

FUTURES FORUM

17 April 2018
MACKAY

Workshop
Summary



CANEGROWERS



Overview

- The inaugural Sugarcane Industry Futures Forum was held in Mackay on Tuesday 17th April 2018.
- The objectives of the Forum were to:
 - Inspire and educate participants through novel thinking, future scenarios and innovation drivers;
 - Work toward clarifying a sugarcane industry vision with whole-of-industry ownership; and
 - Identify next steps and an action plan.
- 70 people participated in the one-day Forum
 - 15 sugarcane growers (21%)
 - 9 sugarcane millers (13%)
 - 23 research sector (33%)
 - 10 industry representatives (14%)
 - 5 government representatives (7%)
 - 8 other including consultants, invited speakers etc. (11%)
- Key outputs of the Forum are captured in the following slide:



Future PATHWAYS for the AUSTRALIAN SUGARCANE INDUSTRY

FORGING A BRIGHT FUTURE

for AUSTRALIAN SUGARCANE

GROWING TOGETHER

What might the FUTURE look like?

- VISION
 - LONG-TERM APPROACH
 - TAKE SOME RISKS
- WINDOW of OPPORTUNITY

FUTURE STATE 2030

MORE CO-ORDINATED to our CUSTOMER

AGILE & flexible

COLLABORATION

between FARMERS: resources • technology • knowledge

- continuous improvement
 - efficiency
 - value-add
 - new markets
- BETTER at our CORE business

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CUSTOMER of the FUTURE

- INCREASED: transparency
- social concern
- health & wealth

CAPABILITIES

genetic manipulation technology
sensors
data
Internet of things
AI
robots

PERSPECTIVES on the near TERM

PRODUCTIVITY, PROFITABILITY & International Competiveness

VALUE-ADDING POSSIBILITIES

TRANSFORMING our business
NEED Ideas that ATTRACT investment

Commonwealth AGRICULTURAL AGENDA

Challenges, threats & opportunities for Australian Ag

- Asia re-emerges as competitor
- resource scarcity
- customer preferences

Enabling DIGITAL AGRICULTURE

Internet of Things Applications
connecting devices, sensors, machines...

SOCIAL LICENCE to OPERATE

What level of RISK are you willing to tolerate?

- Develop PROPOSALS
- Identify POLICY
- Identify STAKEHOLDERS
- STEPS to earn TRUST in research

SKILLS & CAPABILITIES for the FUTURE

- MAJOR skills SHORTAGE IN AG!

Gen Y want:

- competitive \$\$\$
- career PATHWAYS
- TRAINING
- culture of ACCEPTANCE

AG SECTOR needs to ADAPT!

weather stations
flow meters
rain gauges

What will WE DO?

WHAT OPPORTUNITIES will take us to our desired FUTURE

positive communication

EMPLOYMENT STRATEGY

ACTIONS

INDUSTRY: create an industry VISION

SUPPLY CHAIN SEGMENT: COLLABORATE on WHAT/WHO?

INDIVIDUALS: Promote a positive IMAGE

Growing TOGETHER our COLLECTIVE VISION

INCREASE PRODUCTIVITY

BRAND SUGAR AUSTRALIA

COLLABORATION

Mackay, 17 April 2018

FUTURES FORUM

Agenda

A: What might the future look like?

B: Perspectives on the Near Term

C: What will we do?

Keynote: The Future: Trends, Insights, Possibilities

Paul Higgins, Emergent Futures

Workshop: What do you want in the future for the Australian Sugarcane Industry?

Paul Barnett, Facilitator

Panel Session: Products, Productivity, People, Stewardship & Transformational Technology

Katherine Teh-White, Futureye
Brett Price, Agricultural Appointments
Hywel Cook, MSF Sugar
Jo Grainger, Department of Agriculture and Water Resources
Tom Rayner, Myriota

Workshop: What big opportunities must our industry seize?

Workshop: What actions must we take as:

- **Industry**
- **Organisations**
- **Individuals?**

Next steps

Future Trends: Paul Higgins, Futurist

The Australian sugarcane industry will operate in a future transformed by massive change in coming decades.

Key trends include:

1. Billions of more people on the planet. Many more people in Africa and Asia.
2. People will be more wealthy and more connected.
3. The energy system will transform away from fossil fuels to renewable energy.
4. The transport fleet will transform from driven and fossil fuel powered to automated and electric vehicles.
5. The ongoing increases in capacity of technology to drive sensors at lower costs and lower energy use.



The customer of the future will be wealthier, more connected, and more interested in all aspects of the food they eat or the products they buy including their social and environmental footprint and their relationship to the customer's genomic profile.

When looking at some of the major markets for products from the sugarcane plant there will be some major changes including:

1. At best a slowing growth rate of sugar consumption as people move into higher income levels, and the growth rate of population slows.
2. A reduction in the demand for liquid fuel for transport as the road transport fleet becomes more and more electrified.
3. A growing demand for "non-combustible" oil use where plant-based chemicals can compete as a low carbon source of feedstock materials.

Lots of new technologies will be available to the industry but these technologies alone will not produce a long-term competitive advantage. Technologies are necessary but not sufficient for long-term success. Technologies must be part of an interlocking business model that connects the customer to all parts of the supply chain.

There is a window of opportunity that must be grasped now because the transformation required will take 10-15 years to achieve.

<http://www.emergentfutures.com/frontpage-article/the-sugarcane-industry-and-the-future/>

Participant's Voice

Question: What do you want in the future for the Australian Sugarcane Industry?

Taken from live poll of participants following Paul Higgins' presentation.

"Customer
focused
production and
production
systems"

"Diverse and
profitable"

"A clear view
of directions
for research
and
development"

"Flexible
production
platform"

"Inspired
collaborative
industry
leadership"

"A deregulated
industry that
provides the
opportunity to
be agile and
nimble"

"Fewer
bodies, more
collaboration"

"Supply
chain
trust"

Key messages from the Futures Forum

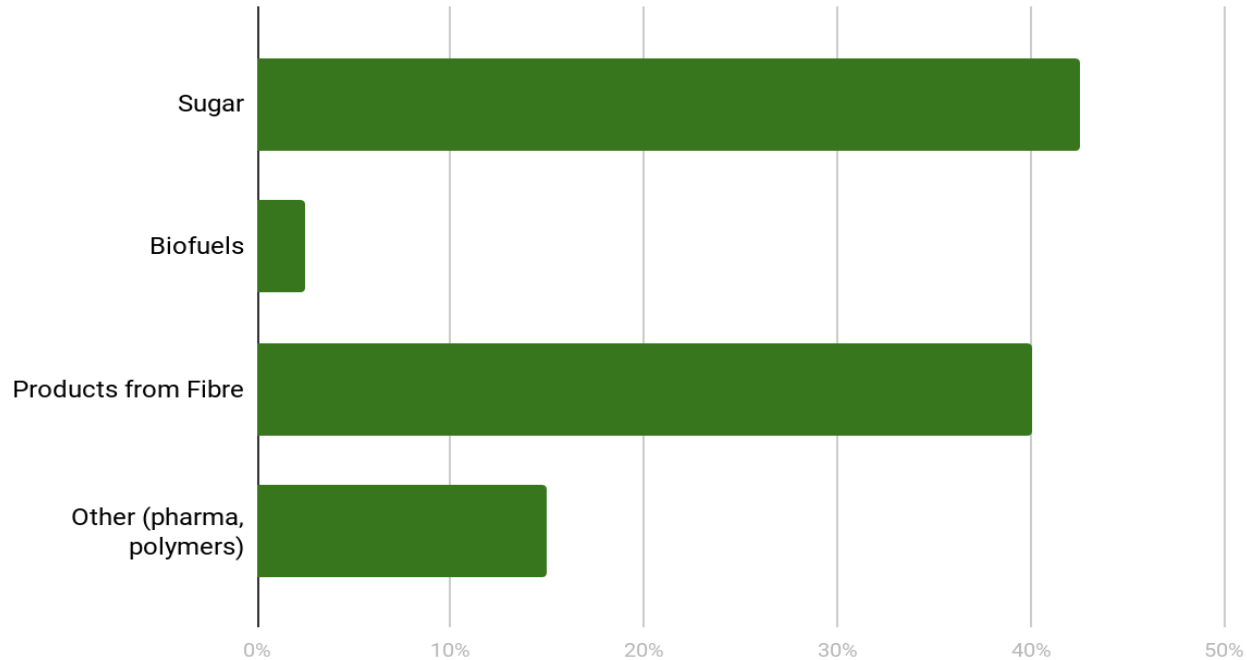
- Sugar will remain a core output of our industry.
- Diversification is critical to future profitability and sustainability with diversification of revenue streams across food, fuel, energy and fibre products.
- Collaboration is critical for success.
- While a vision for the sugarcane industry was not articulated at the Forum, a number of actions and opportunities were highlighted that will lead to a better understanding of the industry vision including:
 - **Diversification Roadmap:** to identify economically viable options to inform policy.
 - **Employment & Capability Strategy:** to identify future skills/capabilities/infrastructure requirements and identify initiatives to attract and retain individuals in target demographic groups eg Gen Y.
 - **Improve Collaboration:** regional and industry-led collaboration with a focus on areas of mutual gain.
 - **Leveraging Scale:** industry-driven in areas of common interest, eg. collective purchasing, enabling industry direct access to electricity produced by industry, etc.



What we want for 2030

01	Constant Improvement	<ul style="list-style-type: none">• Constantly improving and innovating in core business• Improving productivity & profitability in all segments of the supply chain• Innovation at all levels
02	Diversified Income	<ul style="list-style-type: none">• Diversified portfolio of products at all levels: farm, milling, refinery, factory/manufacturing• New revenue streams
03	Connected with Customers	<ul style="list-style-type: none">• Trusted relationship with customers• Secure & grow Australian sugarcane products brand value• Joint approach with stakeholders on sustainable and ethical vision & secure social licence to operate
04	Agile in Nature	<ul style="list-style-type: none">• Connected industry responsive to markets in real time• Attractive employment and retention options for younger generations• Technology adoption maintains competitiveness
05	Collaborative Core	<ul style="list-style-type: none">• Clear demarcation of collaborative vs competitive issues• Structures and business models support new ways of working• Joint approaches to shared costs, collective gain

Where will profits come from in 2030?



Taken from live poll at the beginning and end of the Forum. Participants had a stable view on their future profit streams. Their views did not alter significantly over the course of the day.

Key areas of opportunity



Participants' Ideas for Action

	Now & Near Term	Long Term
Industry	<ul style="list-style-type: none">• Better understand customers• Better understand constraints• Institutional structures' drivers of change• Engage and take on ownership for vision	<ul style="list-style-type: none">• Diversification roadmap• Employment strategy• Transform supply chain into a value chain
Supply Chain Segments	<ul style="list-style-type: none">• Identify issues we can collaborate on• More open to higher risk appetite and agile approaches• Look for opportunities for achieving scale (farm and processing eg. bulk purchasing)• Build confidence, start to heal relationships• Move public debate from defend to engage	<ul style="list-style-type: none">• Develop partnerships based on mutual benefits• Ensure R&D investments address gaps and have investment pathways• Develop technology toolkit with business cases for adoption
Individuals	<ul style="list-style-type: none">• Learn more about customer needs• Communicate with like-minded people to help diversify industry• Talk, communicate, influence others to think outside the square• Learn more about other products and business cases• Talk and listen more across the supply chain• Contribute to positive image of our industry	<ul style="list-style-type: none">• Encourage next generation• Use new technology, data and analytics tools

Priority Actions

1

Diversification Roadmap

- Sugar remains core
- Identify all diversification options and economic viability
- Understand constraints

2

Employment & Capability Strategy

- What skills/capability/infrastructure do we have and need?
- How will we fill the gaps? What strategies to target attraction and retention of employees? What training and development?
- How to target demographic groups eg Gen Y?

3

Improve Collaboration

- Industry-driven
- Regional focus
- Identify shared issues for collaboration at a district level

4

Leveraging Scale

- Purchasing scale through collective purchasing of inputs eg. diesel
- Collective lobbying eg. electricity provided from mill to growers at a lower cost

Toward an industry vision – Next Steps

Broad Industry Engagement

Inaugural Futures Forum is the first step in harnessing broad representation of industry



Priority Actions Identified

Through open discussion a shared industry vision and articulation of key opportunities is emerging



Action Plan

Actions synthesised from the Forum and further developed post-Forum by industry leaders and others



Implementation of Actions

Collaborative industry leadership and implementation of actions

A Working Group comprising representatives from CANEGROWERS, Australian Sugar Milling Council, Australian Cane Farmers Association and Sugar Research Australia will synthesise the Futures Forum action items & develop an Action Plan

Working toward an industry vision

A clear industry vision will lead to more clearly articulated RD&E priorities, activities, collaborations, projects

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