



28 May 2018

Mackay Sugar Growers

Grower Choice Marketing Arrangements for the 2018 Crushing Season

As you would be aware the 2018 season is due to commence in Mackay on 29 May 2018 and Mossman on 4 June 2018.

Following on from a series of meetings and discussions, and feedback received from various Bargaining Representatives, both during the 2017 season and more recently, Mackay Sugar has circulated proposed amendments to the Cane Supply and Processing Agreements (CSPAs). These proposed changes seek to address the requirements for grower choice for the 2018 and subsequent seasons, as required under the Sugar Industry Act. The proposed changes recognise that there may be more than one GEI sugar marketer available to growers in the future.

We have also been consulting in good faith with the Bargaining Representatives for growers in relation to those proposed changes. Some Bargaining Representatives have not taken up our offer to meet with them or to consult, whilst others are yet to agree to Mackay Sugar's proposed terms or have still to propose alternative terms.

In the circumstances, and whilst the changes are being finalised, in order to ensure that growers have the continued benefit of grower choice as contemplated by the Sugar Industry Act, Mackay Sugar is prepared to proceed on the basis that Mackay Sugar will treat all growers as having agreed to have all of their grower economic interest sugar marketed for the 2018 season through the existing arrangements in place:

1. in the Mackay district, to supply the Sugar Australia Joint Venture, for domestic use (SAPL Supply Agreement); and
2. for all suppliers, under the raw sugar supply agreement between Queensland Commodity Services and Queensland Sugar Limited for export (RSSA).

The terms of future sales of grower economic interest sugar beyond the 2018 season will be the subject of further negotiation and agreement in due course. Mackay Sugar will continue its efforts to engage with the Bargaining Representatives to strike an agreement for subsequent seasons.

The arrangements referred to in 1 and 2 above will apply to all growers in relation to grower choice and will supersede any previous arrangements or communications insofar as they relate to grower choice.

We look forward to productive consultation with the Bargaining Representatives to finalise the changes for the long term benefit of the Mackay Sugar growers.

Yours sincerely

Mark Day
Chairman and Chief Executive Officer