

MEDIA RELEASE

13 June 2019

FSC CEO Graham Clark Speech at the 2019 Lautoka Mill Crushing Season Opening

It gives me great pleasure to welcome you all to the Lautoka Mill today and a very special welcome to our Honorable Prime Minister and Minister for Sugar Industry.

Yesterday Labasa Mill opened their 2019 Crushing Season and whilst we faced some issues with cane deliveries, we are confident that concerns raised are now resolved and we should be well into our crushing momentum for the north from tomorrow.

Lautoka Mill is our largest sugar factory and best performing factory for the last two years. This has come about through the dedication and commitment of our entire factory team, from the General Manager, to the Engineering and Operations teams and our Field Extension Division. Their hard work has produced encouraging results for the mill.

This year, we expect no less!

In the coming season, we will again look to Lautoka to crush additional cane from the Rarawai Mill area due to the loss of the Ba River rail bridge following floods associated with cyclones Josie and Keni in April 2018. Our crushing target this season is 690,000 tonnes some 12% more than last year, and we are confident that the capabilities of this mill and the continuous commitment from the mill's management and staff, will enable this target to be achieved.



Right: Honorable Prime Minister of Fiji, Honorable Josaia Voreqe Bainimarama, tipping the first rail truck signifying the start of the 2019 crushing season for the Lautoka Mill.

In 2018, the Lautoka mill underwent further capital refurbishment to its Diffuser plant (behind me). This brought about improved efficiencies in the sugar process. This year, we have invested in automation of the sugar crushing process, which should bring about more control in our operating systems.

We will continue to improve our mill plant and equipment, to bring about consistency in sugar manufacturing and improve the general efficiency of the mills. An efficient sugar mill maximizes sugar production, reduces wastage and lowers manufacturing costs.



Right: Honorable Prime Minister of Fiji, Honorable Josaia Voreqe Bainimarama, with FSC CEO Graham Clark

This year, we have been fortunate not to go through any natural disasters, so we expect good quality cane and a better sugar make. Government incentives by way of planting, fertilizer and weedicide subsidies have improved cane production. Our five-year strategic plan sets a target of 3.5 million tonnes of cane by 2023. We expect to crush 1.9 million tonnes of cane this year – 10% more than last year. Credit is due to our cane farmers for all their efforts in this regard.

We are an industry better described as a partnership and we constantly strive to improve the viability of our cane farmers. Following consultation with our growers on the reduced delivery price of cane announced by FSC for 2019, we are pleased to confirm that we have obtained Sugar Industry Tribunal approval to re-calculate this price under the Industry Master Award. Accordingly, the delivery price will increase from \$32.22 to \$37.90 per tonne of cane in 2019. This all against the background of the guaranteed cane price for the year of \$85 per tonne of cane set by Government. Something to be welcomed in the volatile commodity world in which we operate.

I take this opportunity to thank the Honorable Prime Minister and Minister for Sugar Industry and the Fiji Government for their continuous and dedicated support to the sugar industry. Through this valuable backing, the industry has been able to make significant advances in cane production, improved infrastructure and mechanical investments in the last two years: - all crucial steps for our future.

The industry looks forward to continued support from all stakeholders, as we channel all our combined efforts to return the sugar industry to success.

Thank you once again for joining us today Hon. Prime Minister, your presence is great motivation to us all.

Right: Honorable Prime Minister of Fiji, Honorable Josaia Voreqe Bainimarama, making his way to the Cane Carrier

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