



18 November 2016

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Dear Mr Hatfield

**Queensland Cane Growers Organisation Ltd (Canegrowers) application for authorisation (A91558) — interested party consultation**

Many thanks for your letter of 3 November in response to CANEGROWERS application for authorisation.

CANEGROWERS response to the ACCC request for further information to assist consideration of our application is **attached**.

In providing this response, it is important that we make it very clear that CANEGROWERS application is for authorisation for growers, should they so choose, to enter collective bargaining negotiations with mill owners and GEI marketers on all matters relating to the supply and delivery of cane to a mill, the associated pricing arrangements and payment flows. We are not looking for the ACCC to determine any terms of the resulting contracts. The application is not a move to centralise negotiations, but to support negotiations at the local level ensuring all issues can be dealt with in those negotiations.

Given growers bear the full financial consequences (revenue and cost) arising from the sale of GEI, it is clearly important that the authorisation provides the ability to collectively bargain all matters associated with the transfer of title to GEI sugar from the mill owner to the GEI marketer. Because the grower is restricted to choosing a GEI marketer with which the mill owner has an on-supply agreement and because the terms of the on-supply agreement directly impact the flow of revenues and costs to growers, it is important that the authorisation includes negotiation of the essential terms under which the mill owner will enter an on-supply agreement with the GEI marketer.

Please do not hesitate to contact Warren Males in CANEGROWERS Brisbane office if you require any further information.

Yours faithfully

Dan Galligan  
Chief Executive Officer

**Attachment A – Queensland Cane Growers Organisation Ltd (Canegrowers)  
application for authorisation (A91558)  
ACCC Request for information – 3 November 2016**

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**Scope of the proposed collective bargaining conduct**

1. At pages 10-11 of the application, Canegrowers states that authorisation for proposed collective bargaining is sought on three levels, including:

- across and between each district that has common mill ownership so that each of the relevant local Canegrowers companies and Queensland Cane Growers Organisation Ltd can negotiate collectively with the common mill owner and sugar marketer (referred to as 'tier 2') and
- across and between each district regardless of mill ownership so that each of the relevant local Canegrowers companies and Queensland Cane Growers Organisation Ltd can negotiate collectively with any and all mill owners and sugar marketers (referred to as 'tier 3').

a) In respect of both tiers 2 and 3, please outline the rationale of the proposed collective bargaining conduct in further detail. In your response, please include:

i. the nature of Queensland Cane Growers Organisation Ltd's (QCGO) involvement in the proposed collective negotiations

- In most instances, the collective bargaining negotiations are conducted between the local CANEGROWERS company and the mill. In tier 2 negotiations with the same mill owner, the relevant CANEGROWERS companies from each of the relevant mill areas within tier 2 may, but are not obliged to, negotiate collectively with the same mill owner. QCGO provides information and advice to assist its local CANEGROWERS companies in these negotiations.

On occasions in tier 2 and tier 3 negotiations, QCGO staff might be invited to participate directly in a local negotiation in one area and then separately to participate directly in the negotiation occurring in a different area, sometimes on similar issues and with representatives of the same or in the case of tier 3, different mill owner. QCGO may provide or facilitate the provision of legal and other services and advice to assist the local areas in terms of drafting contracts and dispute resolution process.

As made clear in CANEGROWERS clarification message of 7 October, 2016, **QCGO does not seek authorisation for itself to assume the direct principal bargaining role.** QCGO's role is to provide advice and assistance to local CANEGROWERS companies in support of their collective bargaining activities.

To be clear, QCGO is not seeking authorisation to negotiate single state-wide cane supply and related agreements.

- The Act permits growers to appoint a bargaining representative and negotiate a collective contract (s.33(3)). The grower members of CANEGROWERS organisation formally appoint the relevant local CANEGROWERS company (not QCGO) to be their bargaining representative for the purposes of the Act.

ii. the nature of the terms and conditions that would be negotiated under each tier and

- The terms and conditions of supply and related agreement deal with similar matters in each mill area throughout the State. The subject matter of those terms and conditions are detailed on pages 2 to 4 of the application. The nature of the terms include, amongst others, the following specific issues:-

Cane Supply Agreement

- i. Term of agreement;
- ii. Mechanism for review or variation of agreement;
- iii. Obligation to supply cane and terms of supply;
- iv. Commencement of crushing, crushing season length and termination of crushing;
- v. Estimate and allotment
- vi. Points of delivery
- vii. Essential GEI marketing provisions
- viii. Cane payment

- The terms and conditions that are negotiated might vary from region to region to take account of regionally specific issues. In the current negotiations, significant sticking points are the terms and conditions under which mills will deal with the GEI marketer for the on-supply of GEI sugar in accordance with the Sugar Industry Act 1999.

iii. the volume of proposed collective negotiations that Canegrowers would envisage under these tiers.

- Every grower must have a supply contract with the mill owner as per the Act. These can be individual or collective contracts. Collective bargaining allows groups of growers to negotiate the terms of a shared contract. Similarly, mills prefer to engage with growers on a consistent or standard set of terms.
- Primary negotiations for the supply contracts occur at the tier 1 level. From time-to-time there may be a small number of significant issues (for example those associated with the marketing of GEI sugar) that are common to different mill areas. Under current arrangements, these issues have been identified but are unable to be negotiated at the tier 2 or 3 level. For example, Wilmar Sugar has refused to negotiate the issues at a tier 2 or 3 level because it insists there is no authorisation for such collective negotiations.
- Cane supply and related agreements have been settled for the 2017 season for all mills except for those owned by Wilmar Sugar Australia and Tully Sugar.
- Wilmar owns sugar mills in four different regions (Burdekin (four mills), Herbert (two mills), Proserpine (one mill) and Plane Creek (one mill)). Tully owns one mill.
- In the immediate term, collective negotiations are occurring in each of the four Wilmar regions but not between the regions. Separate negotiations are occurring in the Tully area.

- QCGO is providing information and advice to the bargaining teams of local CANEGROWERS companies in each of these areas.
  - Tier 3 will enable growers across and between districts to share information and facilitate the adoption of best practice in terms of contracts and related provisions where they choose to do so. Where requested, QCGO will provide advice and assistance to the relevant local CANEGROWERS companies. This information sharing occurs in an environment where individual growers will continue to be free to negotiate individual contracts with the mill owner should they so desire.
- b) We note concerns raised by interested parties that the proposed collective bargaining under tier 2 and tier 3 is broader than what is currently allowed under the *Sugar Industry Act 1999* (SIA). To the extent possible, it would assist if Canegrowers is able to outline any conduct identified in submissions as being of concern to interested parties that is *not* intended to be engaged in under tier 2 and tier 3. To the extent this is the case, it may be useful for Canegrowers to consider amending its application to more accurately reflect the proposed conduct.
- To be clear, the application does not seek authorisation for the collective negotiation of single state-wide agreements in relation to the supply of cane and related matters.
  - Many of the concerns raised by the various milling companies and their representative organisation are offset by the fact that growers are free to enter individual supply agreements with the mill they supply should they wish to do so.
2. The ACCC understands from the application that Canegrowers seeks authorisation for the collective negotiation of terms and conditions of Cane Supply Agreements with mill owners. However, Canegrowers also seeks authorisation for, among other things, 'any other contract or arrangements relating to the supply of or processing of sugar cane'.
- a) Please provide an indicative list of the types of related agreements that Canegrowers expects will be collectively negotiated and entered into by growers under the proposed arrangements. In your response, please identify who is likely to be the parties to any related contracts and the types of terms and conditions expected to be negotiated under any related agreements.
- It is important that related agreements are included in the authorisation because the terms of these related agreements have a direct impact on the value of GEI sugar and on how that value is transferred from the GEI marketer to the grower.
  - Related agreements include for example those relating to:
    - i. The supply of GEI sugar from the mill to the GEI marketing entity. While the parties to the on-supply agreement are the mill and the GEI marketer, growers have a clear beneficial interest in the terms of that agreement as its terms directly influence the value flowing to them from the sale of GEI sugar. It is open to the growers to collectively negotiate the essential terms provisions in the CSA that the grower enters into with the mill owner and under which the mill owner will enter into an on-supply agreement with the GEI marketer.

OSA essential terms include, amongst others, those related to payment, GEI sugar quality, risk, liability, contract termination and logistics (see below).

- ii. Pricing, pooling and payment contracts between the grower and the GEI marketer. The GEI marketer could be either the mill or a third party GEI marketer, such as QSL.
  - iii. The sharing of revenues from by-products of sugarcane, for example the Molasses Gain Sharing Agreements that exist in the Wilmar mill areas between Wilmar and individual growers. Up until the current round of negotiations, the terms of these Molasses Gain Sharing Agreements formed part of the CSA and provided for growers to share in the revenues received from molasses sales by Wilmar. In the current negotiations, Wilmar is insisting that these provisions be removed from the CSA and be provided for in a separate agreement. They go on to say that as the separate agreement is not a CSA, the collective bargaining authorisations contained in the Act do not extend to the negotiation of the Molasses Gain Sharing Agreement.
3. Canegrowers also seeks authorisation for the collective negotiation of 'essential terms governing the supply of GEI interest sugar to the GEI sugar marketers.'
- a) Please provide further detail about the specific terms and conditions relating to the marketing of GEI sugar that local Canegrowers' organisations propose to collectively negotiate. In your response, please clearly identify:
    - those GEI sugar marketing terms and conditions that local Canegrowers' organisations seek to collectively negotiate with mill owners (and under which agreement/s) and
    - The value of cane is directly linked to the value of GEI sugar. The CSA which is entered into by the mill owner and the growers deals only with the terms of supply of cane to the mill. While these CSA's provide for growers' choice in the marketing of GEI sugar, mills have resisted the inclusion of provisions relating to the essential terms of the supply of GEI sugar by the mill to the GEI marketer. Mills contend that those terms are dealt with in a separate on-supply agreement between the mill and the marketer, an agreement that mills insist growers are not party to despite their clear interest in its provisions.
- There must be consistency between the OSA and CSA to ensure these two interrelated agreements function properly and efficiently and to ensure the flow of payments to growers is clear and transparent and not unnecessarily diluted.
- There are two elements on this point in CANEGROWERS request for authorisation
    - i. CANEGROWERS is seeking authorisation to negotiate with the mill owner terms in the CSA and related pricing agreements which, recognising growers' interest in GEI sugar, provide for the essential principals under which the mill owner

negotiates an agreement for the supply of nominated GEI sugar to the GEI sugar marketer.

- ii. Given the importance of the on-supply agreement and its potential impact on the flow of proceeds from the sale of GEI sugar to growers, CANEGROWERS is also seeking authorisation to participate in negotiations directly relating to the establishment of the on-supply agreement between the mill owner and the GEI marketer.

CANEGROWERS preferred position is that it would like to be at the table and involved in the discussion and negotiation of the on-supply agreement. There is no reason why the on-supply agreement should not be a tripartite agreement between the mill, GEI marketer and local CANEGROWERS companies.

- The essential terms of the on-supply agreement can affect the value of GEI sugar. These include, amongst others, terms associated with:
  - i. The duration of the contract and its termination provisions
  - ii. Delivery and receipt terms of the sugar at the bulk storage facility
  - iii. The quantity of GEI sugar
  - iv. Reporting
  - v. Transfer of title and risk of the sugar from the mill to the GEI marketer
  - vi. Pricing provisions
  - vii. Flow of moneys between the GEI marketer, mill and growers
  - viii. Variations in tonnages
  - ix. Failure to deliver committed sugar
- those GEI sugar marketing terms and conditions that local Canegrowers' organisations seek to collectively negotiate with sugar marketers (and under which agreement/s).
  - See above for issues related to the on-supply agreement.
  - Other issues will relate to the flow of information between growers and the marketer in relation to the production and supply of cane to the miller on the one hand and in relation to the flow of information from the market place to the grower on the other hand.
  - In choosing their GEI marketer, growers will be wanting to negotiate the terms and conditions for the marketing and related services the GEI marketer is providing to growers. These terms and conditions will include provisions relating to:
    - i. Access to the terms of on-supply agreements
    - ii. Details of pooling terms and any proposed amendments
    - iii. Market commentary
    - iv. Marketing plans
    - v. Development of benchmarks
    - vi. Provision of Sugar Market and Pricing Information services
  - In an agreement between growers and the GEI marketer, growers will also want to be able to negotiate collectively with the GEI marketer terms relating to the pricing and payment of GEI sugar.

- b) Canegrowers seeks authorisation for, among other things, the collective negotiation of 'forward pricing terms and conditions'. Please provide further detail about the specific 'forward pricing terms and conditions' that local Canegrowers organisations propose to collectively negotiate.
- Some CSAs include the relevant forward pricing terms and conditions. Some mills seek to insist on these forward pricing terms and conditions being contained in a separate agreement between the grower and the mill. In these cases, mills commonly argue that because they are in a separate agreement outside the CSA they are not subject to the collective bargaining authorisation arrangements contained in the Act.
  - CANEGROWERS application seeks authorisation to collectively bargain these provisions whether they form part of the CSA or sit in a separate but related pricing agreement.
  - Some of the terms include the following:
    - i. The duration of the contract and its termination provisions
    - ii. Management fees and conditions
    - iii. Payment provisions
    - iv. Nomination dates
    - v. Pooling options.
- c) Please explain any other terms and conditions that local Canegrowers' organisations seek to negotiate on behalf of growers with sugar marketers (and under which agreement).
- There are no terms other than those outlined her and in CANEGROWERS application for which authorisation is being sought.

### **GEI sugar marketing**

4. When growers have the option of nominating a GEI sugar marketer, are there restrictions on growers or are they free to nominate any sugar marketer?
- Growers are restricted to choose those GEI marketers with which the mill has an on-supply agreement.
5. Please outline what information is currently available from sugar marketers to growers to inform their choice of GEI sugar marketer? Are the various components of marketing charges and final sugar prices made transparent to growers, and would any terms and conditions that might disadvantage growers be identifiable to them?
- The mill and GEI marketer separately make their information available to growers in those areas where an OSA has been concluded. Information is available in paper form, on the relevant company websites and through personal contact. This includes all components of charges, pricing and pool structures and payment terms.
  - The provision of this information is of vital importance to growers in making their farm business decisions and is one of the key reasons CANEGROWERS is seeking an ability to collectively bargain all aspects of the relevant agreements.
  - In those other areas, only the mill market offering is available to growers. In the absence of an on-supply agreement, the alternative GEI marketer is unable to offer an information package as its development and terms will be inextricably linked to the terms and conditions contained in the on-supply agreement.

6. Please clarify whether the 2015 amendments to the SIA contemplate growers collectively nominating a GEI sugar marketer within a Cane Supply Agreement.
  - The SIA provides for the negotiation of individual or collective contracts and individual growers are required to sign either an individual contract or a collective contract. The SIA does not preclude the CSA from making provisions for nominating a GEI marketer. These provisions may be that the grower specifically nominates the marketer or that they authorise some other entity such as the bargaining agent to make the nomination.
  - CANEGROWERS is seeking an ability to ensure there is a choice of GEI marketers available to growers. This means ensuring mills do not use the terms of the OSA to limit the competitiveness of alternative GEI marketing offerings.
7. Please explain whether there is a default position if a grower does not nominate a GEI sugar marketer within a Cane Supply Agreement.
  - A CSA that provides for the nomination of a GEI marketer needs to contain a provision for a default GEI marketer. Such a provision should be the subject of negotiation and agreement as is the case with other terms of the CSA.
  - In the CSAs that have been negotiated since the grower choice amendments, at the mills' insistence, the default marketer is nominated by the mill.

### **Cane payment**

8. At page 9 of its submission, MSF Sugar outlines that a number of cane pricing mechanisms have been developed to allow individual or smaller collective groups of growers to 'directly price their cane' by pricing on the international raw sugar market (that is, ICE11 raw sugar futures market). However, growers also have the choice to remain in a large collective pricing pool. Please explain how growers make this selection in practice.
  - Technically, the pricing mechanisms available to growers enable them to price their GEI sugar. The quantity of GEI sugar is calculated from the quantity and CCS of the grower's cane. Some growers who do not produce sufficient cane do not have sufficient GEI sugar to price directly but are afforded the opportunity to have the futures component of their GEI sugar price managed by joining collective pools. Growers make this choice by signing the appropriate nomination forms.

CANEGROWERS supports the nomination procedures and administrative arrangements that have been developed in the MSF mill areas.

  - The first step is for growers supplying MSF Sugar to choose who markets their GEI sugar, MSF or the alternative GEI marketer which is currently QSL.
  - The growers are provided with documents outlining the pricing options that are available to them from MSF Sugar and QSL. While not offering financial advice, both make their staff available to support growers in their understanding of those offerings.
9. At page 14 of the application for authorisation, Canegrowers submits that 'pricing and managing risk is increasingly being taken on by growers and millers with specialist advice so they can take on a level of risk and manage that risk at a level which suits them.' Please explain what options are available to growers to manage their exposure to international sugar prices and any remaining exposure to marketing costs, and to the extent possible, the share of growers currently seeking to manage this risk.



- Once CSAs are settled, growers have a choice of GEI marketers and access to the range of pooling and pricing options offered by those marketers. Most growers use pool offering to manage their price exposure. The different pools have different risk profiles, which are outlined in the pool documents. Some offerings enable growers to set individually-determined target levels that will trigger futures pricing. Growers who have sufficient tonnage are able to manage a portion of their futures pricing directly through the services of a bank or their financial service provider.
- Growers can manage the futures price risk up to a certain percentage of their production, usually no more than 65% in the year of harvest and, reflecting greater production uncertainty, progressively smaller portions in the forward years. The balance of futures price risk is managed by the GEI marketer in their seasonal, sometimes called harvest, pool.
- The GEI marketer manages the physical price risk, the difference between the actual sales price of the physical sugar and the price at which the sugar was hedged in the futures market.
- Growers are exposed to and share whatever costs are incurred by the GEI marketer in the marketing of GEI sugar and whatever marketing charges are agreed or provided for in the GEI sugar on-supply agreement.
- The net effect is that growers are exposed to the futures price performance of their GEI marketer for at least 35% of their GEI production. Growers are exposed to the physical marketing (price and cost) performance of their chosen GEI marketer for 100% of their GEI production.

10. Do growers typically adopt 'rules of thumb' when forward pricing and choosing pricing pools? Are you informed about the hedging strategies adopted by millers?

- CANEGROWERS is not aware of any 'rules of thumb'. Growers make their own choices and pricing decisions. Some growers do not actively make GEI sugar pricing or pooling decisions, electing instead to use the default pricing mechanism offered by their GEI marketer. CANEGROWERS encourages growers to seek independent financial advice in making their pricing decisions.
- CANEGROWERS is not aware of the hedging strategies adopted by millers. We plan to track the price outcomes achieved by mills and GEI marketers.

#### **The timing of proposed collective negotiations**

11. Please outline the stages and timeframes of the proposed collective bargaining process. In your response, please explain when Cane Supply Agreements and related agreements are typically signed by growers, mill owners and sugar marketers for the following crushing season, and key dates for the 2017 crushing season.

- In order to deliver cane to a mill, growers must have signed a CSA before the commencement of the relevant harvest season. Depending on the mill area, the 2017 harvest season will commence in or about June 2017.
- 2017 season CSAs are settled for all mills except for those mills owned by Wilmar and Tully. Without collective CSAs, growers supplying mills owned by these companies are unable to manage their forward futures price exposure unless they accept the mills' standard form contract and accept the mill-nominated entity as their GEI marketer for the 2017 season.

- Key decision dates for the 2017 season are end-October 2016 to select GEI marketer and end-February 2017 to nominate pricing options. For Wilmar and Tully, the “usual” GEI marketer selection date has passed. In response to significant pressure, the two mills have extended the GEI marketer selection date.

12. To what extent have growers already sunk costs in sugar cane production for the upcoming harvest and any future seasons? Has the current uncertainty reduced investment in sugar cane production and, if so, how and to what extent?

- Growers have made significant investments in their crops for the 2017 and future seasons, including: field preparation, planting, fertiliser, weed management and, in some areas, the application of irrigation water.
- It is difficult to assess the aggregate impact of the production decisions that individual growers have made. The current strong prices are masking the present negative sentiment associated with the uncertainty over CSAs. Industry leaders report a significant and rising level of frustration and uncertainty in those areas supplying the Wilmar and Tully mills as growers are unable to take advantage of recent market conditions and opportunities to secure prices which have been near record levels.

#### **The likely situation in the future without the proposed conduct**

13. Given the statutory exemption set out under sections 237 and 238 of the SIA, please explain what Canegrowers considers is likely to happen if it were not able to engage in the conduct for which authorisation is sought. In your response, to the extent there are differences between districts, please outline what is likely to occur within each district.

- The new grower choice in marketing legislation was a response to the unilateral decision taken by mills to withdraw from industry arrangements agreed in 2006 between the Queensland Government, CANEGROWERS and ASMC on behalf of all its members.
- Implementation of the new provisions is being frustrated by the corporate decisions taken by Wilmar and Tully mills to limit the way in which alternative GEI marketers access GEI sugar.
- Some mills are adopting a very narrow and strict interpretation of the extent of the authorisations and exemptions set out in the Act. They are openly refusing to engage in or permit any collective bargaining around GEI marketing terms, on-supply agreements, pricing and pooling agreements and agreements on other issues such as molasses that they contend do not form part of cane supply arrangements.

#### **Public detriments**

14. At page 25 of its submission, Wilmar Sugar submits that growers collectively reaching agreement about their choice of GEI sugar marketer is likely to lessen competition in the market for GEI sugar marketing rights, including by growers being able to favour a preferred GEI sugar marketer over others or by possibly excluding a GEI sugar marketer from the market. Please provide a response to this issue.

- CANEGROWERS is simply seeking authorisation to undertake collective negotiations and bargaining of the terms of the various agreements. We are not asking the ACCC to specify or set any particular terms. The nature of those terms should be the outcome of the negotiating / bargaining process between growers and their bargaining representatives, millers and GEI marketers. It is noted that the Act does contain dispute resolution procedures, including by arbitration, in the event CSAs are unable to be agreed.

- Wilmar submits, “...if the authorisation were granted, growers would have the ability to reach agreements as to how they would exercise their 'choice'” (eg. who they would select, or not select, as a GEIM);

Giving growers or their collective bargaining agents an ability to reach agreements on how they exercise their choice in the marketing of GEI sugar is precisely what the SIA sought to enable. Rather than undoing competition, the negotiating ability will strengthen competition by ensuring mills do not use the OSA as a means of limiting the ability of GEI marketers (current or potential) to make competitive offerings to growers.

- The current GEI marketing options available to growers are the mill the grower supplies or QSL.

15. At page 5 of its submission, the Australian Sugar Milling Council submits that Canegrowers application for authorisation expands the scope of ‘allowed’ collective bargaining that currently exists under the SIA. It submits that the proposed arrangements would be a move back to a ‘more centralised approach’ and is a step backwards for the Queensland sugar industry. Please provide a response to this issue.

- CANEGROWERS is not seeking a move towards a more centralised approach. CANEGROWERS is seeking an ability to enable growers, where they choose to do so, to participate in collective bargaining with their mill owner and where the mill owner has more than one mill to do so in consultation with growers supplying the different mills in different regions.
- CANEGROWERS application seeks to make more effective the local bargaining negotiation between growers and their local representatives and the local mill owner and, in so doing enable the more effective implementation of the intent of the SIA. The Act requires there to be a contract between the local grower and the local mill before cane can be supplied to the mill. The application seeks that those local negotiations can be conducted by the local growers and their local representatives in as fair, reasonable and balanced way as possible in an environment where the mill is a local monopoly buyer of cane with significant market power. The application seeks authorisation for the collective bargaining of these the local negotiations.

### **Public benefits**

16. Interested parties have submitted that any public benefits from collective bargaining would already be achieved under the statutory exemption provided under the SIA. In addition, some interested parties submit that the supporting submission to the application for authorisation has not identified any additional public benefits that arise from the broader collective bargaining conduct proposed. Please provide a response to this issue. In particular, what terms and conditions might be able to be collectively negotiated under the current application for authorisation and what public benefits would result.

- The mills current approach to the statutory exemptions is a very narrow one and some mills are actively excluding from collective negotiations matters that have traditionally been accepted as being part of CSA negotiations (such as molasses gain sharing and in some cases pricing and pooling).
- Mills are also excluding from collective negotiations any proper consideration of the essential components of the terms under which GEI marketers can acquire GEI sugar. In so doing they are limiting growers’ ability to ensure consistency between CSAs and OSAs.

- An ability for growers to be engaged in the development of terms of an OSA will hasten the development of that agreement and the CSA. Such a process occurred with MSF Sugar where CANEGROWERS and the relevant local CANEGROWERS companies were actively involved in establishing the key principles on which the OSA would be based. This smoothed the development of the OSA and enabled the timely conclusion of the associated CSA.
- The public benefits of the collective bargaining authorisation being sought are as outlined in CANEGROWERS application.
- Wilmar and Tully are resisting this approach, claiming the SIA does not authorise growers or their bargaining agents to be involved in these negotiations. This has delayed the finalisation of these agreements and is frustrating grower's ability to exercise their marketing choice.
- Without agreements, growers have missed an opportunity to capture the benefit of recent very attractive cane prices. From mid-October, the opportunity loss amounts to more than US2c/lb (USD44/t, equivalent to AUD59/t). Not only are the lost opportunities being felt by the growers, they are felt throughout the regional communities that the sugarcane industry supports.

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**Raw sugar futures prices, October 2017** (twelve months to market close 17/11/16)

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