STANDING COMMITTEE ON ECONOMIC AFFAIRS

Consolidated Review Report of the Fiji Sugar Corporation Annual Reports 2024 and 2025

Appendices

ANNEX 1

WRITTEN SUBMISSIONS

1. **Annual interest expenses have averaged $`18 million per year. How much interest was paid in FY2024 and FY2025, to which lenders, on what terms, and were any of those loans originated under government guarantee?**

	Interest Rate (%)	Interest 2024 ($)	Interest 2025 ($)
RBF - Flood Rehabilitation Fund	0.25	17,577	17,452
RBF - Flood Rehabilitation Fund	0.25	12,504	12,466
Sugar Cane Growers Fund	5.50	339,662	256,732
FDB Loan Restructured	5.50	1,494,024	2,356,560
Bred Bank Loan-1st	6.50	1,547,079	918,203
Bred Bank 2nd Loan	6.50	-	124,658
FNPF Loan	6.95	2,993,419	2,774,454
HFC OD Facility	5.95	2,590,838	3,435,963
HFC Loan-20m	5.95	-	690,127
Czarnikow	8.00	1,074,179	111,113
BSP	6.95	3,505,653	3,491,082
EXIM		(7,202,693)	2,940,236
		6,372,242	**17,129,046**

Date	EXIM	USD ($)	FJD ($)
31 May 2005	***Loan Drawdown***	**55,780,000**	**116,747,741**
1 May 2024	Total Balance as at FY 2024	37,724,272	87,143,334
	*__Less:__ Interest	(5,041,621)	(11,646,180)
31 May 2024	**Principal Balance**	**32,682,651**	**75,497,154**
30 Aug 2024	Principal Payment 1	(3,268,265)	(7,351,024)
25 Feb 2025	Principal Payment 2a	(2,448,888)	(5,692,440)
24 Mar 2025	Principal Payment 2b	(819,378)	(1,918,917)
21 Aug 2025	Principal Payment 3	(3,268,265)	(7,556,682)
12 Feb 2026	Principal Payment 4	(3,268,265)	(7,364,275)
	Total Repayments	**(13,073,060)**	**(29,883,337)**
	Current Balance	**19,609,591**	**45,613,817**

The EXIM Bank loan was originally drawn down on 31 May 2005 in the amount of USD 55.78 million (FJD 116.75 million) and was originated under a Government of Fiji guarantee. As at 31 May 2024, the outstanding balance on the loan was USD 37.72 million (FJD 87.14 million). Under an agreement between the Government of Fiji and EXIM Bank, accrued interest of USD 5.04 million (FJD 11.65 million) was waived, reducing the outstanding principal balance to USD 32.68 million (FJD 75.50 million). Since the commencement of repayments in FY2025, a total of USD 13.07 million (FJD 29.88 million) has been repaid through four instalments. As at 12 February 2026, the remaining balance stands at USD 19.61 million (FJD 45.61 million). Under the repayment arrangement, the Government of Fiji is responsible for servicing the loan through ten semi-annual repayments over a five-year period, commencing in FY2025 and concluding in FY2029.

Government Guarantee
All major borrowings listed in FSC's financing portfolio were originally secured with the support of Government of Fiji guarantees except for Czarnikow temporary advances, reflecting the strategic importance of the sugar industry and FSC's role as a State-Owned Enterprise. These guarantees facilitated access to financing for capital investment, rehabilitation works, operational requirements and industry support programmes.

Czarnikow Arrangement
1. FSC pays USD117,000 as retainer fees per annum.
2. In addition, a 0.6% brokerage fee is charged on the FOB value of each shipment of bulk raw sugar to all destination markets.

Below are the details of fees paid over the last five years.

Season	2025	2024	2023	2022	2021
Retainer ($)	258,518	242,963	386,667	276,444	314,667
Brokerage Fee ($)	582,984	548,553	943,602	1,118,359	445,985
Total ($)	**841,502**	**791,516**	**1,330,269**	**1,394,804**	**760,652**

2. What was the total executive remuneration including salary, allowances, bonuses and benefits paid to the CEO and top five executives in FY2024 and FY2025?

Management Payroll
Summary - Financial Year 2025

No.	Employee	Position	Gross Salary	FNPF Employer	Non Cash Benefit			
					Vehicle	Medical	Housing	Total
1	Bhan Pratap Singh	Chief Executive Officer	298,000	29,303	16,000	4,476	-	20,476
2	Deepak Raj	Head of Finance	160,092	16,009	-	4,476	-	4,476
3	Mikaele Vonisi Biukoto	Chief Operating Officer	150,000	14,750	16,000	4,476	-	20,476
4	Lakshman Jayaraman	Head of Agriculture	103,878	-	16,000	2,697	13,500	32,197
5	Akshay Kumar	Chief Human Resource Officer	97,840	9,621	-	-	-	-
6	Leela Ramesh Kollabathula	Labasa GM	92,725	-	10,667	4,476	-	15,142
7	Anjay Kamal Sharma	Financial Controller	6,925	693	-	-	-	-
8	Michael Kemueli Faktaufon	Lautoka GM/Special project GM	79,640	7,808	-	4,476	-	4,476
9	Iliyaz Khan	Rarawai GM	67,600	6,647	16,000	4,476	-	20,476
10	Navin Raj Charan	Labasa GM	19,860	1,894	5,333	-	3,200	8,533
11	Ilaitia Ratumainaceva	Lautoka GM	19,918	1,900	5,333	-	3,200	8,533
			1,096,478	**88,626**	**85,333**	**29,550**	**19,900**	**134,784**
Total Key Management Remuneration		1,185,103	1,185	134,784				

ɟement Payroll
ıary - Financial Year 2024

Employee	Position	Gross Salary	FNPF Employer	Non Cash Benefit			
				Vehicle	Medical	Housing	Total
Bhan P Singh	Chief Executive Officer	298,000	29,799.96	16,000.00	4,475.50	-	20,475.50
Mikaele Biukoto	Chief Operating Officer	150,000	15,000.00	16,000.00	4,475.50	-	20,475.50
Lakshman Jayaraman	Head of Agriculture	140,000	-	16,000.00	2,697.26	13,500.00	32,197.26
Leela Ramesh	General Manager - Labasa	126,300	-	16,000.00	4,475.50	-	20,475.50
Deepak Raj	Head of Finance	126,275	14,030.51	-	4,475.50	-	4,475.50
Akshay Kumar	Acting Chief Human Resources Officer	96,862	10,762.39	-	-	-	-
Michael Faktaufon	General Manager - Lautoka	73,805	8,200.50	-	4,475.50	-	4,475.50
Iliyaz Khan	General Manager - Rarawai	66,924	7,435.99	16,000.00	4,475.50	-	20,475.50
		1,078,164.53	85,229.35	80,000.00	29,550.26	13,500.00	123,050.26
Key Management Remuneration	1,163,393.88	1,163.39	123,050.00				

3. **Who authorised the early closure of mills in the 2024 crushing season before all harvestable cane was processed, and on what operational and financial basis was this decision made?**

The process of the termination of crushing is set out in Part IV of the Master Award. This is covered under Regulations 4.8, 4.9, 4.10, and 4.11. FSC does not have the authority to unilaterally close the crushing season.

4.8 (a) Where, in the normal course of events the Corporation proposes to terminate crushing at a mill, it shall, at least 7 days before its proposed date for termination of crushing, give to the Tribunal a written notice stating –
(i) the amount of cane in the relevant mill area which the Corporation estimates remain to be crushed; and
(ii) the likely date by which that cane can be crushed, if regular and adequate supplies of cane continue to be delivered to that mill.

(b) A copy of such notice shall be given to the Chief Executive of the Council.

4.9 Immediately on receipt of a notice under Regulation 4.8, the Tribunal shall consult the Chief Executive of the Council and shall thereafter make an order authorizing the Corporation to terminate crushing on a date determined by the Tribunal.

4.10 The Corporation shall not terminate crushing at a mill on a date earlier than the date determined by order of the Tribunal.

4.11 Immediately after making an order under Regulation 4.7 or 4.9 determining the date on which crushing at a mill is to terminate, the Tribunal shall publicly announce that date in such manner, as it is considered most appropriate.

There was no early closure of mills for 2024 season as the stand over cane for 2024 season was s record low of 8,000 tonnes only. Early closure of mills in terms of field operations in 2025 resulting in stand over is due to manpower shortage (60% of cane) and rain which made harvesting difficult and fields inaccessible (30 % of cane), besides other reasons being very little effort by the growers, little or no interest shown by the growers, due to absentee growers, and due to farms under dispute.

4. **Despite repeated commitments to reduce burnt cane rates, the 2024 rate remained at 54% including 62% at Rarawai. What specific enforceable measures have been implemented, and what financial penalties apply to growers who continue to burn?**

Burnt cane percentage continues to remain at 55 %.

	2021	2022	2023	2024	2025
% Burnt Cane	56	44	54	54	54
% Green Cane	44	56	46	46	46

The direct impact is both on sugar quantity and sugar quality relating to the accumulation of dextran, a stubborn impurity that interferes with both milling, refining operations and the sugar produced from burnt cane is also of inferior quality leading to marketing issues.

FSC conducts awareness on ill effects of burnt cane on soil, environment and overall crop production, besides sugar quantity and quality losses. However, as per the Master Award if the cane is burnt, it is the responsibility of the growers to harvest and deliver within seven days and FSC is bound to accept them. There are no policy directives to prevent cane burning except levying penalties as detailed below.

Penalty Rates for Burnt Cane

Delay (Day)	Description	Penalty Rates ($)	Retention Rates ($)
2	>24 < = 48	9%	4
3	>48 <= 72	12%	7
4	>72 <= 96	13%	8
5	>96 <=120	15%	10
6	>120 <= 144	16%	11
7	>144 <= 168	17%	12

Green Cane Incentive to Promote Green Cane Harvest

In respect of burnt cane, the difference between the price per tonne of green cane and the price for such burnt cane ascertained in accordance with Master Award shall be deducted from the first payment for such cane and credited to a burnt cane fund. The green cane bonus fund shall be divided amongst and paid at the time of making the third cane payment to all growers who have that season supplied green cane to burnt cane shall receive the bonus in respect of the green cane supplied by them. The balance of the burnt cane fund shall be retained by the Corporation to offset its increased costs of processing the burnt cane and to compensate it for the loss of sugar and sugar quality due to processing such cane.

A green cane incentive program was put forward to the government to be included as part of the capital program in 2024-25, 2025 – 26 which was not considered and this year also for 5.65 million @ $ 5 per ton for 1 million tonnes. This is in line with the SDG 12.4.1 whereby green cane is targeted to be 60 % of the total cane supply by 2029.

5. **The 2025 report targets cane production of 2.0 million tonnes by 2028. Given 2024 production was 1.332 million tonnes, what are the specific year-by-year milestones, and what budget has been allocated to achieve this?**

The production in 2025 has increased by 16% from 1.33 million to 1.60 million tonnes in 2025 though crushing was limited to 1.47 million tonnes due to Rarawai mill operations. The production forecast for 2026 was 1.62 million tonnes and is now reduced to 1.5 million tonnes with a best crop forecast of 1.57 million tonnes due to constant rains and impact of cyclone Vainau. The overall reduction in production for 2026 season is 93,400 tonnes in both the Viti Levu mills due to cyclone Vainau impact and compounded with impact on late harvested and stand over crops. A report has been submitted to the Ministry on 13th April 2026.

Crop plan - A detailed crop strategic plan has been prepared

Assumption - $4 million planting and ratoon restoration grant is provided

Crushing Season	Cane production (Million Tonnes)
2026	1.62
2027	1.72
2028	1.79
2029	1.89
2030	1.92
2031	1.98
2032	2.01

Initiatives
1. Identify and promote planting among fully committed farmers
2. Cancel registrations of non-performing growers.
3. Promote planting with open grants for large/productive growers
4. Develop and plant idle land owned by Land-Owning Units (LOUs)
5. Promote share farming with Sugarcane Growers Council
6. Expand estate farms and joint ventures
7. Replant old unproductive ratoon crops with government support

FSC does not have a budget internally for promotion of cane planting by farmers. FSC promotes fresh planting and replanting of old ratoon by the growers. The cost of planting is borne by Government grant – 60-70% and 30-40% by farmer contribution themselves. FSC operates six estates in an area of 350 Ha. across the three mills with its internal budget and production of 20,000 to 22,000 tonnes.

6. What is the business case for ethanol production, what capital investment is required, what feasibility studies have been completed, and can that be given to the committee?

FSC has undertaken a detailed concept and financial feasibility assessment of ethanol production as part of its broader strategy to diversify revenue streams, reduce reliance on raw sugar exports, and create additional value from industry by-products such as molasses.

The business case for ethanol production is based on the following objectives:

- Creating a new revenue stream from molasses and other sugarcane-derived feedstocks.
- Supporting Fiji's energy security through the potential supply of locally produced biofuel for ethanol-blended petrol.
- Reducing dependence on volatile global sugar prices by diversifying FSC's product portfolio.
- Enhancing the commercial viability and long-term sustainability of the sugar industry.
- Creating opportunities for cogeneration, value-added processing, and future downstream industries.

FSC commissioned and completed a concept and financial analysis examining a range of development scenarios involving ethanol production, refinery operations, cogeneration, and new sugar complexes.

The study evaluated investment costs, operating costs, returns on investment (ROI), payback periods, logistics requirements, feedstock availability, and long-term commercial viability.

The assessment considered ten development scenarios, including:

1. New Sugar Mill with Refinery and Ethanol Plant in Rakiraki.
2. New Syrup Mill with Ethanol Plant in Rakiraki.
3. New 110 KLPD Ethanol Plant at Lautoka.
4. Refinery Plant in Labasa.
5. Rarawai Mill Upgrade, Lautoka Mill Closure and New Sugar Complex at Penang with Ethanol.
6. Rarawai Mill Upgrade with Refinery Plant.
7. Lautoka Mill Upgrade with Ethanol Plant.
8. Rarawai Mill Upgrade with Sugar Complex and Ethanol Plant.
9. Sustainable Aviation Fuel (SAF) production through ethanol conversion.
10. A New Sugar Complex at a strategic location in Rarawai.

Summary of Investment Costs

No	Project Description	Indicated Investment ($m)	Payback Period (Years)	ROI (%)
1	New Sugar Mill with a Refinery Plant and Ethanol Plant in Rakiraki	204.9	10.7	4.3
2	New Syrup Mill with Ethanol Plant in Rakiraki	170.2	-	(15.2)
3	New Ethanol Plant in Lautoka	127.9	13.7	2.3
4	New Refinery Plant in Labasa	80.2	3.3	24.9
5	Rarawai Mill Upgrade, Lautoka Mill Closure and New Sugar Complex at Penang With Ethanol	625.2	14.4	1.9
6	Rarawai Mill Upgrade with Refinery Plant	346.6	7.0	9.3
7	Lautoka Mill Boiler with Ethanol Plant	116.7	4.3	18.2
8	Rarawai Mill Upgrade with Sugar Complex and Ethanol Plant (Optional)	440.2	10.4	4.6
9	SAF production- Lautoka Mill Upgrade with 110KLPD Ethanol Plant and Ethanol to SAF conversion.	146.6	-	-
10	A New Sugar Complex at a Strategic Location in Rarawai (Optional)	717.9	11.7	3.6

Start-up Cost

Assumption: No Cane Supply - Mill Stop & Start- 4 hours for Startup

Description	Tonnes	Hour	Rate (VEP)	Total ($)
Wood chips for start up	75	4	235	70,500
Electricity Import - 1 Mw (1000kw @ $0.41)				410
Diesel - Powerhouse - 2,000 Litres @ $4.12				8,240
				79,150

Cost of Stoppage per hour is around $2,200 per factory.

7. **What is the average net income of a cane farmer in the Lautoka, Rarawai, and Labasa mill areas after accounting for input costs, transport, and lease payments, and how has this changed over the past five years?**

2025 data as base

50 Tonnes / Ha. Productivity	Per Ha. for Manual Harvest	Per Ha. for Rail Transport	Per Ha. for Mechanical Harvest
Nett Profit	1,345	1,720	1,483
75 Tonnes / Ha.			
Nett Profit	1,985	2,548	2,192
100 Tonnes/ Ha.			
Nett Profit	2,285	3,385	2,911

The change has been an increase of 5-7% on cost, especially harvesting rates manually and to some extent in machine harvest over the past 4 years. Profitability increases with productivity but technologies in variety, soil and nutrient management, crop agronomy and pest management are obsolete and 30-40 years old with no significant yield improvement technologies. FSC only is the extension arm which takes technologies forward to the growers and development of technologies rests with SRIF.

Tonnes cane per hectare	Income (Cane Price $85)	Total Expenses	Net Profit/Loss	Nett profit per tonne
35	2,975	2,503	472	13
40	3,400	2,728	672	17
45	3,825	2,953	872	19
50	4,250	3,178	1,072	21
55	4,675	3,403	1,272	23
60	5,100	3,628	1,472	25
65	5,525	4,038	1,487	23
70	5,950	4,263	1,687	24
75	6,375	4,488	1,887	25
80	6,800	4,988	1,812	23
85	7,225	5,213	2,012	24
90	7,650	5,438	2,212	25
95	8,075	5,663	2,412	25
100	8,500	5,888	2,612	26

FSC has launched a mechanization program with Government grant to the tune of $500,000 since 2023-24. 26 planters, 25 fertilizer applicators, 30 boom sprayers have been provided with 50% subsidy for the first time to overcome labour paucity and promote more precise cultivation methods. Many more implements are also on the anvil in 2026-27 with 50% subsidy like drones for spraying and technologies like GIS form crop monitoring and management.

8. **How many active cane farmers were registered from 2020 to 2025 annually, and what is the Government's target for farmer retention and recruitment?**

- 17,000 growers are registered as contracted growers, 5,300 registrations cancelled (March 2025), leaving 11,700 active registrations. 10,200 growers cultivate cane and 1,500 are inactive growers. after an assessment and cancellation of cane contracts not being cultivated for more than three years. Very few requests have come for renewal of cane contracts.
- 4-5% increase in Nil producers YoY since 2016 with an average of 250 growers exiting cane and 30-40 new growers or nil producers coming back to cane cultivation again. Nett negative. – Nil producers among freehold farmers have increased to 54% in 2025 disposition while remaining constant in the other two holdings of native and crown lands at 37%.
- The total area available for cane cultivation is only 41,000 Ha. in 2026, down from 75,348 Ha. in 2023 and 49,000 Ha. in 2025 which can sustain cane production of only 2.0 million tonnes even if the entire area is tapped for cane potential and productivity is increased to 55 -60 Tonnes / Ha.
- Based on assessment of farmer wise scenario, the cane contracted area will decline further to 38,000 Ha. in another two years.
- 70-75 % of growers are above the age of 50. 40-45% of growers are above the age of 60.
- 10-15% growers do not have a succession plan in Lautoka and Labasa mills, except Rarawai mill with 98% growers having a succession plan.

Other data points – only 3600 to 4200 growers are productive growers

- 46% of total farmers with less than 100 tonnes production contribute to only 15% of total cane production
- 76% of farmers, with less than 200 tonnes production contribute to only 44% of total cane production
- Balance 24% of farmers above 200 tonnes production account for 66% of cane supplied to FSC.
- Productivity consistently hovers around 47-49 tonnes per Ha. with good productivity in certain years favored by ideal climate. Ratoons occupy 90-94% of total cane area with ancestral poorly managed crop.
- 36% of growers with less than 30 tonnes / Ha. productivity supply only 15% of cane

9. **In 2023, 2024 and 2025, how many overseas travel trips were undertaken by the chair, Board members and Executive of the Fiji Sugar Corporation (FSC)? For each trip, please provide the cost, destination, purpose of travel, and what action was taken by FSC from these trips to improve its performance.**

YEAR	CHAIRMAN	DIRECTORS	EXECUTIVES	TOTAL
2023	-	-	41,753	**41,753**
2024	45,890	5,880	87,945	**139,715**
2025	52,651	2,240	51,260	**106,151**
2026	3,830	-	36,988	**40,818**
TOTAL	**102,371**	**8,120**	**217,946**	**328,437**

Financial Year	Name	Purpose	Airfare
2023	Nitya Reddy - Chairman	Nil	-
	Director - Kaison Chang	Nil	-
	Bhan Singh - CEO	CEO – Lucknow Visit; ISO Conference (Singapore/Mauritius/Eswatini)	41,753
TOTAL 2023			**41,753**
2024	Nitya Reddy - Chairman	Board Meetings (2), ISO Conference – London, China Sugar Mill Visit	45,890
	Director - Kaison Chang	Board Meetings	5,880
	Bhan Singh - CEO	Philippines Recruitment Agency, ISO Conference, China Sugar Mill Visit	57,375
	Lakshman - HoA	Harvest Inspections (Thailand/HK), USA Delegation	20,430
	Mikaele - COO	China Sugar Mill Visit	2,230
	Michael - GMSP	China Sugar Mill Visit	2,230
	Akshay Kumar - CHRO	Bangladesh Recruitment Visit	5,680
TOTAL 2024			**139,715**
2025	Nitya Reddy - Chairman	Meetings (4), South America Trade Mission, Wilmar Sugar Visit (Australia), ISO Conference – London	52,651
	Director - Kaison Chang	Board Meeting	2,240
	Bhan Singh - CEO	Wilmar Sugar Visit, Fairtrade Conference, India Workshops	36,954
	Iliyaz Khan - GM Rarawai	India Workshops	7,153
	Michael - GMSP	India Workshops	7,153
TOTAL 2025			**106,151**
2026	Nitya Reddy - Chairman	Board Meetings (3)	3,830
	Bhan Singh - CEO	Generator Inspection – China	16,134
	Iliyaz Khan - GM Rarawai	Generator Inspection – China	10,654
	Akshay Kumar - CHRO	Brisbane Conference & Bangladesh Recruitment	5,800
	Ilaitai - GM Lautoka	Bangladesh Recruitment	4,400
TOTAL 2026			**40,818**
TOTAL AIRFARE			**328,437**

10. Based on your experience as the CEO of FSC, what changes can FSC bring about in the short to medium term without any government assistance? And what actions did you implement?

Actions Implemented

Focused on capital and maintenance programs in the mills to improve mill efficiencies and reliability – the 3 mills boilers and milling operations improved

Approximately $10m annual capital investments in the mills and related infrastructure in targeted areas.

Investments in human resources – training plans implemented for technical personnel in the milling and field operations. Apprentice numbers revised and increased to train personnel in areas of skill gaps.

Reduce cost of operations – focus on unsustainable / uneconomical operations – parts of rail lines closed, and proposal submitted to close all rail lines in Viti Levu

Current Major Project – installation of a new auxiliary cane carrier in Rarawai Mill to improve crushing capacity – investment of approximately $3.5m. This upgrade was recommended by a team of experts from India. The old boiler in Rarawai is also being upgraded to improve operations – investment of approximately $300,000

A proposal has been prepared and submitted to the MOSI for a new boiler and cogeneration facility in Rarawai Mill. The estimated cost of the project is $150m. Possible grant funding as part of climate change funds / green energy funds.

11. How did FSC use the government guarantees to modernise the industry by improving services and infrastructure?

- The Government has provided a new guarantee of $300 million, of which $234 million has been utilized and $66 million is the balance.
- The below table gives a breakdown of government guaranteed loan.

Government Guarantee Utilization	
Description	**Amount ($M)**
Guarantee Approved	**300**
Guarantee Utilized	
BSP Loan	50
FDB Loan	74
HFC OD/Term Loan	55
Bred Bank	55
Total Guarantee utilized	**234**
Available Guarantee	**66**

- Installation of new auxiliary cane carrier at Rarawai mill. Also, boiler no. 1 upgrade.
- Replacement of air heater & steam tubes for boiler at Lautoka mill.
- Pan automation at lautoka and Rarawai mill.
- Upgrade of shredder and lever and boiler id fan at Labasa mill.

12. What contributed to the reduction in loss to $4.2m in 2024 from $22.4 in 2023?

The significant reduction in FSC's net loss from **$22.4 million in FY2023 to $4.2 million in FY2024** was primarily attributable to two key factors. Firstly, FSC benefited from an **EXIM Bank loan interest waiver amounting to $11.0 million**, which substantially reduced the Corporation's finance costs during the financial year. Secondly, FSC's share of industry revenue increased by approximately **11%**, rising from **$64.25 million in FY2023 to $71.15 million in FY2024**. This improvement was largely driven by stronger returns from sugar sales, supported by favourable global sugar market conditions. During the year, world sugar prices reached levels as high as **22.0 c/lb**, resulting in improved revenue realisation for the Corporation. The combined effect of lower finance costs and higher revenue contributed significantly to the improvement in FSC's financial performance and the reduction in the Corporation's net loss for FY2024.

13. Sugar processed in 2024 was 1.57m tonnes. Why does production continue to decline even when there is a government capital grants programme?

- Planting promotion by over 2,000 Ha. every year through Government grants has only led to partial sustenance of cane area to around 30,000 to 32,000 Ha over the past four years.
- Losses in cane area due to key factors being excess area ploughed out, poorly managed and poor doubtful crops at end of each year have exceed the area accrued through fresh planting promotion since 2012 except in years of recovery from disasters.

If no planting grant was made available, the production would have declined drastically to less than an average of 1.5 to 1.6 million tonnes in normal year (mean of 8 years).

14. Debt continues to increase from `$7m in 2006 to $44m in 2024. What is FSC doing to reduce insolvent?

FSC's total debt increased from approximately **$7.0 million in 2006** to **$443.7 million in 2024**, reflecting years of accumulated operational losses, declining cane production, ageing infrastructure, and the substantial capital requirements needed to sustain industry operations. As at present, FSC's total debt has been reduced to approximately **$320.0 million**. However, the Corporation continues to face significant cash flow challenges and, under the current operating environment, is required to borrow an estimated **$35.0 million to $50.0 million annually** to meet operational and working capital requirements. To improve its financial sustainability and reduce reliance on borrowing, FSC is actively evaluating several strategic initiatives aimed at reducing costs and improving revenue generation. These include:

- **Rationalisation of the rail network in Viti Levu**, including the potential closure of uneconomical tramline operations where alternative transport solutions may provide greater efficiency.
- **Optimisation of milling operations**, including the assessment of the long-term viability of operating multiple mills in Viti Levu and opportunities to improve economies of scale.
- **Investment in cogeneration at Rarawai Mill**, enabling FSC to generate additional revenue through the production and sale of renewable electricity.
- **Diversification of sugar marketing strategies**, including increasing the proportion of sugar sold into higher-value retail and specialty markets rather than relying predominantly on bulk sugar sales.

These measures form part of FSC's broader strategy to improve operational efficiency, strengthen cash flow, diversify revenue streams, and reduce the Corporation's long-term debt burden. Their successful implementation will require careful evaluation, stakeholder engagement, and, in some cases, significant capital investment and policy support.

15. There is no strategic plan to invigorate sugarcane production. What are the options available?
<u>Strategy</u>

A detailed crop strategic plan has been prepared by FSC with 5 pillars of focus.

1. Further cleaning of profile and data by 2027 of permanent nil producers to arrive at nett prospective area and grower listing.
2. Focus on cane area increase by fresh planting in flat lands and nearby to mill through Government grant for 500- 1,000 Ha. only and restricted to productive and interested growers producing above 200 tonnes. Initiated since last year and promotion of share farming by productive growers. A share farming agreement has been made available since 2024.

3. Focus on increasing cane production and productivity easily and rapidly through ratoon restoration program for 2,500 – 3,000 Ha, every year to replace non-productive old ratoons and retain 30,000 – 32,000 Ha. of nett young crop cane area every year after a 5-year period.
4. Increase in productivity by new technologies like fertilizer, weedicide management, soil health improvement and mechanization to 55 TpHa. from current 50 TPHa leading to 1.65 million to 1.75 million tonnes of cane production.
5. Focus on improving cane quality – high sugar varieties, better crop management and better harvest and transport practices leading to 160,000 to 170,000 tonnes of sugar at 9.5 to 10 TCTS from 1.65 to 1.75 million tonnes of cane.

FSC key focus areas

Key Focus Areas

- Maximising cane cultivation area to potential
- Increasing cane productivity and quality
- Mechanisation and digitisation
- Implement technologies and schemes for mitigating climate change impact
- Capacity building and restructuring of the sugarcane field department

Total reorganisation of stakeholder setup and a micro level comprehensive all stakeholders' consensus is required for a more intensive, strategized and focused approach to sustain the industry based on assessment of data and facts.

16. Land Lease is often quoted as the cause of the reduction in production of sugarcane. Is this true?

- Yes. The impact of lease expiry has resulted in loss of flat lands amicable for mechanization leading to large scale production. Lease expiry has shifted cane cultivation to marginal and slopy lands while good flat lands have been lost to other developments.
- On notification of lease and untenability on lease by the Land-Owning units, most growers do not take care of the crop and scale down operations – loss of area exceeds fresh planting gains as mentioned earlier.
- Lease expiry only accounted very less area across the three mills in the past 3 years and is not a significant factor in cane area losses recently.
- However, lease expiry data from 2026-2030 indicate a loss of 4,439 Ha. of contracted area and 2,265 Ha. of cane area as most leases were renewed in 1998-1999 leading to a further loss of 110,000 tonnes and depends on renewal by growers and their productive status.

17. Cane delivery by rail is the most efficient way of transporting cane. What is FSC doing about it?

1. Cane delivery by rail is not the most efficient mode of delivery except for areas where mechanical harvest is possible with cage bins and located close to the rail network as there is a high cost towards tractor drawn winch trailer for hauling the cage bins to rail. Such a scenario is very limited as cane cultivation is restricted to areas farther from rail.
2. Even if cane trucks are made available there are no or very few takers in Lautoka and Rarawai mill and with very few trucks passing out in each point and picked up by an exclusive loco movement.

3. In manual harvest, labour is not willing to harvest by rail due to capacity limitations and quicker higher capacity turnaround through lorry transport.
4. The volume of sugar cane being delivered to the 3 sugar mills by rail has declined from 30% in 2009 to 6.1% in 2024, while the annual cost to the Corporation of operating and maintaining the railway system has remained static at around $6 million dollars.
5. In Rarawai only 3.3% of total sugar cane was transported through the rail network.
6. Without any progressive capital outlay over the years due to the decline in crop coming through rails, rail operation and maintenance cost continue to rise as efficiencies declined – now needs huge investment – locos replacement / tramline network, cage bins provision etc.
7. More growers continue to choose lorry transport because of the convenience and railways system failure to meet their requirements.
8. As a result, the Corporation is paying an additional $0.5 million dollars rebate as conversion allowance annually to rail registered growers who are forced to use lorry transport because of inefficiencies in the railway system.
9. Moreover, the expiring term of key tramline leases and the anticipated exorbitant claims by land owning units/TLTB for the renewal of these leases poses the greatest threat to the sustenance of the railway system.
10. The railway network has served its purpose as the most convenient mode of sugar cane transportation. It was a necessity for the sugar industry during its infancy, when the road infrastructure was almost non- existent. Today, it has become a hindrance to the development of other industries in the sugar cane districts. Road infrastructure development in the sugar cane districts which government spend up to $4Million under the cane access portfolio and the hundreds of millions through Fiji Roads Authority. This has rendered the importance of the railway network obsolete.

Pursuant to Section 26(m) of the Sugar Industry Act, the Corporation has applied to the Sugar Industry Tribunal for the closure of sections of FSC's railway network in Rarawai mill (current supply of 18,000 tonnes out of 620,000 tonnes) and Lautoka network (Current supply of 17,000 tonnes out of 360,000 tonnes) and maintaining the network in Labasa. Labasa mill still has substantial supply with cage bins potential with 45 cage bins added in 2 years. This year too, a proposal for grant has been put forward for cage bins fabrication and introduction in Labasa.

18. Explain in detail which recommendations made by the Standing Committee on Economic Affairs from 2023 have been implemented and which recommendations are still pending.

FSC, in collaboration with the Ministry of Sugar Industry and other key stakeholders, has made progress in addressing a number of recommendations made by the Standing Committee on Economic Affairs in its review of FSC's 2020–2023 Annual Reports. While several recommendations have been substantially implemented or are currently being actioned, others remain under consultation, feasibility assessment or long-term strategic planning.

Recommendations Implemented / Currently Being Actioned

A. Debt Restructuring and Financial Sustainability

Significant progress has been made in addressing FSC's financial challenges. The Government approved the write-off of approximately $200.2 million in Government loans, while the EXIM Bank loan was successfully restructured. Under the revised arrangement, all accrued and future interest was waived, and the remaining principal is being repaid through Government-funded semi-annual instalments. Discussions have also been undertaken with BSP regarding the restructuring of existing loan facilities. These initiatives have substantially strengthened FSC's balance sheet and improved its financial sustainability.

B. Workforce Development and Manpower Enhancement

FSC has implemented a comprehensive Learning and Development Programme aimed at strengthening technical and operational competencies across the organisation. The Corporation has signed a Memorandum of Understanding with the National Sugar Institute of India to support workforce training and capacity building. A Performance Management Framework has also been progressively introduced to align employee performance with organisational objectives. In addition, FSC continues to review remuneration, working conditions and professional development opportunities to improve staff retention and engagement.

C. Strategic Planning
A new FSC Strategic Plan for 2024–2028 is currently being developed following the completion of the previous 2019–2023 Strategic Plan. The new plan is intended to align FSC's operations with the National Development Plan and address current industry challenges through clearly defined goals, strategies and performance targets.

D. Collaboration with SRIF and Improved Farming Practices
FSC has strengthened collaboration with the Sugar Research Institute of Fiji (SRIF) to improve farm productivity and cane quality. Ongoing initiatives include farmer education programmes, soil testing, integrated nutrient management practices, green manuring, application of lime to improve soil pH, utilisation of mill mud and evaluation of new organic soil amendments. Research and development activities are also being undertaken to improve fertiliser efficiency and soil health.

E. Stakeholder Coordination and Information Sharing
Regular engagement and consultation mechanisms have been established among key industry stakeholders, including FSC, the Sugar Cane Growers Fund, Sugar Cane Growers Council, Sugar Research Institute of Fiji, Sugar Producers Association and Sugar Industry Tribunal. These engagements are helping to improve information sharing, coordination and industry-wide decision-making.

F. Integration of Sustainable Development Goals (SDGs)
FSC has commenced reviewing its reporting framework to incorporate Sustainable Development Goals into future Annual Reports, including SDG 5 on Gender Equality, as recommended by the Committee.

G. Mill Performance and Operational Improvements
FSC continues to invest in improving mill reliability, throughput and sugar recovery. More than $70 million has been invested in mill infrastructure over the past five years, complemented by ongoing preventive maintenance programmes and harvesting and transport optimisation initiatives.

Recommendations Partially Implemented / In Progress

A. Development of New Industry KPIs
The Ministry and FSC have established industry targets and indicators through the National Development Plan, which will serve as foundational industry KPIs. FSC is further developing its own Strategic Development Plans, which will include additional performance indicators. However, comprehensive KPI frameworks covering all industry stakeholders and emerging revenue streams are still under development.

B. Integrated Sugar Complex Development
The recommendation to develop integrated facilities capable of producing refined sugar, ethanol, power and other value-added products is currently under assessment. The Asian Development Bank (ADB) has funded a feasibility study to evaluate the production of ethanol and Sustainable Aviation Fuel (SAF), with findings expected to guide future investment decisions.

Recommendations Still Pending Further Consultation or Policy Decisions

A. Amalgamation of Small Farm Holdings
The recommendation to consolidate smaller cane farms into larger, economically viable farming units remains under consideration. This matter requires consultation with landowners, growers, the Sugar Cane Growers Fund, Sugar Cane Growers Council, the Sugar Industry Tribunal and other relevant stakeholders before any policy decisions can be made.

B. Expansion of Partnerships with Landowning Units

Efforts to intensify cane farming on underutilised land through partnerships with landowning units remain under discussion and form part of broader industry development initiatives currently being explored by the Ministry and stakeholders.

C. Implementation of a Quality Cane Payment System

While the recommendation has been acknowledged, no industry-wide quality cane payment system has yet been implemented. Further consultations and technical assessments are required before such a system can be introduced.

D. Industry-Wide Productivity and Cooperative Farming Models

Recommendations relating to pilot farming models involving iTaukei landowners, cooperatives and inter-agency collaboration remain under consideration. These initiatives are expected to form part of the wider industry review and long-term development strategy currently being undertaken by the Ministry and industry stakeholders.

Overall, FSC and the Ministry have made substantial progress in implementing the Committee's recommendations, particularly in the areas of debt restructuring, workforce development, strategic planning, stakeholder engagement, farm productivity enhancement and sustainability reporting. Several recommendations involving major policy reforms, infrastructure investment and industry transformation initiatives remain under active review, feasibility assessment or stakeholder consultation and will require longer-term implementation timelines

19. Can you provide the list of land sold by FSC to whom and at what price the land size includes.

Between January 2019 and September 2021, the Fiji Sugar Corporation (FSC) disposed of a number of freehold and state leasehold properties as part of its asset rationalisation programme. The details of the properties sold, including the purchaser, sale value and land area, are provided below.

Date	Property	Location	Purchaser	Invoice Amt VEP	Invoice Amt VIP	Area (H)
Freehold Land						
14.01.2019	CT11691 Tunamati or Nadovi (pt of)	Sigatoka	Leonidas Pte Limited	12,150,000.00	13,243,500.00	5.06
25.01.2019	CT11442 Lot 8 Vitogo & Drasa (pt of)	Lautoka	FNPF	16,500,000.00	17,985,000.00	25.43
02.07.2019	CT11443 - Old Pineapple factory	Lautoka	FNPF	4,437,785.00	4,837,185.65	8.07
09.03.2020	Vitogo/Drasa(Part Of)27/0/16 Ct1144	Lautoka	FNPF	11,700,000.00	12,753,000.00	19.42
30.06.2020	CT 13051 - Lot 16 DP No.3367	Lautoka	PSP Investment Pte Ltd	350,000.00	381,500.00	0.08
13.09.2021	Ellington wharf CT 11193 Lots 1, 2, 3 & 4 on DP	Rakiraki	Goundar Properties Pte Limited	1,834,862.39	2,000,000.00	3.62
Total Freehold Land				**46,972,647.39**	**51,200,185.65**	
State Leasehold Land						
21.05.2019	CL 12275 lot 4 plan so 495 Solowaru Nadi	Nadi	Sangam Fiji (TISI)	1,376,416.79	1,500,294.30	1.12
19.12.2019	CL 84008 Lot 7 on DP 2709 - House no.61	Lautoka	Fiji Pine Limited	350,000.00	381,500.00	0.09
23.03.2020	State lease no.21089	Lautoka	FNPF	15,438,043.00	16,827,466.87	4.60
Total Leasehold Land				**17,164,459.79**	**15,619,658.41**	
Grand Total				**64,137,107.18**	**66,819,844.05**	

A total of **nine (9) properties** were sold by FSC during the period under review, comprising **six freehold properties** and **three state leasehold properties**. The combined sale value of these transactions amounted to **$69,909,446.82** (VIP value), covering a total land area of approximately

67.49 hectares. These disposals formed part of FSC's broader efforts to optimise its asset portfolio, improve liquidity and support the Corporation's ongoing financial restructuring initiatives.

20. Gender Equality and Workforce Inclusion

The Fiji Sugar Corporation (FSC) recognises that workforce diversity and gender inclusion are essential components of organisational sustainability, productivity, and long-term workforce development. While the sugar industry has historically been characterised by a predominantly male workforce due to the operational nature of milling, engineering, transport, and field-based activities, FSC continues to make gradual progress towards increasing female participation across the organisation.

During the reporting period, female workforce representation increased from 6% in 2024 to 7% in 2025. While the increase may appear modest, it represents a significant proportional growth in female employment within a sector that traditionally experiences challenges in attracting and retaining women, particularly in technical and operational roles. The increase suggests that FSC's recruitment and workforce development initiatives are beginning to broaden participation opportunities for women.

Importantly, the Corporation's approach to gender equality extends beyond workforce representation. FSC maintains a remuneration framework that is based on role, responsibility, qualifications, and collective agreements rather than gender. The Corporation has confirmed that there is no gender-based pay disparity within its employment structure, with compensation practices governed by national employment legislation and established industrial agreements. This provides assurance that women employed within FSC receive equal remuneration for equivalent work and responsibilities.

FSC has also embedded principles of equality and fairness within its human resource management framework. Equal Employment Opportunity provisions form part of recruitment processes, while workplace policies continue to support non-discrimination, anti-harassment measures, and equitable treatment of employees. These measures are critical in ensuring that increasing workforce diversity is supported by an inclusive and respectful workplace culture.

Training and development remain key enablers of gender inclusion. The Corporation continues to provide equal access to professional development opportunities, technical training, and apprenticeship programmes. Female participation in training activities remained broadly consistent during the reporting period and reflects FSC's commitment to ensuring that women have access to the skills and competencies required for career advancement. The Corporation recognises that increasing female representation in technical, supervisory, and leadership positions will require sustained investment in capability development and targeted workforce planning initiatives.

FSC's efforts in advancing diversity and inclusion received external recognition in 2025 through the award of Bronze in the Diversity, Equity and Inclusion category at the Fiji Human Resources Institute Awards. This recognition demonstrates that the Corporation's initiatives are aligned with recognised human resource practices and reflects the progress being made in strengthening workplace inclusion.

Despite these positive developments, challenges remain. Female participation continues to be constrained by industry-wide factors, including the limited number of women entering engineering, manufacturing, and industrial career pathways. The geographical nature of some FSC operations, particularly those located in rural and field-based environments, also presents recruitment and retention challenges. As a result, achieving gender balance within the organisation will require a sustained and long-term approach.

Looking ahead, FSC's focus will be on increasing female participation across all levels of the organisation, particularly within technical and leadership roles. The Corporation will continue to strengthen inclusive recruitment practices, expand access to apprenticeships and skills development programmes, and foster a workplace culture that supports diversity, safety, and equal opportunity.

Overall, FSC considers gender equality to be an ongoing workforce transformation priority. While acknowledging that significant work remains to be done, the Corporation has established a strong foundation through equitable employment practices, inclusive policies, and targeted workforce development initiatives. The positive trends observed during the reporting period provide encouragement that meaningful progress can continue to be achieved over time.

	Lautoka		Rarawai	
	FY 25	FY 24	FY 25	FY 24
OPERATTIONAL & MAINTENACE COST				
Field Operation	1,031,158	1,013,132	1,093,592	1,212,491
Rail Operation	1,897,876	2,281,517	1,728,995	1,941,998
Engineering Operations	5,670,542	4,317,022	3,662,412	3,720,053
Chemical Operations	413,901	836,841	905,039	915,598
Factory Maintenance	4,277,643	3,418,966	4,792,645	4,728,981
TOTAL	**13,291,119**	**11,867,478**	**12,182,683**	**12,519,122**
ADMINISTRATIVE & OVERHEAD				
Overhead	936,818	879,870	839,117	791,311
Administrative	3,753,627	3,218,472	3,777,897	3,244,865
TOTAL	**4,690,445**	**4,098,342**	**4,617,014**	**4,036,176**
TOTAL MILL COST	**17,981,564**	**15,965,820**	**16,799,697**	**16,555,298**
Salaries & Wages	**7,660,721**	**7,351,482**	**7,903,536**	**7,358,038**
Work Force Requirements				
General Employees	151	120	131	131
Mechanics & Tradesman	172	167	133	136
Clerks	23	23	14	16
Staffs	90	94	68	68
Total	**436**	**404**	**346**	**351**

Labasa		Total	
FY 25	FY 24	FY 25	FY 24
1,032,487	1,032,487	3,157,236	3,258,111
2,326,051	2,138,880	5,952,921	6,362,396
2,472,826	2,339,460	11,805,779	10,376,535
709,520	944,886	2,028,460	2,697,326
3,907,205	3,289,152	12,977,493	11,437,098
10,448,088	**9,744,865**	**35,921,890**	**34,131,466**
857,669	857,759	2,633,603	2,528,940
3,423,156	2,877,518	10,954,680	9,340,855
4,280,825	**3,735,277**	**13,588,283**	**11,869,795**
14,728,913	**13,480,142**	**49,510,173**	**46,001,261**
8,040,433	**7,151,907**	**23,604,691**	**21,861,426**
116	127	398	378
150	139	455	442
11	11	48	50
65	66	223	228
342	**343**	**1,124**	**1,098**

ANNEX 2

RESEARCH BRIEF

Information Brief for the Standing Committee

Standing Committee on Economic Affairs

Comparative Analysis on Fiji Sugar Corporation Annual Reports 2024 and 2025

1.0. Overview

This brief is provided to the Standing Committee on Economic Affairs ***("SC-EA" or "Committee")*** as requested through its secretariat. This comparative analysis is a summary of some of the key issues in the Fiji Sugar Corporation ***("FSC")*** Annual Report ***("AR")*** for financial year **2024**[1] to **2025**[2]. The summary is designed to assist Honourable Members of Committee undertake their comparisons and related analysis of the organisation's performance as discussed in the ARs. The narrative provided here is only intended to assist the Committee with its appraisal of the reports and does not aim to provide in-depth oversight on the FSC.

2.0. Comparative Analysis		
2.1. Organisation	The Fiji Sugar Corporation Limited was incorporated in Fiji by an Act of Parliament in 1972 to take over the milling activities, effective April 1, 1973. It is the successor to SPSM Limited and CSR Limited. In 2006, the Fiji Sugar Corporation Act was repealed, allowing it to be governed solely under the Companies Act.	
2.2. Shareholders	The Government of Fiji is a major shareholder, owning 94.6% of the shares, while statutory bodies, local companies, and individuals own the remaining shares.	
2.3. Business	**2024**	**2025**
	• Operates three sugar mills in **Lautoka**, **Ba**, and **Labasa**, located on the drier sides of Fiji's two main islands. • Manufactures and sells raw sugar and produces molasses as a by-product. • Owns and maintains a railway network to transport sugar cane to the mills. • **Employs** around **1,700 workers** during the peak crushing season. • Contributes about **0.9% to Fiji's GDP** (2023 provisional data).	• Operates three sugar mills in **Lautoka**, **Ba**, and **Labasa**. • Located on the drier sides of Fiji's two main islands, ideal for cane growing. • Manufactures and sells raw sugar, with molasses as a by-product. • Owns and maintains a railway network to transport sugar cane to the mills. • **Employs** around **1,700 workers** during the peak crushing season.

[1] Fiji Sugar Corporation Annual Report 2024. [Accessed on 05/06/2026]; Fiji Sugar Corporation Limited Annual Report 2024: Performance and Strategic Vision | Policy Commons

[2] Fiji Sugar Corporation Annual Report 2024. [Accessed on 05/06/2026; FSC-Annual-Inserts-2025_compressed.pdf

- Accounts for approximately **10.8% of Fiji's domestic exports.**
- Relies mainly on domestic production inputs, creating strong regional and cross-sector economic impacts.

2.4. Financial and Operational Highlights

Metric	FY 2024	FY 2025	Change/Trend
Financial Results ($m)			
Share of Proceeds	$71.15	$50.93	↓ Decreased
Trading Result	$13.13	**($7.66)**	↓ Decreased
EBITDA	$24.97	$2.17	↓ Decreased
Net Profit / (Loss)	**($4.23)**	**$105.71**	↑ Increased
Investment in PPE	$10.05	$7.34	↓ Decreased
Operations			
Sugarcane Crushed	1.57 million tonnes	1.33 million tonnes	↓ Decreased
Area Harvested	31,815 hectares	34,679 hectares	↑ Increased
Sugar Produced	139,628 tonnes	126,522 tonnes	↓ Decreased
Total Sugar Exported	104,670 tonnes	83,877 tonnes	↓ Decreased
TCTS Ratio	11.2	10.5	↑ Improved
Cane Quality (POCS)	9.8	10.3	↑ Improved

Source: FSC AR – p2(AR 2024) & p4 (AR 2025)

2.5. Human Capital

Metric	2024	2025
Total Workforce	**1,741 staff** as of Dec 2023 ***(Page 22)***	**1,702 staff** as of 31 May 2025 ***(Page 24)***
Gender Representation	**6.2% Female** (96 individuals) ***(Page 25)***	**7% Female** (121 individuals) ***(Page 24)***
Training Initiatives	**250 sessions** conducted for **4,038** attendees ***(Page 21)***	**125+ targeted programs** delivered ***(Page 22)***
Expatriate Reliance	**46 expatriates (42 from India, 4 Philippines)** to fill skill gaps ***(Page 21)***	**42 expatriates** maintained to address local technical gaps ***(Page 24)***
Total Wages & Salaries	**$27.51 million *(Page 67)***	**$27.89 million *(Page 64)***
Strategic HR Projects	**Merit-based recruitment** and robust international sourcing ***(Page 21)***	Launch of **Cadet Program** and **AI-driven recruitment portal *(Page 23-24)***
Awards & Recognition	N/A	**Silver and Bronze honours** at the 2024

			Fiji HR Institute Awards ***(Page 23)***
	Talent Challenges	migration of **skilled tradespeople *(Page 22)***	Departure of **45 skilled tradespeople and 7 IT professionals *(Page 23)***
2.6. Key Human Capital Highlights	• **Skill Gaps:** The Corporation actively recruited **46** expatriates from India and the Philippines to bring in advanced technological skills and address local shortages. • **Workforce Diversity:** Female representation improved to **6.2%**, up from **5.1%** in the previous year. • **Apprenticeship:** FSC onboarded **21** new apprentices to ensure a steady influx of trained workers for future operations. • **Retention:** The Corporation continued to employ **34** individuals beyond the retirement age of **55** to facilitate knowledge transfer.		• **Modernization:** FSC introduced a digital recruitment portal featuring AI-driven shortlisting to enhance the hiring process and candidate experience. • **Nurturing Talent:** A structured Cadet Program was launched, targeting young professionals in technical disciplines for hands-on leadership development. • **Performance Management:** The Corporation overhauled its Performance Management System **(**PMS**)** to include competency-based evaluations and data-driven tracking. • **External Recognition:** FSC's commitment to safety and innovation was validated by receiving a silver award for HR Safety & Health and Bronze awards for Diversity and Innovation. • **Skill Drain:** Despite modernization, FSC faced a *"competitive job market"* that led to the loss of **52** highly skilled technical and IT staff.

2.7. Sugarcane Financial Figures.

Financial statistics

for year ended 31 May		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Turnover	($m)	238.8	211.5	135.9	147.7	144.9	132.8	182.1	144.9	199.8	197.3	224.0
EBITDA	($m)	25.0	17.9	(6.7)	4.4	60.7	(25.1)	0.6	(19.2)	(27.1)	(4.8)	(4.8)
Profit/Loss after taxation & Extra-ordinary items	($m)	(4.2)	(23.0)	(44.3)	(32.8)	21.9	(80.1)	(24.6)	(45.0)	(53.4)	(31.7)	6.9
Total Assets	($m)	156.1	146.8	180.3	199.3	223.9	203.9	204.1	199.6	254.2	266.2	279.3
Net Assets	($m)	(404.3)	(400.0)	(377.1)	(332.8)	(300.0)	(321.8)	(241.8)	(217.1)	(172.1)	(117.4)	(85.7)
Proceeds of Sugar & Molasses	($m)	234.7	206.5	139.1	143.9	139.8	129.8	180.7	143.4	195.8	191.7	214.6
FSC's share of proceeds	($m)	71.2	64.3	38.3	42.8	41.9	38.8	54.2	43.0	58.7	56.0	62.5
Price per tonne cane	($)	102.50	85.26	85.00	85.00	85.00	85.00	85.00	82.00	76.66	81.01	88.49

Source: FSC AR 2024, p85

Financial statistics

for year ended 31 May		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Turnover	($m)	175.0	238.8	211.5	135.9	147.7	144.9	132.8	182.1	144.9	199.8	197.3	224.0	199.0	203.6	141.5
EBITDA	($m)	2.2	25.0	17.9	(6.7)	4.4	60.7	(25.1)	0.6	(19.2)	(27.1)	(4.8)	(4.8)	5.9	1.6	(2.1)
Profit/(Loss) after taxation & Extra-ordinary ite	($m)	105.7	(4.2)	(23.0)	(44.3)	(32.8)	21.9	(80.1)	(24.6)	(45.0)	(53.4)	(31.7)	6.9	6.3	1.8	(36.6)
Total Assets	($m)	83.4	156.1	146.8	180.3	199.3	223.9	203.9	204.1	199.6	254.2	266.2	279.3	254.6	196.1	148.7
Net Assets	($m)	(298.6)	(404.3)	(400.0)	(377.1)	(332.8)	(300.0)	(321.8)	(241.8)	(217.1)	(172.1)	(117.4)	(85.7)	(92.6)	(98.9)	(100.7)
Proceeds of Sugar & Molasses	($m)	170.0	234.7	206.5	139.1	143.9	139.8	129.8	180.7	143.4	195.8	191.7	214.6	185.7	200.8	121.6
FSC's share of proceeds	($m)	50.9	71.2	64.3	38.3	42.8	41.9	38.8	54.2	43.0	58.7	56.0	62.5	55.7	60.2	36.5
Price per tonne cane	($)	101.33	105.08	91.38	85.00	85.00	85.00	85.00	85.00	82.00	76.66	81.01	88.49	81.83	65.67	49.16

Source: FSC AR 1025. P84

2.8. National Development Plan

2024	2025
NDP Chapter 4.1 SUGAR (p40-41)[3]: Goal: Improve sustainability of the sugar industry and income of growers. **2.8.1. Improve milling efficiency and value addition** **2.8.2. Improve cane production and yield**	
Ethanol: No information	**Ethanol:** While ethanol production supports export diversification and future domestic biofuel blending. Ethanol production will initially target export markets, followed by domestic blending once the regulatory framework is established ***(FSC AR 2025 p.11).***
New Market: Since the rebranding, Sugars of Fiji has been very well accepted in New Zealand. FSC is vigorously marketing and selling its retail packs in the Pacific region, with shipments being made to Samoa, Tonga, and Vanuatu. FSC, in partnership with Investment Fiji, has engaged Pacific Trade Invest to increase its market share in the Pacific Island Countries. Furthermore, FSC is collaborating with industry partners to sell	**New Market: To broaden market reach and improve revenue yields, FSC undertook the following initiatives:** Sample dispatches to potential distributors in the UK, Japan, USA, and Australia to explore higher-yield markets. Strengthened retail presence in Samoa, Tonga, and Vanuatu through partnerships with Investment Fiji and Pacific Trade Invest.

[3] Fiji National Development Plan 2025-2029 and Vision 2050. [Accessed on 09/06/2026]; NPDF_final-9.pdf

	our retail packs in the European and United States markets, where the demand for retail packs is high. **(AR 2024 p.29)**.	The final molasses shipment **(27,300 MT)** was sold directly to an end-user, generating **FJD 2 million** more than brokered alternatives. These strategic moves highlight FSC's shift toward value-driven marketing, direct engagement with end-users, and expansion into diversified international markets **(AR 2025, p.27)**
	Cane Area Expansion: A ***"Farm Management agreement"*** has been finalised and implemented by FSC in conjunction with the Sugarcane Growers Council to promote fresh planting and expansion of cane production by productive growers and therein aiding farmers unable to cultivate cane in their contracted lands. **(AR 2024 p.14)**	**Cane Area Expansion:** At the micro level, the plan aims to achieve this milestone by increasing cane production to over 2 million tonnes through the expansion of cane area from the current **33,752** hectares to **38,500** hectares, raising productivity from **47** tonnes per hectare to **55** tonnes per hectare, and improving the efficiency of cane harvesting and transportation. **(AR 2025, p.11)**
	TCTS: The high TCTS ratio of ***11.2***, which is the second highest in the last 10 years is a clear outcome of these factors	**TCTS:** The Tonnes Cane to Tonnes Sugar **(*TCTS*)** ratio was ***10.5*** compared to ***11.2*** in the previous year. **(AR 2025, p.4)**
	Mechanisation and Digitalisation: Mechanisation reduces labour intensity and improves overall farm productivity while minimising environmental impact. **(AR 2024, p.**26**)**	**Mechanisation and Digitalisation:** Mechanisation and process optimisation are projected to reduce cultivation costs by approximately **20%** by **2030** and operating costs by **15%** by **2027** and **30%** by **2030**. Short-term stabilisation measures include the temporary suspension of one Viti Levu mill and tramline closures. **(AR 2025, p12)**. Introduced **12 dual-row planters** and **16 fertiliser applicators**, deployed to cooperatives and tractor services. Aims to achieve full-cycle mechanisation, improving productivity and offsetting labour shortages. **(AR 2025, p16)**. FSC is developing a fully digital recruitment portal featuring ***AI-driven*** shortlisting, aiming to streamline the hiring process and enhance the candidate experience. **(AR 2025, p23)**. Digital platforms, such as the planned Farmer Connect application, along with the introduction of drones for crop management and Geographical Information Systems **(GIS)**, will further strengthen grower

		services and encourage greater youth participation in the industry. **(AR 2025, p11)**.
	Industrial Transformation and Diversification: The industry is transitioning toward value-added products to mitigate risks associated with global price volatility and build a resilient business model. **(AR 2024, p11)**.	**Industrial Transformation and Diversification:** Technical and economic evaluations have been initiated for a new ***150-tonnes-per-day sugar refinery and a 100KL-per-day ethanol plant*** as part of a three-year transformation roadmap. **(AR 2025, p11, p12)**.
	Milling Efficiency and Infrastructure: Infrastructure support included the repair of **3,360** cane access roads and the desilting of **956,280** meters of infield drains, which directly impacts farm logistics and profitability. **(AR 2024, p17).** FSC acted as the implementing agency for these government-funded programs, achieving **100%** completion of works on schedule to support over **5,000** growers. **(AR 2024, p17)**.	**Milling Efficiency and Infrastructure:** The **NDP** baseline for milling efficiency is a Tonnes Cane to Tonnes Sugar **(TCTS)** ratio of **10.5**, with a target to reach ***10.0 by 2029***. **(NDP, p41)**. FSC achieved the baseline efficiency of **10.5** in **2025**, supported by improved cane quality and a Pure Obtainable Cane Sugar **(POCS)** level of **10.3. (AR 2025, p2**, **p40)**.
	2.8.3. Strengthen Research and Development and Technology Transfer	
	Develop Climate Resilient Varieties: FSC actively promotes the use of sugarcane varieties that are resilient to climate stresses such as saltwater intrusion and drought. These varieties are explicitly selected for areas affected by seawater and changing climatic conditions to ensure industry sustainability. **(AR 2024, Page 26)**	**Develop Climate Resilient Varieties:** FSC has introduced early-maturing and high-sugar varieties, including Beqa, Naidiri, and the salt-tolerant Galoa, across 78 hectares in Viti Levu. **(AR 2025, p16)**. The Beqa variety, specifically noted for its high yield potential, is scheduled for large-scale rollout over the next two to three years as part of a strategy to expand high-sugar varieties in Viti Levu. **(AR 2025, p12, p14)**.
	Develop High Quality Seed Cane Materials: The Corporation focuses on leveraging technical expertise and resources to support sustainable farming practices among growers. This includes managing government capital grants **(CPG)** specifically aimed at assisting farmers in increasing production through improved agricultural practices. **(AR 2024, Page 9)**	**Develop High Quality Seed Cane Materials:** The Corporation is currently identifying **twenty-seven (27)** new landowner units for **1,000 hectares** of cultivation over a three-year period. Nursery planting is already underway to secure a robust supply of high-quality seed cane to improve millable tonnage. **(AR 2025, p16)**.
	Undertake Integrated Nutrient Management (Fertiliser, Soil-Health, Trash Management, Green Manuring, and Liming):	**Undertake Integrated Nutrient Management (Fertiliser, Soil-Health, Trash Management, Green Manuring, and Liming):**

	• **Liming**: FSC made the application of Aglime compulsory for all fresh planting or replanting supported by grants to mitigate soil acidity. **(AR 2024, p.15)**. • **Precision Fertilisation:** The Corporation introduced an online soil testing and reporting module for tracking and introduced 16 precision fertiliser applicators for timely application. **(AR 2024, Page 15)**. • **Nutrient Management:** Balanced use of fertilisers and organic amendments is employed to improve soil fertility and maintain productivity. **(AR 2024, Page 26)**. • **Trash Management:** FSC promotes sugarcane trash conservation to reduce the water footprint of farming, conserve soil moisture, and minimize carbon emissions by reducing cane burning. **(AR 2024, Page 26)**.	• **Liming:** Aglime was applied to **871 hectares** to reduce soil acidity, seeing strong uptake from growers. **(AR 2025, p**16**)**. • **Precision Fertilisation:** FSC achieved **90%** delivery of targeted fertiliser by December **2024** and utilizes precision application to reduce its environmental impact. **(AR 2025, p16)**. • **Trash Management:** The Corporation promotes trash conservation and eco-friendly pest control to enhance soil moisture and minimize carbon emissions from cane burning. **(AR 2025, p26)**.
	Strengthen Research Capability and Capacity: Investment in research and development is prioritized to drive innovation in both sugarcane agriculture and milling processes. This includes identifying technical bottlenecks and introducing advanced tools like power harrows and laser levellers to minimize waterlogging and improve infield drainage. **(AR 2024, P,13)**	**Strengthen Research Capability and Capacity:** FSC has developed 18 new weedicide molecules, which are currently undergoing evaluation by the Sugar Research Institute of Fiji (SRIF). **(AR 2025, p**16**)**. Research capacity is further enhanced through the introduction of advanced technologies such as Geographical Information Systems **(**GIS**)** and drones for crop management, with a target of achieving 40% farm coverage by 2030. **(AR 2025, p**11**)**.
	Improve Research Outputs through Collaboration: FSC maintains close collaboration with the Sugar Research Institute of Fiji **(**SRIF**)** and the Ministry of Sugar Industry **(**MOSI**)** to develop novel weed and nutrient management technologies. Furthermore, the Corporation engages with international agencies and bilateral partners for mill upgrade assistance and technical skill development. **(AR 2024, P**ages 13**)**	• **Improve Research Outputs through Collaboration:** FSC prioritizes partnerships with key stakeholders, including SRIF, the Sugarcane Growers Council, and international agencies, to scale extension services and enhance R&D. To build internal technical capacity, the Corporation also partners with external providers like AusAID to deliver targeted training programs. **(AR 2025, p**12**)**.

	2.8.4. Improve efficiency of cane harvesting and transportation	
	Upgrade or Restore Rail Networks and Cane Access Roads: FSC acted as the implementing agency for government-funded infrastructure programs, completing the repair of **3,360** cane access roads by November **2023** with a **100%** on-time completion rate. **(AR 2024, p17)**. This project supported over **5,000** active growers and included desilting **956,280** meters of infield drains. **(AR 2024, p17)**. Additionally, the Corporation continues to utilize and prioritize the rehabilitation of the rail system to reduce the industry's carbon footprint compared to roadway transport. **(AR 2024, p26)**.	**Upgrade or Restore Rail Networks and Cane Access Roads:** Rail delivery, which once accounted for over **70%** of cane transport, has declined sharply to an average of **6%** in **2024**, with the Rarawai mill area recording only **3%.** Contributing factors to this decline include labour shortages and a growing preference for lorry transport. **(AR 2025, p16)**. To manage costs, short-term stabilisation measures include the temporary suspension of one Viti Levu mill and strategic tramline closures. The Corporation's long-term recovery strategy continues to prioritize the modernisation and upgrade of transport infrastructure to restore operational efficiency. **(AR 2025, p10)**.
	Increase Supply of Cage Bins: To enhance transportation efficiency within the rail sectors, FSC transferred **24 cage** bins from Lautoka to Labasa to support billet harvesting. This resulted in a significant increase in Labasa's rail cane supply, rising to **719** tonnes per day compared to **155** tonnes in the previous year. FSC has also proposed the procurement of additional cage bins in the ensuing year with continued government support. **(AR 2024, p**17**)**.	**Increase Supply of Cage Bins:** The 2025 report excerpts do not explicitly detail new cage bin procurements; however, they highlight a strategic shift toward direct-to-market engagement and lorry-based delivery to offset the decline in rail infrastructure utility. **(AR 2025, p16)**.
	Promote Mechanised Harvesting: Mechanical harvesting accounted for **42.4%** of the total cane harvested during the season, marking a **5%** increase from the previous year. **(AR 2024, p16)**. The harvester fleet grew to **112** units as part of an urgent shift toward mechanisation to offset chronic manual labour shortages. **(AR 2024, p9)**. FSC also introduced new semi-track harvester attachments to enable mechanical harvesting on slopy and undulating terrain where manual cutting is increasingly difficult. **(AR 2024, p17)**.	**Promote Mechanised Harvesting:** Mechanical harvesting reached **44.5%** of the total crop for the **2024** season, representing a **9.3%** increase since **2020. (AR 2025, p16)**. FSC has set a directional target to achieve approximately **70%** mechanised harvesting by **2030**. **(AR 2025, p12)**. To support this goal and achieve "full-cycle mechanisation," the Corporation introduced **12 dual-row planters** and **16 fertiliser applicators**, which were deployed to cooperatives and tractor services to improve productivity and offset chronic manual

		labour shortages. **(AR 2025, p16)**.
	Regulate Transportation and Harvesting Rates: FSC initiated the mandatory registration of harvesters by the Tribunal to streamline field operations. For the first time, harvester operational logbooks were issued to all operators to capture data and monitor field conditions under a detailed Standard Operating Procedure (SOP). **(AR 2024, p17)**. Furthermore, the IT department began developing a ***mobile app and grower portal*** to allow farmers to access farm data and cane payment information directly on their devices. **(AR 2024, p15)**.	• **Regulate Transportation and Harvesting Rates:** To address persistent challenges that impact transport and milling efficiency, such as the high incidence of burnt cane **(54% total in 2024)**, FSC has stated that legislative amendments to the Master Award are necessary to effectively curb continued burning. **(AR 2025, p15)**. Furthermore, the Corporation is implementing transparent, productivity-based support—including mechanisation programs and efficient harvest and transport logistics—to rebuild grower confidence and streamline field operations. **(AR 2025, p11)**.

2.9. SDG Initiatives	**SDG 5: Gender Equality** • Increased female workforce representation to **6.2%** and female training participation to ***11.4%***. **(AR 2024, 25).** • Guaranteed pay equity for all positions regardless of gender or ethnicity. **(AR 2024, 25)**. • Provided specialized extension support and training to empower women in sugarcane cultivation. **(AR 2024, p27)**. **SDG 8: Decent Work and Economic Growth** • Adopted merit-based hiring policies for a diverse workforce, including local and overseas experts. **(AR 2024, p21)**. • Established local labour working groups to generate sustainable employment in communities. **(AR 2024, 17)**. • Adhered to Fairtrade and Pro Terra standards to ensure fair labour practices and decent work. **(AR 2024, p27)**.	**SDG 5: Gender Equality FY25 reporting (AR 2025, p26)** • Maintain female workforce representation at 6% or higher and ensure pay equity according to law. • Enforce Equal Employment Opportunity (EEO) protocols and increase female participation in leadership training. **SDG 8: Decent Work & Economic Growth FY25 reporting (AR 2025, p26)** • Promote workforce diversity through merit-based recruitment of local staff and overseas experts. • Provide comprehensive support including housing, insurance, and weekly employee wellness programs. • Establish union-led feedback forums to maintain transparent onboarding and communication. **SDG 9: Industry, Innovation & Infrastructure FY25 reporting (AR 2025, p26)**

	SDG 13: Climate Action • Rolled out climate-resilient, salt-tolerant cane varieties specifically for affected areas. **(AR 2024, p26)**. • Promoted trash conservation and precision fertilization to reduce CO2 emissions and carbon footprints. **(AR 2024, p26)**. • Implemented infield drainage schemes to protect crops from increasing flood and waterlogging events. **(AR 2024, p26)**. • Utilized the rail delivery system to provide a lower-emission transport alternative to lorries. **(AR 2024, p26)**. **SDG 17: Partnerships for the Goals** • Collaborated with Fairtrade and Cane Producer Associations to utilize premiums for community development. **(AR 2024, p27)**. • Partnered with Land Owning Units through joint ventures and share-farming to encourage local participation. **(AR 2024, p27)**. • Worked with SRIF and the Ministry of Sugar to disseminate advanced, sustainable cultivation technologies. **(AR 2024, p27)**.	• Deploy advanced agricultural equipment including 30 fertiliser applicators and 10 sugarcane planters. • Introduce specialized hilly-terrain harvesters to modernize harvesting operations. **SDG 13: Climate Action FY25 reporting (AR 2025, p26)** • Roll out climate-resilient cane varieties and upgrade field drainage systems to improve resilience. • Implement trash conservation and precision fertilisation to reduce the industry's environmental footprint. • Generated $3.25 million in revenue from bagasse-based green energy cogeneration. **SDG 17: Partnerships for the Goals FY25 reporting (AR 2025, p26)** • Collaborate with Fairtrade, the Sugarcane Growers Council, and the Ministry of Sugar for industry development. • Empower Land Owning Units (LOUs) through joint-venture models to promote equitable farming practices.

Suggested Questions.

- How does FSC determines lack of local skilled workers in Fiji? *(Through research, Consultation with university, less response on the advertised vacancy?)*
- Does Fijis have the capacity to meet **International Commission for Uniform Methods of Sugar Analysis (ICUMSA) Standards?**
- With net shareholder equity having eroded from a $169.5 million surplus to a negative $498.8 million deficit over 20 years, what specific governance mechanisms are in place to ensure that current and future government-guaranteed funds are used for "long-term productive capital investments" rather than just sustaining annual losses? *"For any meaningful recovery, FSC requires significant shareholder financial support. Over the past 20 years, net shareholder equity has deteriorated from a surplus of $169.5 million to a negative $498.8 million—an erosion of $665.3 million." (AR 2025,P10)*
- FSC states that "legislative amendments to the Master Award" are necessary to curb cane burning, which currently stands at 54% of the total crop. What is the status of these specific legislative requests to the Ministry of Sugar? (AR 2025, P15)

- FSC lost 45 tradespeople and 7 IT professionals in a single year to migration. Beyond the "Cadet Program," what legislative or policy reforms is the Board seeking to make **local technical salaries** competitive enough to stem this critical talent loss? (AR 2025, P25)
- Since FSC is "critically dependent" on government support to remain a going concern, what is the Board's **"Plan B"** if the industry fails to reach the 1.5 million tonne sustainability threshold by 2028? (AR 2025, P30)
- To meet NDP goals for youth participation, how is the Corporation tracking the success of **"Joint Venture" and "share farming"** models specifically in terms of attracting younger farmers to replace the aging grower population? (Apart from Cadet Recruitment)
- To stabilize finances, FSC implemented the **temporary suspension of one Viti Levu mill**. Which mill has been suspended, and what is the quantified impact on the transport costs and "tonnes cane to tonnes sugar" (TCTS) efficiency for growers in that specific region? (AR 2025, P12 – Questions response towards comparison to current fuel crises)
- The Corporation plans to target **export markets for ethanol** until a domestic regulatory framework for biofuel blending is established. What is the status of the Board's engagement with the Government to create the necessary **Biofuel Act or regulations** to ensure a domestic market exists for this diversification? (AR 2025, P11)

04/06/2026

ANNEX 3

VERBATIM REPORT

[VERBATIM REPORT]

STANDING COMMITTEE ON ECONOMIC AFFAIRS

Annual Report

Fiji Sugar Corporation Limited 2024 and 2025 Annual Report

SUBMITTEE: **Fiji Sugar Corporation Limited**

VENUE: **Big Committee Room, Parliament**

DATE: **Friday, 12th June, 2026**

VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON ECONOMIC AFFAIRS HELD AT THE COMMITTEE ROOM (EAST/WEST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS ON FRIDAY, 12TH JUNE, 2026 AT 10.46 A.M.

Present:

(1)	Hon. S. Tubuna	Chairman
(2)	Hon. P.D. Kumar	Deputy Chairperson
(3)	Hon. S.T. Koroilavesau	Member
(4)	Hon. K.V. Ravu	Member

Submittee: Fiji Sugar Corporation

In Attendance:

(1)	Mr. Bhan Pratap Singh	Chief Executive Officer
(2)	Mr. Anjay Sharma	Chief Financial Officer
(3)	Mr. Mikaele Biukoto	Chief Operating Officer
(4)	Mr. Lakshman Jayaraman	Head of Agriculture

MR. CHAIRMAN.- Let us call the meeting to order. Honourable Members, members of the media and the public, secretariat, ladies and gentlemen; a very good morning to you all. It is a pleasure to welcome everyone to this public hearing session.

At the outset, for information purposes, pursuant to Standing Order 111 of the Standing Orders of Parliament, all Committee meetings are to be open to the public. Therefore, this submission meeting is open to the public and the media, and is aired live on Parliament's Channel through the *Walesi* platform and live-streamed through the Parliament's *Facebook* page.

For any sensitive information concerning the submission that cannot be disclosed in public, this can be provided to the Committee either in private or in writing, but do note that this will only be allowed in a few specific circumstances, which include national security matters, third party confidential information, personnel or human resource matters and meetings whereby the Committee deliberates on all issues before it and develops its recommendations and report.

I wish to remind honourable Members and our invited submittees that all comments and questions asked are to be addressed through the Chairperson. Also, be mindful that only the invited submittees will be allowed to ask any questions or give comments to the Committee.

This is a parliamentary meeting and all information gathered here is covered for under the Parliamentary Powers and Privileges Act 2016 and the Standing Orders of Parliament. Please, note, that the Committee does not condone libel or slander or any allegations against individuals who are not present today to defend themselves.

In terms of other protocols of this Committee, please, be advised that whilst the meeting is in progress, movement within the meeting room will be restricted. There should be a minimal usage of mobile phones, whereby answering of phones should be done outside this room and all mobile phones are to be on silent mode.

(*Introduction of Committee Members*)

MR. CHAIRMAN.- Honourable Members, with us this morning are the representatives from the Fiji Sugar Corporation Ltd which the Committee has invited to provide a submission on their 2024 and 2025 Annual Report. The FSC was required to appear before this Committee to provide accountability, clarify its financial and operational performance and address ongoing concerns affecting the sugar industry in its annual reports for 2024 and 2025.

Your presentation will allow the Committee to scrutinise issues, such as decline in production, financial sustainability and mill performance, and the use of Government support, while also seeking explanation on audit findings, governance, and corrective actions being taken by FSC. This process ensures transparency, it enables honourable Members to question management directly, and supports Parliament's oversight role in ensuring that FSC is effectively managing public resources and delivering on its mandate to sustain Fiji’s sugar sector.

With that brief introduction, I take this time to invite our submittees to introduce themselves, before we proceed with the presentation.

(*Introduction of officials from FSC*)

MR. CHAIRMAN.- I will give the time now to Mr. Singh to provide us a brief overview of the sector, FSC activities and following that, we will have the questions from the honourable Members.

MR. B.P.SINGH.- Honourable Members, FSC operates three sugar mills. We are responsible for harvesting and transport, milling operations, sales and marketing of all sugar and molasses produced. We operate under the:

- Sugar Industry Act;
- Companies Act
- Occupational Health and Safety Act;
- Factories Law;
- Master Award; and
- Employment Relations Act.

We employ about 1,800 employees during the peak crushing season.

Some of the major challenges included old-age plant and equipment, a decline in cane production, and market volatility. All sugar is sold in the open markets, unlike previously, when sugar was sold at a preferential agreement through European Union (EU) protocol. The very low and declining production has led to very high operating costs and underutilisation of plant and machinery.

I will quickly go through the key highlights of the 2024 and the 2025 Annual Reports, which we will be discussing here today:

2024:

- Total cane production was 1.57 million tonnes;
- 139,628 tonnes sugar produced;
- 10,565 active growers; and
- 47 tonnes per hectare of cane productivity.

2025:

- Total cane production was 1.332 million tonnes;
- 126,500 tonnes of sugar produced
- 10,231 active growers; and
- Average cane yield was 46.4 tonnes per hectare.

Mr. Chairman, to be noted that in the 2025 financial year, that was the lowest ever cane production for FSC, and the major reason was the drought in all the cane belt areas that impacted the cane production in that year.

MR. CHAIRMAN.- As we discussed the other day at Lautoka, we all understand that the sugar industry is having quite a lot of significant challenges with regards to production, international market prices are not really in our favour. Previously most of the land committed to cane is now going into other uses. The land that were earmarked for sugar cane has not been in production. Whilst FSC is trying to increase production, there are also other challenges that are affecting their ability to enhance production.

The scenario is a bit bleak, and we still have an old structure is the same for the last 50 to 60 years. Not a lot of structural adjustments have been made, we still facing the same problems and nothing has been done about it. The Government is now seriously looking at revamping the entire structure and issues facing the industry now. So in the next few years, we will be seeing some changes made with regards to the future of the industry.

HON. K.V. RAVU.- Mr. Chairman, through you, I was just going through Table 2, page 2 - Gross Salaries listed on Positions 9, 10 and 11 shows a notable difference despite being the same position. Could Fiji Sugar Corporation clarify to the Committee why these discrepancies?

MR. B.P. SINGH.- Mr. Chairman, those were newly appointed executive positions in that year, so that is why the salary is for that part of the year only. If you look at the following year, the actual salaries are stated in the year 2024.

MR. A. KUMAR.- Just to add to CEO's comment, if you look at 2025, the first table on page 2, there are 11 executives compared to page 3 with eight executives being paid.

In 2025 financial year, the two newly General Managers were appointed, where the two General Managers were retiring. Example is, Mr. Leela Ramesh, General Manager, Labasa, he is from India. So, the new General Manager was taking the role. If you look at Mr. Navin Rath Charan, the salary is quite less. He was relieving that position similar with Ms. Litia, they were taking those numbers. In a nutshell, we got nine executives for the financial year 2025.

HON. P.D. KUMAR.- Mr. Chairman, my question is again related to the debt level. I understand the Government had written off $200 million. As we expect the amount to become lesser and lesser but looks like the amount is still climbing higher and higher. It is like a bottomless pit. The more you put, it gets somewhere else. So, if you can sort of explain the increase in debt despite $200 million being written off and what are the reasons for this increase in debt?

MR. B.P. SINGH.- Mr. Chairman, through you, when the Government wrote off the $200 million debt in FSC's books in financial year 2025, the debt level went down to around $200 million. If you look at FSC records, currently we have a financial year ending for financial year 2026 closed. The debt is around $310 million now. If you look at FSC's financial performance, and looking at the cane production, sugar made over the years, we are in a cash deficit every year around, $30 million to $50 million cash shortfall because we are not able to generate enough revenue to fulfill our operating cost requirements. That has been ongoing and as you are aware in Parliament, FSC has been requesting for additional Government guarantees just to sustain this debt level.

As we speak, our government guarantee available for new borrowing is around $66 million as of now from the $300 million given. So, from a finance side I would say if the current status quo remained the same, if the current production remains around $1.5 million to $1.6 million, and the current world market price stays around this place, FSC will continue to rise, nothing will change.

In terms of FSC, we must look at our own expenses in terms of major areas, that is why FSC has been coming over with the rail operation and that is one of our major cost expenditures. One of the strategies we were talking about is the one mill concept in Viti Levu. Why run two mills if the cane production is around a million in Viti Levu. So, these are the big initiatives that we can tap into to reduce FSC's expenses based on the current cane production.

MR. A. KUMAR.- Just to add on, we continue to operate the same old mills. We are greatly under-utilising the capacity of the mills. For example, the Lautoka Mill, designed to crush 1.2 million tonnes of cane annually. This year, it will only be crushing about 330,000 tonnes of cane.

We continue to employ the same number of people. We continue to incur the same costs. Everything remains, but the cane has gone down, and the sugar mix has gone down, so it is a factory utilisation; it is a capacity utilisation matter. We are not utilising the capacity that is available. It is such that we cannot just redo the operations where we can operate at a lower rate. The design is such that we cannot actually change the operating conditions, so it is a difficult scenario and it is the same in all the three mills.

Rarawai is also designed for more than 1 million tonnes of cane but it is only doing about 500,000 to 600,000 tonnes of cane. Similarly, Labasa can do 1.2 million to 4 million tonnes of cane, but it is not - cane production is only about 600,000 tonnes of cane. That is a big part of our costs.

If Rarawai can do more than 1 million tonnes of cane, we can progressively upgrade Rarawai Mill. It has major defects in the boiler. We have a proposal for a new boiler. If we are able to install a new boiler in the Rarawai Mill, and with the new cane carrier which we are doing in this season, we will be able to increase the crushing capacity of Rarawai Mill from the current 230 tonnes of cane per hour to about 300 tonnes cane per hour, then we can crush all Viti Levu cane in one mill. That should be our plan in the next three to five years.

We have done a lot of groundwork towards that. If we have a new boiler, we can also add an ethanol plant and do some diversifications. We can also add a back-end refinery, but progressively after we have upgraded the boiler.

The first investment that needs to go into Rarawai Mill is a new boiler and a cogeneration facility and for that, we have done our in-house feasibility. We have now requested the Ministry of Finance to avail to us, at least, one or two technical consultants, who can help us design that project so that we can seek some finances from donor agencies, such as Green Climate, ADB or IFC. That has been our request, and we have written to the Ministry of Finance through the Ministry of Sugar, we hope it will progress.

MR. CHAIRMAN.- There has been quite a lot of issues being raised; the danger that we face here is we do not address the issues in a band-aid manner, it has to be addressed holistically. That is the challenge that we are having now. You are doing that in small bits and pieces, but I think there is a need to address the issues holistically. I think that is not your work, it is for the government to do - look at our market, the strategic decisions that ought to be made that will sustain the industry in the next 50 years. However, thank you, Mr. Singh.

As we shared the other day, honourable Kumar had raised the need for management to be more proactive, coming up with suggestions to the Minister – these are the things that we need to do, rather than just sitting down and waiting. That was highlighted by honourable Kumar when we met at Lautoka – these are the steps that needs to be taken to ensure that we operate the industry at a profitable level so that it can be sustained by itself instead of relying on Government to continuing pouring funds without receiving the adequate annual return.

I just want to ask another question about crushing for this season. Has any decision being made to enable another crush?

MR. M. BIUKOTO.- Mr. Chairman, at the moment, because of the slow Memorandum of Gain Agreement (MOGA) from the gangs to our Sector Offices to indicate the readiness of the harvesting gang to harvest, the mills are sort of pausing, for example, like Lautoka. For Lautoka, two days before Lautoka was supposed to start, we compared the receival of MOGA for 2025 and 2026. In 2026, we had only 4 percent MOGA received, however, in 2025, we had about 60 percent MOGA received, which indicates that the gangs were out there ready to harvest. We looked at the other two mills in the last couple of days. The trend remains the same when compared to 2025, and we are supposed to be starting Rarawai Mill on the 16th and Labasa Mill on the 17th.

HON. P.D. KUMAR.- I would like to divert our attention to the land sale by FSC. I understand that a sum of $64 million was made by FSC. So my question are in two parts:

(1) What did you do with that money?
(2) Did you leave any land for future use by FSC or have you sold all?

MR. B.P. SINGH.- Through you, Mr. Chairman, the land sale happened between years 2019 and 2020. The $64 million was received, 80 percent or 90 percent land went to the Fiji National Provident Fund (FNPF), which is our statutory body. That was one of the aims of the management for FSC, that the land should remain within the Government statutory body so that any strategic decision for the nation to be made was within our control. Having said that, the $64 million raised during those years were used to fund FSC operations and one of the major things was to also repay the loan amounts that were required as it becomes due. So those are the two things that had been done.

HON. P.D. KUMAR.- I would like to commend FSC for taking that strategic action. I am a strong believer that whenever government sells the land, it should be within the statutory bodies, which is still half owned by the government, rather than leaving it totally in private sector hands where the government will then have to fork out money to buy it off in case they want to expand. So based on that question, how much land does FSC own?

MR. B.P. SINGH.- The land sold to this institution at given in the question, those lands were identified as non-co-assets for FSC. That could be diverted for sale, which will not affect FSC's operations and which has not affected so far. It was a strategic decision just to stay within our means and offset some of the land that we have available.

HON. P.D. KUMAR.- I am a bit confused because what I am trying to find out from you is how much land FSC owned, how much you have sold off and how much you still have.

MR. B.P. SINGH.- Through you Mr. Chairman, we own quite a bit of land. It all comprises of trimline, freehold, leasehold land and state land. However, as of now, I will not be able to give you area size in hectares, but it is quite big.

MR. L. JAYARAMAN.- It is actually the three mills plus Penang Mill, the land is still owned by FSC – the mills, housing compound and state land where we grow cane. That is still all with us, it has not been sold.

HON. K.V. RAVU.- Through you, Mr. Chairman, this is a tough question to ask, I just want to know your views on this because you have spent more than 20 years in your experience with the sugar industry. Could FSC clarify whether it is able to operate sustainably without reliance on Government budget?

MR. B.P. SINGH.- Mr. Chairman, FSC does not get any direct funding from the Government. We only get Government guarantees. So, the direct funding that goes as part of the annual budget, the users of that budget are mostly South Pacific Fertilizers Limited (SPFL), there is a fair portion that goes to the Sugar Cane Growers Council and the rest goes to the farmers in various forms of grants - cane planting grant, cane road access, drainage programmes and farmer incentive programmes. There are various programmes that we have. So, FSC annually does not get any direct funding from the Government other than Government guarantees which we need. We need the guarantees to seek loans from banks.

MR. CHAIRMAN.- If you do not receive any funding assistance, you are using Government guarantee. That guarantee has no opportunity cost that can be used for other industries that are out there and profitable, internationally competitive. Those are the sorts of thing. Even if you are noticing it, you are diverting resources from Government for other competitive industries that are out there.

Honourable Members, are there any other issues that you would like to raise?

HON. S.T. KOROILAVESAU.- Mr. Chairman, you had said there could be a diversification in the sugar mill in Ba in the various technical aspects that you have figured out. Can I just ask how much will that cost?

MR. B.P. SINGH.- The expected cost of the initial investment which is to replace the boiler plant will cost about $150 million. So, that is a boiler plus a co-generation plant.

MR. CHAIRMAN.- Mr. Singh, when the work was undertaken by the Indian Government, EXIM Bank (loan), they just refitted new equipment into old mills. When they were having problems, the people were saying, “no, it was due to that equipment. The equipment were not adequately fit.” Some of these lessons we should try not to repeat because we are just outfitting old mills. So, the thing is, maybe to look at establishing a new mill altogether with all the functions for co-generation, ethanol, et cetera because we just have to learn from what failed previously. What is the cost of building a new mill altogether with co-generation, ethanol and molasses, et cetera. Do you have any figures?

MR. B.P. SINGH.- Mr. Chairman, on Page 6 of our Report if you look at Item 8, where we looked at Rarawai Mill upgrade with sugar complex and ethanol plant, the total indicated investment of about $440 million.

HON. P.D. KUMAR.- Your report states that in 2024 FSC made a loss of $4.24 million. In 2025, you made a profit of $105.71 million. Do you not think this is misleading?

MR. CHAIRMAN.- Can you comment on that, Chief Financial Officer?

MR. A. KUMAR.- Mr. Chairman, through you, the reason for the profit was only the EXIM Bank grant that FSC receives and the $200 million grant that Government wrote off for FSC as a loan.

HON. P.D. KUMAR.- I think the report needs to really qualify that rather than giving that impression that the FSC made a profit, when actually it did not.

HON. P.D. KUMAR.- Just one more question and that is just about it.

We have noted that in 2025, the sugar production was the lowest - 1.32 million tonnes of cane crushed? Which year was it the lowest? 2024? My years are mixed-up but I noted that in one of these years, it was the lowest in 15 years. Can you explain what happened?

MR. B.P. SINGH.- Mr. Chairman, through you, the reason was low cane so there was now sugar as well. The major reason was the drought in that year. There was a huge drought in all cane belt areas and all the mills had a reduction in cane production due to the drought. It was a long-term drought.

MR. CHAIRMAN.- Twenty years ago, there was a report on irrigating sugarcane to ensure we operate a sustainable industry. Has there been any effort taken by FSC to trial and pilot out the irrigation of cane? Now, we are facing climate change, it is going to be a big issue into the future.

This was recommended years back to have dams in some of the areas, use that also for water. We are also facing water problems. In Rakiraki, there are water problems, but I think there is substantial water sources that can be used for the community and also to irrigate cane fields. Do you have any comments on that?

MR. L. JAYARAMAN.- Through you, Mr. Chairman, I think what you have cited is absolutely pertinent to the current situation because even beyond drought, in certain months like July and August when sustained rain is not there, the crops tends to suffer. So, supplementary irrigation is very much required for sustaining our productivity.

Coming on to the point of using the irrigation systems, of course, we intended to do that last year in 50 plots on a trial basis, but the problem was the pumping mechanism and the delivery mechanism to use the irrigation equipment. We were planning to bring in expertise on drip irrigation, rain guns and sprinkler irrigation to farmers on a trial basis but the pump capacities and the conveyance systems, pipelines and other things were far away and the cost was very high. That is why we could not do it.

We are now planning for this year to get it done partially in our estate so that we find how the cost benefits are working out for the growers in the future. We would also like to have some support from the Government, from the Ministry as well, to take forward this irrigation initiative for sustainability.

MR. CHAIRMAN.- There is so much funding available there - climate change funding, et cetera. Our minister is out there. Funding can be accessed but the initiative is on the industry to access that funding. That is where the whole topic of what the international development world is trying to address, and they can address some of those. If you can try to highlight that to the relevant Minister so that they can get funding. It is not only the honourable Minister for Sugar Industry, but other ministries have to contribute also to the problem that we are facing.

HON. S.T. KOROILAVESAU.- I just wanted to bring the subject to the present situation and the issues at hand. We had a meeting with the SCGC just before you came in. There seems to be a perception that MOGA is going well. I understand the comparison that you have given. In Lautoka, in comparison to last year, you only received 4 percent, and last year, about this time, you had 60 percent. So, basically, I wanted to ask you, the assurance that was given by the Sugar Cane Growers Council seemed to have given us some hope that there will be settlement into the future, however, what you have told us now, it does not seem that there is a positive indication of the start of harvest, and the operation of the mill. Can you just comment on that, and what you anticipate?

MR. M. BIUKOTO.- Mr. Chairman, the MOGA submission, that is what we are waiting for, for growers to indicate that they are ready to harvest. As per the figures that I have quoted, the figure has not changed so much from yesterday. Basically, it is still around that 5 percent to 6 percent for the two mills in Viti Levu and also in Labasa, compared to the previous years. At the moment, as I said, we are looking at Rarawai to start on the 16th. We will wait for the MOGA update today.

If nothing changes over this weekend, we hope that the announcement of the increase in delivery pay that happened last night will trigger something out there in the field, because the gangs will have to follow their gang constitution and call a meeting.

We are hoping that with that $47, they will be able to work out some numbers for their individual task out there in the gangs, what they do when they harvest and get the gangs to meet, agree on some number and submit. That is what we are hoping. If it does not, it will be similar to what we did for Lautoka where we will call for a deferment of crush, which will threaten us in terms of our supply to the nation from early July.

HON. P.D. KUMAR.- My last question, Mr. Chairman, is on the production target. You stated in your report that you intend to achieve 2 million tonnes of cane by 2028, and about 2.25 million tonnes by 2030. How achievable are these targets and how do you set the targets, looking at the situation with the whole industry, where the farmer number is decreasing, the cost is increasing, and there are many other issues within the sector? How will you achieve this target, if you can explain?

MR. L. JAYARAMAN.- Through you, Mr. Chairman, honourable Member, we have envisaged two scenarios of increasing production.

If you can have a sustainable grant because the farmers do not plant cane without any financial assistance. They do not have the financial ability to do it. One scenario, what we envisage is with the grant of around $10 million to $11 million provided for planting and also for restoring the old ratoons, because planting alone, we have seen so far has not got us the returns. Because the number of areas that is going out due to doubtful and poor management of crops far exceeds the planting grant we make. We have envisaged a programme where we restore the old ratoons, which are almost more than 10 years. Sir, 60 percent of the ratoons are more than 10 years. In any country, there is one plant and three ratoons or a maximum one plant and five ratoons.

Here it is all ancestral ratoons. We envisaged to have minimal planting because over the past three or four years, we have seen planting promotion alone has not given us the benefit, so we envisage to have a programme of gradually restoring the old ratoons of around 2,500 hectares every year. So, within another five years, at least to the extent of 12,500 to 15,000 hectares will be replaced by young crops. That will give us better productivity and that will also give us a better production.

The second thing we intend to do is to focus more on productive growers. Growers who really increase in their production year-in year-out or at least sustaining their production. Last year through the grant, we made a provision for the first time on a different slab level for different categories of growers like from 100-tonne farmers to 200-tonner farmers and 200-tonne farmers to 300-tonne farmers and above 300-tonnes. By focusing on the target group of farmers who can really improve the production is where we are planning to do our strategy. This strategy is scenario one. If you can get $10 million to $11 million, scenario two is getting $4 million every year for the grant. Right now, we will be able to achieve this $2 million only by 2032. So, that also we are given it in our paper.

Ideally, we are looking at getting on to 2 million only by 2032, not 2 million or 3 million tonnes which were being cited earlier because in 2023 the registered cane area was 75,000 hectares. This year, it is only 41,000 hectares and this will go down to 38,000 hectares. So, the area what we can play around itself is only around 30,000 to 32,000 hectares (maximum) and that cannot go down because the number of growers has dwindled.

Out of these 32,000 hectares, we should have some 15,000 to 16,000 hectares of very good cane, sustainable production cane in flatland areas rather than the hilly and slopey areas. So, that is the strategy on what we are planning to do. Hop that answers the question, honourable Member.

MR. CHAIRMAN.- We are providing subsidies and everything to everyone, not targeting those specific farmers that will increase the production; that is why we are not getting the expected production that we targeting. Why can we not come up with a system. We target those farmers that have more than 400 tonnes. The rest can go into other crops. I was saying previously in our session with the Sugar Cane Growers Council, that Prime Minister’s Office is promoting cowpeas in Ra, Ba and Nadi. We have seen that the farmers are responding. They are coming in droves to get cowpeas seeds because when I told them, “A quarter acre, you can get $10,000.” For cane, under the current price, with a quarter acre, you will roughly get about $4,000 at the most. So, the thing is more targeted support to get the production that we expected. What are your views on that?

MR. L. JAYARAMAN.- Mr. Chairman, I think that point is what we are also contending for so many because the grant has been on a first come, first serve basis so far until 2024. So, first come, first serve basis, any farmer can put in the application and take the grant irrespective of what is productivity and what is production. So, last year we presented to the Ministry the data we had and said, “out of these 10,250 growers, there are only 3,600 to 4,200 growers who are yearly productive. The balance of almost 60 percent of the growers is non-productive, in fact we had given the data also in the report. We had mentioned that farmers who are having 46 percentage of the total farmers, who are producing less than 100 tonnes, they supply only 15 percent of the cane for FSC. So, this is almost in akin to the pareto principle.

That is why we presented the data and last year we said. “there is no grant for farmers who are producing less than 30 tonnes per hectare.” We do see if we are able to make more stringent criteria to adhere to these grants, definitely as you said, Mr. Chairman, I think there will be some result but apart from planting alone, there is absolute need for us to focus on the old ratoons which is 95 percent of the crop. Every year the farmers plant only 5 percent. So, 95 percent is all old ratoons and because of that, there is no productivity and there is no sugar quality also.

Our CEO was saying about quality. The canes are all degenerated and management in terms of soil, health and other things are so poor that it is just adding fertiliser and cutting the cane and sending it to the mill. I think there are a lot of complicated issues which are there which we need to resolve scientifically to see that we get the best crop to the grower as well as

MR. CHAIRMAN.- Thank you. There are a lot of issues there for consideration.

HON. S.T. KOROILAVESAU.- Mr. Chairman, I just wanted to bring us back to the situation that we are in now. I think this is an opportunity for FSC to make out what is their plan or what they would like to see for the three sugar mills? Farmers will be listening in, what is your timeline that you would like to see the Labasa Sugar Mill to start operating, the Ba Sugar Mill and Lautoka Sugar Mill? I know that there are factors that can be fitted in, even

CEO, if you want to speak in Hindi, just for the farmers to understand the consequences and the issues that you are facing now.

MR. B.P. SINGH.- Mr. Chairman, I strongly believe that the mills need to start on time as scheduled. Lautoka Mill is already delayed, so we plan to start all the mills next week. At least, next week, all three mills should start.

The major reasons being, we need to meet the export market. We also need to fulfill the local market. We will be running out of sugar soon. At the end of this month, there will be no more sugar available to sell locally. We have already reduced the regional sales, which is the Pacific Island countries, so that we can continue to supply sugar in the local markets until the end of the month, if the mills really do not start. However, if the mills start, yes.

We also have a preferential shipment, which is the US shipment. Though it is a small quota of about 9,000 to 10,000 metric tonnes, it earns a higher return than the sugar we sell in the world market. That shipment has a scheduled targeted date to enter the port where it will be delivered, so we need to produce and sell that sugar as well.

Then we will slowly get into the wet part of the season where growers will have issues in the fields. My plea is that we need to resolve the issues that are there. I think the Government has done a lot in the last two or three days to resolve - try and help the growers with what they want. The delivery prices that they expected has been fulfilled last night through an additional funding of $5 per tonne and I believe that is sufficient for them to cover their costs and start operations. That is what I think should happen, Mr. Chairman.

Mr. Chairman, I just have one correction. In your earlier question in regard to a new sugar mill, a new greenfield project I misquoted, it is about FJD$720 million.

MR. CHAIRMAN.- We are guaranteeing FSC $200 million a year, so $700 million is within that scope.

On behalf of the Standing Committee on Economic Affairs, we would like to thank the team from FSC for coming in all the way from Lautoka, to provide your submission to the Committee. If we have any other questions, we will be contacting you as we are targeting to produce this Report in the next Parliament session.

The Committee adjourned at 11.34 a.m.

ANNEX 4

SITE VISITS/MEETINGS – NORTHERN & WESTERN

EAC Programme – Northern Division (3–5 June 2026)

Date	Time	Activity	Location
Wednesday, 3 June 2026	8:50 AM	Pick-up from Labasa Airport and travel to Savusavu	Labasa Airport
Wednesday, 3 June 2026	10.30AM	Meeting with the Sugar Cane Farmers/Growers	Seqaqa, Dos Office
Wednesday, 3 June 2026	1:00 PM	Meeting with Hoteliers / Savusavu Tourism Association	Grand Epic Hotel Conference Room
Wednesday, 3 June 2026	2:30 PM	Meeting with Na-Vualiku Programme	Level 3, JKS Building, Main Street
Wednesday, 3 June 2026	3:45 PM	Assembly for shuttle transfer to Nawi Island	Waitui Marina
Wednesday, 3 June 2026	4:00 PM	Site visit meeting	Nawi Island
Thursday, 4 June 2026	8:30 AM	Meeting with Savusavu Chamber of Commerce	Savusavu Chamber Office
Thursday, 4 June 2026	12:30 PM	Meeting with Labasa Chamber of Commerce & Macuata Tourism Association	Hotel North Pole Boardroom

Friday, 5 June 2026	10:00 AM	Meeting with FSC Officials	Fiji Sugar Corporation Boardroom
Friday, 5 June 2026	11:30 AM	Meeting with NDP	Commissioner's Boardroom
Friday, 5 June 2026	12.30PM	Meeting with the Sugar Cane Farmers/Growers	FSC Boardroom
Friday, 5 June 2026	4:35 PM	Drop-off for return flight to Suva	Labasa Airport

EAC Programme – Western Division (7 - 11 June 2026)

Sunday, 7 June 2026

Time	Activity	Venue	Location	Notes
2:30 pm	Pick-up begins	Nausori	Nausori	Travel preparation
3:30 pm	Departure to Rakiraki	—	Nausori to Rakiraki	Road travel
Evening	Check-in	Tanoa Rakiraki Hotel	Vaileka, Rakiraki, Ra, Fiji	Accommodation
7:00 pm	Meeting with Tourism Stakeholders	Nanumi Au Eco Tourism	Rakiraki, Ra, Fiji	Tourism Fiji Annual Report

Monday, 8 June 2026

Time	Activity	Venue	Location	Notes
10:30 am	Site visit/meeting	Dream View Villas	Volivoli Road, Rakiraki, Ra, Fiji	Tourism Fiji Annual Report
11:45 am	Site visit/meeting	Duadua Beach Resort **AND** Site Tours to Air BnBs around.	Volivoli Area, Rakiraki, Ra, Fiji	Tourism Fiji Annual Report
4:30 pm	Stakeholder Meeting	Smart Apparel Board Room	Vaileka, Rakiraki, Ra, Fiji	RA Chamber of Commerce, Business Houses, RA Tourism Association

---

Tuesday, 9 June 2026

Time	Activity	Venue	Location	Notes
10:30 am	Site meeting	Fiji Sugar Corporation (FSC) HQ	Rarawai, Ba, Fiji	FSC 2024–2025 Annual Report

11:30 am	Site meeting	Sugar Cane Growers Council HQ	Rarawai, Ba, Fiji	SCGC 2022 Annual Report
1:00 pm	Site meeting	South Pacific Fertilizer Office	Lautoka, Fiji	FSC & SCGC Reports
3:00 pm	Site meeting	First Landing Beach Resort & Villas	Vuda Point, Lautoka, Fiji	Tourism Fiji Annual Report (with First Landing & Vuda Marina stakeholders)

Wednesday, 10 June 2026

Time	Activity	Venue	Location	Notes
8.30 am	Site Meeting	Fiji Airways	Fiji Airways	Tourism Fiji Annual Report
9:30 am	Site meeting	Denarau Marina Conference Room Marinas, Commercial Boat Operators and Yacht Agents.	Denarau Island, Nadi, Fiji	Tourism Fiji Annual Report

12:00 pm	Site meeting	Sheraton Fiji Golf & Beach Resort (Conference Room)	Denarau Island, Nadi, Fiji	Meeting with Marriott Hotel Group – Tourism Fiji Annual Report
2:40 pm	Site meeting	Tourism Fiji Boardroom	Nadi, Fiji	Tourism Fiji Annual Report

---

Thursday, 11 June 2026

Time	Activity	Venue	Location	Notes
10:30 am	Site meeting	Shangri-La Yanuca Island Resort	Yanuca Island, Coral Coast, Fiji	Tourism Fiji Annual Report
12:00 pm	Site meeting	Hideaway Beach Resort	Korolevu, Coral Coast, Fiji	Tourism Fiji Annual Report
1:15 pm	Site meeting	Tambua Sands Beach Resort – Coral Coast Initiatives	Korolevu, Coral Coast, Fiji	Tourism Fiji Annual Report

Seaqaqa – Meeting with Cane Growers (3 June 2026)

The Committee, during its site visit to the Seaqaqa area, met with cane growers and noted the following concerns and recommendations:

- The Committee noted concerns regarding ineffective representation by the Sugar Cane Growers Council (SCGC), with growers indicating that the Council is not adequately advocating for their interests and lacks sufficient consultation with farmers.
- Growers raised complaints regarding bulk purchasing practices, including concerns about inflated prices of agricultural supplies.
- The Committee noted concerns about the poor quality of supplied goods, including staple items such as rice.
- It was noted that fertilizer distribution systems were generally satisfactory and functioning adequately.
- The Committee noted delays in the announcement of forecast cane prices, which adversely affect growers' planning and financial decision-making.
- Growers highlighted a steady decline in cane production and the broader deterioration of the sugar industry.
- Concerns were raised regarding declining sugar prices and the lack of transparency within the sugar market.
- The Committee noted requests from growers for the introduction of fuel rebates to assist with transportation and harvesting operations.
- Labour shortages and high fuel costs were identified as major challenges impacting productivity and profitability.
- The Committee noted concerns regarding delays in cane payments, contributing to financial strain on farmers.
- Issues were raised concerning the lack of mechanisation support and the absence of subsidies for harvesters.
- Growers expressed dissatisfaction with the lack of consultation and communication from SCGC and other relevant institutions.
- The Committee noted concerns regarding outdated operational methodologies within the sugar industry.
- Overall, the Committee noted that cane price instability and high fuel costs remain the primary issues affecting cane growers in the area.

Labasa – Fiji Sugar Corporation Meeting – with FSC Officials (4 June 2026)

The Committee, during its consultation with FSC Labasa Operations, noted the following concerns and observations:

- The Committee noted that the Labasa Mill has been in operation for over a century; however, much of its equipment and technology remains outdated, requiring significant modernization and capital investment.

- It was noted that while there has been some recent recovery, sugarcane production has experienced a significant long-term decline compared to historical peak levels.

- The Committee noted that operational inefficiencies are largely driven by inconsistent cane supply, with substantial downtime attributed to supply shortages rather than mill performance.

- Concerns were raised regarding weak coordination in harvesting and supply chain management, contributing to reduced mill efficiency.

- The Committee noted that the grower base is ageing, with limited participation from younger farmers, posing sustainability challenges for the industry.

- Labour shortages, particularly in skilled technical areas, were identified as a major constraint, exacerbated by migration and limited training opportunities.

- The Committee noted increasing reliance on mechanisation due to labour constraints; however, access to machinery remains costly and limited for many farmers.

- Concerns were raised regarding climate and environmental challenges, including flooding, cyclones, and saltwater intrusion, which continue to affect cane productivity.

- The Committee noted rising operational costs, including fuel, labour, and imported machinery, placing additional financial strain on FSC and farmers.

- Issues were raised regarding declining farmer participation, with growers exiting the industry due to low returns and high production costs.

- The Committee noted limitations in rail transport systems, which currently account for a minimal share of cane delivery, reducing overall transport efficiency.

- Concerns were raised regarding lack of coordinated policy implementation and alignment across stakeholders in the sugar industry.

- The Committee noted opportunities to improve productivity through expansion of mechanisation, development of new cane varieties, and utilisation of idle land for cultivation.

- It was noted that renewable energy generation from bagasse presents an opportunity to diversify revenue streams and improve sustainability.

- The Committee emphasized the need to strengthen coordination between field operations and mill systems to ensure consistent cane supply and improved efficiency.

- The Committee noted the importance of enhancing training and workforce development to address skills gaps within the industry.

- It was noted that improved investment planning, prioritisation, and data-driven decision-making are critical to supporting industry recovery.

- Overall, the Committee noted that while the sugar industry faces significant structural and operational challenges, there remains potential for recovery through modernization, improved coordination, and strategic reforms.

Labasa – Acting Commissioner for Northern & Team Meeting (4 June 2026)

The Committee, during its consultation with the Office of the Commissioner Northern Division, noted the following concerns and recommendations:

- The Committee noted that the Northern Division comprises a wide geographic area with dispersed rural populations, where economic activities are primarily driven by agriculture, fisheries, and forestry, with growing contributions from tourism and the service sector.

- It was noted that the Division contributes significantly to the national economy; however, there remains heavy reliance on primary industries with ongoing efforts toward diversification.

- The Committee noted ongoing infrastructure development initiatives, including improvements in roads, water supply, energy access, and telecommunications, aimed at supporting economic growth and service delivery.

- Concerns were raised regarding persistent infrastructure gaps, particularly in rural road access, telecommunications coverage, and water supply systems, with many communities relying on informal arrangements.

- The Committee noted challenges relating to weak coordination across government agencies and development programmes, resulting in duplication of efforts and inefficiencies.

- Concerns were raised regarding inadequate prioritisation of large-scale infrastructure, with resources often fragmented across smaller initiatives with limited long-term impact.

- The Committee noted the need to improve value addition within key sectors, particularly agriculture, to address loss of revenue due to limited processing and packaging capabilities.

- It was noted that rural communities possess significant untapped economic potential; however, they require improved access to finance, infrastructure, and markets to fully participate in economic development.

- Concerns were raised regarding social challenges, including illicit activities and the need for alternative livelihood opportunities to support community resilience.

- The Committee highlighted concerns regarding lack of alignment between externally funded development programmes for example, Na Vualiku project with national or local priorities. It was also noted that there is a lack of strong oversight steering committee to include Commissioner Northern to drive world bank funded projects.

- The Committee noted concerns regarding the sugar industry, including uncertainty in cane supply, declining farmer participation, and potential impacts on national production and export performance.

- It was noted that strengthening engagement with farmers and ensuring stability in the sugar supply chain is critical to sustain the sector.

- The Committee noted the need to improve transport and logistics systems, including consideration to expand rail-based transport and to explore private sector participation.

- It was noted that prioritising high-impact infrastructure investment, particularly in roads, water, and connectivity, is essential to unlock economic growth in the region.

- The Committee noted the importance of promoting value addition, improving market access, and strengthening supply chains to enhance economic returns from local production.

- The Committee emphasized the need to support rural livelihoods through diversification and income-generating opportunities, including public-private partnerships.

- Overall, the Committee noted that while the Northern Division demonstrates strong economic potential, achieving sustainable development will require improved coordination, targeted infrastructure investment, and strengthened rural economic transformation strategies.

Labasa – Cane Growers Meeting at FSC (4 June 2026)

The Committee, during its site visit to the Labasa area, met with cane growers and noted the following concerns and recommendations:

- The Committee noted concerns regarding delayed cane payments and lack of transparency in pricing mechanisms, which continue to affect farmers' financial stability.

- Concerns were raised regarding the performance of the Sugar Cane Growers Council (SCGC), particularly its limited consultation and engagement with farmers.

- Growers highlighted challenges relating to rising fuel costs, an ageing farmer population, and operational inefficiencies within the sector.

- The Committee noted concerns regarding poor communication and ineffective support programmes provided to growers by relevant institutions.

- The Committee noted that improved governance structures, enhanced transparency, and strengthened farmer support systems are critical to addressing the issues faced by cane growers.

Fiji Sugar Corporation (FSC) – Tuesday, 9th June 2026

The Committee, during its consultation on the Fiji Sugar Corporation (FSC) Annual Report (2024–2025) and stakeholder engagement, noted the following concerns and recommendations:

- The Committee noted that FSC remains financially distressed and continues to rely on government guarantees, with persistent debt accumulation despite previous write-offs.

- It was noted that declining sugarcane production, coupled with largely fixed operational costs, has significantly constrained FSC's financial sustainability.

- The Committee noted that the corporation faces structural limitations in reducing costs due to fixed infrastructure and workforce requirements.

- Concerns were raised regarding inconsistent cane supply, which limits mill efficiency and prolongs crushing seasons, resulting in increased operational costs.

- The Committee noted issues relating to poor cane quality, including burning practices, which negatively impact sugar yield and overall revenue.

- Concerns were raised regarding inefficient stop-start milling operations caused by insufficient and irregular cane supply.

- The Committee noted ongoing labour shortages across both skilled and unskilled workforce categories, affecting operational performance.

- It was noted that FSC faces market constraints due to limited bargaining power as a small global supplier, with reliance on brokers and exposure to fluctuating international prices.

- The Committee noted that the railway transport system is increasingly becoming a cost burden due to declining cane volumes, with suggestions to rationalise operations and explore alternative arrangements.

- Concerns were raised regarding outdated legislative and regulatory frameworks governing the sugar industry, which no longer align with current economic conditions.

- The Committee noted inefficiencies arising from fragmentation across multiple industry institutions, resulting in weak coordination and policy implementation.

- It was observed that the industry continues to function more as a social support system rather than a commercially viable enterprise, placing a strain on public finances.

- The Committee noted the need to reform cane pricing mechanisms to improve farmer cash flow, including consideration of revised payment structures within the same production season.

- It was noted that industry restructuring, including rationalisation of mills and consolidation of institutional structures, is necessary to improve overall efficiency.

- The Committee emphasized the importance of comprehensive legislative reform to modernise governance and strengthen the commercial viability of the sugar industry.

- The Committee noted opportunities for investment and diversification, including upgrades to infrastructure and exploration of alternative revenue streams such as ethanol production.

- It was noted that strengthening coordination among government, FSC, and key stakeholders is critical to addressing systemic challenges and ensuring cohesive implementation of reforms.

- Overall, the Committee noted that without substantial structural, policy, and operational reforms, the long-term sustainability of the sugar industry will remain at risk.

South Pacific Fertilizers (SPF) – Tuesday, 9th June 2026

The Committee, during its consultation with South Pacific Fertilizers Ltd, noted the following concerns and observations:

- The Committee noted that South Pacific Fertilizers Ltd plays a critical role in the sugar industry through fertilizer blending and distribution, with the majority of its operations supporting sugarcane farmers.

- It was noted that the company remains heavily dependent on the sugar industry for revenue, with limited diversification into non-sugar sectors.

- The Committee noted that the company faces significant challenges due to its reliance on imported raw materials, making it highly vulnerable to global supply chain disruptions and increasing international costs.

- Concerns were raised regarding rising global fuel prices, which have significantly increased shipping, logistics, and overall input costs.

- The Committee noted additional constraints arising from international export restrictions on key fertilizer inputs, requiring the company to source from alternative markets at higher costs.

- Concerns were raised regarding increasing domestic fuel prices, which have substantially raised fertilizer distribution costs and affected delivery operations.

- The Committee noted challenges with third-party cartage services, including reduced availability of contractors and increasing demands for higher delivery rates.

- It was noted that the current supply chain model, where fertilizer orders are processed through FSC and payments are recovered over an extended period, creates cash flow pressures for the company.

- The Committee noted that delayed cost recovery for fertilizers and weedicides impacts the company's liquidity and its ability to sustain continuous supply.

- Concerns were raised regarding the company's reliance on government subsidies to maintain affordable fertilizer prices for farmers.

- It was noted that without continued government support, fertilizer prices would increase significantly, placing additional financial burden on growers.

- The Committee noted that diversification into other products such as weedicides and rice has provided limited financial relief and is insufficient to offset subsidy dependence.

- The Committee noted measures being implemented by the company, including diversifying supply sources, maintaining stock availability, and reviewing logistics arrangements to sustain operations.

- It was noted that global market volatility and geopolitical factors continue to create uncertainty in fertilizer supply and pricing.

- Overall, the Committee noted that while South Pacific Fertilizers Ltd continues to play a vital role in supporting the agricultural sector, addressing supply chain vulnerabilities, cost pressures, and financial sustainability will be critical to ensuring continued support for sugarcane farmers.