

THE SUGAR INDUSTRY

Following a meeting with members of the Society in Sydney on 15 May, 1974, Mr. J.A. Desmarchelier (Secretary of the Proprietary Sugar Millers Association whose members comprise 13 companies with sugar mills in Queensland) prepared these notes in question and answer form for publication in JASSA. The statistical tables prepared by the Association for the meeting are appended.

Question 1

"What are the prospects for the 1974 sugar harvest in Australia, particularly with regard to size of the crop and, if possible, a regional analysis."

To forecast the size of the sugar cane crop at this point in time is as difficult as forecasting the weather over the next six months. Sugar cane likes up to 6' of water per crop coupled with adequate sunshine to give optimum growth and sweetness.

This season the sugar industry is starting with a carry-over crop of up to 1 million tonnes of stand-over cane, this being cane that was left unharvested at the end of last season because of extremely wet weather conditions. Preliminary forecasts which we have obtained from four areas are as follows, in million tonnes, with 1973 season in brackets.

Northern areas	6.6	(6.6)
Lower Burdekin	3.4	(3.2)
Mackcy/Proserpine	5.1	(4.3)
Southern Queensland	4.1	(4.2)
Northern N.S.W.	1.1	(1.0)
Total Australian crop	20.3 m.tonnes	(19.3) m. tonnes

This forecast compares with 19.3 million tonnes crushed in the 1973 season, out of an estimated 21 million tonnes available, and 18.9 million tonnes harvested the year before.

Question 2

"Could you give us some idea of what you think will be the likely average prices for the 1974 crop."

The sugar Board is reluctant to forecast too far ahead because of the variables concerned. However, one must make a number of assumptions, e.g. that the present exchange rates between the \$A, \$US and £stg. will not change. We must assume that freight rates and costs of insurance and brokerage do not vary, and we must make an assumption about production in Australia which has averaged 2.7 million tonnes 94 n.t. over the last three seasons.

If 2.7 million tonnes of sugar are produced then about 55% or 1.5 million tonnes will not be directly affected by the world price. Included in this quantity is 750,000 tonnes sold to the home consumption market for a return of about \$130 a tonne in the 1973 season; and approximately 230,000 tonnes to the U.S.A. at a price exceeding \$200 a tonne. The remaining proportion of our N.P.Q. to the United Kingdom of about 230,000 tonnes at a return of something like \$116 and other sales to Malaysia and Singapore, for which no price has been published.

The remaining 45% or 1.2 million tonnes would be sold in some relationship to the world market over the selling period which normally extends for more than 12 months. Sugar is sold at fixed prices, at the London Daily Price, or at the L.D.P. plus a premium. For the first five months of 1974 the L.D.P. plus

averaged over £200 a ton. As a very rough guide, a sale based on an L.D.P. of £200 at current exchange rates after allowing for freights, insurance, brokerage and other costs would return more than \$200 a tonne 94 n.t. to the raw sugar industry.

In summary, we can't give a very good estimate of the 1974 season's prices because we don't know what the L.D.P. will be between now and May 1975. However, it is clear that the price expectations for 1974 season are considerably above that for 1973, assuming that the London Daily Price remains at high levels.

Question 3

"What are the implications of the breakdown in the International Sugar Agreement arrangements."

As you are aware, there was no regulatory I.S.A. for most of the 1960's, from 1961 to 1968 inclusive.

Then, after attempts that started in 1965, a new I.S.A. was negotiated in 1968 for five years duration from 1969 to 1973 inclusive.

During 1973 the members of the 1968 I.S.A. and other interested countries failed, after protracted negotiations, to reach accord on a new I.S.A. from 1st January, 1974.

In place of an I.S.A. with regulatory economic provisions, we have an Administrative Agreement of two years duration. This Administrative Agreement keeps the I.S. Organisation in existence and so facilitates the negotiation.

Basically the negotiations broke down because of a difference in attitude to the price levels in a new five year Agreement. When the 1968 Agreement was negotiated it was in the context of a world surplus and exporters were prepared to accept lower price levels in anticipation that a regulatory agreement would improve the price position.

In 1973 there was a world shortage and world prices were high.

On the one hand Cuba took a strong stand that price levels in a new Agreement should be significantly increased e.g. a floor level rising from 3.25 cents lb. in 1968 to 6.00 cents in 1973. Canada and Japan on the other hand wanted an increase of only about one cent a lb. The guts of the argument really was the expectation that world prices would

- (a) remain high for the next five years, or
- (b) fall as they always have in the past.

It seems that major importers held the view that the prices would fall over the next five years.

It is hard to see any Agreement coming into force before January, 1976 and the longer prices remain at high levels the more difficult it will be to attract negotiators to a meaningful conference. The policy of the Queensland and Commonwealth Governments is to negotiate for a new I.S.A.

While no quota levels were agreed upon formally in Geneva last year, there was general accord on the new level of quotas. For Australia the proposed quota was 550,000 metric tonnes above the 1968 quota level of 1,100,000 tonnes and, in addition, as Australia's N.P.Q. was displaced from the U.K. market, it would be replaced by a quota up to 361,000 tonnes. The effect of this quota, if it had come into effect, would have been a substantial increase in mill peaks in Australia for Australia's guaranteed outlets, with I.S.A. quotas at 100%, would have been about 3 million tonnes.

Without an I.S.A. and with a world sugar shortage, Australia can export considerable quantities of raw sugar and these exports to world markets will be at the full L.D.P., unhindered by the maximum supply commitment price ceiling imposed by an I.S.A. (That ceiling would be about half the present price).

So, in the short term it seems that Australia will be advantaged by higher receipts for raw sugar exported to world markets than would have been the case with an I.S.A.

Also, the lack of an I.S.A. and the persistence of high world prices, does improve the climate to negotiate more effective long term agreements with our major purchasers of sugar. These in turn, if negotiated, may lead to some form of expansion of the Australian industry.

Long term, there is always the danger that periods of high world prices may induce certain exporters to expand production for short term reasons and this could lead to:

- (a) a disruption to the present pattern of world sugar trade;
- (b) an expansion of exports that could be difficult to fit into the quota restrictions of a new I.S.A.

Question 4

"The recent merger of two companies within the industry suggests that there could be further rationalisation within the industry. What potential is there for further mergers within the sugar industry."

It is apparent at all levels of the industry that there are real economic benefits to be derived from economies of scale. There is scope for better utilisation of capital equipment and there is a need to look urgently at any way of reducing costs because of the rapid rise in Award wages and in specialist capital items used in the sugar industry.

At the grower level over the last decade the number of cane-growers in Queensland has declined by approximately 1,000 or 12% without any decrease in the total area assigned for cane-growing. The consequential increase in the average farm size is a desirable economic trend as farms are highly mechanised and capitalised at all levels of cultivation and cane harvesting. There is scope for further farm mergers leading to a larger averaged sized farm.

We believe that there is considerable under-utilisation of mechanical harvesters in the sugar industry. Here again, there is a favourable trend towards larger tonnages per machine as the whole-stalk type harvester is rapidly replaced by higher capacity chopper-type harvesters. About 25% of the harvesters are owned by non-farmer contractors; 30% by farmers who cut only on their own farms and about 45% by farmers who have grouped together to harvest their own and other farmers' cane. Grouping and pooling of machinery is a further method of rationalisation.

The structure of milling companies in the sugar industry is as follows:

Bundaberg Sugar Company Ltd.	3 mills
CSR Limited	7
Pioneer Sugar Mills Limited	2
The Australian Estates Co. Ltd.	3
The Millaquin Sugar Co. Ltd.	2
5 other proprietary companies	5
12 Co-operative mills	12
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Total	34
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(At the present time Pioneer Sugar Mills Limited have made a take-over bid for Plane Creek Central Mill Co. Ltd. Bundaberg Sugar Company Ltd. has made application to the Central Sugar Cane Prices Board to transfer the cane assignments from Gin Gin Sugar Company Pty. Ltd., to Bingera Mill and consequently to rationalise the crushing of cane from three mill districts at the company's other two enlarged mills).

Economic forces will ensure that more consideration is given to the subject of mergers of mills and amalgamation at all levels in the industry as costs rise and world prices fall.

Even in those districts where there might be scope to, say, close one sugar mill and expand two other mills, there are additional difficulties if the mills concerned are mixtures of co-operative and proprietary.

Over time, some mills will feel the additional pressure caused by shortage of land to grow cane, as good arable land is subdivided for residential purposes, tourism and real estate speculation.

Question 5

"When is the industry as a whole likely to receive the go-ahead for further expansion."

The question of expansion is prominent in some sectors of the sugar industry and it has been a particularly active topic of discussion and planning since the failure to renew a new International Sugar Agreement with effect from 1st January, 1974.

It is important to stress three matters affecting the sugar industry's attitude towards expansion:

- (a) the industry is permanent and takes a long term view;
- (b) the industry would not expand purely because world prices are at a high level;
- (c) the industry will expand only if there are reasonably assured markets and outlets for the increased production and with expectation of reasonable prices.

Perhaps if we put into perspective expansion over the last 50 years it will be a guide to the industry's attitude.

1. Australia imported sugar until 1923.
2. In 1920 the Commonwealth Government in a period of post-war shortages made an Agreement with Queensland fixing the price for sugar at £30.6s.8d. a ton and secured an undertaking that the industry would expand. It did, and exports were 227,000 tons in 1925.
3. By 1929 there was need for control of production, and in that year assignments for cane-growing were limited to land already in use or prepared for cane-growing. A "peak scheme" was introduced, allocating to each mill a peak, i.e. the highest output of sugar of each mill in any one year since 1915 was taken as the limit of production for any future year for that mill.

4. Between 1929 and 1939 production continued to increase because of increasing yields as no new lands were assigned. In 1939 a record production of 891,000 tons was achieved in Queensland but peaks were restricted to 737,000 tons. This peak level took account of domestic requirements and Australia's quota of 412,000 tons 94 n.t. under the 1937 I.S.A.
5. During the war production fell and exports did not reach 400,000 tons again until 1948.
6. In 1949 Queensland mill peaks were increased by 19% to take account mainly of increased domestic consumption and there was a small expansion of assignments specifically for returned servicemen.
 Late in 1949 Queensland signed an Agreement with the U.K. Government to supply 600,000 tons of sugar a year. On the basis of this Agreement which had an eight-year basis with extensions, Queensland mill peaks were increased by 34% to 1,170,900 tons. These peaks took account of domestic requirements, the new export level and a small amount for seasonal fluctuations.
7. The gross assigned area in Queensland was increased by 37% or 162,451 acres to 597,844 acres.
 1,082 farmers were brought into the industry in Queensland.
8. There was no change to assignments between 1954 and 1963 but peaks had risen by 64,700 tons in Queensland (about 6%).
9. In the 1963/64 period there was a further expansion based on new market opportunities and long term arrangements. In May 1963 Australia had signed a three-year agreement with Japan, with provision for extension, to supply 350 - 450,000 tons a year. Australia had also obtained in 1962, for the first time, a statutory quota under the U.S. Sugar Act. Australia still had commitments to the U.K., Canada and New Zealand exceeding 600,000 tons p.a., and new opportunities were opening up for Australian sugar.
 - . the assigned area in Queensland was increased by 25% with 83,200 acres for existing farmers and 65,700 acres for 1,127 new farmers,
 - . mill peaks in Queensland were increased to 2,166,900 tons, or by 75%.
10. There has been no increase in assignments since 1964 but mill peaks have risen in the last few years to 2,440,000 tonnes in Queensland, i.e. by 11%. This has been because of increased domestic consumption and some new outlets such as Malaysia and Singapore.
11. It can be clearly seen that past expansion has been almost completely dependent upon guaranteed outlets in Australia and overseas.
 At the moment there is a high demand for Australian sugar overseas but because of the industry's long term attitude it is highly unlikely that the Queensland Government will authorise expansion that is not matched with guaranteed outlets or arrangements. If the buyer wants our sugar he will have to offer assured outlets and reasonable prices.

At the same time the present high demand for Australian sugar can be partially met by a certain amount of cane and sugar production above peaks. But, because of the assignment system, yields per hectare and crop rotation, 20% production above peak would be the maximum that could be achieved in Queensland on a short term basis.

Question 6

"What progress is being made towards clinching long term sales contracts with China, U.S.A., Japan, Canada and New Zealand."

China

On 24.7.73 Australia and the People's Republic of China signed a Trade Agreement which included "articles designed to encourage the development of long term commodity arrangements between the two countries".

In November 1973 the Chinese Government gave an undertaking to purchase, by way of a long-term sugar Agreement, in the vicinity of 300,000 tons annually for a three to five year period tentatively agreed to commence in 1975.

Negotiations are continuing.

U.S.A.

Australia has sought a greater share of quotas which may be allocated to foreign suppliers under the new U.S. Sugar Act to commence in 1975. Australia has supplied about 200,000 tons a year to the U.S.A. in recent years and has offered to supply up to 450,000 tons a year in future. The new quota can only be known when new legislation passes all stages in Washington and this may take some months.

Legislation for a new Sugar Act in the U.S.A. does take a long time. However, a significant step was taken only last week when the U.S. House Agriculture Committee recommended a five-year extension of the U.S. Sugar Act and certain quotas. At a U.S. consumption requirement of 12 million short tons, 5.315 million tons have been allocated for 32 foreign suppliers and Australia's recommended share is 4.32% or 225,185 short tons. This is a small increase on the present base quota of 180,000 tons. Under the recommendations Australia would also share in any growth in the U.S. market and would receive a greater distribution of shortfalls, than under the previous Act.

Japan

Australia exports about 600,000 tonnes of raw sugar to Japan annually. Japan is the world's largest importer of world priced sugar and has felt the impact of current shortages of sugar and high prices quite severely during a period of domestic inflation.

There have been numerous newspaper reports about negotiations between Australia and Japan for a long term agreement, and these reports mainly have a Tokyo date-line. Late in 1973 the Minister for Northern Development was reported as stating that "the position (with Japan) was being studied carefully by the CSR at the commercial level and the Australian Government at the policy level. Already preliminary discussions had been held with the Japanese Government".

Canada

Australia has good commercial contracts with certain refiners in Canada and supplies 300,000 to 400,000 tonnes annually. There has been no public discussion of a long term agreement with Canada for some years now. Australia has continued to enjoy a reasonable tariff preference on imported sugar to Canada.

New Zealand

Prolonged and constructive negotiations for a long term contract have taken place with New Zealand, Australia supplies about 100,000 tonnes a year to that country.

SUMMARY

The Sugar Board is actively pursuing contractual arrangements in selected overseas markets for long term guaranteed access at fair and remunerative prices. Already long term contracts have been concluded with buyers in Malaysia and Singapore.

Question 7

"What is the estimated total crushing capacity of the sugar mills."

For the canegrower, the shorter crushing season brings the benefit of higher average sugar content in his cane as the sugar content in the cane is maximised in the period August to October.

For the millowner, on the other hand, the shorter season means higher capital costs as the capacity of the mill has to be increased to handle a given tonnage of cane in a shorter period.

There are two ways of looking at crushing capacity - in terms of tonnes cane crushed per hour, or in terms of season length. Last season, Queensland mills proved as a whole that they could crush over a million tonnes of cane per week, but some overtime crushing was involved in this figure. A crop of 20 million tonnes can be harvested, transported to the mills, crushed, manufactured into sugar and that sugar transported to the bulk terminals in a period of about 22 weeks, allowing for normal weather delays.

The average crushing rate of tonnes of cane per hour in Queensland exceeds 230 tonnes per sugar mill. Over the last five years the season length has stretched from an average of 19.6 to 24.7 weeks, the longer season being affected by most unusual weather conditions (in 1973).

Question 8

"What prospects are there for the mills crushing around the clock, that is, 24 hours a day, seven days a week."

At the present time sugar mills crush cane and manufacture sugar over a period of about 22 weeks, operating 3-eight hour shifts a day for 5 - 5½ days a week. Maintenance, including boiler cleaning, is carried out on week-ends.

The change to a continuous crushing operation would involve the co-operation of

- . growers
- . cane harvester operators
- . trade unions
- . mills

Growers have expressed opposition to extended hours and week-end harvesting in the past, and at the 1974 canegrowers' Conference passed a resolution seeking a 5-day week for canegrowers.

Growers may continue to oppose week-end operations. However, if continuous crushing meant a higher payment for cane, because a shorter season means a higher c.c.s., then growers may support continuous crushing.

Harvester operators would require higher rates for week-end and evening work because of higher labour costs. At the same time though, the operators could benefit if such operations led to more throughput per machine through better utilisation of existing facilities.

Trade Unions in the sugar industry are used to a 3-shift operation but dislike week-end work except at high penalty rates.

Continuous operation would involve week-end work. Also should a 35 hour week eventually be adopted it is probable that 4 shifts would then have to be organised. This would mean more employment for union members.

The whole position with unions is complex especially with inter-union rivalry, demarcation and the need for alternate skills in the crushing and slack seasons. There is industrial precedent for continuous operations.

For mills, which already have the capacity to crush well over peak levels in a given season length, there is little advantage per se in reducing the season length by continuous crushing. Mills would have the additional cost of an extra shift and would need to find alternate employment for many of the additional shift in a longer slack season.

On the other hand, if there was an expansion and mills had to crush additional tonnages in the same season length, then mills may well consider the alternates of

- (a) spending large sums on capital, or
- (b) adopting a 4-shift, continuous operation.

To give you an idea of the capital involved, a 25% increase in the present average crushing rate of 232 tonnes of cane per hour for 31 mills would cost between \$150 million and \$200 million.

The prospects of continuous crushing, seven days a week, are certainly limited without a substantial expansion.

Question 9

"Do you see any immediate prospect for a change in the split-up between the growers and the millers for the proceeds of the crop."

The price paid by mills for growers' sugar cane determines the "split-up" of the sugar industry's net income after refining, marketing and other Sugar Board costs are deducted.

The grower is paid for his cane by formula and his receipts per tonne of cane reflect:

- (a) the value per tonne of sugar,
- (b) the commercial cane sugar content (c.c.s.) of "sweetness" of the cane.

The price of cane is in practice determined by the Central Sugar Cane Prices Board, a statutory body with a canegrower member, a millowner member, an accountant member and a chemist member, together with a Supreme Court Judge as Chairman.

The present price is determined by formula and its original philosophy was to:

- . provide incentive to growers for sweeter canes
- . provide incentives to millers for greater extraction of sugar
- . allow costs of production and manufacture to grower and miller respectively

- . split the remaining funds in the ratio between growers and millers of the capital employed
- . it took account of standards of c.c.s. of 12.0 for growers' cane and a standard co-efficient of work of 90 for mills, these have both increased substantially.

This formula also relates directly to the price of sugar so that a tonne of cane of, say, 14 c.c.s. in 1974 may be worth \$1.00 more than in 1973.

In order to avoid large fluctuations in price and thus cause instability in the industry, rolling five year averages of costs and income are used. In the fifty odd years since the Central Board was set up, the formula price for cane has increased by approximately 33 cents per tonne cane with 20 cents a ton added in the period 1933-40. The last change to the formula was granted in 1949. In the 1973 decision the Chairman stated:

"The Accountant-Member has favoured me with a working out of the figures in the Board's possession. These calculations show that the price of cane should be decreased by 5 cents. In my view, when such a small change is noted, the Board's discretion should not be exercised to alter the price of cane accordingly."

In summary then, the price of cane is really an instrument used to divide the industry proceeds between canegrower and millowner. It has been unchanged since 1949. It is most unlikely that the millowners and canegrowers will argue the formula price for cane in the 1974 season and so it will remain unchanged for a further year.

As security analysts you will appreciate that the Central Board is faced with problems in determining the true cost and asset position of millers and growers. In particular there is argument before this Board on the correct method of valuing assets, the value given to assets that are fully depreciated but still in use, rates of depreciation, the value that is attributed to land and for growers' costs the methods of correctly apportioning time and capital used for cane and non-cane activities.

Question 10

"On the world scene how do you see the impact of the very high sugar prices on production in other parts of the world, particularly Cuba."

This is a most difficult question to answer because it involves political and economic considerations of many diverse national groups.

First, let me stress

- (a) there is a world shortage of sugar,
- (b) world sugar stocks are low and require build up,
- (c) world consumption of sugar is growing even though high prices curb the rate of that growth.

The key to world production increases lie with:

Brazil
Cuba
Australia
E.E.C., and
East Europe

Brazil

There is great activity in the country. Already Brazil produces more sugar than Cuba. Production was 6.15 million tonnes in 1972/73 and 6.9 million tonnes in 1973/74, and 7.2 million tonnes is planned for 1974/75. In 1972 exports doubled to 2.6 million tonnes but this year will fall to about 2.4 million tonnes. While production is rising rapidly, so too is consumption at the rate of 300,000 tonnes a year. While Brazil has a great potential, it also has a large population. Also, Brazil may need to convert some sugar to power alcohol to lessen the effects of the power crisis, as Brazil supplies only a quarter of its oil needs.

Cuba

Cuban production and exports have fallen rapidly in recent years. Since 1970 production has been:

7.6 m.	1970	and exports	6.9 m.
6.0 m.	1971	and exports	5.5 m.
4.7 m.	1972	and exports	4.1 m.
5.4 m.	1973	and exports	4.7 m.

Exports are highly significant and go largely to Japan, U.S.S.R. and East Europe.

While Cuba would appear to have a potential to produce say 7.0 million tonnes again, it has to overcome many basic problems including:

- . lack of manpower,
- . insufficient mechanisation,
- . lack of modernisation in mills, and
- . a poor cane transport system.

East Europe

Production of raw sugar in East Europe rose from 12.9 million to 13.8 million tonnes in 1973/74. Of this 9.6 million or 70% was produced in the U.S.S.R. These countries are by no means self-sufficient in sugar, having imported some 2 million tonnes (net) in 1972.

It was the U.S.S.R.'s shortfall in production in 1972 that precipitated the world shortage and rapid rise in prices.

Future production plans for East Europe are not known, although it is felt that with rising living standards consumption will continue to rise and restrictions on consumption will be more unacceptable to the population.

E.E.C.

Production in the six E.E.C. countries was about 8 million tonnes and net exports were about 1 million tonnes. With the enlargement of the E.E.C., the nine countries are net importers of sugar well in excess of 1 million tonnes. Surprisingly, consumption of sugar seems to be rising in the E.E.C.

Within the E.E.C., Germany, France and the U.K. all wish to expand beet sugar production and have the capacity to do so. Over the next year it is expected that the E.E.C. sugar policy will be determined and it may facilitate some expansion of production. In the meantime, lack of rain has hindered the growth of this year's crop.

One aspect that may hinder the growth of sugar in the E.E.C. is the attractiveness of other crops in a period of high prices for beef and grains.

In summary, the production plans of many major exporters and groupings are uncertain. There is potential for growth and high world prices are an excellent "fertiliser".

Looking to the future, F.A.O. have estimated that world consumption in 1980 will be 94 to 97 million tonnes, some 13 million tonnes or more greater than world consumption in 1973/74. You may rightly ask: "Where is this sugar likely to come from?".

Question 11

"How far has the sugar industry got in its attempts to put up the Australian local price of sugar."

The retail price of sugar in Australia is not controlled, but the wholesale price for refined sugar in tonnage lots in capital cities is pegged by a formal Agreement between the Australian and Queensland Governments.

The present price was fixed in mid-1967 and has not altered for seven years. It is now about half the cost of refined sugar if imported from world markets.

The Agreement under which the price is controlled expires on 30th June, 1974. There have been numerous statements from politicians that the Agreement will be renewed by 30th June.

At the present time there are negotiations being carried on between the industry and government officials in Queensland, and government officials in Canberra.

The matters covered by the present Agreement embrace not only the wholesale prices for refined sugar in capital cities but also:

- . the embargo on imports of sugar into Australia,
- . rebates the sugar industry gives on sugar contained in manufactured goods exported,
- . the assistance the sugar industry gives the fruit industry by way of domestic rebates,
- . guarantees of supply for Australian needs, and
- . a number of commercial matters.

The final decision on any of these matters will be by agreement between the Queensland and Commonwealth Governments at present represented by the Minister for Primary Industries and the Minister for Northern Development.

SOME STATISTICS ON THE AUSTRALIAN SUGAR INDUSTRY

TABLE A

Comparative Crop Statistics - Australia

Year	<u>Tonnes Cane Crushed</u>	<u>Ha. Harvested</u>	<u>Tonnes Sugar Made</u>	<u>Tonnes Cane p/ha Harvested</u>	<u>Tonnes Cane manufacture tonne sugar</u>
1969	15,783,569	212,799	2,212,969	74.17	7.13
1970	17,643,989	220,534	2,523,645	80.00	6.99
1971	19,389,572	233,752	2,792,463	82.95	6.94
1972	18,927,379	241,714	2,815,998	78.30	6.72
1973*	19,279,500	225,300	2,526,000	85.57	7.63

* partially estimated.

TABLE B

Australian Raw Sugar Exports
Calendar Year Basis (tonnes actual)
(to nearest thousand)

Country of Destination	1969	1970	1971	1972	1973
Algeria	-	-	-	23,000	-
Belgium	-	-	-	12,000	-
Canada	161,000	279,000	317,000	412,000	334,000
Chile	-	-	-	19,000	-
China	-	-	-	36,000	64,000
France	-	-	41,000	-	-
Hong Kong	10,000	-	12,000	-	-
Japan	423,000	566,000	500,000	625,000	581,000
Malaysia	152,000	25,000	13,000	62,000	98,000
Morocco	-	-	-	21,000	-
New Zealand	103,000	58,000	82,000	99,000	106,000
Singapore	70,000	26,000	13,000	37,000	73,000
South Korea	-	-	-	17,000	62,000
Sweden/Finland	-	-	34,000	49,000	41,000
Tunisia	-	-	-	13,000	-
U.K.	342,000	424,000	534,000	449,000	338,000
U.S.A.	167,000	188,000	207,000	200,000	231,000
U.S.S.R.	-	-	-	134,000	62,000
Cane Invert	-	67,000	105,000	-	-
	1,428,000	1,633,000	1,858,000	2,208,000	1,990,000

TABLE C

Final Raw Sugar Prices - Qld.

Per tonne 94 n.t. sugar

	1969	1970	1971	1972	1973
Home Consumption	\$ 140.85	\$ 138.09	\$ 136.52	\$ 134.94	\$ 132.40
Surplus (export with- in mill peaks)	81.10	87.75	101.38	111.76	128.65
Average Price No. 1 Pool	99.99	102.75*	111.79*	118.66*	129.85
Excess - No. 2 Pool	61.96	75.89	92.42	113.93	134.95
State Average Price - Queensland	97.76	100.64	108.35	117.81	130.39

* After repayment of \$3.02 million Commonwealth Loan.

TABLE D

Gross Income - Australian Sugar Industry

\$ millions

1969	217
1970	254
1971	303
1972	332
1973	329

TABLE E

Mills' Crushing Performance - Queensland

Season	Average	Crushing rate	Lost time
	Duration, Weeks (1)	tonnes cane per hour (2)	% available time (2)
1969	19.6	202.35	12.58
1970	21.8	212.46	10.94
1971	23.3	220.56	10.29
1972	22.3	226.44	8.79
1973*	24.7	232.00	23.00

* Estimated (1) for 31 mills (2) for 27 mills

TABLE F

London Daily Price

£stg. long ton 96^o, c.i.f., U.K., bulk

Year	High £	Low £	Average £
1964	93.75	24.75	51.11
1965	26.75	17.75	21.51
1966	24.25	13.25	17.87
1967	32.00	12.25	19.36
1968	31.00	16.00	21.83
1969	39.25	27.50	33.83
1970	45.00	30.00	40.40
1971	69.50	39.50	46.10
1972	100.00	52.00	72.53
1973	152.00	87.00	99.32