STANDING COMMITTEE ON ECONOMIC AFFAIRS

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

PARLIAMENT OF THE REPUBLIC OF FIJI
Parliamentary Paper No. 74 of 2026

July 2026
Published and Printed by the Department of Legislature, Parliament House, SUVA

Table of Contents

Table of Acronyms

CEO	Chief Executive Officer
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation
FSC	Fiji Sugar Corporation
FJD	Fijian Dollar
FY	Financial Year
POCS	Pure Obtainable Cane Sugar
SAF	Sustainable Aviation Fuel
SDG	Sustainable Development Goals
SRIF	Sugar Research Institute of Fiji
TCTS	Tonnes of Cane to Tonnes of Sugar

Chairperson's Foreword

On behalf of the Standing Committee on Economic Affairs, I present this Consolidated Review Report of the Fiji Sugar Corporation (FSC) Annual Reports 2024 and 2025.

The Committee's review highlights a sector under significant strain, facing deep-rooted structural, operational, and financial challenges. While FSC reported a net profit in 2025, the Committee finds that this outcome does not reflect a genuine turnaround in performance but is instead largely attributable to Government interventions and accounting adjustments. Beneath this headline figure lies a concerning reality of declining production, deteriorating infrastructure, and continued financial vulnerability.

Sugar production has continued its downward trajectory, reaching its lowest level in over a decade, while cane supply constraints, high burnt cane levels, and inefficiencies in harvesting and transport systems persist. At the same time, FSC remains heavily burdened by debt and dependent on ongoing Government support, raising serious concerns about fiscal sustainability and long-term viability

The Committee further notes systemic weaknesses in governance, asset management, and industry coordination. Chronic underinvestment has contributed to infrastructure deterioration, while diversification initiatives though promising in concept remain largely aspirational without clear business cases, financing strategies, or measurable outcomes.

Equally concerning is the continued decline in the grower base and cane cultivation area, which poses a direct threat to the future of the industry. Without urgent interventions to restore the economic viability of cane farming and strengthen confidence among growers, production targets will remain unattainable, and the industry's contraction will persist. Major problem affecting farmers is that the current cost of production is too high for the small farm size of 10 hectares (ha) farm size that was set in the 1960s. In addition, 80% of the farmers are producing 20% of total production to the mill while only 20% are producing 80% of the total tonnage. Low sugarcane yields and rising production costs have significantly impacted the industry's competitiveness.

Notwithstanding these challenges, the Committee acknowledges FSC's efforts to sustain operations under difficult circumstances, including steps toward mechanisation, digitalisation, and potential diversification into new product streams. These initiatives, while still in early stages, provide a foundation upon which meaningful reform can be built.

The Committee emphasises that incremental adjustments will not be sufficient to address the scale of the challenges identified. The findings of this report point to the need for decisive and coordinated reform encompassing strengthened governance, improved accountability, strategic investment decisions, and a fundamental reassessment of the industry's long-term business model.

The recommendations contained in this report are therefore directed at restoring operational discipline, improving transparency, reducing fiscal exposure, and enabling a managed transition toward a more sustainable and commercially viable industry. This will require strong leadership and collaboration across Government, industry institutions, and stakeholders, including growers.

I extend my appreciation to the Board, Management, and staff of FSC for their cooperation with the Committee during this review process, as well as to my fellow Committee Members-Hon. Premila Kumar, Hon. Semi Koroilavesau, Hon. Alipate Tuicolo, Hon. Kalaveti Ravu, and the Secretariat for their valuable contributions in producing this report.

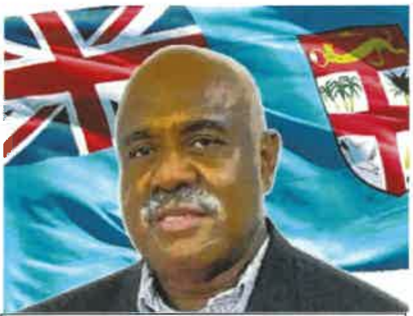
On behalf of the Standing Committee on Economic Affairs, I commend this Review Report to Parliament and request all Hon. Members of this august House to take note of its findings and recommendations.

....

Hon. Sakiusa Tubuna
Chairperson

1.0 Committee Membership

Pursuant to Standing Order 109(2)(a) the Standing Committee on Economic Affairs is mandated to look into matters related to economic development, finance, banking and taxation. The members of the Standing Committee on Economic Affairs and are as follows:



Hon. Sakiusa Tubuna
Chairperson

Hon. Premila Kumar
Deputy Chairperson

Hon. Semi Koroilavesau
Member

Hon. Alipate Tuicolo
Member

Hon. Kalaveti Ravu
Member

1.1 Committee Secretariat

The Committee is supported by a team of Parliament Officers serving as the Committee Secretariat. These officers are appointed and delegated by the Secretary-General to Parliament under Standing Order 15(3)(i). The Secretariat team consists of the following Parliament officers:

- Ms. Marica Tuisoso – Senior Committee Clerk
- Ms. Awantika Raj – Deputy Committee Clerk

Committee contact details.

Address:	Standing Committee on Economic Affairs Committee. Parliament of the Republic of Fiji Government Buildings SUVA, FIJI
Phone:	+679 322 5600/ +679 8925 223
Web:	http://www.parliament.gov.fj/committees/standing-committee-on-economic-affairs/

2.0 Introduction

The Standing Committee on Economic Affairs ('the Committee'), was referred the Fiji Sugar Corporation Annual Report 2024 on 6th December 2024 and FSC Annual Report 2025 on 13th March 2026, pursuant to Standing Order 38(2) of the Standing Orders of the Parliament of Fiji. The Committee was mandated to review these Annual Reports and table its findings to Parliament. In line with its mandate, the Committee undertook a detailed examination of the report and now presents its findings and observations to Parliament.

2.1 Procedure and Programme

2.1.1 The Committee began its review of the Annual Report in May 2026. The review process was agreed upon by consensus among the Committee Members and involved a comprehensive and systematic examination of the reports.

2.1.2 Before the formal meetings, the Members of the Committee read and reviewed the 2024 and Annual Reports. During the Committee deliberations, Members analysed the content of the reports, identified key issues, and engaged in in-depth discussions to evaluate the findings. These discussions led to the formulation of the key questions and identification of issues requiring further clarification.

2.1.3 The Committee undertook site visits in the Northen and Western Divisions and visited the farmers and mills.

2.2 Oral Evidence Received

2.2.1 The Committee received a briefing and public submissions from the Fiji Sugar Corporation on 12 June 2026.

2.3 Written Evidence Received

2.3.1 The Committee received written submission from FSC to the questions that was sent to them for their response.

3.0 Committee Deliberations and Analysis

3.1 Background

The Fiji Sugar Corporation (FSC) is a state-controlled company established in 1972 by an Act of Parliament to take over sugar milling operations in Fiji and has since operated as the country's primary sugar producer under the Companies Act. It is majority-owned by the Government of Fiji (94.6%) and operates three sugar mills in Lautoka, Ba (Rarawai), and Labasa, undertaking the milling of sugarcane and the manufacture and sale of raw sugar and molasses. FSC also maintains a railway network for cane transport and plays a significant economic role as a major regional employer and contributor to Fiji's exports, with strong linkages to rural livelihoods and the wider economy.

3.2 Summary of the 2024 and 2025 Performance and Achievement

The Fiji Sugar Corporation continued to face significant structural, operational and financial challenges during FY2024 and FY2025.

3.2.1 Financial Performance

Table 1: Financial Performance Summary

Indicator	FY2024	FY2025	Variance/Observation
Net Result	Loss of $4.23 million	Profit of $105.71 million	FY2025 profit primarily resulted from the Government debt write-off of $200.2 million, in reality FSC made loss.
Capital Investment	$10.05 million	$7.34 million	Capital expenditure reduced due to financial constraints.

3.2.2 Operational Performance

Table 2: Production Performance

Indicator	FY2024	FY2025	Change
Sugarcane Crushed	1.57 million tonnes	1.33 million tonnes	▼ 15.3%
Sugar Produced	139,628 tonnes	126,522 tonnes	▼ 9.4%

Sugar Exported	104,670 tonnes ($154.79m)	83,877 tonnes ($89.15m)	▼ 19.9%

3.2.3 Production Efficiency

Table 3: Factory and Cane Efficiency Indicators

Indicator	FY2024	FY2025	Variance/Observation
Tonnes Cane to Tonnes Sugar Ratio (TCTS)	11.2	10.5	Improvement in milling efficiency and sugar extraction rates.
Percentage of Cane Sugar (POCS)	9.8	10.3	Improved cane quality despite adverse weather conditions.

3.2.4 Human Capital and Workforce

Table 4: Workforce Profile

Indicator	FY2024	FY2025	Variance/Observation
Total Workforce	1,741	1,702	Workforce remained relatively stable.
Female Representation	6.2%	7.0%	Continued improvement in gender inclusion.
Training Programmes	250 sessions	125+ programmes	Continued investment in workforce development.

3.2.5 Talent Retention Challenges

Table 5: Labour Force Challenges

Area	FY2024	FY2025
Skilled Labour Migration	Continued shortages in technical trades - 3 IT staff and 74 tradespersons departed the Corporation. Approximately 30% would be migrating.	Loss of 45 skilled tradespersons and 7 IT professionals. Approximately 30% of this departure would be towards migration.

Expatriate Recruitment	46 expatriates recruited from India and the Philippines	Continued use of specialist recruitment mechanisms. Exploring and discussions in engaging Bangladesh employees. 42 expatriate engagement from India and Philippines.
Workforce Development	21 apprentices engaged	Cadet Programme and AI-enabled recruitment introduced. 12 Apprentices engaged, cadet engineering program whereby 2 employees are undertaking Diploma programme.

3.2.6 Mechanisation and Modernisation

Table 6: Mechanisation Initiatives

Indicator	FY2024	FY2025
Mechanised Harvesting	42.4%	44.5%
Harvester Fleet	112 machines	Expanded operations maintained with 4 old machine replaced with new machines.
New Technology Introduced	Semi-track harvesters	12 dual-row planters and 16 fertiliser applicators introduced. 112 tractor service providers (TSP) operational.

3.2.7 Cane Development and Agricultural Initiatives

Table 7: Agricultural Development Programmes

FY2024 Initiatives	FY2025 Initiatives
Farm Management Agreement introduced	2,648 hectares newly planted (37% increase)
Expansion of cane planting programmes	27 new landowner units identified for cane promotion in 100 Ha. 18% increase in cane production from FSC estates over last FY and increase in productivity from 45 to 54 tons / Ha.

Aglime application programme	871 Ha. covered with aglime application without subsidy support
Online soil testing and report module developed	Climate-resilient and high-sugar varieties introduced -Beqa, Naidiri and Galoa varieties promoted in Vitilevu
Precision fertiliser application	90% targeted fertilizer issue to growers before December 2025
Farmer Connect digital platform commenced	Nutrient spraying, revised fertilizer dose, new effective low cost weedicide testing and launch. Grower visits and detail recorded in system.

3.2.8 Infrastructure and Transport

Table 8: Transport and Infrastructure Development

Indicator	FY2024	FY2025
Cane Access Roads Repaired	3,422 kms of roads repaired. 23 crossings identified for repair.	3,339 Kms of cane access roads repaired. 25 crossings were repaired.
Drainage Desilted	956,280 metres of main and sub drains cleared.	No drainage work program.
Rail Transport	6,971 tons cane (0.5% of cane) supplied through cage bins. (37 cage bins)	11,768 tons (0.8% of cane) – almost double over last year supplied through cage bins largely because of increase in Labasa (65 cage bins). Overall rail % cane decreased from 6% in last FY to 5% in 2025.
Road Transport	1,250,956 tons carted by lorry mode	1,404,353 tons carted through lorry (11% increase over last FY)

3.2.9 Sustainability and Climate Resilience

In 2025 approximately FJD$3.25 million generated from bagasse-based energy as compared to approximately FJD$3.05million in 2024.

4.0 Committee Findings

The Committee conducted a thorough review of the FSC Annual Reports and public submission from FSC. The following findings are presented for the attention of Parliament:

4.1 Operational Crisis Deepening

The 2025 Annual Report confirms a 15% decline, the worst sugar production in 15 years. The production trajectory has been 155,812 tonnes in 2022, 139,628 tonnes in 2023, and 126,522 tonnes in 2024 representing an accelerating decline. This demonstrates that FSC has not shown any improvement despite millions of taxpayer dollars in bailouts. This reflects a lack of operational recovery. Major problem affecting farmers is that the current cost of production is too high for the small farm size of 10 hectares (ha) farm size that was set in the 1960s. In addition, 80% of the farmers are producing 20% of total production to the mill while only 20% are producing 80% of the total tonnage. Low sugarcane yields and rising production costs have significantly impacted the industry's competitiveness.

4.2 Table 9: Comparison of Cost in Lautoka, Rarawai and Labasa Mills (FJD$)

	Lautoka		Rarawai		Labasa		Total	
	FY 25	FY 24	FY 25	FY 24	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	1,032,487	1,032,487	3,157,236	3,258,111
Rail Operation	1,897,876	2,281,517	1,728,995	1,941,998	2,326,051	2,138,880	5,952,921	6,362,396
Engineering Operations	5,670,542	4,317,022	3,662,412	3,720,053	2,472,826	2,339,460	11,805,779	10,376,535
Chemical Operations	413,901	836,841	905,039	915,598	709,520	944,886	2,028,460	2,697,326
Factory Maintenance	4,277,643	3,418,966	4,792,645	4,728,981	3,907,205	3,289,152	12,977,493	11,437,098
TOTAL	**13,291,119**	**11,867,478**	**12,182,683**	**12,519,122**	**10,448,088**	**9,744,865**	**35,921,890**	**34,131,466**
ADMINISTRATIVE & OVERHEAD								
Overhead	936,818	879,870	839,117	791,311	857,669	857,759	2,633,603	2,528,940
Administrative	3,753,627	3,218,472	3,777,897	3,244,865	3,423,156	2,877,518	10,954,680	9,340,855
TOTAL	**4,690,445**	**4,098,342**	**4,617,014**	**4,036,176**	**4,280,825**	**3,735,277**	**13,588,283**	**11,869,795**
TOTAL MILL COST	**17,981,564**	**15,965,820**	**16,799,697**	**16,555,298**	**14,728,913**	**13,480,142**	**49,510,173**	**46,001,261**
Salaries & Wages	**7,660,721**	**7,351,482**	**7,903,536**	**7,358,038**	**8,040,433**	**7,151,907**	**23,604,691**	**21,861,426**
Work Force Requirements								
General Employees	151	120	131	131	116	127	398	378
Mechanics & Tradesman	172	167	133	136	150	139	455	442
Clerks	23	23	14	16	11	11	48	50
Staff	90	94	68	68	65	66	223	228
Total	**436**	**404**	**346**	**351**	**342**	**343**	**1,124**	**1,098**

The Committee noted the substantial operating cost of Lautoka Mill, with total mill costs increasing to $17.98 million in FY25. In light of these high fixed and operational costs, the Committee is concerned that the mill may not be operating at its optimal capacity, particularly where cane supply is insufficient to sustain efficient operations. Such underutilisation could place additional pressure on FSC's cost structure and overall profitability.

4.3 Financial Position Remains Precarious

The FY2025 profit of **$105.71 million** is a misleading headline. FSC still carries $382 million in debt, negative shareholders' equity, and cannot fund necessary capital investment without government support. As acknowledged by the FSC Chairman, government interventions and accounting adjustments were decisive in producing the reported profit; without them, FSC would have recorded a loss. The figure therefore does not reflect a genuine turnaround in FSC's underlying financial position.

4.4 Infrastructure Deterioration is Structural

Asset impairment losses of $72.15 million in FY2025 and capital expenditure well below annual depreciation for many years represent a structural failure of asset management. Mill performance has declined to the point that one mill required the most extensive restoration in the industry's 140-year history in 2024, causing production interruptions.

4.5 Burnt Cane is a Persistent Failure

At 54% nationally and reaching as high as 62% at some mills, burnt cane levels have shown no meaningful improvement despite repeated annual commitments. This means the industry continues to process a much lower proportion of fresh green cane, directly affecting sugar recovery and efficiency. The persistence of such high burnt cane rates cannot simply be attributed to weather conditions or farmer awareness it points to a deeper failure in industry regulation, enforcement, and incentive structures.

4.6 Taxpayer Exposure Continues to Increase

The level of government support provided to FSC, including debt restructuring, operating guarantees, capital injections, export subsidies, and direct lending, represents a growing fiscal exposure for taxpayers. Despite the significant public resources committed over the years, Parliament has yet to receive a comprehensive lifetime cost-benefit analysis of government support to FSC.

4.7 Weakness in Diversification Planning

FSC's diversification initiatives, including ethanol, sustainable aviation fuel (SAF), refined sugar, and new mill development, remain largely aspirational. The Annual Reports lack detailed business cases and funding commitments, limiting the ability to assess feasibility or progress. There is no strategic crop plan and no strategic plan for the industry which outlines organizational long term goals and actionable steps required to bridge the gap between where FSC is today and where it wants to progress into the future.

4.8 Grower Decline Threatens Industry Viability

The reduction in cane-growing land from more than 50,000 hectares at its peak to approximately 31,723 hectares in 2024 highlights a significant contraction of the grower base. This decline is inconsistent with FSC's target of producing 2.25 million tonnes of cane by 2030. Unless the economic viability of cane farming is restored, the industry will continue facing structural decline regardless of improvements in FSC's milling operations.

5.0 Committee Recommendations

The Committee makes the following recommendations to enhance FSC's performance, transparency, and accountability to Parliament and to the people of Fiji:

5.1 **Reform and Modernization:** Without significant reform and modernization, Fijis sugar industry will remain uncompetitive. Government and the industry must make wholesale changes to the structure, practices and government support measures, policies and institutional arrangements. The Sugar Industry Act and related regulations should be reviewed to streamline institutional arrangements, eliminate duplication, and align the sector with modern commercial principles. There are too many organisations linked to the sugar sector which is overlapping and out of date.

5.2 **Proposed closure of the Lautoka Mill:** FSC to undertake a comprehensive assessment of the closure of the Lautoka Mill. This assessment should include considerations related to the assets associated with the mill, the implications for worker redundancy and the costs related to cartage to Rarawai Mill.

5.3 **Consolidated Governance Structure:** The Minister responsible for Sugar must appoint a single board of directors to oversee the operations of FSC, SRIF and South Pacific Fertilisers Ltd to reduce cost and to bring in synergies for better performance.

5.4 **Parliamentary Oversight of Major Investments:** Any proposal to establish a new sugar mill or undertake capital investment above FJD $50 million should require Parliamentary approval, given FSC's government-owned status and ongoing fiscal dependence.

5.5 **Strengthened Parliamentary Scrutiny:** Parliament should ensure the Standing Committee on Economic Affairs retains an independent oversight role with regular FSC appearances (at minimum annually) and the power to review Board subcommittee minutes and management reports

5.6 **Managed Transition for non-viable Growers:** For cane farmers for whom the economics of production are demonstrably unviable, the Government should develop a structured transition programme including land use diversification support, retraining, and alternative livelihood pathways. Continuing to subsidise uneconomic farming indefinitely is not a solution; a managed, dignified transition protects affected communities.

5.7 **Farm Size:** Efforts should be made to increase farm size so that it is economical for farmers to use large areas of land. A structured transition programme should be developed for growers for whom cane farming is no longer economically viable, including support for land use diversification, retraining, and alternative livelihoods to ensure a dignified and sustainable transition.

5.8 **Feasibility Study on the New Mill:** Feasibility study for the establishment of a new multi-functional mill to include production of ethanol and co-generation to be undertaken immediately to allow production planning to be undertaken immediately.

5.9 **Cane Quality Payment System:** Cane quality payment system needs to re-introduced to ensure that farmers do not produce burnt cane and that farmers are rewarded for the quality of cane produced instead of the weight.

6.0 Sustainable Development Goals

The Committee noted that the Fiji Sugar Corporation (FSC) has undertaken initiatives that contribute to the achievement of the United Nations Sustainable Development Goals (SDGs), as outlined below:

6.1 Gender Equality (SDG 5)

The Committee noted that FSC has demonstrated commitment towards promoting gender equality within its workforce.

- Female participation increased to 6.2% of the workforce, indicating gradual progress.
- FSC maintains equal pay practices and enforces policies that prevent workplace discrimination.
- Training and development programmes are equally accessible to both male and female employees.

6.2 Decent Work and Economic Growth (SDG 8)

The Committee noted that FSC continues to contribute to employment creation and economic activity.

- FSC employs approximately 1,700 employees during peak operations, contributing to rural livelihoods.
- The Corporation implements merit-based recruitment and transparent employment practices.
- FSC provides training, apprenticeship programmes, and employee welfare support, including health and safety initiatives.

6.3 Industry, Innovation and Infrastructure (SDG 9)

The Committee noted FSC's efforts towards improving infrastructure and innovation within the industry.

- FSC has introduced mechanisation in farming operations, including harvesters and fertiliser applicators.
- Implementation of digital platforms for growers, such as the Grower Portal, to enhance efficiency.

- Continued investment in plant, machinery, and milling infrastructure to improve operational performance.

6.4 Climate Action (SDG 13)

The Committee noted FSC's initiatives to address climate-related challenges.

- Implementation of drainage systems and climate-resilient practices to reduce the impact of adverse weather conditions.
- Promotion of climate-resilient sugarcane varieties and improved soil management practices.
- Utilisation of bagasse for energy generation, contributing to renewable energy production and reduced emissions.

6.5 Partnerships for the Goals (SDG 17)

The Committee noted FSC's collaborations with key stakeholders in the sugar industry.

- FSC works in partnership with:
    - the Ministry of Sugar Industry;
    - Sugar Research Institute of Fiji (SRIF);
    - Sugarcane Growers Council; and
    - international partners such as Fairtrade organisations.
- These partnerships support cane development, farmer support programmes, and industry sustainability initiatives.

6.6 Environmental Sustainability Practices

The Committee further noted that FSC promotes environmental stewardship through:

- Compliance with national environmental regulations and air quality standards.
- Monitoring of effluent discharge and emissions to minimise environmental impact.
- Adoption of energy efficiency and waste reduction practices, including recycling of by-products such as bagasse.

7.0 Conclusion

The Fiji Sugar Corporation stands at a critical juncture. The 2025 Annual Report's profit obscures a deteriorating operational reality: the lowest sugar production in 15 years, a revenue collapse of nearly 25%, a debt burden that remains unsustainable despite the largest government bailout in the corporation's history, a continued decline in sugar production, persistent inefficiencies in cane supply and harvesting practices and mill infrastructure that required its most extensive restoration in 140 years.

Given the industry's importance, contributing significantly to national export earnings and supporting approximately 1,700 direct employees and over 10,000 growers and other related stakeholders in the rural sugar belt, its viability is a matter of national economic security.

However, continued reliance on Government bailouts without addressing structural inefficiencies risks further entrenching dependency. A fundamental reassessment of the industry's governance, financial model, and long-term viability is therefore required.

8.0 Committee Members' Signatures

We, the undersigned Members of the Standing Committee on Economic Affairs agree with the content of this report.

.... Hon. Sakiusa Tubuna **Chairperson**	
.... Hon. Premila Kumar **Deputy Chairperson**	.... Hon. Semi Koroilavesau **Member**
.... Hon. Alipate Tuicolo **Member**	.... Hon. Kalaveti Ravu **Member**
15/7/2026	

9.0 Annexure

Published evidence

Written evidence, transcripts and supporting documents can be viewed on the Parliament website at the following link:
https://www.parliament.gov.fj/committees/standing-committee-on-economic-affairs/