



Tim Nicholls MP

Leader of the Opposition

Shadow Minister for Arts and Major Events

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Mr Kuok Khoon Hong
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RE: Cane supply contracts for Queensland farmers for the 2017 season

Dear Mr Kuok

I write to seek your urgent intervention in resolving the long-standing impasse in the finalisation of cane supply and on supply agreements with growers supplying Wilmar sugar mills.

As you would be aware the issue has been running since 2014 when your company made its announcement to withdraw from long-standing marketing arrangements with industry-owned Queensland Sugar Limited (QSL).

The position of the LNP Government then was that negotiations on supply agreements and choice in marketing was an issue for industry with the proviso that if industry was unable to reach a position, then we would take steps to enforce choice in marketing through legislation. Unfortunately commercial negotiations were not resolved and last year the LNP introduced amendments to the Sugar Industry Act 1999 which guarantee canegrowers choice in marketing.

As you would also be aware, your company is the last of the seven milling companies operating in Queensland to finalise agreements with QSL to provide growers choice in marketing. This agreement is needed to progress cane supply and on supply agreements with growers for the 2017 season and beyond.

Negotiations have been frustrating for industry and particularly for growers who were and remain eager to access stronger world sugar prices. Delays in having contracts available is seen as a missed opportunity for good returns and is widely viewed as unfair by many growers, their industry leaders and their political representatives at both a State and Federal level. This is especially the case when we hear of growers and their families suffering mental and financial stress from being denied the ability to forward price and enter into commercially responsible and fair Core Supply Agreements.

I fully understand that you are operating a commercial entity. However, the obvious question has to be asked: if the other six sugar millers in Queensland, including Tully Sugar and Maryborough Sugar, have been able to successfully negotiate agreements, why not Wilmar?

I respectfully ask you show leadership and either travel to Queensland to finalise these agreements or instruct your local managers to do so without further delay. A simple tripartite meeting, between Wilmar, Growers and QSL would be a constructive start.

The LNP hears regularly about all sorts of reasons why negotiations have stalled. Quite frankly we have heard enough, especially when the other millers have succeeded with contractual arrangements with QSL and most of their growers.

Please be assured the LNP has absolutely no intention of backing down on the amendments to sugar legislation in Queensland that were needed to ensure growers genuine choice in marketing.

In closing, I urge you to finalise this important matter prior to Christmas.

Yours sincerely



Tim Nicholls MP
Leader of the Opposition, Queensland



Dale Last MP
Shadow Minister for Agriculture,
Fisheries and Forestry

CC
Prime Minister Hon Malcom Turnbull MP
Deputy Prime Minister Hon Barnaby Joyce MP
CANEGROWERS