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Verbatim Report

[VERBATIM REPORT]

STANDING COMMITTEE ON FOREIGN AFFAIRS AND DEFENCE

ANNUAL REPORT

Ministry of Sugar Industry 2020-2021 Annual Report

ENTITY: Ministry of Agriculture, Waterways and Sugar Industry

VENUE: Big Committee Room (East Wing)

DATE: Monday, 30th March, 2026

<u>VERBATIM REPORT OF THE MEETING OF THE STANDING COMMITTEE ON FOREIGN AFFAIRS AND DEFENCE HELD AT THE COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON MONDAY, 30TH MARCH, 2026, AT 10.04 A.M.</u>

<u>Present</u>

(1) Hon. R.R. Sharma - Deputy Chairperson
(2) Hon. P.K. Ravunawa - Member (3) Hon. I. Tuiwailevu - Member
(4) Hon. V. Lal - Member

<u>Apologies</u>

(1) Hon. L.S. Qereqeretabua - Deputy Chairperson
(2) Hon. T.R. Matasawalevu - Member

Interviewee/Submittee: Ministry of Agriculture, Waterways and Sugar Industry

In Attendance:

<u>Ministry of Agriculture, Waterways and Sugar</u>

(1) Dr. Andrew Tukana - Permanent Secretary
(2) Ms. Reshmi Kumari - Director Policy Planning and Research

<u>Fiji Sugar Corporation</u>

(1) Mr. Bhan Pratap Singh - Chief Executive Officer
(2) Mr. Mikaele Biukoto - Chief Operating Officer
(3) Mr. Anjay Sharma - Chief Financial Officer
(4) Mr. Lakshman Jayaraman - Head of Agriculture
(5) Mr. Rajnesh Narayan - Fiji Sugar Corporation

DEPUTY CHAIRPERSON.- Honourable Members, representatives from the Ministry of Agriculture, Waterways and Sugar, members of the media and the public, and dear viewers, ladies and gentlemen; *ni sa bula*, and a very good morning to you all. It is my pleasure to welcome everyone present in this room and those joining us live via broadcast.

At the outset, for information purposes, I wish to advise that pursuant to the Standing Orders of Parliament, specifically Standing Order 111, all Committee meetings are open to the public and media. Accordingly, this submission meeting is open to the public and the members of the media.

However, should there be any sensitive information related to this submission that cannot be disclosed publicly, such information may be provided to the Committee either in writing or in a closed session. This will only be permitted in limited circumstances, including the following:

(1) National security matters;
(2) Third-party confidential information;
(3) Personnel and human resource matters; and
(4) Committee deliberation and development of Committee's recommendation and reports.

I wish to remind honourable Members and witnesses that all comments and questions should be directed through the Chair. For viewers following this meeting live on *Facebook*, questions may be submitted via the comment section. Please, note that only relevant questions will be considered by the Committee. Members of the Committee may interject during the submission, and questions will be raised at the conclusion of the presentation.

I further remind all present that this is a parliamentary proceeding and all information provided is protected under the Parliamentary Powers and Privileges Act and the Standing Orders of Parliament. Slander or libel of any kind will not be condoned, and all information presented to the Committee should be factual.

In terms of meeting protocols, movement within the meeting room should be kept to a bare minimum. The usage of mobile phones is discouraged, and all mobile phones should be placed on silent for the entire duration of the meeting. Also, please, note that the time limit that we have is a total of one hour, so 20 minutes will be given to the submittees for their presentation. I note that you have sent in the answers this morning, but you have a limited time span of 20 minutes. The rest will be for the honourable Members to ask questions, and you have the opportunity of explaining further.

I would now introduce to you to the honourable Members of the Standing Committee of the Foreign Affairs and Defence.

(Introduction of Committee Members, Secretariat and Hansard)

Today, the Committee will receive an in-person submission from the Ministry of Agriculture, Waterways, and Sugar, in relation to the Ministry of Sugar Industry 2020-2021 Annual Report. Now, I invite the witnesses from the Ministry to introduce themselves before proceeding with their submission. As I have said, you have between 20 minutes to 25 minutes for your presentation. Kindly note, submittees, that all your microphones should be turned on before you speak and turned off after you speak to avoid any disruption to the live submissions.

(Introduction of officers from the Ministry of Agriculture, Waterways and Sugar Industry)

DR. A. TUKANA.- Thank you very much, Deputy Chairperson. I also take this time to acknowledge the honourable Members of the Standing Committee here this morning.

(Introduction of Ministry of Agriculture, Waterways and Sugar Industry and FSC Officials)

DR. A. TUKANA.- Deputy Chairperson, through you, if I could have the honour of taking us through the responses for the 2020-2021 Annual Report. Before doing that, I think there is an error on what we have there in the submission, so I apologise for that. It is actually for 2020-2021, and I think we had around 12 questions. I will read out the questions very briefly or maybe allude to the questions and then go through some of the responses for those questions.

<u>Question No. 1</u>: Strategic Performance and Planning

(a) The 2020-2021 Annual Report is aligned to the Annual Corporate Plan and the Annual Costed and Operational Plan. To what extent were key strategic objectives fully achieved, and which targets were not met?

The strategic priorities for 2020-2021 were aligned to the 5-year and 20year National Development Plan (NDP). The areas included:

- improving industry governance;
- implementation of the cane quality payments for 2022-2023;
- developing climate-resistant varieties;
- securing new sugar markets;
- increasing cane production to three 3 million tonnes by 2022-2023;
- introducing mechanical harvesting and the establishment of lorry- to- rail transfer stations;
- Promoting programmes to entice young and active farmers into sugar cane farming; and
- Establishing Fiji Sugar Corporation-owned farms to support cane production.

Implementation is ongoing from 2020 to 2021 up to date. If you see, there will be some data as well down further in the Report where we have given information up to the years 2024 and 2025. The objectives were to improve industry governance.

All institutions have their strategic and operational plans in place, and each institution has its own Board of Directors and Board Members to provide strategic guidance and oversight on operations, policies and finances for their institutions.

The Ministry, in 2020-2021, also finalised the implementation booklet that is linked to the new policies outlined in the NDP, and these were to:

- improve milling efficiency and value addition;
- improve cane production and yield;
- strengthen research and development and technology transfer;
- improve efficiency of cane harvesting and transportation; and
- review institutions and their legislation.

For cane quality payment implementation, the Ministry, through the Sugar Industry Tribunal, engaged Sugar Research Australia, which will be visiting Fiji in April 2026 to provide advice on the best possibilities to implement the cane quality payment based on the latest technologies. This will allow both parties to be paid.

To develop climate-resilient varieties, research on cane varieties is an ongoing process being carried out by the Sugar Research Institute of Fiji (SRIF). The Galoa variety is being released for saltwater intrusion, and more trials are introduced by SRIF at the moment.

To secure new sugar markets, the Fiji Sugar Corporation (FSC) has been selling sugar in the world market by directly negotiating prices with buyers through sugar brokers. New Zealand is a new market where packaged sugar is being sold.

The other area is to increase cane production to 3 million tonnes by the 2023 period. Work has been in progress, however, due to disruptions in mill operations over the years, there were about 97,000 tonnes of stand-over cane remaining to be harvested in 2025. Work is in progress, however, multiple changes have caused a hindrance in achieving this target.

The other remaining two areas are the introduction of mechanical harvesting and the establishment of lorry-to-rail transfer stations. The final one is to promote programmes to entice young and active farmers into sugarcane farming.

(b) What measurable indicators does the Ministry of Sugar use to assess sustainable economic development in the sugar sector?

We have a few goals listed and at the global level, the Ministry contributes to these Sustainable Development Goals through:

- Goal 1: End poverty.
- Goal 2: Zero hunger.
- Goal 8: Decent work and economic growth.
- Goal 9: Industry, innovation and infrastructure.
- Goal 12: Responsible consumption and production.
- Goal 13: Climate change action.
- Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss.
- Goal 16: Peace, justice and strong institutions.

(b) How effective has the implementation of the Ministry's 5-Year Strategic Plan been to date?

The Ministry achieved activities as highlighted in 1(a). The Ministry will now be reviewing and developing the Strategic Plan of the Ministry in alignment with the new NDP, and in consideration of the reforms undertaken as a merger of the Ministry of Sugar Industry and the Ministry of Agriculture and Waterways.

Question No. 2: Industry Performance and Sustainability

(a) Given that the sugar industry remains a cornerstone of Fiji's economy, what is the current trend in cane production and sugar output over the last three years to five years?

As I had mentioned earlier, we are putting data for 2023, 2024 and 2025. As we see, the production has been declining right up until 2025. However, there was a slight increase from 2024 to 2025, with 1.3 million tonnes in 2024 and 1.47 million tonnes for the 2025 crushing season.

Sugarcane and Sugar Production 2020-2025		
Year/Season	**Sugarcane (Tonnes)**	**Sugar Production (Tonnes)**
2020	1,729,281	152,000
2021	1,417,267	133,000

2022	1,639,003	156,000
2023	1,565,564	140,000
2024	1,331,922	126,000
2025	1,476,188	110,000

(b) What strategies are in place to address the declining farmer numbers and youth migration away from the sector?

The intervention has been that the Ministry or the Government has been providing various grants and subsidies to support existing and current cane farmers. These include:

- cane planting grants;
- fertiliser and weedicide subsidies;
- lease renewal costs;
- grant support; and
- subsidies to adopt new and advanced technologies, such as mechanical harvesters, planters, fertiliser applicators, which are among other benefits.

(c) How is the Ministry addressing structural changes such as ageing mills, low productivity and limited mechanisation?

For the ageing mills, currently, factories are spending approximately $3 million to $6 million annually to replace and maintain equipment, which are components of the plants, to ensure safety, and to replace pipelines and vessels periodically to minimise risks to operations and the surrounding people and populations. In relation to low productivity, the FSC has been providing extension and advisory services on best management practises to improve productivity, while the Sugar Research Institute supports improvements in industry productivity through research, field trials and technology and knowledge transfer.

The SRIF has also provided technical guidance to improve farm productivity and to reduce input costs and encourage the gradual adoption of mechanisation where feasible. Around low mechanisation, grant support has also been provided to farmers to purchase mechanical harvesters, planters and fertiliser applicators. The Ministry has also supported mechanical harvesting through the provision of harvesters and the supply of cage bins. The additional support is also being discussed with the Government of India to provide advanced technologies such as agricultural drones in the near future.

Question No. 3: Climate Change and Disaster Response

(a) The question is around *TC Yasa and TC Ana* that have caused significant damages to farms and infrastructure. What lessons were learned and how has the Ministry strengthened resilience planning?

Lessons are outlined as follows:

- *TC Yasa and TC Ana* have caused significant damages, leading to a 50 percent decline in sugarcane production during the 2021 season.

- The Ministry has supported the construction of an infield drainage system to minimise water logging, particularly after extreme weather events. There is a lot of water logging which causes damage to the sugarcane plantations. That is one of the areas that they had made an intervention.

- Financial support had been provided by the Government whereby loans for nearly 600 farmers were paid off by the Government.

- Farmers are also vulnerable to various climate change events. Therefore, it is necessary to enhance the adoption of climate adaptation strategies to minimise losses. Farmers are also required to diversify crops and that is happening at the moment with the merger of the Ministry of Sugar coming into the Ministry of Agriculture. We are putting together a plan to diversify the farms, particularly, those that are not productive at the moment.

(b) Of the Government's allocated rehabilitation funding, how much has been disbursed and what outcomes have been achieved?

A total of $4 million was approved by Cabinet and fully committed to assist farmers who were affected after *TC Yasa*. Most of these farms are located in the Northern Division. The key outcomes achieved include:

- Fertiliser support with 34,236 bags of Blend C fertiliser, valued at $1.56 million, were distributed free to the affected farmers.
- Provision of weedicide. There were more than 26,000 litres of two weedicides – Amine and Diuron – valued at $860,136, provided at no cost to the farmers.
- Farm rehabilitation works done. These were around the construction and maintenance of drains, and the crop slashing of 50 hectares on these sugarcane farms.
- Replanting programme being led by the FSC, and that supported recovery with $1 million in services being provided. This benefited 255 hectares of replanted sugarcane, as well as 797.6 hectares prepared for stage 2 planting.

The overall outcome, through these interventions, was to restore farm access, improve soil conditions and to enable replanting, directly supporting the recovery of sugarcane farms in those affected areas by the cyclone.

(c) What long-term climate adaptation strategies are in place to protect sugarcane production?

There are three areas:

(1) Improve cane production and yield.
(2) Carry out research and development and transfer new technology.
(3) Support for farmers.

<u>Question No. 4</u>: Programme Implementation and Effectiveness

(a) The Sugar Development and Farmers Assistance Programme

I will briefly go through them. We have areas listed there around adaptive programme design, climate-informed planning, as well as prioritisation of high-impact activities.

(b) Targets for cane planting and green manure and green manuring were not fully achieved. What corrective actions have been taken?

The unutilised funds for green manuring were redeployed to cane planting activities. A greater focus was placed on supporting activities to support active and productive farmers.

(c) How does the Ministry evaluate the effectiveness of subsidy programmes, such as fertiliser and weedicide?

A multi-dimensional approach was used. The four areas listed were around access and uptake for the farmers, cost relief, production outcomes and market stability.

<u>Question No. 5</u>: Budget Utilisation and Financial Management

(a) The Ministry was allocated $50.9 million for capital programmes and what percentage of this budget was fully utilised?

As you can see from the table, the utilisation through the reallocation or redeployment of those funds went right up to 99.92 percent.

Budget Estimate(CAPEX)	Approp Changes	Revised Budget	Actual Expenditure	Balance	% Utilisation
$50,870,136	$11,158,619	$62,028,755	$61,978,102	$50,653	99.92

(b) Were there any instances of reallocation of funds and what justification was provided?

Yes, targeted reallocations were undertaken to respond to the urgent needs arising from the impact of *TC Yasa.*

(c) What controls are in place to ensure value for money in programme delivery?

The Ministry maintains a robust accountability framework. The four areas are listed below:

(1) Field-based verification.
(2) Digital tracking systems.
(3) Independent monitoring.
(4) Policy oversight.

Question No. 6: Monitoring, Evaluation and Accountability

While monitoring coverage in 2021-2022 was constrained by limited staffing, the impact of COVID-19 also played a significant part in the impact of monitoring capacity for the officers. Monitoring staff increased by two officers to four officers. However, coverage expanded to cover more than 700 farms.

Question No. 7: Governance and Institutional Coordination

(a) How effective is coordination between the Ministry and key institutions such as Sugar Cane Growers Council, Sugar Research Institute of Fiji and the Fiji Sugar Corporation?

The industry institutions operating under their respective established governance framework as outlined in the legislation and bylaws. These are the:

(1) Companies Act 2015 and Articles of Association.
(2) Sugar Research Institute of Fiji Act 2005.
(3) Sugar Cane Growers Fund Act 1984.
(4) Sugar Industry Act 1984.

(b) The Ministry is responsible for tabling multiple overdue annual reports of sector institutions. What measures are in place to address delays in reporting?

The Ministry acknowledges the pending Annual Reports and all the ones that are pending. The Sugar Industry Tribunal Report is pending from 2022 to 2024. We will be working on these as well. The Ministry of Sugar Industry delays are due to staff turnover and lack of staffing to collate timely reports.

The Sugar Cane Growers Council Report for 2023-2024 and 2024-2025 will be submitted by the end of this year. The Sugar Research Institute of Fiji Report is also pending, which we will be working on.

(c) Were there any governance or compliance issues identified during the audit period?

Yes, except for the Sugar Industry Tribunal, the rest of the institutions have complied with the financial and governance processes of the audit requirements.

<u>Question No. 8</u>: Farmer Support and Livelihood Impact

In response to part (a) of the question, farmers all have equal access to all grants if they are producing growers.

In response to part (b) of the question, the Ministry provides targeted support to encourage new entrants through the New Farmers and Lease Premium Assistance Programme. We have a breakdown of trainings by SRIF, as well as some of the field days that had been carried out, as outlined in the table below.

Year	No. of Field Days	Coverage
2023	42	All Districts
2024	46	All Districts
2025	91	All Districts

In response to part (c) of the question on subsidies, subsidy programmes play a key role in supporting smallholder and disadvantaged farmers by reducing input costs, improving access to essential resources and supporting participation in productive farming.

<u>Question No. 9</u>: Infrastructure and Logistics

(a) Cane cartage performance improved, but targets were slightly below plan. What were the constraints affecting full achievement?

The cane to be carted under the Cane Cartage Programme is estimated during the planning process. However, the actual amount utilised under this programme will be based on the actual volume of cane carted.

I think we have Question Nos. 10, 11 and 12, however, in relation to time, Deputy Chairperson and honourable Members, I think they are all in front of you and we have our Team here to support me.

Firstly, thank you for giving me the time to present. I have done the best I can, but as most of us would know by now, the Ministry of Sugar had been merged with the Ministry of Agriculture and Waterways in January 2026. However, the handing over of all the operations to the PS from the former PS came on 16th March. On 20th March, which is the same week, we had also submitted a draft Cabinet paper for the third cane payment. The time was very limited for us, but we are doing our best.

We have Officials from the Sugar Industry with us and our Director Policy, so we will do our best to answer your questions and I hope the questions can be focused on what we have in front of us. With that, Deputy Chairperson, thank you very much.

DEPUTY CHAIRPERSON.- I do agree that the former PS should have been here as well, but I guess we have a team of wealth of experience to answer the questions by the Committee. I open the floor and, please, keep your answers very precise and just to the point.

HON. V. LAL.- My question is on the timely submission of this Report. The last report you presented was the Consolidated Report from 2016 to 2020, and this is 2021. Now, we are in 2026. Why are these Reports delayed so much?

MS. R. KUMARI.- Yes, we acknowledge that there is a delay in the submission of the Annual Reports, but all our financials have been audited. It is just the write-up part which is left. We have recently submitted 2021-2022 Annual Report to Parliament, and the other Report from 2022-2023 is almost ready. In terms of timeline, I believe before the end of this year, we will be able to submit our Annual Reports.

HON. V. LAL.- My question is why? I know you are doing it; you are saying that you are doing it, but why? Is it that you do not have the people there, you do not have the resources, or the capabilities? That is what I am asking.

DR. A. TUKANA.- Perhaps, if I could just add on to the response from Ms. Kumari, one of the things we have noticed so far is that there have been some limitations in the communication.

There are some issues also around governance. This is something in our new strategy that we are trying to address - on how we can improve in all these pending issues.

I am not saying out loud that we all have poor governance, but we have observed that, for example, there are some communication channel limitations. They are not communicating as they should be. Over the two months now, we have started to meet and greet some of the sectors and entities around the sugar industry. These are some of the limitations we have observed so far. However, we ensure that we will work closely with all these entities to ensure that all outdated reports are updated, and then we will get them in on time to the Standing Committees.

One of the other reasons I had alluded to earlier is the turnover of staff. When a new person comes in, they still do not know what to do and there are pending reports. There should be good handing over so that they can take on and ensure it is done on time. We apologise for all these pending reports, but we will certainly work very hard to ensure that we can get them all through.

One very important aspect as well is the grants we are giving out. We need to ensure that these grants are monitored to see what the return of these investments are. That is something that we will be strengthening as well – monitoring and evaluation of these programmes that we are giving out to stakeholders.

HON. V. LAL.- In this Report, you are saying that the Ministry will soon be finalising its first ever Sugar Industry Policy. This was back in 2020 and 2021. I would like to know the progress of that Policy.

MS. R. KUMARI.- To provide an update, the Policy was done, but when it was taken to the former Minister for Finance, there was a reluctance in accepting that Policy, so we had put it aside. Nevertheless, the policy was done, it was just not submitted to Cabinet because the then Minister for Finance did not support certain parts of the Policy, especially the financing part.

HON. V. LAL.- It simply means that currently, there is no such policy to move the sugar industry forward, is it?

MS. R. KUMARI.- No. We have the implementation booklet and now, as PS had mentioned, with the merger of the Ministries, we have to re-look at the Policy and the Strategic Plan that we have. We are now aligning ourselves with the new NDP. There are five priorities under that, so we need some time for the new honourable Minister and the Permanent Secretary to look into that and, obviously, they will provide comments on the way forward for the sugar industry.

HON. V. LAL.- When the Committee scrutinised the last consolidated report, the Committee found out that cheapest way for the transportation of cane was the use of railways, but in this report, I do not see any report and progress from them on that. The findings of the Committee, have they been implemented or are they working towards it? What they are simply saying is how the railways are being affected.

DR. A. TUKANA.- Perhaps, if I could allude to the fact that we are looking at the 20202021 Annual Report. Some of that information might be in the information that we submitted later. If not, I could also ask FSC if there has been an update on the rail system that we were looking at.

DEPUTY CHAIRPERSON.- Yes, I would like to add on. I believe the handover is new, so somehow, I really do not expect you to be answering all that is here, but we have Officials from FSC who are free to answer and provide clarity to the Committee. I have two things I would like to say before you answer that.

I have the previous report that was tabled from 2016 to 2020, and now this one is old, this is 2026. Ms. Kumari, you may justify that your accounts and finances are audited, but I feel back then and now, the farmers' voices have been neglected because the financials and audits are alright, but the process of the Parliamentary Standing Committee is we scrutinise this report, fill in the gaps and raise farmer and stakeholder concerns. Yet the previous report tabled in Parliament says the Annual Reports presented lacked essential data. This Report also lacks essential data. It is backdated, and farmers are taking the brunt of it.

My point to the entire Team before us is that, I believe, this is unfair to the farmers, and we would like to do justice to this report and present it to the best of our ability. We expect a lot of transparency and accountability when it comes to filling or closing the gaps that we face. I expect that from you right now. Please, go forward.

MR. B.P. SINGH.- I would like to briefly respond on the rail-to-lorry transportation system. There are two major modes of transport – rail and lorry mode, or road mode, we call it. Over the past 15 years to 20 years, there had been a gradual change in the percentage of cane that is delivered by rail and by road. Traditionally, it was 70 percent rail and 30 percent road. Currently, it is 95 percent road and less than 5 percent rail.

We are going down to as low as 3 percent of cane delivered to the mills by road. The change has been largely due to mechanisation, where mechanical harvesters are now used to harvest cane, and all that cane is delivered to the mill by lorry mode. There is very less cane that can be delivered by rail mode when mechanical harvesters are used.

The other major change is shortage of labour. Growers prefer to use lorry mode of transport rather than rail transport. We have been gradually reducing rail operations, because it is a huge cost to FSC. Rail transport is fully managed and sustained by FSC. We have been gradually working on closing some of the rails and a lot have been closed. It is no longer in operation, although the lines are kept. We keep all the systems that we have in place. We have the rails, we have the locos, we have the people who are engaged; however, the volume of cane has been reduced to as low as 3 percent. That is the current status on the rail-to-lorry system.

HON. V. LAL.- That is expensive for the farmers, is it not? You are looking at the cost of FSC's operations, but what about the farmers? The farmers' cost is going up when they use trucks to cart the cane to the mills.

MR. B.P. SINGH.- That is the preference by the farmers, to use mechanical harvesters and to transport cane to the mills by lorry mode.

HON. P.K. RAVUNAWA.- On economic security and national interest, given that the sugar industry is declining in its production, hence, the revenue, is the industry still strategic for our country's development? What are the risks for rural stability, for our farmers and those who are employed in the industry?

In addition, in the last Annual Report submitted to Parliament from 2017 to 2020, where was recommendation number one in the KPIs for the industry? I do not see that in your current Report. Can you enlighten the Committee on that?

DR. A. TUKANA.- Perhaps, I could share a part of it which is the first question in relation to economic development, I think the strategy at the moment is to diversify most of these farms, particularly the ones that are non-productive. We have seen that we have around 17,000 registered farmers, and only around 10,000 or so are productive. What we are currently working on now is to try and diversify the non-productive ones to ensure that we have more livelihood streams, so that they can earn additional livelihoods as well as grow the economy.

For the existing ones, I think it is still important for us to continue. They have a target, to try and increase the total volume of cane production, so we are also working on trying to get them do that. They have targets already set, and I think by the end of 2030, we will reach 4 million tonnes. At the moment, we are only doing 1.5 million tonnes. We are also trying to ensure that they do not drop that. We have made this merger for them to continue to try and increase the volume of their production and diversify their farms, to ensure that they have other livelihood streams of income.

I think it is still very important for us because a lot of land and farmers are involved in sugarcane production. It is still very important for the economy; however, the world prices are also driving factors in terms of what we can get out of it. We work hard to ensure that we can improve the cane sector through other livelihood sources, through other crops, as well as livestock production, to ensure that we can earn more, so it can become beneficial to them.

For the question on the KPI, I will hand it over to Ms. Kumari.

MR. R. KUMARI.- In our Annual Reports, we normally report on the programmes that we have funded. That is the format we have been following from past years. However, if the Committee thinks that we should also report on the achievements of each individual institution, we will do that. We have left that for them to report in their Annual Reports. I think that is the reason, otherwise, we would be duplicating. If the Committee feels that we also need to report at a broader level, then we are happy to incorporate in our Annual Reports, going forward.

HON. P.K. RAVUNAWA.- A follow-up question on that; I find that there are four entities or five entities that are running the industry. I believe and I can tell that there is a disconnection among the different stakeholders that are there. It is important that we have a Strategic Plan with KPIs, and it should be presented in totality to the Committee of Parliament. We are in a position of scrutinising and seeing that the taxpayers' money is utilised in a proper way.

Going back to the Report, I have a question on climate change and disaster response which is on page no. 5. I noticed that during *TC Yasa* and *TC Ana,* the only thing that you did to improve production was the improvement of drainage. It does not take a rocket scientist to figure that out. For an industry that had been around before Independence, just to improve that drain in order to improve production, to me, it is like anyone can think of that. What I am trying to say is, an industry needs to be proactive and have preventative strategies.

We are in a tropical country. We get cyclones and floodings every time and there should not be excuses like this - declining of 50 percent productivity just because of poor drainage. No, it does not take a rocket scientist to figure that out. What I am trying to say is that you have a proper monitoring mechanism to see that every single dollar from Government and the taxpayer is properly utilised. I do not see this as minimising waterlog in the cane belt, causing 50 percent reduction - that is not acceptable to the Committee.

DR. A. TUKANA.- I think in part (b) of that report, there was also efforts to rehabilitate it. There was also support given in that year for fertiliser, weedicide and some re-planting. Even though not specifically, I think, under the impacts of cyclones, there were other areas as well in terms of that.

DEPUTY CHAIRPERSON.- How do you measure the carbon footprint of FSC Mills - fertiliser that has been washed away and weedicides that also kill microorganisms? Is there any data on that?

DR. A. TUKANA.- At the moment, we need to do some work around the area.

MR. L. JAYARAMAN.- Yes, we had a carbon foot printing exercise done by Fairtrade, because our sugar and everything is sold under Fairtrade. There was a carbon footprint done for both, the Mills, as well as the farms. The carbon footprint in the farms was slightly higher because of the excessive use of fertiliser, whereas the Mills were compliant in regards to carbon footprint.

DEPUTY CHAIRPERSON.- What I would request is that when the Mills are operating, when trucks are running and when the cane is burned, I would like to see data on these – the number of sugarcane fields out there, the measure of carbon footprint operating the Mill. When Fiji goes on global stages talking about climate change, we should look in our backyard, and that data is very important. From that data, we can derive policies on how we can lessen the carbon footprint.

HON. I. TUIWAILEVU.- In the report, it specifies the decline of the labour force in the industry. What is the plan of the Ministry on this shortage? Do you intend to increase the usage of harvesters?

DR. A. TUKANA.- Yes, I think it is all over Fiji – the declining workforce. We have heard that a lot of young people are going overseas. For example, as I had mentioned in an earlier presentation, the average age of farmers in Fiji for the agriculture sector is around 66 years old. There is a lot of old-age farmers here. The young ones are not planning to come back. What we are trying to do is to entice the young people to come back and do farming.

One of the ways to do that is to ensure that we can give them the land and some start-up capital. These are some of the things that we have already started to do in our interventions, or in our work programme. Similarly, for the sugar sector, one of the things that they are looking at, at the moment, is mechanisation to speed up harvesting. However, we have to also look at the transport system that we are currently using, whether it is favourable, whether it is cost-effective or not.

The plan is to increase mechanisation, but we cannot have 100 percent mechanisation. Some of that will still have to be manual labour. We need to see how we can ensure that those conditions are favourable for the ones that will be doing it manually. Because of the geography, we cannot access that 100 percent through mechanisation. We will look at that and see how best we can make the conditions and policies favourable to ensure that we can attract people to come and do the labour for this sector.

MR. R. KUMARI.- On the achievements in terms of mechanisation, we had introduced mechanical harvesters in 2016. In 2023, we were able to achieve 42 percent, compared to 9 percent in 2016. We have almost achieved that in terms of the flatland areas. Our aim is to identify harvesters that are suitable to hilly terrains. Last year, we brought one but, unfortunately, someone burnt it down, but we have fixed it and will try that again this year.

In terms of other cane cultivation, we have introduced model tractor service providers. We have provided fertiliser applicators, which is attached to the tractors, and we have also introduced planters. At least, we are moving away from the manual way of cultivation. This year, we also have plans to introduce more planters and fertiliser applicators. We are encouraging mechanisation and for that, we are providing grants to individual farmers and cooperatives. Those are some of the updates that we have in terms of achievement in mechanisation.

MR. M. BIUKOTO.- Just to add on, on labour shortages, from the factory perspective, we now have to go overseas to get tradesmen to maintain our Mills. At this moment, we have an Indian company, and 44 tradesmen are brought in to help us maintain the Mills to be ready for the 2026 crushing season. Apart from those 44, FSC on its own, has recruited about 30 tradesmen from India and the Philippines, just to cater for the labour movement within – either moving from FSC to other organisations, or moving from FSC to overseas. That is for the Committee to know.

HON. V. LAL.- Honourable Ravunawa said something very important and I totally agree with him, that this Report does not reflect how the money has been used. As per the Master Award, before the end of March, for last year’s crops, the next payment should be made to farmers, but the farmers are still waiting out there, and tomorrow is the last day of March. So far, there has been no word from FSC or from the Ministry, and the farmers are waiting. I met some farmers yesterday, they were asking, what is happening? I would like to know - a payment should have been made by the end of March for last year's crops. Why has it not been done? What is happening? What is the progress on that?

DR. A. TUKANA.- There is a special briefing from our honourable Minister to the honourable Prime Minister this morning. He is also going to brief the honourable Prime Minister on the third cane payment. As I mentioned earlier...

HON. V. LAL.- Is it good news for the farmers? Is something coming up?

DR. A. TUKANA.- As I had mentioned earlier when I gave my opening remarks, I was handed over the sugar works on 16th March, which was Monday and by Friday, I submitted a draft Cabinet Paper at the Office of the Solicitor-General for vetting as well as with the honourable Minister for Finance. The honourable Minister for Agriculture will also be discussing with the honourable Minister for Finance by today or tomorrow and, hopefully, we can get an indication on where this money will come from.

At the moment, it has not been in the budget. If they agree that we will pay it, it has to come from a political level, endorsed by Cabinet, then we will have to look for the money. The message now to the cane farmers is that if it does not happen on 31st March, then there could also be a special cane payment if the Government agrees to pay for it. Then we will look for this money, and where it is going to come from, it has to be dictated by the Ministry of Finance, then we will pay it.

DEPUTY CHAIRPERSON.- When was the last Job Evaluation Exercise done?

MS. R. KUMARI.- On the staff?

DEPUTY CHAIRPERSON.- Yes, the staff.

MS. R. KUMARI.- I think it was at across Government and it was in 2018, but it is ongoing. If there is a change in the role or there is an additional role in the officer's position, then it stands for evaluation, but it is an ongoing process. Across the Government, it happened in 2018.

DEPUTY CHAIRPERSON.- It is 2026 now. Is FSC going to change the way they pay farmers? Are we going to see a change? Farmers are complaining that we have to wait for our payments for six months, et cetera, this is the whole colonial era. Is FSC working towards actually listening to the farmers? Is there any discussion on this? I am sure farmers would come up to the Sugar Cane Grower's Council and Fund with their concern.

MS. R. KUMARI.- The Master Award is between FSC and the Sugar

Cane Growers Council, and the custodian of the Master Award is the Sugar Industry Tribunal. The last I heard was that they made a submission for the farmers. It is not very clear whether the Sugar Cane Growers Council want the change in the payment system, or FSC is happy to change the payment system, but both parties have to agree to change any particular clause in the Master Award. Probably, the CEO FSC can update us on that.

MR. B. P. SINGH.- The Master Award has been in existence for many years. There are clauses contained in the Master Award that set the guidelines for cane payments. To change that, an agreement has to be reached between the FSC and the Sugar Cane Growers Council – the two parties that are responsible for the Master Award. As stated by the Director, the custodian is the Sugar Industry Tribunal. We have not looked at changing the clauses for cane payment under the Master Award, because it is a very controversial clause.

In general, 70:30 formula, 100 percent of the revenue is shared 70:30, barring some industry costs. The payment is audited by two auditors – an independent auditor appointed by the Sugar Cane Growers' Council, and an independent auditor appointed by the Sugar Industry Tribunal. That is the general process. The payment system is very clearly defined in the Master Award.

DEPUTY CHAIRPERSON.- What I have to say is, we stick to those relevant things, but when you want modern farmers and young farmers, a young farmer will not wait for six months or next year to receive a payment. That is one of the reasons why we do not have a lot of youth in farming.

Another quick question is, since 1961, the major issue for downfall of sugar is non-renewal of leases. What has FSC been doing in trying to push for land that ensures that there is productivity and supply to FSC, noting that it can be a billion-dollar industry in the future, not just by producing sugar, but also potentially producing ethanol? Where are we in terms of the discussion in ensuring that lease is renewed, because if there is no land, there is no sugar? Where are we on the discussions of that?

DR. A. TUKANA.- We are working very closely with iTLTB. The CEO also sits in some of the Boards, so that is one of the ways we are trying to ensure that we can discuss all these issues. From my point of view, I need to identify which ones are expiring and what we can do to progress discussions around the renewing of land leases.

MR. L. JAYARAMAN.- Yes, as alluded to by PS, we are working very closely with iTLTB on a weekly basis. We are giving them a list of leases where the contracts are not being fully utilised. Then, iTLTB is partly funding for infrastructure, like tractors and other things. Through the Ministry, for people who have kept the land idle, we have a grant system wherein the amount is, for example, the normal farmer gets $2,500 per hectare. For farmers whose land has been idle and want to do a lease renewal, there is also a lease renewal premium given by the Ministry in the programme. Apart from that, we also give them $3,300 per hectare for the cultivators who want to come in through lease renewal as well. These are some of the programmes we are targeting.

The New Land Development is a special programme wherein we targeted 65 hectares last year and another 150 hectares is what we are planning this year. We are working very closely with the iTLTB and the Lands Department to see that the list which is given, is discussed with the farmers by FSC, as well as with the respective Ministries. It is almost on a weekly basis that our officers do attend iTLTB meetings.

DEPUTY CHAIRPERSON.- My comment on that is, while you are doing this, it is great, but ensure that for any development and prosperity, there needs to be security. So, ensure that these households and farmers are secured.

HON. P.K. RAVUNAWA.- It seems like the industry has been taking out employment opportunities for our locals in the farming community, in the cartage of produce and in the industry and the Mills. We have heard that you are recruiting people from overseas to come and help in the Mills. For the industry that has been here for a very long time, where is our capacity building and where is our strategic plan to train our people to run this industry on our own? I feel so bad, and I am also happy that the honourable Prime Minister has called on a tribunal for the sugar industry to bring this sickness out of this ailment. There is something really serious and very concerning that is happening in the industry.

The Government is putting in so much money and yet, where is your capacity building, where is your plan to train our local people to be able to run this industry on our own, other than relying on overseas workers? I want to share my sentiment, and I feel very passionate about it. It is the first time that this Annual Report has come to us. Just listening to the presentation, I am personally very unhappy with the way that we have been briefed this morning. I thank the honourable Prime Minister and the Coalition Government for putting up a tribunal to bring this industry in its appropriate position.

HON. V. LAL.- I also want to express my disappointment. There are so many things I want to ask. In fact, the next one is the funds to FSC. You are saying, and I can see, even sugarcane development goes to FSC, cane cartage goes to FSC, and weedicide goes to FSC. However, FSC has not given any amount. If you go to page 24, it says, for 2018-2019, $6 million was for cane access roads. We want to know exactly which sector and how many roads were done. We do not know. By saying that in 2019-2020, it was $2 million and in 2020-2021, it was$1 million, are there exact actual breakdowns? We want to know that. It is not reflected in the Report, and it is not good for the company.

For the first question which I had asked, I understand, PS, you are new, but we have the CEO here, the CFO and we have the Director Policy. They have been in the system for long. The Master Award is very clear that at a certain time period, payment should be made. You are new, PS, but your staff, your people and the stakeholders here should be very well informed in advance.

DR. A. TUKANA.- Deputy Chairperson, through you, if I could just respond, we take those points seriously. Once you mentioned that this is, perhaps, a time for change now, that is probably why the Sugar Industry has been moved to merge with Agriculture. Your points are seriously noted and the points that were raised for more data in the annual reporting, we have noted them as well, so then we will make improvements.

HON. P.K. RAVUNAWA.- I noticed one of the recommendations from the previous report is the statistical database for all sugar entities to avoid duplication of work by all sugar entities that are seated here before us. I see it again in your answer to the question on page 9. You, again, stated that in your digital tracking system, you are ensuring traceability of all subsidies, beneficiaries, and all programmes are captured under your FIS system. Can you please enlighten the Committee, how far are you with the work of your database and FIS system?

MR. L. JAYARAMAN.- The FIS system was developed in 2016-2018 by FSC. In 2023, we also had a grant module being built into the FIS. So, all the grants which are passed on to the farmers - their application, disbursement and the monitoring processes through field visits, entries by our own officers are now all captured into the system. It gives us much more credence in terms of tracking where we are, rather than before 2023, we were in a system of doing it on papers, et cetera, so traceability was not there. We have included them all in the system and it is possible for us to monitor and track right from 2024 onwards, on how the grant has been utilised, even how the farms have come out after giving the grants, whether the crop has been well established, did the grower get what he was due for, all those are now trackable.

DEPUTY CHAIRPERSON.- Where is the data that you have about the grievances raised by farmers?

MR. L. JAYARAMAN.- We also have a grievance mechanism. One is, we have a grievance box which is kept with us. It earlier used to be registers but now, we have a box which is being kept in to receive unknown grievances which are placed by the farmers as well. We also have a toll-free number.

We also have a mechanism wherein we have developed a farmer-grower portal which is being used by all the young farmers now. There is a grievance recording mechanism in it. Out of the

10,200 growers who are registered or are contacted to supply, almost around 4,000 growers are now registered on the app. That also gives a mode for them to escalate any grievances.

We have also developed an escalation matrix, whereas if it reaches the farm address, it goes to the Field Officer, and within 48 hours, if it is not received, it comes to the Head of Agriculture and even to the CEO.

DEPUTY CHAIRPERSON.- What framework do you have right now that does not allow a Board member or a Minister or anyone at FSC to be recipients of tenders at FSC and supply? I believe that is unethical. Do you have scenarios, reporting plans around this? Do you have a whistleblower policy? A very short and precise answer on that, please.

MR. B.P. SINGH.- Yes, for tenders and for all other jobs that are outsourced, we have a very clear guideline and policies. No one is restricted from applying for tenders or for any other jobs. It goes through a formal process. For tenders that are more than $100,000 value worth, it goes to the Board for approval.

DEPUTY CHAIRPERSON.- If I am the Chair of that Board, I know where the supply chain is and my company starts supplying to FSC. Do you think that is ethical?

MR. B.P. SINGH.- It does not happen that way. As I have said, there is a process in place. For every procurement, either there is a tender process or a quotation process in place. It goes to an independent division of the company, where those things are evaluated before a decision is made. No one is either advantaged or disadvantaged in that process. It is a very clear and transparent process.

HON. V. LAL.- This industry is very close to my heart. I am a son of a farmer. I have worked in my farm at Madhuvani, Rakiraki, for so long, I even cut cane. Now, as my colleague has raised here about the duplication, the different entities involved. I can see you are saying that the Sugar Cane Growers Council plays a crucial role in supporting farmers. How does it support the farmers in lease renewal?

What is happening at Seaqaqa and Labasa now, farmers are crying. What is the actual role because I have not seen any actual work being done by these organisations? Does it help the farmers in negotiating? The agreement is very clear. I do not think the farmers have been well explained about all these things. What is the role of the Council here in terms of supporting the farmers?

MS. R. KUMARI.- Yes, the Sugar Cane Growers Council needs to play an active role. Unfortunately, we cannot see that. As he has mentioned earlier, there are some issues in terms of communication between the stakeholders. This was also a disappointment shown by the honourable Minister in the morning when he called me.

I had also requested information from the Sugar Cane Growers Council; they were supposed to have information on farmers who are affected. Unfortunately, they did not have that. However, within this week, the honourable Minister is definitely going to have a discussion with all the stakeholders for them to really shape up in terms of helping the farmers. I totally agree - they are supposed to assist the farmers in this situation.

DEPUTY CHAIRPERSON.- Thank you, honourable Members, we are limited on time, and I would like to wrap up now. Thank you, PS and your Team. I know, Ms. Kumari, it has not been easy. For decades, the industry has seen a lot of challenges.

I thank the Committee Members for asking questions - taking in good faith what the job of the Committee is. To present your report in the best of our abilities to farmers, your report must cover all the voices of every farmer, the industry itself, and the KPIs and future plans ahead.

On that note, I wish to sincerely thank you, the Ministry, for availing yourselves, and we appreciate your time. There will be questions sent to the Ministry, and if you want to send us any more information, you are free to do so. I declare this meeting closed.

The Committee adjourned at 11.15 a.m.

Written Response

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•ATERW MINISTRY OF AGRICULTURE, WATERWAYS AND SUGAR INDUSTRY

File Ref: C56/2Date: 27th March, 2026

MEMORANDUM

From: The Permanent Secretary for Agriculture, Waterways, and Sugar Industry

To: The Chairperson of the Standing Committee on Foreign Affairs and Defence — Hon. Lenora Qereqeretabua

Re: Response from the Ministry of Agriculture, Waterways, and Sugar Industry to the National Standing Committee on Foreign Affairs and Defence on the Sugar Industry 2021 — 2022 Annual Report

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The Ministry of Agriculture, Waterways, and Sugar Industry (Ministry) welcomes the opportunity to deliver a summary presentation of the 2021-2022 Annual Report for the Sugar Industry, and to respond to the accompanying list of questions.

This feedback presents the Ministry's views on the Sugar Industry's 2021-2022 Annual Report, and its activities and alignment with the Sustainable Development Goals (SDGs).

1. Strategic Performance and Planning

a) The report is aligned to the Annual Corporate Plan and Annual Costed Operational Plan. To what extent were key strategic objectives fully achieved, and which targets were not met?

The strategic priorities were aligned with the 5-year and 20-year National Development Plan, which includes:

- Improving Industry governance;
- Implementation of the cane quality payment by 2022/2023,
- Developing climate-resilient varieties;
- Securing new sugar markets;

- Increasing cane production to 3.0 million tonnes by 2022/2023;
- Introducing mechanical harvesting and the establishment of lorry-to-rail transfer stations;
- Promoting programmes to entice young and active farmers into sugarcane farming; and
- Establishing FSC-owned farms to support production.

Its implementation is ongoing. While progress has been made with some of the strategic priorities, limited progress has been made in other areas. The progress includes:

- Improve industry governance — all institutions have their strategic and operational plans in place. Each institution has its own Board of Directors/Board Members to provide strategic guidance and oversight on operations, policies and finances of their institutions.

  The Ministry facilitated a review of the Sugar Industry Act to reinstate the Sugar Cane Growers Council election process. Amendments have been made to the Master Award to allow for mechanical harvester operations as a new inclusion.

  The Ministry is currently finalising the implementation booklet that is linked to the new policies outlined in the National Development Plan. These are:

  (1) Improve Milling Efficiency and Value Addition;
  (2) Improve Cane Production and Yield;
  (3) Strengthen Research and Development and Technology Transfer;
  (4) Improve Efficiency of Cane Harvesting and Transportation; and
  (5) Review Institutions and Legislation.

- Cane quality payment implementation — the Ministry, through the Sugar Industry Tribunal, will engage Sugar Research Australia, which will be visiting Fiji in April 2026 to provide advice on the best possibilities to implement the Cane quality payment based on the latest technologies. This will allow both parties to be paid based on cane quality.

- Develop climate resilient varieties — research on cane varieties is an ongoing process being carried out by the Sugar Research Institute of Fiji (SRIF). Galoa variety is being released for saltwater intrusion. More trials are being conducted by SRIF.
- Secure new sugar markets — FSC has been selling sugar in the world market by directly negotiating prices with buyers through sugar brokers. New Zealand is a new market where packaged sugar is being sold.

- [redacted] Increase cane production to 3 million tonnes by 202212023 — work has been in progress; however, due to disruptions in mill operations in 2025, there were about 97,000 tonnes of standover cane (remaining to be harvested). Work is in progress; however, multiple challenges have caused a hindrance in achieving this target.

- [redacted] Introduce mechanical harvesting and establishment of lorry-to-rail transfer stations — nearly 45% of sugarcane is now harvested mechanically as compared to only 9% in 2016. The FSC is re-examining the rail network based on the efficiency of rail transportation.

- [redacted] Promote programmes to entice young and active farmers into sugarcane farming - a total of 854 farmers are being supported under the New Farmers scheme since the 2017/2018 financial year.

b) What measurable indicators does the Ministry use to assess "sustainable economic development" in the sugar sector?

At the global level, the Ministry contributes to the Sustainable Development Goals:

Goal 1: End poverty in all its forms everywhere.
Goal 2: Zero Hunger.
Goal 8: Decent Work and Economic Growth.
Goal 9: Industry, Innovation, and Infrastructure.
Goal 12: Responsible Consumption and Production.
Goal 13: Climate Action.
Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.
Goal 16: Peace, Justice and Strong Institutions

At the national level, the sugarcane sector contributes to revenue generation (approximately $200 million export earnings from sugar and molasses annually) and contributes to the GDP of approximately 1%.

At the sectoral level, the industry contributes to supporting nearly 20% of the population. According to 2024 statistics, the industry directly supported the livelihoods of 10,231 farmers and landowners by providing rental income, 4,721 cane cutters, about 2,500 lorry operators, 110 mechanical harvester operators, nearly 2,000 industry staff, among other stakeholders, including banks, contractors, and others directly and indirectly dependent on the industry.

c) How effective has the implementation of the Ministry's 5-year Strategic Plan been to date?

The Ministry achieved activities as highlighted in 1 (a) above. The Ministry will now be reviewing and developing the Strategic Plan of the Ministry in alignment with the new National Development Plan and in consideration of the reforms undertaken as a merger of the Ministry of Sugar Industry and Agriculture and Waterways.

2. Industry Performance and Sustainability

a) Given that the sugar industry remains a cornerstone of Fiji's economy, what is the current trend in cane production and sugar output over the past 3—5 years?

Sugarcane and Sugar Production - 2020 - 2025		
Yearl Season	Sugarcane [tonnes]	Sugar Production tonnes
2020	1,729,281	152,000
2021	1,417,267	133,000
2022	1,639,003	156,000
2023	1,565,564	140,000
2024	1 ,331 ,922	126,000
2025	1,476,188	110,000

b) What strategies are in place to address declining farmer numbers and youth migration away from the sector?

The Ministry has been providing various grants and subsidies to support existing and new farmers. This includes providing: -

- Cane planting grants,
- Fertiliser and weedicide subsidies,
- Lease renewal cost,
- Grant support, and
- Subsidies to adopt new and advanced technologies such as mechanical harvesters, planters, fertiliser applicators, among other benefits.

Other initiatives, such as cheaper loan financing, are being offered to establish sugarcane farms.

The industry is also promoting FNPF voluntary schemes to enhance savings for retirement. Farmers are also covered under the Micro-bundled insurance scheme, and some farmers are opting for parametric insurance for protection against climate events.

c) How is the Ministry addressing structural challenges such as aging mills, low productivity, and limited mechanisation?

- Aging mills - currently, the factories are spending approximately FJD$3m to FJD$6m annually to replace plants/equipment, components of plants, replace worst structures due to safety, replace pipelines and vessels periodically in phases to minimise risk to operations and the surrounding/people.

- Low Productivity — the Fiji Sugar Corporation (FSC) has been providing extension and advisory services on best management practices to improve productivity, while the Sugar Research Institute of Fiji (SRIF) supports improvements in industry productivity through research, field trials, and technology and knowledge transfer. Key inputs include:
  - ✓ Development and evaluation of improved cane varieties suited to local conditions.
  - ✓ Promotion of best agronomic practices (planting, ratoon management, weed control).
  - ✓ Trials on mechanisation options and efficient field operations

SRIF also provides technical guidance to improve farm productivity, reduce input costs, and encourage gradual adoption of mechanisation where feasible.

- Low Mechanisation - grant support has been provided to farmers to purchase mechanical harvesters, planters, and fertiliser applicators. The Ministry has also supported mechanical harvesting with the support of harvesters and the supply of cage bins. Additional support is being discussed with the Government of India to provide advanced technologies, such as agricultural drones, in the near future.

3. Climate Change and Disaster Response

a) Tropical Cyclones Yasa and Ana caused significant damage to farms and infrastructure. What lessons were learned, and how has the Ministry strengthened resilience planning?

- Tropical Cyclones Yasa and Ana caused extensive damage to sugarcane crops and infrastructure in Labasa, leading to an almost 50% decline in sugarcane production during the 2021 season.
- The Ministry supported the construction of an in-field drainage system to minimise waterlogging. Farmers were also given the option to cultivate rice as a means of strengthening their food security.
- Financial support was also provided by the Government, whereby loans for nearly 600 farmers were paid off by the Government.
- Farmers are vulnerable to various climate change events, and therefore, it's necessary to enhance the adoption of climate adaptation strategies to minimise losses. Farmers are also required to diversify crops to reduce vulnerabilities to climate change. Training and awareness are being provided to farmers.

b) Of the Government's allocated rehabilitation funding, how much has been disbursed and what outcomes have been achieved?

A total of $4.0 million was approved by Cabinet and fully committed to assist farmers affected by Tropical Cyclone Yasa, particularly in the Northern Division.

Key outcomes achieved include:

- Fertiliser Support - 34,236 bags of Blend C fertiliser (valued at $1.56 million) distributed free to affected farmers.
- Weedicide Assistance - 26,104 litres of Amine and 26,104 kg of Diuron (valued at $860,126) provided at no cost.
- Farm Rehabilitation Works -
  - ✓ 195,213 metres of in-field drainage completed ($585,639).
  - ✓ 50 hectares of crop slashing undertaken ($7,500).
- Replanting Programme: the Fiji Sugar Corporation supported recovery with $1 million in services, enabling:
  - ✓ 255 hectares replanted (Stage 1).
  - ✓ 797.6 hectares prepared for Stage 2 planting.

Overall Outcome: the intervention restored farm access, improved soil conditions, and enabled replanting, directly supporting the recovery of cane production in affected areas.

c) What long-term climate adaptation strategies are in place to protect sugarcane production?

I. Improving cane production and yield

✓ The industry will continue to address the waterlogging challenges of sugarcane farmers.

✓ Promoting climate-resilient varieties to reduce losses from climate factors.

✓ Promoting Integrated Nutrient Management to improve soil health. This includes promoting the use of mill mud, green manuring, trash management, and liming

✓ Crop rotation — this will enhance improvement in soil conditions.

✓ Improve yield on FSC estate farms

✓ Adoption of intercropping to improve soil health and the income of farmers

II. Research and Development, and technology transfer

✓ New Varieties — ongoing research on climate-resilient varieties ✓ Promoting climate adoption of climate-resilient varieties

III. Support for Farmers

✓ Ongoing support to existing and new farmers

✓ Improve awareness and capacity building of farmers and staff on climate change adaptation measures.

4. Programme Implementation and Effectiveness

a) The Sugar Development and Farmers Assistance Programme was restructured due to delays. What were the key implementation challenges, and how will these be avoided in future?

The implementation of the Sugar Development Programme (SDP) was affected by a combination of climatic disruptions and operational constraints. The introduction of green manuring as an additional programme component was conceptually sound; however, its execution proved challenging due to:

- Extended periods of rainfall that limited field access
- **Severe disruptions caused by Tropical Cyclones Yasa and Ana**
- Soil conditions that were unsuitable for green manuring during the implementation window

These factors resulted in slower-than-expected uptake and implementation delays.

Going forward, the Ministry has taken corrective steps to strengthen programme delivery:

- Adaptive Programme Design: Greater flexibility has been built into programme frameworks to allow reallocation of funds where conditions are not conducive.
- Climate-informed Planning: Increased emphasis on aligning programme timelines with seasonal weather patterns.
- Prioritisation of High-Impact Activities: Resources are now more heavily directed toward proven interventions such as cane planting and ratoon management.

b) Targets for cane planting and green manuring were not fully achieved. What corrective actions have been taken?

While targets for both cane planting and green manuring were not fully met, this was largely due to external shocks beyond the Ministry's control, which had already been identified as risks during the planning stage.

In response:

- Unutilised funds from green manuring were redeployed to cane planting activities, ensuring that overall programme objectives particularly increasing cane area — were still supported.
- Greater focus was placed on supporting active and productive farmers, thereby maximising returns on limited resources.

This ensured that, despite disruptions, programme effectiveness was preserved through strategic adjustments.

c) How does the Ministry evaluate the effectiveness of subsidy programmes such as fertiliser and weedicide support?

The Ministry adopts a multi-dimensional approach to evaluating subsidy programmes:

- Access and Uptake: Monitoring how many farmers access subsidised fertiliser and weedicide.
- Cost Relief: Assessing the extent to which subsidies reduce the financial burden on farmers.
- Production Outcomes: Linking input usage to improvements in cane yield and overall production levels.
- Market Stability: Ensuring price stability for key inputs, which allows farmers to plan and invest with greater certainty.

These programmes are critical in maintaining production levels, particularly in a sector where input costs are a major barrier to sustained cultivation.

5. Budget Utilisation and Financial Management

a) The Ministry was allocated approximately $50.9 million for capital programmes. What percentage of this budget was fully utilised, and what were the major variances?

The Ministry demonstrated strong financial performance, with capital programme utilisation reaching 99.92%, and overall budget utilisation at 99.6%.

The initial capital allocation of $50.9 million was revised upward to $62.0 million, primarily to support the Government's commitment to a guaranteed cane price of $85 per tonne.

Budget Estimate (Capex)	Approp Changes	Revised Budget	Actual Expenditure	Balance	Utilisation
$50,870,136	$11,158,619	$62,028,755	$61,978,102	$50,653	99.92%

The key variance was the $11.16 million top-up to the Sugar Stabilisation Fund, which ensured that farmers received stable and predictable income despite fluctuations in global sugar prices.

Year	Production	Cane Payment	Price/Ton	VIP
2020 crop	1,729,281	2nd Payment	$1.31	$2,270,114

	1,729,281	4th Cane Payment	$5.14	$8,888,504
Total				**$11,158,619**

b) Were there any instances of reallocation of funds, and what justification was provided?

Yes, targeted reallocations were undertaken to respond to the urgent needs arising from TC Yasa.

Funding was mobilised from multiple sources, including:

- Internal programme reallocations (Fertiliser and New Farmers Programmes)
- Unutilised weedicide subsidy funds
- Cane Development and Revolving Fund (CDRF)
- Fiji Sugar Corporation's support for replanting

Justification:

These reallocations were necessary to ensure a timely and coordinated disaster response, while still preserving the integrity of ongoing programmes. The approach reflects prudent financial management and the ability to respond flexibly to emerging priorities.

c) What controls are in place to ensure value for money in programme delivery?

The Ministry maintains a robust accountability framework, including:

- Field-based verification: random physical inspections to confirm delivery and use of inputs
- Digital tracking systems: ensuring traceability of all subsidies and beneficiaries, as all programs are captured under FSC's FIS system.
- Independent monitoring: the Ministry has a dedicated Grants & Monitoring Team to ensure programs are implemented as per the work plan.
- Policy oversight: continuous review and refinement of programmes based on performance data

This layered approach ensures that public funds are used efficiently and for their intended purposes.

6. Monitoring, Evaluation, and Accountability

a) Only 257 farms were monitored across seven programmes. Is this level of monitoring sufficient to ensure accountability and programme effectiveness?

While monitoring coverage in 2020—2021 (257 farms) was constrained by limited staffing and the impact of COVID-19, the Ministry has since significantly strengthened its monitoring capacity.

- Monitoring staff increased from 2 to 4 officers
- Coverage expanded to over 700 farms in recent seasons

This demonstrates a clear commitment to improving oversight and accountability.

The monitoring is also conducted by FSC field officers on all farmers receiving the cane planting grant, while the Sugar Cane Growers Council conducts monitoring on 20% of the farmers.

b) What mechanisms are in place to track the long-term outcomes of funded programmes?

The Ministry tracks long-term outcomes through:

- Continuous field engagement and data collection
- Annual programme performance reviews
- Policy adjustments based on evidence and trends

Recent reforms to the Sugar Development Programme illustrate how data-driven insights are used to improve programme targeting and effectiveness.

c) How does the Ministry ensure transparency and accountability in the distribution of grants and subsidies?

Transparency is maintained through:

- Open and equitable access to programmes
- Digital records and audit trails
- Regular monitoring and verification
- Clear eligibility criteria

This ensures that assistance reaches intended beneficiaries and builds trust in programme delivery.

7. Governance and Institutional Coordination

a) How effective is coordination between the Ministry and key institutions such as the Sugar Cane Growers Council, Sugar Research Institute of Fiji, and Fiji Sugar Corporation?

The industry institutions are operating under their respective established governance framework as outlined in the legislation and bylaws:

- Companies Act and Articles of Association — Fiji Sugar Corporation and South Pacific Fertilisers.
- Sugar Research Institute of Fiji Act 2005 — Sugar Research Institute of Fiji
- Sugar Cane Growers Fund Act — Sugar Cane Growers Fund
- Sugar Industry Act — Sugar Cane Growers Council and Sugar Industry Tribunal

In addition, the Ministry has established a reporting and monitoring system with the industry institutions. The institutions have annual plans that are aligned to government policy priorities, and each institution provides quarterly reports to the Ministry to report their progress on achievements.

The Ministry also has regular meetings with the institutions to discuss industry matters and find solutions to address issues as and when they arise.

b) The Ministry is responsible for tabling multiple overdue annual reports of sector institutions. What measures are in place to address delays in reporting?

The Ministry acknowledges the pending annual reports from the following institutions:

- Sugar Industry Tribunal — pending for 2022 till 2024. The delay is from both the Auditor General's Office and limitations at the Sugar Industry Tribunal due to a lack of capabilities in Accounts. Support is being provided by the Ministry and other sugar industry institutions to collate financial reports of the Sugar Industry Tribunal and submit them to the Auditor General's Office for audit.
- Ministry of Sugar Industry — delays are due to staff turnover and a lack of staffing to collate timely reports. The reports pending include 2022/2023, 2023/2024, and 2024/2025. These reports are being compiled and shall be submitted by the end of 2026.
- Sugar Cane Growers Council — 2023/2024, 2024/2025 Ministry will submit before the end of this year.
- Sugar Research Institute of Fiji - 2022, 2023, 2024 Ministry will submit before the end of this year.

c) Were there any governance or compliance issues identified during the audit process?

Yes, except for the Sugar Industry Tribunal, the rest of the institutions have complied with the financial and governance process of the audit requirements. The Sugar Industry Tribunal had a qualified report due to documentation challenges.

8. Farmer Support and Livelihood Impact

a) How many farmers directly benefited from Ministry programmes, and what measurable improvements were recorded in income and productivity?

All farmers have equal access to all the grants if they are producing growers. For example, all 11,622 farmers receive a top-up cane payment of $5.14/ton for the 4th cane payment of the 2020 crop. The number of tons produced by each farmer individually determines the final government support they received. This is equitable.

b) What support is provided to new farmers entering the sugar industry?

The Ministry provides targeted support to encourage new entrants through the "New Farmers & Lease Premium Assistance Program" whereby farmers receive support of $7,500 or 30%, whichever is lower, to purchase sugarcane/or potential sugarcane farmland.

Farmer Trainings by SRIF

Total Trained (2023-2025):

- Women farmers: 269
- FSC/Extension staff: 150
- New/Young farmers: 71
- Land-holding unit farmers: 18

Field Days, Demonstrations & Outreach by Year

Year	Number of Field Da s	Covera e
2023	42	All Districts
2024	46	All Districts
2025	91	All Districts

c) How effective are programmes in ensuring equitable access for smallholder and disadvantaged farmers?

Subsidy programmes play a key role in supporting smallholder and disadvantaged farmers by:

- Reducing input costs
- Improving access to essential resources
- Supporting participation in productive farming

Evidence of increased production and improved incomes in subsequent years suggests that these programmes are delivering meaningful benefits, particularly at the smallholder level.

9. Infrastructure and Logistics

a) Cane cartage performance improved, but targets were slightly below plan. What were the constraints affecting full achievement?

The cane to be carted under the Cane Cartage Program is estimated during the planning process. However, the actual amount utilised under this program will be based on the actual volume of cane carted, and this is based on the volume of cane supplied by cane farmers from Rakiraki to Rarawai mill. Actual volume is known when the cane is delivered.

b) What investments are being made to improve cane access roads, rail systems, and transport logistics?

Over 90% of all cane is transported through the cane access roads. Every year, the Ministry allocates funding to repair Cane Access roads, which is a temporary reprieve as works are done just to ensure that sugarcane can be carted from the remote areas. While the funding allocation is not sufficient, the Ministry needs to ensure that funds are distributed across all sectors to allow for the upgrading of approximately 3,000 kms of roads. Almost every year, roads are damaged due to flooding, which affects the initial planned activities. In such cases, funding is prioritised to allow for maximum upgrading of roads.

With respect to rail infrastructure, there have been no major capital investments in recent years. However, the Fiji Sugar Corporation Limited continues to carry out annual maintenance works, focusing on critical sections of track and essential rail assets to ensure safe and continuous operations. The rail system continues to operate using the existing fleet and infrastructure while maintaining service reliability through targeted maintenance and operational planning.

c) How is the Ministry addressing infrastructure damage caused by natural disasters?

The Ministry adopts a flexible financing approach, including:

- Use of existing budget allocations;
- Internal reallocations; and
- Additional funding support is requested, where required.

Priority is given to restoring access quickly to minimise disruption to harvesting and cane delivery.

The Ministry, through the Tender Evaluation Committee (FSC, Sugar Cane Growers Council and Ministry), ensures that reputable contractors are selected to carry out upgrading works to ensure quality work is delivered and damages are minimised in future. The Ministry also engages with the Ministry of Infrastructure engineers to design and construct the Irish Crossing, supervise and vet major crossing works to ensure that work is as per the scope and quality is maintained.

Farmers are also taking responsibility through the Cane Access Road committee (comprising of farmers) to ensure that roads are not damaged. Farmers take responsibility for contributing to the installation of culverts.

10. Research, Innovation, and Productivity

a) What role does the Sugar Research Institute of Fiji play in improving yield and productivity, and what results have been achieved?

The Sugar Research Institute of Fiji (SRIF) plays a central role in improving sugarcane productivity through research, innovation, and farmer support services.

Key contributions include:

Key Contribution	2023	2024	2025
Improved cane varieties under evaluation	6 trials active	7 trials active	8 trials active
Soil samples processed & recommendations issued	2,489	2,842	1,618
New agrochemicals evaluated & registered		Ametryn WG (field validation	Ametryn 80% WG (approved recommended
Farmers trained all cate ories	192	38	278
Field days/outreach activities conducted	42	46	91
Cost-effective weed management solutions promoted	Baseline costing established	Comparative trials com leted	Farmer demos initiated

Climate-resilient management advisories issued	3 technical bulletins	4 technical bulletins	5 technical bulletins

SRIF continues multi-location adaptation trials across Drasa, Rarawai, Penang, and Labasa to identify varieties with improved tolerance to drought, waterlogging, and variable soil conditions.

Trial/Series	# Clones	Locations	2023	2024	2025	Current Status
LF2020	14	Drasa, Rarawai, Penang, Labasa		Seedbed planted	Stage 4 planted	Evaluations commence in 2026
LF2019	2	Rarawai, Labasa	Stage 3	Seedbed planted	Stage 4 planted	Evaluations commence in 2026
LF2018	10	Drasa, Rarawai, Penang, Labasa	Stage 4 planted	Plant crop evaluation	1st Ratoon evaluation	Continues to 2nd Ratoon
LF2017	13	Rarawai, Labasa	Plant crop eval.	1st Ratoon eval.	2nd Ratoon	Data analysis underwa
LF2016	14	Rarawai, Labasa	Plant crop eval.	1st Ratoon eval.	2nd Ratoon	Data analysis underwa
LF2015	18	Rarawai, Labasa	Trial completed	Plant strip plots	pre—release	Clones identified for prerelease

Promising clones earmarked for release:

- LF09-1707 (LF2009): Large Mill trial scheduled for 2026; potential release 2026/2027
- LFI 1-233 (LF2011): Large Mill trial completed 2021; release withheld due to leaf scald susceptibility; under continued monitoring.

Soil Health Improvement (Soil Testing & Nutrient Management):

SRIF provides site-specific soil diagnostics and fertilizer recommendations through its Drasa and Labasa laboratories.

Soil Samples Processed (2023-2025):

Location	2023	2024	2025	Total
Drasa	1 ,307	1 ,540	810	3,657
Labasa	1,182	1 ,302	808	3,292

Infrastructure Development (2023—2025):

- Upgraded soil testing laboratories at Drasa and Labasa, including new sample storage facilities
- Procured and commissioned:
- ICP-OES analytical instrument (PerkinElmer, Australia) o Nitrogen Analyser (John Morris Scientific, Australia)
- Enhanced capacity for faster, accurate testing and timely farmer recommendations

Research on Drainage, Waterlogging & Salinity

- Ongoing reference trials at Drasa and Karavi since 2022
- Focus: Identify field interventions to reduce crop stress in waterlogged/salineprone areas
- Progress: Management protocols under validation; farmer advisory notes drafted for 2026 rollout

Promotion of Sustainable Farming Practices

SRIF delivers climate-resilient agronomic advice through:

- Improved planting and ratoon management techniques
- Weed and soil fertility management based on trial evidence
- Delivery channels: Field days, demonstrations, technical visits across all cane belts (see Q8 for outreach figures)

b) How is the Ministry promoting the adoption of modern farming technologies and mechanisation?

The Ministry has programs such as Farm Mechanisation, through which farmers are supported and encouraged to procure modern farming technologies such as boom sprayers, fertiliser applicators, and mechanical harvesters. The Ministry promotes the establishment of cooperatives to invest in bigger machinery, while tractor service providers are encouraged to provide support to farmers through land preparation and cane cultivation. So far, the Ministry has supported 51 cooperatives with sugarcane mechanical harvesters, 16 fertiliser applicators, and 12 sugarcane planters through Tractor Service Providers. A hilly-terrain mechanical harvester is also procured by the Ministry for trial in hilly areas.

The Ministry is also seeking support from development partners to fund modern farming technologies, such as introducing agricultural drones in future.

c) What innovations are being introduced to address soil degradation, waterlogging, and climate impacts?

The farmers are strongly encouraged to adopt best management practices such as crop rotation, application of integrated nutrient management, reducing cane burning and utilising trash for soil management.

For waterlogging, the Ministry has provided support for in-field drainage. The Ministry is now merged with Agriculture and Waterways, whereby better coordination and planning will be carried out holistically to efficiently manage waterlogging and climate impact.

11. International Engagement and Market Access

a) Fiji participates in the International Sugar Organisation. What tangible benefits has this engagement delivered to the local industry?

Fiji has been a member of ISO since 1992 and participates in Council meetings and seminars twice annually (in June and November). At the seminars, the members are provided opportunities to share experiences, lessons learnt, share insights and policy options from various studies conducted by ISO, challenges and new developments in the global sugarcane industry. This includes issues such as opportunities for diversification and value-addition (biofuels, ethanol), markets, sharing strategies for adapting and mitigating climate change, pest and diseases, innovation of modern technologies to create efficiency on farm, and sugar processing, and sharing common interests among members.

By attending these seminars, Fiji was able to get insights into innovations in technologies used in cane cultivation, harvesting and best management practices used in other sugar-producing countries. Some of these currently adopted by Fiji are mechanical harvesters, planters, fertiliser applicators, boom sprayers, etc.

Through the ISO meetings, Fiji also gets an opportunity to meet and develop a partnership with stakeholders such as sugar buyers abroad.

b) What progress has been made in securing international technical assistance and funding support?

Fiji has developed strong relations with India and its sugar stakeholders.

Through the Government of India, the Sugar Research Institute of Fiji (SRIF) was able to seek an Entomologist and Plant Breeder for two years to train SRIF staff between 2022 and 2024. In addition, a total of 18 members, including 14 farmers, were trained in India for 2 weeks in February 2023. The Indian Government has also donated 2 mobile soil laboratories to SRIF in January 2026. There are discussions to acquire 12 agricultural drones for sugarcane farmers later this year. In past, the Government of India had provided grant support to FSC to procure mechanical harvesters and farm implements of over $2.0m.

In 2021 , the People's Republic of China also donated fertiliser to sugarcane farmers of a value of over $1.0 million. Discussions are also ongoing by FSC in relation to building a state-of-the-art sugar factory.

c) How is the Ministry addressing global sugar price volatility and export market challenges?

The FSC is trading at the world market price through experienced brokers. To avoid price volatility, FSC does price hedging 3-4 months prior to sale. Brokers have many contacts with buyers, and they arrange shipments to other countries apart from traditional buyers (UK). Recent new markets are South Korea and China.

12. Key Risks and Forward Strategy

a) What are the biggest risks facing the sugar industry over the next 3—5 years?

- Price volatility — fluctuations in the world market price.
- Climate Change — waterlogging, saltwater intrusion, cyclones, drought.
- Aging infrastructure — reduction in the performance of sugar mills. • Aging Farmers — the decline in the number of active farmers.

High cost of production — impact of increasing fuel price that will affect transportation, fertiliser price, and weedicide price.

Lease expiry and loss of arable land.

b) How is the Ministry balancing short-term farmer support with long-term industry transformation?

The Ministry has 5 policy priorities in the new National Development Plan:

1. Improve Milling efficiency and Value Addition;
2. Improve Cane Production and Yield;
3. Strengthen Research and Development and Technology Transfer;
4. Improve Efficiency of Cane Harvesting and Transportation; and
5. Review Institutions and Legislation.

The short-term focus is to increase sugarcane production while focusing on improving infrastructure in the medium to long-term.

c) What reforms are planned to ensure the long-term viability and competitiveness of the sugar sector?

With the merger of the Ministry of Sugar Industry with Agriculture and Sugar Industry, the Ministry will focus on:

- Streamlining government operations;
- Reducing duplication of administrative functions;
- Improving coordination of farmer services;
- Strengthening policy coherence between crop agriculture and sugar production;

- Enhancing resource allocation efficiency; and
- Supporting a whole-of-sector development approach.

Placing sugar back under the Ministry of Agriculture and Waterways will ensure:

- Unified agricultural extension services;
- Shared research, development, innovation support and technology transfer
- Integrated mechanisation programmes;
- Better land-use and water resource management alignment; and
- Consolidated rural development planning.

The Ministry will focus on improving income for farmers by exploring opportunities for diversification while continuing to implement the 5 policy priorities of the National Development Plan.

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Dr. Andrew Tukana
Permanent Secretary

Site Visitation – Western Division [1 July-3 July 2026]

Images Taken During the Standing Committee on Foreign Affairs and Defence Site Visitation to the Western Division on Wednesday 1 July – Friday 3 July 2026 following its review on the Ministry of Sugar Industry 2020-2021 Annual Report.

The Committee undertook a site visit from Wednesday, 1 July to Friday, 3 July 2026 as part of its review of the Ministry of Sugar Industry 2020-2021 Annual Report. The site visit provided Members with an opportunity to engage directly with key stakeholders and obtain first-hand information on the operations, challenges and issues affecting the sugar industry.

Wednesday 1 July 2026

Site Visits – Lautoka

1. Sugar Cane Growers Council

2. Sugar Cane Growers Fund

Thursday 2 July 2026

Site Visits – Lautoka

1. Fiji Sugar Corporation (FSC) Lautoka Mill

2. Lorry Drivers Association

3. Mill Workers and Apprentices

4. South Pacific Fertilizers Limited

Friday 3 July 2026

Site Visit – Ba

1. FSC Rarawai Mill
2. Mill Workers and Apprentices