

Central Region

Mackay Sugar held its Annual General Meeting for the year ending May 2014 on 30th October, presenting its financial results and discussing the year's highlights and challenges with over 500 of its 1,000 shareholders.

The financial results included a profit of \$5.2 million, a decline on the \$16.3 million profit recorded in the 2013 financial year.

“Mackay Sugar handled a crop of 5 million tonnes (Mt) and 587,000 tonnes (t) in Mackay and Mossman respectively in the 2013 season (2012 season: 5.6Mt; 508,867t) and produced more than 747,092t of raw sugar in Mackay and 74,110t in Mossman (2012 season: 824,999t and 63,492t).

“World market sugar prices were low, with an average of \$410.70 achieved during the financial year.

Projects included the completion of a major upgrade at Mossman Mill in readiness for its return to design capacity in the 2014 season, the creation of our new marketing business Queensland Commodity Services (QCS), and the acquisition of 2.6 million 'M' Class Sugar Terminal Limited shares to secure long term interests in the export facilities.

Furthermore, revenue from renewable energy increased significantly with electricity sales rising by \$12.7 million on last year's result, reaching \$25.4 million. This was due to the operation of the Racecourse Cogeneration Plant and a sound achievement for the plant's first full year of operation. The focus for the current financial year is to improve cane rail and milling performance, strengthen our marketing capacity through QCS, support farm productivity and enhance stakeholder relations.

The election of directors was also announced at the meeting, with Mackay growers Lee Blackburn and Paul Manning elected to the Mackay Sugar Board. Mr Blackburn and Mr Manning replace Grower Directors Vince Germanotta and Anthony (Tony) Bartolo who have served on the Mackay Sugar Board for ten years and four years respectively. The Board comprises five Grower Directors and two Independent Directors.

The weather started off early in the season looking good with useful rain events in August and again in September. Since then there has been no rain. The dry weather is taking its toll upon the crop now. Irrigation is been applied but the issue of water and electricity charges hindering the full utilisation of the benefit.

YCS remains a critical concern for industry and SRA is committed to providing industry with regular research updates and progress reports. To achieve this, SRA hosted a series of industry update forums in Queensland in December 2014. At the forums, Chief investigators from three research projects shared their learnings about YCS and highlighted research developments.

The issue of Red Witchweed is still to be sorted out. The effected growers in the area where the weed was identified have not had the compensation issue resolve as of yet. The issue has become of a national interest and requires a federal and state government sign off. The

weed to date has not been found to have spread any further than where it was first identified in the 1990's.

Mackay Sugar Mills finished in early December with a staggered finish. The crop size held at around 5,440,000 tons crushed. The PRS continued to rise from 14.26 right into the last days of crushing. Milling plant availability has become a serious issue regarding the harvesting sector and a significant improvement is expected.

Steve Fordyce- Central region Director