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Growers urge action against sugar dumping

With the world sugar price now well below the cost of production in Australia, Queensland sugarcane farmers are urging an escalation of government pressure on countries dumping subsidised product on the world market.

“With the appointment of Senator Simon Birmingham as Trade Minister, we will be seeking to make sure he fully understands the importance of this issue to our industry,” CANEGROWERS CEO Dan Galligan said.

“The world raw sugar price (ICE-11) has fallen to a ten year low recently because there is a surplus on the world market and that surplus is bigger than it should be because India and Pakistan are exporting subsidised sugar.

“We have no issue with countries providing supports for their farmers but when that support distorts trade because subsidised surplus sugar is pushed onto the world market causing prices to collapse – we get angry.

“At the current levels, the Australian sugar industry is facing massive losses in the vicinity of \$500 million this year.

“A large part of that is money lost from the incomes of thousands of farming families.

“We are efficient producers of a quality export commodity which earns the Australian economy more than \$2 billion a year.

“But we cannot compete against subsidies provided by other governments which may in fact breach World Trade Organisation rules.

“CANEGROWERS is urging the Australian Government to take all steps available, to open a dialogue about this situation with India and Pakistan and, if necessary, initiate formal action in the WTO to have the trade-distorting subsidies removed.”

The Australian sugar industry is working with counterparts in the other sugar exporting countries including Brazil, Thailand and Guatemala on legal and economic investigations which could support action in the WTO.

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