

2017 MARKETING CHOICE

2 December 2016

By **Greg Beashel, QSL Managing Director and CEO**

Dear Grower,

It's now been nearly one full year since the Sugar Industry (Real Choice in Marketing) Amendment Bill 2015 was passed in Queensland Parliament. Sadly, the optimism and relief initially experienced by many Queensland cane-farming families has been worn away over the past 12 months, as the slow pace of negotiations has seen far too many growers still without the ability to access the Marketing Choice due to them under the laws of this state.

While MSF Sugar growers can now exercise Marketing Choice and we are well on the way to extending arrangements to Tully Sugar growers, there is still considerable work to be done in order to get a reasonable On-Supply Agreement (OSA) in place that will enable Wilmar growers to access Marketing Choice in the way envisaged by the legislation a year ago.

Wilmar is yet to respond to our latest requests to resume talks and progress the outstanding OSA issues, but since my last Update they have announced that they are working on a proposal to offer a transitional Marketing Choice arrangement for the 2017 Season. QSL welcomes any efforts which could potentially enable growers to access forward pricing, but we urge growers to make sure they understand the terms of any such agreement and what it locks them into. In particular, Growers need to be aware that while QSL would use its best endeavours to accept novations of forward pricing from growers in such an arrangement, there may be costs associated with these kinds of transfers. Pricing would also need to be in an appropriate format, including QSL's 1:2:2:1 pricing ratio, to minimise any potential costs.

As with the OSA currently under negotiation, the devil is in the detail. We will assess how QSL can best support growers as information regarding the proposal is made available. However, it is important to remember that while such an interim arrangement would be a vital tool for growers who cannot yet access Marketing Choice, it is essentially a band-aid solution. It is only a transitional arrangement if you end up with an OSA to transition to. While progress on the OSA has been made, the job is not finished. There are still major threshold issues to sort out before a truly reasonable agreement which serves the interests of our industry can be finalised. So I urge Wilmar to accept our existing request to return to the OSA negotiating table as soon as possible and let's put the focus back on action rather than words.



Greg Beashel, QSL Managing Director and CEO

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TIME RUNNING OUT FOR MSF SUGAR GROWERS

We are now in the final month for growers supplying MSF Sugar mills to submit their GEI Sugar marketing nominations. Pool Manager Nomination Forms must be returned to MSF Sugar by 31 December 2016, so if you are an MSF Sugar grower who wants to access QSL's marketing and pricing products for the coming season, including the 2017 QSL Harvest Pool, you must allocate QSL as a GEI Sugar marketer before the end of the month.

MSF Sugar growers who do not submit a Pool Manager Nomination Form by this date will have their GEI Sugar tonnage marketing nomination default to their miller and will not be able to access any QSL marketing or pricing services next season.

For help or information with the Marketing Choice nomination process in MSF Sugar milling districts, please contact QSL's Far North Queensland Grower Relationship Manager Daniel Messina on 0429 660 238 or Daniel.Messina@qsl.com.au.

Regards,

Greg Beashel
QSL Managing Director and Chief Executive Officer

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