STANDING COMMITTEE ON FOREIGN AFFAIRS AND DEFENCE

Review Report of the Ministry of Sugar Industry 2020-2021 Annual Report

PARLIAMENT OF THE REPUBLIC OF FIJI
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ACRONYMS

FSC	Fiji Sugar Corporation
MSI	Ministry of Sugar Industry
SCGC	Sugar Cane Growers Council
SIT	Sugar Industry Tribunal
SPFL	South Pacific Fertilizer Limited
SRIF	Sugar Research Institute of Fiji

CHAIRPERSON'S FOREWORD

On behalf of the Standing Committee on Foreign Affairs and Defence, I am pleased to present the Committee's Review Report of the Ministry of Sugar Industry 2020–2021 Annual Report. The review provided the Committee with an opportunity to examine not only the Ministry's performance during the reporting period, but also the broader structural and operational challenges affecting the sustainability of Fiji's sugar industry. Through public submissions and site visits to the Labasa Mill and key industry stakeholders in the Western Division, the Committee was able to assess issues affecting growers, mill workers and industry institutions across the sugar value chain.

The Committee acknowledges the significant level of Government support provided to the industry through stabilisation funding, fertiliser subsidies, cane cartage, cane access roads and other farmer assistance programmes. However, the Committee is concerned that this investment has not resulted in a sustained recovery in cane production, which declined from 1.7 million tonnes in 2020 to 1.4 million tonnes in 2021. Evidence gathered during the review further highlighted declining grower participation, an ageing farmer population, labour shortages, low farm productivity, land tenure concerns, ageing mill infrastructure, increasing production and transportation costs, and climate-related risks. These challenges are interconnected and demonstrate that the future of the industry cannot be addressed through individual interventions alone, but requires a coordinated and long-term approach involving Government, the Fiji Sugar Corporation (FSC), growers and all sugar industry institutions.

Accordingly, the Committee's recommendations place particular emphasis on reversing the decline in cane production and grower participation, improving farm productivity through research and extension services, addressing labour shortages through appropriate mechanisation, protecting productive agricultural land and progressively modernising mill infrastructure. The Committee also considers it important to reduce the financial and operational burden on growers through improved transportation arrangements, more timely and appropriate cane payment mechanisms and continued access to affordable fertiliser. Strengthened grower representation, institutional governance, workforce development and employee welfare are equally important to rebuilding confidence and improving the overall performance of the industry.

The Committee recognises that the sugar industry continues to support thousands of farmers, workers, contractors and rural households and therefore remains important to Fiji's social and economic development. I acknowledge the Ministry, key stakeholders, and workers who contributed openly to the Committee's review. I also thank my fellow Committee Members for their commitment and contribution towards the completion of this bipartisan report.

On behalf of the Standing Committee on Foreign Affairs and Defence, I submit this Report to Parliament.

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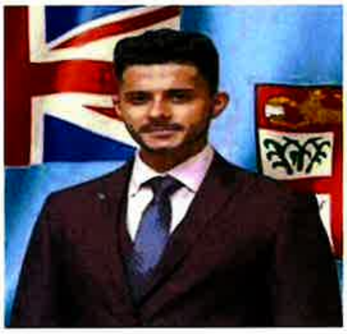
Hon. Lenora QEREQERETABUA
Chairperson

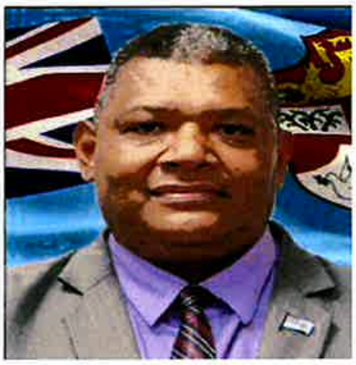
1.0 Committee Remit and Composition

Under Standing Order 109(2)(e) the Committee is mandated to investigate matters related to Fiji's relations with other countries, development aid, foreign direct investment, oversight of the military, and relations with multi-lateral organisations. The members of the Standing Committee on Foreign Affairs and Defence are as follows:

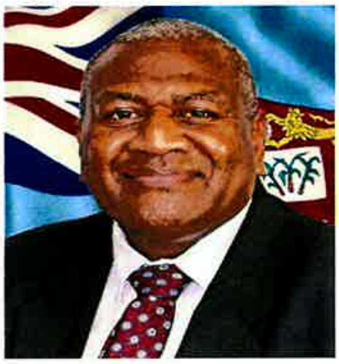
Hon. Lenora Qereqeretabua
Chairperson
Deputy Speaker of Parliament Assistant Minister for Foreign Affairs



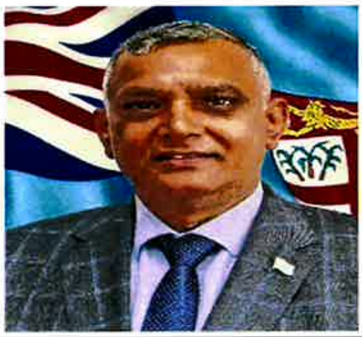
Hon. Rinesh Sharma
Deputy Chairperson



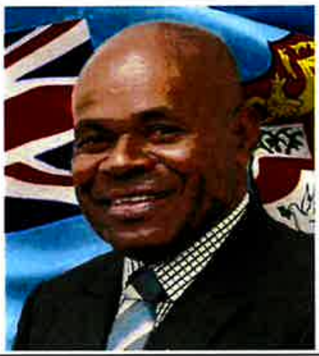
Hon. Ratu Isikeli Tuiwailevu
Member
Assistant Minister for iTaukei Affairs, Heritage and Arts



Hon. Penioni Ravunawa
Member
Assistant Minister for Health and Medical Services



Hon. Virendra Lal
Member



Hon. Taito Rokomatu
Member

1.1 Committee Secretariat Team

The Committee is supported by Parliament officers serving as the Committee Secretariat. These officers are appointed and delegated by the Secretary-General to Parliament by Standing Order 15(3)(i). The Secretariat officers are as follows:

- Ms. Tirisiane Logavatu – Senior Committee Clerk
- Mrs. Elesi Tabuyaqona - Deputy Committee Clerk

Committee contact details:

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2.0 Background and Terms of Reference

2.1 Presentation of the Annual Report

2.1.1 The Speaker of Parliament, on 4 August 2025, referred the Ministry of Sugar Industry ("Ministry") 2020-2021 annual report to the Committee for review. The referral was made pursuant to Standing Order 38(2), which mandates that all annual reports tabled in Parliament be referred to the relevant Standing Committee for examination and report back to Parliament.

2.1.2 The Committee is responsible for reviewing matters concerning Fiji's international relations, development assistance, foreign direct investment, national security oversight, and engagement with multilateral organisations.

2.1.3 The Ministry annual report falls outside the Committee's mandate, but the referral was made to assist in balancing the distribution of workload among the Standing Committees of Parliament.

2.2 Procedure and Program

Public Submission

2.2.1 In relation to Standing Order 111(1), the Committee is committed to upholding public trust in Parliament, by ensuring that there is public participation and that all such participation is given due consideration. The Ministry's representatives as well as representatives of the Fiji Sugar Corporation (FSC) appeared before the Committee at a public hearing in Suva on 30 March 2026. The public submission was broadcast live on the Parliament Facebook page and aired on the Walesi Parliament Channel.

2.2.2 A summary of the submission is provided in a later part of this report, under the heading 'Committee's Deliberation and Analysis'. Copies of the written submission can be obtained from the online Appendices of the report, which can be accessed from the Parliament website: www.parliament.gov.fj

Site Visit

2.2.3 As part of its review of the MSI Annual Report, the Committee had planned to undertake site visits to the Ministry and relevant industry stakeholders to gain a broader understanding of the sector's operations and challenges.

On 17 April 2026, the Committee conducted a site visit to the FSC Labasa Mill, which provided Members with an opportunity to engage directly with FSC officials and obtain valuable insights into mill operations and industry-related issues.

From 1 to 3 July 2026, the Committee conducted site visits to key sugar industry stakeholders in the Western Division. The visits provided Members with an opportunity to engage directly with stakeholders and gain a better understanding of the status of the sugar industry. Discussions focused on issues affecting cane farmers and mill workers, industry support systems and funding, workforce retention and employee welfare, dispute resolution, grower registration and data management, land-use issues, funding constraints, fertiliser supply and diversification, sugarcane research, concerns raised by cane lorry drivers, ageing mill infrastructure, and challenges relating to cane production and supply.

The following sites and associations were visited:

1. Sugar Cane Growers Council (SCGC)
2. Sugar Cane Growers Fund (SCGF)
3. Sugar Research Institute of Fiji (SRIF)
4. FSC Lautoka Mill
5. Cane Lorry Drivers Association, Lautoka
6. South Pacific Fertilizer Limited (SPFL)
7. Sugar Industry Tribunal
8. FSC Rarawai Mill
9. FSC Rarawai Mill Apprentices and Workers representatives

3.0 Committee Deliberation and Analysis

3.1 Introduction

3.1.1 This report presents a summary and analysis of the MSI annual report. It highlights the Committee findings, which include key achievements and challenges, and provides recommendations for improvement to support the Ministry's operations.

3.1.2 The Ministry of Sugar Industry is responsible for providing policy direction, strategic oversight, and support services to ensure the sustainability and long-term viability of Fiji's sugar industry, a sector that directly and indirectly supports more than 200,000 Fijians and remains an important contributor to the national economy. During the reporting period, the Ministry focused on strengthening industry governance, improving cane production and productivity, supporting farmers through various assistance programmes, promoting mechanisation and research, upgrading cane access infrastructure, and enhancing the competitiveness of the sector. The Ministry also led efforts to develop Fiji's first Sugar Industry Policy to address key challenges facing the industry, including climate change, declining youth participation, ageing infrastructure, low productivity, and the need for greater collaboration among industry stakeholders.

3.1.3 The Ministry's internal stakeholders include the Fiji Sugar Corporation, Sugar Cane Growers Council, Sugar Industry Tribunal, Sugar Cane Growers Fund, Sugar Research Institute of Fiji and South Pacific Fertilizers.

3.1.4 The Ministry is led by a Permanent Secretary and focuses on sugar operations, and planning, policy and research.

3.2 Committee Findings

3.2.1 Strategic Planning and Industry Reform

The Committee finds that despite significant Government investment and ongoing reform initiatives; the sugar industry remains well below its long-term production target of 3 million tonnes of cane. During the reporting period, national cane production declined from 1.7 million tonnes in 2020 to 1.4 million tonnes in 2021, representing a reduction of approximately 300,000 tonnes.

The Committee notes that the industry comprised 11,622 active farmers cultivating 36,733 hectares of cane and produced 152,000 tonnes of sugar in 2020 at a cane-to-sugar ratio of 11.4 tonnes of cane per tonne of sugar. The Committee considers that while efforts to develop a comprehensive Sugar Industry Policy and modernise the sector are ongoing, stronger and more coordinated reforms will be required to reverse declining production trends and achieve long-term industry sustainability.

The Committee considers that the merger of the Ministry of Sugar Industry with the Ministry of Agriculture and Waterways provides an opportunity to strengthen policy coherence and implement a more integrated approach to industry reform.

3.2.2 Declining Production Despite Significant Public Investment

The Committee finds that substantial public resources continue to be directed towards supporting the sugar industry. During the reporting period, the Ministry was allocated $50.9 million for seven capital programmes, including $30 million for the Sugar Stabilisation Fund, $15.6 million for fertiliser subsidies, $3 million for cane cartage and $1 million for cane access roads. Despite this investment, national cane production declined by approximately 18 percent from 1.7 million tonnes in 2020 to 1.4 million tonnes in 2021.

The Committee is concerned that while Government interventions continue to provide critical support to growers, production outcomes remain below expectations. The Committee considers this trend indicative of deeper structural challenges, including declining farmer participation, labour shortages, ageing infrastructure, climate-related disruptions and productivity constraints. The Committee is concerned that significant public expenditure has yet to translate into sustained production growth and long-term industry recovery.

3.2.3 Heavy Reliance on Government Assistance Raises Sustainability Concerns

The Committee notes that the industry remains heavily reliant on Government-funded support programmes. During the reporting period, 482,632 bags of fertiliser were distributed to growers under the Fertiliser Subsidy Programme, together with 220,875 litres of Amine, 87,135 kilograms of Diuron, 40,270 litres of Glyphosate, 71,150 litres of Glufosinate and 38,740 kilograms of Valpar under the Weedicide Subsidy Programme. In addition, 424.5 hectares were planted under the Sugar Development and Farmers Assistance Programme, while 152,984 tonnes of cane were transported under the Cane Cartage Programme.

The Committee finds that while these programmes provide important assistance to growers, the industry's continued dependence on public funding raises concerns regarding its long-term commercial viability and resilience.

3.2.4 Climate Change Continues to Pose a Significant Threat

The Committee finds that climate-related disasters had a severe impact on the industry during the reporting period. Tropical Cyclone Yasa caused an estimated $27 million in damage to the sugar sector, while Tropical Cyclone Ana caused a further $24 million in losses. A total of 3,360 cane farms covering 10,197 hectares were affected in Vanua Levu, including approximately 700 hectares of cane that were completely destroyed by tidal surges in the Wailevu sector. The cyclones also damaged cane access roads, floodgates, farm infrastructure and nearly 20 kilometres of rail tramlines. Although Government allocated more than $4 million for rehabilitation efforts, the Committee remains concerned about the increasing vulnerability of the industry to climate-related events and the long-term implications for production and farmer livelihoods.

3.2.5 Mechanisation Progress Has Been Achieved but Structural Constraints Remain

The Committee notes positively the industry's progress in mechanisation, with mechanical harvesting increasing substantially compared to previous years and additional support being provided for harvesters, planters and fertiliser applicators. However, the Committee finds that mechanisation alone will not address all productivity challenges, particularly in hilly and difficult terrain where manual labour remains necessary. The Committee further notes that labour shortages, high operating costs and ageing infrastructure continue to constrain productivity gains across the value chain.

3.2.6 Strong Budget Utilisation Does Not Necessarily Demonstrate Programme Effectiveness

The Committee notes that the Ministry achieved a capital expenditure utilisation rate of 99.92 percent and overall budget utilisation of 99.6 percent. While this demonstrates strong expenditure performance, the Committee finds that high-budget utilisation alone does not necessarily indicate programme effectiveness or successful outcomes. The Committee considers that greater emphasis should be placed on measuring the impact of expenditure on productivity, farmer incomes, production levels and industry sustainability, rather than solely focusing on expenditure rates.

3.2.7 Monitoring and Accountability Systems Have Improved but Require Further Strengthening

The Committee notes positively that monitoring capacity has improved, with coverage expanding from 257 farms during the reporting period to more than 700 farms in recent years. In addition, the establishment of digital tracking systems, field verification processes and grants monitoring mechanisms has enhanced accountability and oversight. Nevertheless, the Committee considers that continued strengthening of monitoring and evaluation systems is necessary to ensure that public funds achieve measurable outcomes and that programme performance is regularly assessed.

3.2.8 Governance Weaknesses and Reporting Delays Remain a Concern

The Committee finds with concern that multiple annual reports from key sugar industry institutions remain outstanding. Evidence provided indicates that staff turnover, staff shortages and institutional capacity constraints have contributed to delays in report preparation and submission. The Committee further notes that the Sugar Industry Tribunal continues to face governance and compliance challenges, including qualified audit findings and documentation issues. The Committee considers that timely reporting and stronger governance arrangements are essential to improving transparency, accountability and stakeholder confidence in the industry.

3.2.9 Research and Development Activities Are Contributing to Long-Term Resilience

The Committee notes the significant contribution of the Sugar Research Institute of Fiji (SRIF) towards strengthening industry resilience and productivity. During the reporting period, SRIF produced 10,400 disease-free seedlings, certified seed cane planting on 248 farms, inspected 2,312 farms, analysed 2,781 soil samples and provided 2,159 soil test recommendations to farmers. The Institute also screened 139 varieties for Fiji Leaf Gall Disease, with 88.5 percent demonstrating resistance. The Committee finds that these research and extension activities are critical to improving productivity, disease management and climate resilience, but considers that greater efforts are needed to translate research output into measurable increases in farm yields and national production.

3.2.10 Farmer Support and Industry Institutions Continue to Play an Important Role

The Committee notes that industry institutions continued to provide important support services during a challenging period. The Sugar Cane Growers Fund approved 2,009 loan applications valued at $8.57 million and recorded a net surplus of $3.06 million. The Sugar Cane Growers Council conducted consultations with 2,536 growers and introduced a micro-insurance scheme that benefited 85 growers and their families through claims totaling $294,500. The Committee finds that these initiatives have helped sustain farmer participation and support recovery efforts following the impacts of COVID-19 and severe weather events. However, the Committee considers that stronger coordination among industry institutions will be necessary to improve efficiency and maximise the impact of Government assistance.

3.2.11 Infrastructure and Logistics Continue to Present Operational Challenges

The Committee notes that transport and infrastructure remain essential to industry operations. During the reporting period, the Ministry facilitated the upgrading of 2,921.1 kilometres of cane access roads and supported the transportation of 152,984 tonnes of cane under the Cane Cartage Programme. However, extensive cyclone damaged roads, crossings and approximately 20 kilometres of rail infrastructure disrupted harvesting and transportation activities. The Committee finds that continued investment in cane access roads, rail infrastructure and transportation systems will be critical to reducing operational inefficiencies and improving industry productivity.

3.2.12 Labour Shortages and an Ageing Farmer Population Threaten Industry Sustainability

The Committee finds that the ageing farmer population and declining participation of younger generations represent a significant long-term threat to the industry's sustainability.

While programmes have been introduced to attract new farmers and provide financial support for lease acquisition and farm establishment, the Committee remains concerned that labour shortages continue to affect both farm operations and mill performance. The Committee considers that stronger succession planning, youth engagement initiatives and incentives for new entrants will be essential to securing the future of the industry.

3.2.13 The Sugar Industry Remains Strategically Important but Faces Significant Risks

The Committee finds that despite its declining contribution to national output, the sugar industry continues to play an important economic and social role, supporting thousands of farmers, workers, contractors and rural households. However, the Committee notes that the industry faces a combination of risks including climate change, ageing infrastructure, global price volatility, rising production costs, declining farmer numbers and lease expiry issues. The Committee considers that without comprehensive reform and sustained investment; these challenges may undermine the industry's long-term competitiveness and viability.

3.3 Site Visit Summary

3.3.1 Declining Cane Production and Grower Participation Continue to Threaten the Sustainability of the Sugar Industry

The Committee finds that the continued decline in cane production and active grower participation remains one of the most significant challenges facing Fiji's sugar industry. Evidence gathered during the site visits indicated a substantial reduction in the number of growers, with the Sugar Cane Growers Council reporting a decline from approximately 22,000 growers to around 11,000, while the Sugar Industry Tribunal recorded 18,742 registered growers but only approximately 9,900 active producers. The Committee considers that declining grower participation, together with reduced land under cane cultivation, is contributing directly to lower cane supply and placing increasing pressure on the sustainability of the industry.

3.3.2 Insufficient Cane Supply Continues to Undermine Mill Efficiency and Economic Viability

The Committee finds that declining and inconsistent cane supply continues to significantly affect the efficient operation of Fiji's sugar mills. In the Northern Division, the Committee noted that while the Labasa Mill has the operational capacity to crush up to 350 tonnes of cane per hour, it averaged only 216 tonnes per hour during the 2025 crushing season, with approximately 27,000 tonnes of expected cane not delivered. The same concern was evident in the Western Division, where insufficient cane deliveries were identified as contributing to mill stoppages, increased fuel consumption leading to higher operating costs and equipment deterioration. The Committee considers that improving cane supply must remain a priority alongside investment in mill infrastructure.

3.3.3 Ageing Farmers, Labour Shortages and Weak Succession Continue to Affect Industry Sustainability

The Committee finds that an ageing farmer population, severe labour shortages and the limited participation of younger generations continue to undermine the long-term sustainability of cane farming. Younger people are increasingly reluctant to enter or remain in the industry, while many existing farming families have no successors willing to continue cane production. Labour shortages are particularly acute during harvesting and impose additional costs on growers for labour, accommodation, meals and transportation. The Committee considers that these challenges require greater attention to farmer retention, succession planning, youth participation and the development of a sustainable agricultural workforce.

3.3.4 Limited Mechanisation Continues to Constrain Harvesting and Productivity

The Committee finds that while mechanisation has improved harvesting efficiency on flat and accessible farms, its application remains limited in hilly and uneven terrain. This is particularly significant in areas where manual harvesting remains necessary, and labour shortages are most severe. The Committee further notes the Sugar Industry Tribunal's view that the traditional small-scale farming model is becoming increasingly difficult to sustain, and that greater mechanisation and consideration of larger consolidated farming operations may be necessary to improve efficiency. The Committee considers that further research and investment in terrain-appropriate technologies will be important in reducing dependence on manual labour.

3.3.5 Poor Soil Health and Agronomic Practices Continue to Affect Cane Productivity

The Committee finds that low cane yields are being compounded by poor soil health, ageing ratoon crops, inadequate fertiliser application, limited replanting and other farming practices that affect productivity. SRIF reported that approximately 80 percent of farms tested in Vanua Levu and 40–50 percent in Viti Levu were highly acidic. South Pacific Fertilizers further advised that Fiji's average sugarcane yield is approximately 40–50 tonnes per hectare compared with 80–100 tonnes per hectare in comparable countries. The Committee considers that improving soil management, replanting, fertiliser application and good agricultural practices will be critical to increasing cane production from existing agricultural land.

3.3.6 Land Tenure, Agricultural Land Conversion and Underutilisation Affect Long-Term Production

The Committee finds that uncertainty surrounding agricultural lease renewals continues to discourage long-term investment in cane farming. The Committee also notes concerns regarding the conversion of productive agricultural land for residential and commercial development, while other potentially productive agricultural land remains idle or underutilised. The Committee further notes that majority of the agricultural land has been taken up for tourism development. While lease security remains important, evidence from growers also indicated that ageing farmers and the absence of successors are increasingly affecting the continuity of farming operations. The Committee considers that land tenure, succession and productive utilisation of agricultural land must be addressed together to protect Fiji's future cane-producing capacity.

3.3.7 Sugar Research and Extension Services are Critical but Require Sustained Investment

The Committee acknowledges the important role of sugar research and extension services in improving productivity and strengthening industry's resilience. SRIF advised that developing and releasing a new sugarcane variety takes approximately 10–15 years and currently manages 19 commercial varieties. Despite the development of early-maturing, drought-tolerant and saline-tolerant varieties, farmer adoption remains slow. The

Committee further notes that SRIF faces funding, staffing and infrastructure constraints, while extension services are required to support farmer adoption of improved varieties, soil management, pest control and better farming practices. The Committee considers sustained investment in research and better coordination with other stakeholders to achieve long-term productivity improvements.

3.3.8 Ageing Mill Infrastructure and Capital Constraints Affect Milling Performance

The Committee finds that ageing mill infrastructure continues to affect operational reliability, efficiency and production capacity. At the Rarawai Mill in Ba, boilers commissioned in 1945 and 1979 remain in operation, contributing to maintenance challenges and inadequate steam generation, while the mill currently processes approximately 200–210 tonnes of cane per hour against a target of 250 tonnes per hour. The Committee also noted that limited capital funding has resulted in infrastructure improvements being undertaken incrementally. The Committee considers that long-term asset management and targeted capital investment are necessary to improve mill reliability and efficiency.

3.3.9 Rising Production Costs and the Cane Payment System Continue to Place Financial Pressure on Growers

The Committee finds that rising costs associated with labour, fuel, transportation, fertiliser and farm maintenance are placing increasing financial pressure on cane farmers. The Committee further notes concern that cane payments are spread over several instalments extending for a prolonged period following harvesting, resulting in cash-flow difficulties and increased reliance on loans and credit facilities to sustain farming operations. In addition, the Sugar Industry Tribunal noted that the current payment system is largely based on cane tonnage and provides limited incentives for improvements in cane quality and sugar content. The low sugar price in the world market is making it difficult to pay sugarcane farmers a higher price.

3.3.10 Fertiliser Affordability and Supply-Chain Vulnerability Present Risks to Cane Production

The Committee finds that access to affordable and reliable fertiliser remains critical to improving cane productivity. South Pacific Fertilizers supplies approximately 10,500 active sugarcane farmers; however, Fiji is fully dependent on imported fertiliser raw materials and is therefore vulnerable to geopolitical disruptions, shipping constraints, export restrictions and rising freight and fuel costs. The Committee also notes that SPF may wait between 12 and 18 months to recover the cost of fertiliser supplied through the FSC payment system, creating significant working-capital pressures. The Committee considers that fertiliser affordability, supply security and appropriate application are closely linked to the future productivity of the sugar industry.

3.3.11 Grower Representation, Institutional Governance and Industry Coordination Require Strengthening

The Council's central concern is that growers have lost effective representation following changes made after 2009 and subsequent amendments to the Sugar Industry Act 1984 in 2015. The Sugar Industry (Amendment) Act 2015 removed the system of elected grower representatives to the Sugar Cane Growers' Council and provided for Council members to be appointed by the Minister, thereby reducing direct farmer representation and engagement at the grassroots level. The Sugar Industry (Amendment) Bill 2024 was subsequently introduced to restore the election of Council members and was enacted as the Sugar Industry (Amendment) Act 2025. However, at the time of the Committee's visit, these elections had yet to take place.

3.3.12 Institutional Resourcing and Data Management Require Improvement

The Committee finds that resource and data-management constraints within key sugar industry institutions may affect their ability to effectively discharge their responsibilities. Of particular concern is the Sugar Industry Tribunal, which is responsible for grower registration, dispute resolution, harvesting gang administration and industry compliance but operates with limited staffing and resources. The Tribunal does not maintain an independent IT system and relies on FSC infrastructure for grower data. The Committee was concerned to note that approximately 12,000 grower records were reportedly lost during a system upgrade and subsequently required manual reconstruction from paper records. The Committee considers the integrity, security and institutional ownership of grower information critical to effective industry administration and planning.

3.3.13 Skills Development and Employee Welfare Remain Significant Concerns

The Committee finds that workforce retention, remuneration and employee welfare remain significant concerns across the sugar industry. At the Rarawai Mill, the Committee noted difficulties in attracting and retaining skilled workers and apprentices, contributing to the reliance on specialised overseas workers for major technical and maintenance functions.

The Committee is particularly concerned about the remuneration of skilled mill workers, noting that some long-serving employees continue to receive relatively low hourly rates despite their qualifications, specialised skills and years of experience. The Committee was informed that the wage structure had not been comprehensively reviewed for a considerable period and that, while recommendations arising from a job evaluation had been made by Human Resources, these had not resulted in corresponding increases in pay for skilled workers. The Committee further noted that the job evaluation undertaken had primarily applied to General Wage Earners (GWE) and had not adequately addressed the remuneration of skilled workers.

The Committee considers that current remuneration levels have not kept pace with the rising cost of living and may be contributing to difficulties in attracting and retaining suitably qualified employees. Of particular concern is the impact of low remuneration on the apprenticeship pathway, as apprentices have limited incentive to remain with the industry after completing their training where longer-term remuneration and career progression remain unattractive.

The Committee therefore considers that competitive remuneration, regular job evaluations, strengthened apprenticeship and career pathways, investment in local technical skills, occupational health and safety, and improved employee welfare are essential to retaining skilled workers, reducing reliance on overseas technical expertise and sustaining the industry's workforce over the long term.

3.3.14 Lorry Driver Welfare Facilities Require Further Improvement

The Committee finds that, while FSC provides designated rest areas, canteen services and washroom facilities for cane lorry drivers, further improvements are required to ensure adequate welfare and safe waiting conditions. The Committee notes that meals are provided to drivers during prolonged mill breakdowns exceeding five to six hours.

However, concerns were raised regarding the condition and hygiene of washroom facilities, access to drinking water, adequacy of seating and shaded shelter, dust exposure, security and the general maintenance of driver waiting areas. The Committee is particularly concerned about the welfare of drivers during lengthy waiting periods caused by mill breakdowns and other operational disruptions, when existing facilities may be inadequate for extended use.

The Committee considers that appropriate sanitation, clean drinking water, adequate seating and shelter, improved security and regular maintenance of driver welfare facilities are necessary to provide safe and suitable conditions for cane lorry drivers while awaiting the unloading of cane.

3.3.15 Climate Resilience, Diversification and Modernisation are Critical to the Future of the Sugar Industry

The Committee finds that the long-term sustainability of the sugar industry will increasingly depend on its ability to adapt to climate change, modernise operations and diversify its sources of income. Climate-related risks identified during the site visits included flooding, drought, soil salinity, pest and disease pressures and the potential impacts of El Niño. At the same time, opportunities exist to diversify through renewable energy generation from bagasse, ethanol production, value-added agricultural activities, regenerative agriculture and complementary crops.

The Committee considers that these challenges are interconnected and require a coordinated, long-term industry approach involving the Ministry, FSC, growers, research institutions, financing bodies, landowners and other relevant stakeholders. The continued decline of the sugar industry also has wider implications for rural livelihoods, employment and economic activity in Fiji's cane-growing regions.

3.3.16 Extension Services Play a Critical Role but Face Capacity Constraints

The Committee finds that extension services remain essential to improving farm productivity and supporting industry recovery. However, the Committee notes that extension resources are stretched and may not be sufficient to address the scale of challenges facing cane farmers. While initiatives to rehabilitate underperforming estates and establish larger farming units are showing encouraging signs, the Committee observes that these interventions are likely to yield results only over the medium to long term.

4.0 Recommendations

4.1 The Committee recommends that the Ministry, in consultation with the FSC, Sugar Cane Growers Council and other relevant stakeholders, develop and implement a comprehensive strategy to reverse the decline in cane production and grower participation. The strategy should include measurable targets for increasing cane production and land under cultivation, retaining existing growers, supporting ageing farmers, strengthening succession planning and attracting younger people into commercial cane farming. *(reference 3.2.1)*

4.2 The Committee recommends that the Ministry develop a coordinated sugar industry labour and mechanisation programme to address persistent harvesting labour shortages. The programme should expand access to appropriate harvesting technologies, strengthen labour assistance arrangements and provide targeted solutions for farmers operating on hilly and difficult terrain where conventional mechanical harvesters cannot operate effectively. *(reference 3.2.2, 3.2.5, 3.2.12, 3.3.3)*

4.3 The Committee recommends that the Ministry, FSC and the Sugar Research Institute of Fiji (SRIF) strengthen programmes to improve cane yield per hectare through regular soil testing, appropriate lime and fertiliser application, replanting of ageing ratoons, improved ratoon management, pest and disease control and greater adoption of improved cane varieties. *(reference 3.3.5)*

4.4 The Committee recommends that the Government provide adequate and sustained funding to SRIF to strengthen research capacity, laboratory infrastructure, human resources and the development of climate-resilient cane varieties. The Committee further recommends that SRIF and FSC strengthen coordination between research and extension services to ensure that research findings are effectively communicated and demonstrated to farmers and translated into improved farming practices. The Committee considers that greater emphasis should be placed on farmer adoption of research outcomes, given that developing a new cane variety may take approximately 10–15 years and the benefits of this investment can only be realised through effective adoption at farm level. *(reference 3.2.9, 3.3.5, 3.3.7)*

4.5 The Committee recommends that the Ministry work closely with relevant land administration authorities, landowners and industry stakeholders to facilitate timely agricultural lease renewals, strengthen succession planning and encourage the productive utilisation of idle and underutilised agricultural land. The Committee further recommends that appropriate measures be considered to protect productive agricultural land from unnecessary conversion and subdivision where this would adversely affect long-term cane production and food security. *(reference 3.3.6)*

4.6 The Committee recommends that the Ministry, in consultation with the FSC, develop and implement a prioritised medium to long-term capital investment and asset management programme for all sugar mills, with clear implementation timelines for the rehabilitation and replacement of ageing critical infrastructure. *(reference 3.2.5, 3.2.11, 3.2.13, 3.3.8)*

4.7 The Committee recommends that the Ministry and the FSC, in consultation with the SCGC and other relevant stakeholders, undertake a comprehensive review of cane transportation and logistics arrangements, including the reduction of tramline services and the increasing reliance on road transportation. The review should assess the viability of rehabilitating and expanding rail and road transport networks where economically feasible, with consideration given to the complexity of current transportation arrangements and the increasing harvesting and delivery costs borne by growers. Appropriate measures should be implemented to reduce delivery delays and transportation costs, improve growers' access to reliable transport services, and ensure that transportation costs and responsibilities are equitably shared amongst stakeholders and do not place an undue financial and operational burden on farmers. *(reference 3.2.11, 3.2.13, 3.3.2, 3.3.9, 3.3.14)*

4.8 The Committee recommends that the Ministry, in consultation with the FSC, SIT, grower representatives and relevant stakeholders, review the existing cane payment system to improve the timeliness and predictability of payments and reduce cash-flow pressures on growers. The review should also consider transitioning towards a quality-based payment mechanism that appropriately rewards both cane quantity and sugar content, supported by appropriate milling efficiency measures and informed by international best practices, while considering the financial sustainability of the industry and prevailing market conditions. *(reference 3.2.2, 3.2.3, 3.2.13, 3.3.9)*

4.9 The Committee recommends that the Government continue to support affordable access to fertiliser subsidy while strengthening the resilience of Fiji's fertiliser supply chain through diversified international sourcing, appropriate strategic stockholding and contingency planning for shipping disruptions and other external shocks. The Committee further recommends that fertiliser programmes be more closely integrated with soil testing and extension services to ensure that fertiliser application responds to actual soil and crop requirements and contributes effectively to increased productivity. The Committee noted from the site visit's that Fiji's dependence on imported fertiliser and significant exposure to international supply-chain disruptions as major risks to the industry. The Committee further recommends that, given the significant Government investment in fertiliser subsidies, the Ministry strengthen the monitoring of subsidised fertiliser to ensure that it is appropriately distributed, utilised for its intended purpose and contributes to improved cane productivity. *(reference 3.2.3, 3.2.7, 3.2.9, 3.3.5, 3.3.10)*

4.10 The Committee recommends that the Ministry expedite the implementation of the electoral arrangements provided for under the Sugar Industry (Amendment) Act 2025, which restored provisions for the election of grower representatives to the Sugar Cane Growers' Council, to ensure that elections are conducted without further delay and effective grassroots representation is restored. The Committee further recommends that the governance arrangements of relevant sugar industry institutions be reviewed to ensure appropriate grower representation, transparency, accountability and effective communication, thereby strengthening growers' participation in industry decision-making. *(reference 3.2.8, 3.3.11)*

4.11 The Committee recommends that the Government provide adequate resources to the Sugar Industry Tribunal to enable it to effectively discharge its statutory responsibilities and prioritise the establishment of an independent, secure and reliable digital information management system for the growers' register. The system should provide for digitisation of historical records, appropriate data ownership and access controls, regular backups and disaster-recovery arrangements to prevent future loss of grower information. The

Committee considers this particularly important given the reported loss of approximately 12,000 grower records during a previous system upgrade. *(reference 3.2.7, 3.3.12)*

4.12 The Committee recommends that FSC undertake a comprehensive review of its workforce development, remuneration and employee welfare arrangements, particularly for skilled technical and operational personnel, and strengthen apprenticeship and technical training programmes to build and retain local expertise and progressively reduce reliance on overseas specialised workers. The Committee further recommends that FSC strengthen occupational health and safety and employee protection arrangements, including appropriate insurance and welfare provisions. The need for action is supported by evidence of difficulties retaining skilled workers and apprentices, an outdated wage structure and reliance on specialised overseas personnel at Rarawai Mill. (reference 3.2.5, 3.2.12, 3.3.13)

4.13 The Committee recommends that FSC establish and progressively implement minimum welfare standards for cane lorry drivers across all mills, including adequately maintained sanitation facilities, clean drinking water, sheltered and secure waiting areas, appropriate seating, canteen services and measures to control dust within mill compounds. FSC should also strengthen real-time communication with growers, contractors and lorry associations regarding mill breakdowns, expected repair times and other operational disruptions to minimise unnecessary waiting and transportation costs. *(reference 3.3.14)*

4.14 The Committee recommends that FSC, in consultation with the Ministry, Energy Fiji Limited and other relevant authorities, review the existing electricity purchase, consumption and export arrangements affecting FSC mills, including applicable tariff structures and pricing mechanisms. The review should assess the financial impact of electricity costs on milling operations and identify opportunities to increase the generation and export of renewable electricity from bagasse, where technically and commercially viable. The site visit identified underutilised energy-generation potential and concerns regarding electricity pricing arrangements. *(reference 3.3.15)*

5.0 Sustainable Development Goals (SDGs)

5.1 SDG 1 – No Poverty

The sugar industry continues to provide livelihoods to thousands of families, particularly in the Western and Northern Divisions. In 2020, the industry recorded 11,622 active farmers, with 36,733 hectares under cane and approximately 1.7 million tonnes of cane produced. Programmes such as the New Farmers Assistance Programme and Sugarcane Development and Farmer Assistance Programme supported farmers through planting assistance and measures intended to strengthen agricultural productivity and livelihoods. The latter supported the planting of 424.5 hectares of cane during the reporting period. These interventions contribute to reducing rural poverty by supporting income-generating opportunities and sustaining farming households.

5.2 SDG 2 – Zero Hunger

The Ministry's farmer-support programmes contribute to agricultural productivity and the sustainability of small-holder farming. During the reporting period, 482,632 bags of fertiliser and substantial quantities of subsidised weedicides were distributed, while 2,009 loan applications were approved to assist farmers to secure land and continue farming. The Committee considers that maintaining affordable access to agricultural inputs, finance, land and extension support is important not only for cane production but also for the broader economic and food security of rural farming households.

5.3 SDG 5 – Gender Equality

The Annual Report identifies women's participation in sugar-industry governance as contributing to SDG 5. In particular, a female Chairperson served on the Sugar Cane Growers Council Board and also represented the industry on the Sugar Research Institute of Fiji Board. The Committee considers that continued efforts should be made to strengthen the participation of women not only at governance level, but also as farmers, employees, researchers and beneficiaries of industry assistance programmes.

5.4 SDG 13 – Climate Action

Climate resilience is particularly significant to the sugar industry. TC Yasa and TC Ana caused substantial damage to cane farms and infrastructure, with the Ministry reporting that the events contributed to a significant decline in production. Government interventions included in-field drainage, financial assistance, fertiliser and weedicide support, replanting and measures to encourage farm diversification.

The TC Yasa Rehabilitation Programme included 34,236 bags of Blend C fertiliser, 26,104 litres of Amine and 26,104 kilograms of Diuron, together with 195,213 metres of drainage works and replanting assistance. Research into climate-resilient cane varieties is also continuing, including varieties suited to saltwater intrusion. The Committee considers that the increasing effects of cyclones, flooding, waterlogging and saltwater intrusion require the industry to move beyond disaster recovery towards stronger preventative climate adaptation and resilience planning.

6.0 Conclusion

The Committee acknowledges the continued importance of the sugar industry to Fiji's economy and rural livelihoods but remains concerned about declining cane production and grower participation, labour shortages, ageing farmers and infrastructure, rising production costs, and climate-related risks. The Committee considers that reversing these trends requires a coordinated industry-wide approach focused on increasing cane production and productivity, attracting and retaining growers, strengthening mechanisation, research and extension services, securing productive agricultural land, and progressively upgrading mill infrastructure.

The Committee strongly recommends that Government review the existing land lease arrangements for agricultural land used for sugarcane production, with a view to providing greater security of tenure and supporting the long-term sustainability of cane farming.

The Committee therefore recommends reforms that improve the viability of cane farming and strengthen the wider industry, including reducing transportation and harvesting burdens on growers, improving cane payment arrangements, maintaining affordable fertiliser access, strengthening grower representation and institutional governance, and improving workforce development and welfare. The Committee considers that sustained investment, stronger coordination and effective implementation of these reforms are essential to building a more productive, resilient and sustainable sugar industry.

7.0 Committee Members' Signatures

Hon. Lenora QEREQERETABUA
Chairperson

Hon. Rinesh SHARMA
Deputy Chairperson

Hon. Ratu Isikeli TUIWAILEVU
Member

Hon. Penioni RAVUNAWA
Member

Hon. Virendra LAL
Member

Hon. Taito ROKOMATU
Member

8.0 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-foreign-affairs-and-defence/