



8 December 2017

CIRCULAR TO GROWERS

We have recently advised growers that we will not be extending the current export marketing arrangements (RSSA) with Queensland Sugar Limited (QSL) beyond the 2019 season. The Board and management have made the decision which it considered was in the best interests of both the growers and Mackay Sugar. This decision also reflects the legislated intent of the 'grower choice' changes to the Sugar Industry Act 1999 which were enacted in 2015.

All bargaining representatives we have met with wish to implement grower choice in marketing for the growers of the Mackay region. Mackay Sugar has been consulting with these bargaining representatives on the changes required in the CSPA to meet the intent of the legislation.

Grower's sugar will continue to be marketed by QSL through to June 2020 under the existing RSSA. Mackay Sugar is committed to negotiating an On-Supply Agreement (OSA) with QSL for those growers who wish to extend their marketing arrangements with QSL beyond June 2020.

Mackay Sugar will negotiate an OSA on commercial terms with other marketing entities which growers may choose for the 2020 season and beyond once the required changes are made to the existing CSPA.

QSL management have indicated that they are looking forward to working with Mackay Sugar to deliver marketing choice to Mackay Sugar growers.

We will not be responding in the public media as we feel it is best to communicate directly with our growers regarding this matter. We have placed on our website a question and answer document to explain the differences between an RSSA and an OSA as they apply to a Mackay Sugar grower.

Jason Lowry
CHIEF EXECUTIVE