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Milestone sugar shipment headed to the UK

Australia's first raw sugar shipment to the United Kingdom under the new Australia-United Kingdom Free Trade Agreement (A-UKFTA) was loaded in Townsville today, opening an important new market for the Queensland sugar industry.

Under the new agreement, which came into place on 31 May 2023, tariff-free raw sugar exports to the UK have resumed for the first time in 50 years, gradually increasing from an initial allocation of 80,000 tonnes this year (pro rata) until tariffs are completely eliminated on 1 January 2031.

The first Australian raw sugar sale under the new agreement was made by industry-owned sugar marketer Queensland Sugar Limited (QSL), who will send a shipment of raw sugar produced in the Burdekin to Tate and Lyle Sugars' refinery on the Thames in London.

QSL Chief Executive Officer and Managing Director Greg Beashel said the sale was underpinned by a united industry approach, with other Australian quota holders to the UK making their new UK quota allocation available to QSL for the milestone shipment which reinvigorates a market effectively lost when the UK joined the European Economic Community (EEC) common market back in 1973.

"Up until that point nearly a third of Australia's sugar exports had gone to Britain, but this came to an end when the European Union (EU) restricted our market access through relatively high tariffs, and we pivoted towards alternative markets in Asia and North America," Mr Beashel said.

"We're optimistic that this sale is the first step towards reopening what is essentially a whole new market for Australian sugar producers, with Department of Agriculture, Fisheries and Forestry (DAFF) data showing the first full tariff-free quota year in 2024 could see the value of Australian raw sugar exports to the UK reach \$74 million, up from effectively nothing during the past five years."

CANEGROWERS Chairman Owen Menkens said it was very pleasing to see the years of hard work by Australian trade negotiators and the industry had come to fruition with the first commercial shipment of Australian sugar destined for the UK in almost half a century.

"The inclusion of sugar in this free trade agreement is the culmination of a lot of hard work undertaken by CANEGROWERS and other sugar industry stakeholders, who have worked closely with the Australian Government to get this agreement in place," Mr Menkens said.

"This market is opening up for Australian exports because growers have taken steps to adopt the industry-led on-farm environmental management program, Smartcane BMP. UK sugar refiners Tate and Lyle have made it clear from the very beginning that the reason they want to source raw sugar from Australia is because of our world-class sustainability credentials.

"Forty per cent of sugarcane grown in Queensland is Smartcane BMP accredited and growers across the state continue to invest in sustainability while trying to maintain on-farm profitability. I hope sugarcane growers across Queensland stand proud of their efforts in supporting the re-opening of this valuable market for the Australian industry."

Minister for Agriculture, Fisheries and Forestry Murray Watt said it was great to see the A-UKFTA already paying off for Australian producers.

"It's fantastic to see Queenslanders already benefiting from this Free Trade Agreement, which we hope will begin a new era for Australian sugar growers and exporters,"

Minister Watt said. "This FTA is a win for the people of the UK who will receive extremely high-quality Australian produce, and a huge win for Australian producers and exporters who can now access new, highly lucrative markets in the UK."

Tate & Lyle Sugars' Senior Vice President Gerald Mason said the company was delighted that the shipment from Queensland to London marked the beginning of a renewed relationship between Tate & Lyle Sugars and the Australian sugar industry.

Tate & Lyle Sugars, as part of ASR Group, the largest cane sugar refiner in the world, recently reaffirmed its mission to be the most sustainable cane refiner in the world; working towards sustainably sourcing 100% of their raw cane sugar, and committed to reducing carbon emissions from its own operations and wider supply chain.

"Consistent with this commitment, we're pleased that all of the raw sugar we purchase from Australia has been sourced from cane farms that are certified against respected sustainability standards, including the Smartcane BMP program," Mr Mason said.

SHIPMENT DETAILS

- The first sale of Australian raw sugar sold into the UK under the new A-UKFTA has been made by industry-owned sugar marketer Queensland Sugar Limited (QSL) to Tate & Lyle Sugars.
- The shipment will be loaded aboard the MS Port Macau in Townsville on Monday 10 July.
- It has been manufactured using sugarcane grown by Smartcane BMP accredited growers on a mass balance basis.
- Smartcane BMP is a voluntary program available to all sugar cane growers, delivered by CANEGROWERS with funding support from the Queensland State Government.

The loading process is expected to take nearly 24 hours, with the ship scheduled to depart 11 July and arrive at Tate & Lyle Sugars' Thames refinery in London on 10 September.