the growing sector.

In the period leading up to the amendment being passed by the Queensland Parliament, grower confidence was at an all-time low with the flow on consequences being felt within coastal communities that are heavily reliant on the cane industry. We had starting to see land being taken out of sugarcane production and apathy from growers with regards to planning their future cropping cycle.

The implementation of **Grower Choice** across our area has been well accepted by all stakeholders. MSF Sugar has moved on, offering **Grower Choice** and all indications are that that growers are doing exactly that, choosing their preferred marketer.

CANEGROWERS Cairns Region Limited and CANEGROWERS Innisfail as appointed Bargaining Agents by the members, have negotiated collective Cane

Supply Agreement for 90% of the sugarcane growers supplying South Johnstone Mill. The Cane Supply Contracts have been negotiated in a good spirit of cooperation. All the associated documentation relating to **Grower choice** of marketer have been achieved and at the time of writing are ready for implementation.

Confidence has been restored within the northern industry but if circumstances were to change with regards to **Grower choice**, we are of the view that it would come at a huge cost to the long term viability and sustainability of the cane industry.

We do not support the Draft Recommendation.

END