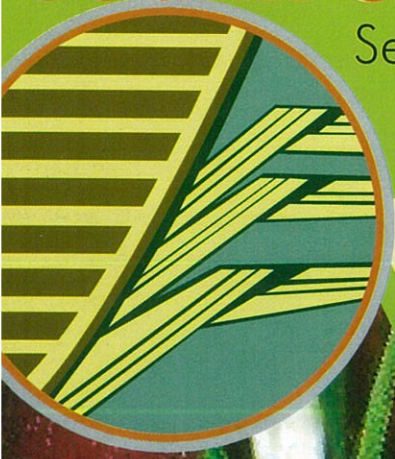


SUGAR CANE GROWERS COUNCIL

Serving The Cane Growers Of Fiji



2013

Annual Report



Annual
Report
2013

OUR VISION

To be the pro-active grower representative organization, that strives to serve the interests of the cane growers of Fiji.

OUR MISSION

The Sugar Cane Growers Council is committed to providing effective representation, leadership and services to the cane growers in order to secure long term viability for them in the industry.

OUR GOALS

- To effectively represent the interest of the cane growers as stakeholders in all aspects of the industry.
- To actively pursue and encourage the development of a sustainable and viable sugar industry.
- To take necessary measures to provide services to the cane growers to better facilitate their cane farming activities.
- To explore ways and means to reducing cost and increasing productivity and yield and adopting best practice methods which would encourage and facilitate this for the cane growers through better utilization of their existing resources.
- To conduct research and collect data in respect of cane farming activities and other related areas.
- To inform and educate the cane growers and the community on the issues relating to cane farming and the industry.
- To represent the growers and make investment on their behalf in areas related to the activities of cane growing and sugar manufacture.
- To participate actively and maintain a strong interest in the marketing of our sugar and to keep the cane growers well informed of developments, market-related issues and trends in the international markets.
- To represent growers interest, both collectively and individually on matters relating to cane farming and their obligations to the industry and seek redress for their legitimate grievances through the appropriate authorities.

ORGANISATION PROFILE

Under the Sugar Industry Act No.8 of 1984 the Sugar Cane Growers Council was established with specific functions to protect and further the interests of registered cane growers. It is the peak cane growers' organization representing the interests of all registered cane growers in Fiji. The Council is fully funded by the cane growers themselves.

The Council is an Administrative body for the grower which is currently managed by Mr. Sundresh Chetty the Chief Executive Officer and Mr. Nemani Veikoso as the General Manager Operations. Assisting them are the highly motivated and dedicated staff based at the Head office and the eight cane growing districts offices make services more efficient for the growers.

The Administrative Arm of the Council on a timely basis reports directly to the Ministry of Sugar.

GROWERS UPDATE

There are about 16,089 growers running small family cane farms with majority producing less than 200 tonnes per year. Of these 16,089 cane growers, only about 12,632 members are effectively growing cane at this moment. Some 10 years ago, the Sugar Industry used to comprise of over 21,000 cane growers but the numbers gradually declined as land leases comprising the farms for many growers expired and were not renewed. Many others voluntarily moved out of cane farming when their profit reduced as a result of increasing cultivation, harvesting and transportation costs. The sudden increase of fertilizer cost from \$19.50 to \$31.50 per bag also badly affected their income.

The vast majority of the growers have farm size of 4 hectares /10 acres, a legacy from the British Colonial administration and the end of indentured laborer system in the 1920's. At that time, a plot of 4 hectares of land was leased to individual grower which was considered to be sufficient to support a grower and his family.

Over the years many growers have moved to urban centers in the quest of easier and better jobs. Nowadays most of the plots are cultivated by a middle-aged generation of growers in their fifties and sixties; their children left to attend universities to get better educated in search for white collar jobs in the cities or overseas. Growers of this age group do not feel secure and does not pass on their reins to the next generation.

Most growers plant and harvest manually, using hired laborers (casual workers). Mechanization is not well developed, because such an investment for a grower is not adopted or considered important due to the small size of the plots. Income diversification is not very developed and other crops are mainly grown for self consumption.

ACTIVITIES REPORT 2013

The Chief Executive Officer and Staff of Sugar Cane Growers Council takes pleasure in presenting its 2013 Report of Activities which includes the Audited Financial Statement for the year ending 31st December 2013.

1. WEATHER

The rainfall distribution during the year reveals higher rainfall between January and April. The month of February had the highest rainfall which received 462 mm. Since May, rainfall declined significantly, marked by intermittent cool periods. While most of the districts enjoyed favorable weather for harvesting and delivery of cane, dry wind experienced in the month of August and September affected crop in hilly slopes and shallow soil areas. During the months of September through to December all areas experienced considerable amount of rainfall, which at times disrupted the supply of cane to the mill.

The following is the rainfall record from January 2013 to December 2013

Table 1.1 Monthly Rainfall (mm) 2013

	L A U T O K A		R A R A W A I		L A B A S A		P E N A N G	
MONTH	RAIN DAYS	RAINFALL (MM)	RAIN DAYS	RAINFALL (MM)	RAIN DAYS	RAINFALL (MM)	RAIN DAYS	RAINFALL (MM)
<i>January</i>	18	106	19	218	21	329	20	311
<i>February</i>	19	544	20	355	26	334	23	462
<i>March</i>	22	531	23	468	27	937	25	414
<i>April</i>	10	84	10	111	11	40	20	290
<i>May</i>	9	127	11	159	17	83	17	140
<i>June</i>	5	82	7	88	10	96	9	103
<i>July</i>	3	17	3	9	11	27	11	62
<i>August</i>	8	33	11	30	15	115	8	31
<i>September</i>	9	46	7	31	14	105	3	37
<i>October</i>	10	75	11	96	20	216	13	122
<i>November</i>	22	354	24	277	20	227	20	116
<i>December</i>	14	439	19	426	20	246	10	254
Total	149	2438	165	2268	212	2752	166	2342
	12.42 (Average)	203.17 (Average)	13.75 (Average)	189.00 (Average)	17.67 (Average)	229.33 (Average)	13.83 (Average)	195.17 (Average)

2. 2013 SEASON FORECAST OF CROP

The Council and Corporation had jointly forecasted a crop of 1.75 million tonnes for the 2013 season but as the season went by, the forecast was revised to 1.6 million tonnes. However, due to the unusual weather pattern during the season the actual crop dropped far below the forecast in all mill areas.

Table 2.1

<i>Mill</i>	<i>2013 Season (Forecast)</i>	<i>2013 Season (Actual Harvest)</i>	<i>Variance (+/-)</i>
<i>Lautoka</i>	477,000	368,754	71,348(-)
<i>Rarawai</i>	575,600	508,869	76,719(-)
<i>Labasa</i>	542,000	546,150	550,308(+)
<i>Penang</i>	169,585	184,773	9,865(-)
<i>All Mill</i>	1,764,185	1,608,546	153,778(-)

Table 2.2

<i>Mill</i>	<i>Total Crop</i>	<i>Crushed</i>	<i>Stand over</i>
<i>Lautoka</i>	514,707	368,754	24,245
<i>Rarawai</i>	471,800	510,727	6,480
<i>Labasa</i>	426,453	546,150	13,170
<i>Penang</i>	180,727	184,773	2,895
<i>All Mill</i>	1,593,687	1,610,404	46,790

Table 2.3 CANES HARVESTED 2006 – 2013

<i>District/ Mill</i>	2006	2007	2008	2009	2010	2011	2012	2013
<i>Lautoka</i>	430,025	315,017	325,341	300,815	216,986	281,071	209,240	177,396
<i>Nadi</i>	423,428	302,266	316,920	318,535	229,730	262,212	213,783	169,638
<i>Sigatoka</i>	179,784	123,947	128,308	106,696	80,750	100,258	67,439	58,619
<i>Lautoka Mill Total</i>	1,033,237	741,230	770,569	726,045	527,466	643,521	490,462	405,652
<i>Rarawai</i>	763,660	541,493	521,136	472,339	378,061	484,243	325,115	360,996
<i>Tavua</i>	268,279	196,984	211,016	187,091	142,427	189,199	140,205	137,830
<i>Rarawai Mill Total</i>	1,031,939	738,477	732,152	659,430	520,488	673,442	465,320	498,826
<i>Labasa</i>	637,846	566,948	433,486	505,195	417,832	425,284	313,973	429,243
<i>Seaqaqa</i>	233,182	202,199	170,830	174,402	136,742	145,187	99,310	116,911
<i>Labasa Mill Total</i>	871,028	769,147	604,316	679,597	554,574	570,471	413,283	546,154
<i>Penang Mill Total</i>	289,347	229,840	214,746	181,650	175,486	208,307	177,832	159,720
GRAND TOTAL	3,225,551	2,478,694	2,321,783	2,246,722	1,778,014	2,095,741	1,546,897	1,610,353

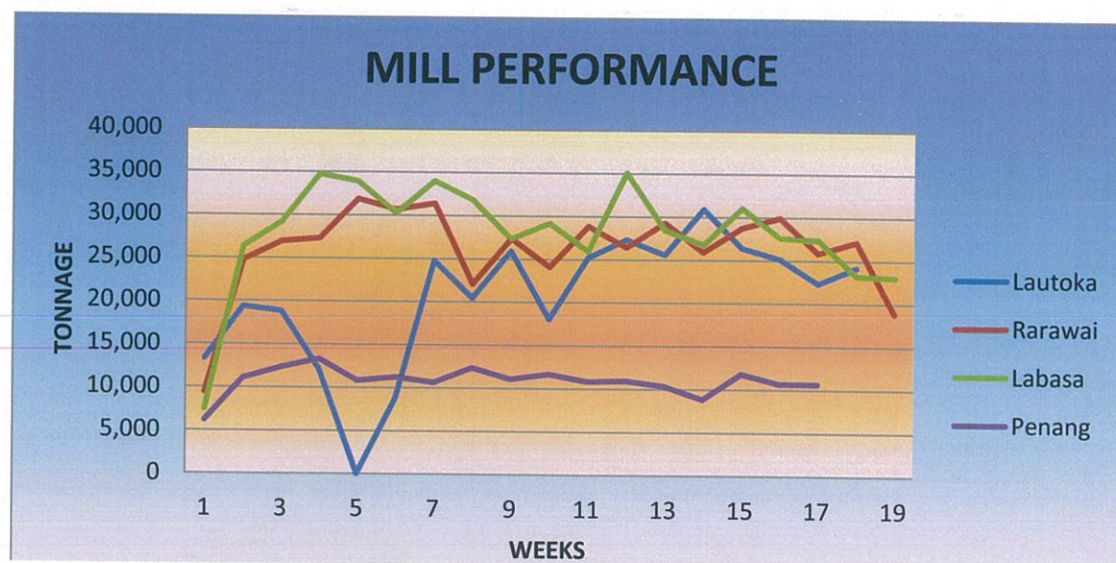
COMMENCEMENT AND TERMINATION DATES & SEASON LENGTH- 2013

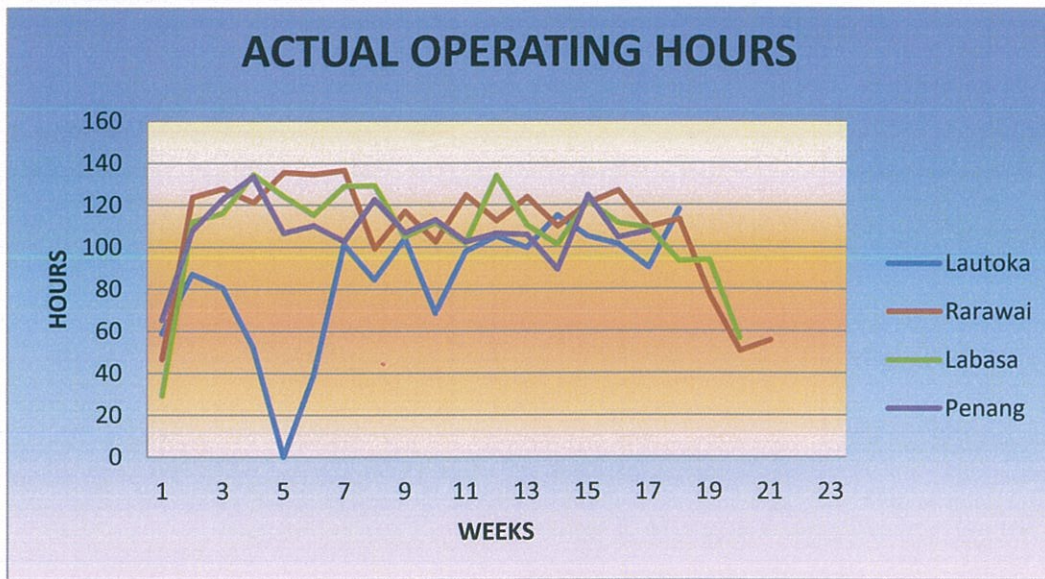
The 2013 crushing season started at Penang Mill on 25th June 2013. Rarawai and Labasa mills commenced crush on 26th and 27th June respectively while Lautoka Mill commenced crushing on 2nd July 2013. Few hiccups and teething problems at the mills and in some cases heavy downpour of rain decreased cane supply. The momentum of crushing however picked up in all mills. The table below summarizes the actual dates and related data. This was a year with improved mill performance which was very much appreciated by the growers. Only one major breakdown occurred at the Lautoka Mill whereby crushing stopped for almost 2 weeks and harvested cane had to be diverted to the Rarawai Mill.

Table 2.4 SEASON LENGTH AND AVERAGE WEEKLY CRUSH – 2013

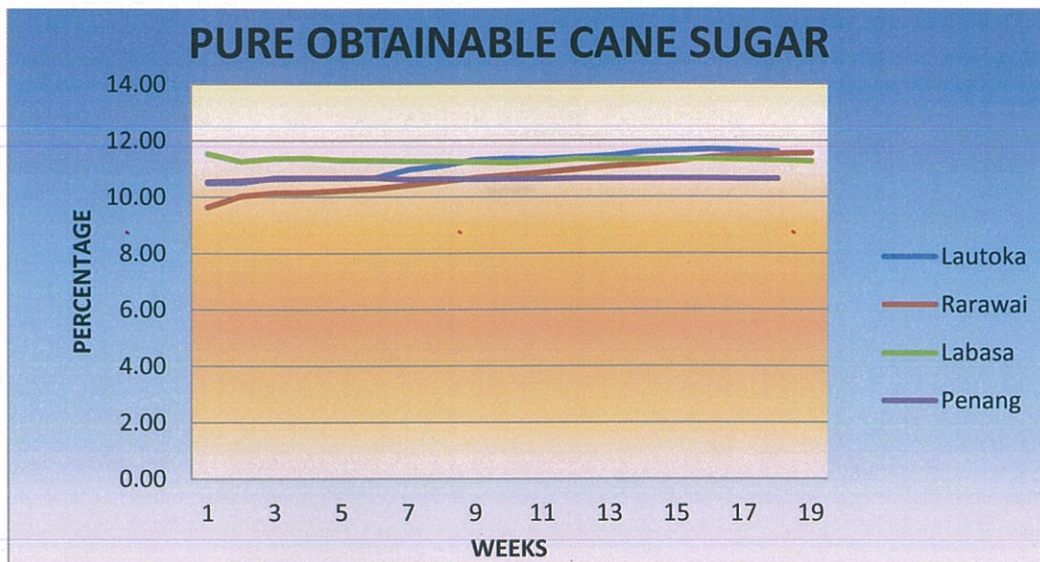
Mill	Cane (Tonnes)	Start Date	Termination Date	No. of Wks	Average Wkly Crush (Tonnes)
Lautoka	368,754	02/07/13	03/11/13	18	20,486
Rarawai	508,869	26/06/13	13/11/13	20	25,443
Labasa	546,150	27/06/13	09/11/13	20	27,307
Penang	184,773	25/06/13	20/10/13	17	10,869
Total	1,239,792				

3. MILL PERFORMANCE





4. CANE QUALITY AND SUGAR PRODUCTION



The above graph illustrates Lautoka Mill reading the highest sugar content (POCS) in cane while Rarawai Mill had the best TCTS (tonnes cane to tonnes sugar) ratio for the 2013 season.

The POCS for Lautoka Mill was 11.60 followed by Rarawai at 11.55, Labasa at 11.24 and Penang being the lowest at 10.64. The average POCS for all the Mills was 11.26. The TCTS for Rarawai Mill was 8.7 followed by Labasa at 8.8, Lautoka at 9.1 and Penang being the highest at 9.9 tonnes. The annual average TCTS for all the 4 mills was 9.13 tonnes.

Table 4.1 Cane Quality and Sugar Production 2013

	Cane	Sugar	Molasses	POCS	TCTS	Cane	Burnt
Mill	(Tonnes)	(Tonnes)	(Tonnes)			Purity %	Cane %
Lautoka	368,754	40,313	15,508	11.60	9.1	81.7	45.7
Rarawai	508,869	58,391	16,012	11.55	8.7	82.6	31.8
Labasa	546,150	62,026	21,207	11.24	8.8	82.4	13.4
Penang	184,773	18,681	5,936	10.64	9.9	81.3	25.3
TOTAL	1,239,792	179,411	58,663	11.26	9.13	82.0	29.05

Table 4.2 Pure Obtainable Cane Sugar & Tonne Cane Tonne Sugar

	2009 SEASON		2010 SEASON		2011 SEASON		2012 SEASON		2013 SEASON	
Mill	POCS	TCTS	POCS	TCTS	POCS	TCTS	POCS	TCTS	POCS	TCTS
Lautoka	10.19	14.8	10.87	12.2	10.19	14.8	10.87	12.2	11.60	9.1
Rarawai	9.93	15	9.9	15.5	9.93	15	9.9	15.5	11.55	8.7
Labasa	10.75	12.2	10.19	14.5	10.75	12.2	10.19	14.5	11.24	8.8
Penang	10.62	10.2	10.58	11.2	10.62	10.2	10.58	11.2	10.64	9.9
Average	10.37	13.4	10.36	13.5	10.37	13.4	10.36	13.5	11.26	9.13

5. BURNT CANE

With the assistance from the Government, the Ministry of Sugar acquired and donated to the Fiji Police Force 30 horses to assist the Police in patrolling the Cane Fields. The handing over of the first 10 horses to the Commissioner of Police took place on Thursday 29th August 2013 at the Nawai Police Post outside Nadi.



Labasa mill recorded the lowest percentage of burnt cane at 18.2% and Rarawai recorded the highest at 41.0%. Penang and Lautoka recorded 28.2% and 29.6% respectively

Table 5.1**Percentage of Green and Burnt Cane Crushed**

MILL	GREEN CANE	PERCENTAGE	BURNT CANE	PERCENTAGE
LAUTOKA	345,286	70.4	145,176	29.6
RARAWAI	274,539	59.0	190,781	41.0
LABASA	338,066	81.8	75,217	18.2
PENANG	127,684	71.8	50,148	28.2
TOTAL	1,085,575	70.2	461,322	29.8

6. HARVESTING GANG PERFORMANCE

Harvesting commenced at the Penang Mill on 24th June, 2013 while Rarawai Mill began on 26th June, 2013. Labasa Mill later commenced with harvesting on 27th June, 2013 whereby Lautoka Mill was the last to in which harvesting started on 02nd July, 2013.

The mill performance was above expectation and this gave harvesting gangs a challenge to consistently supply cane to the mill. The weekend cane supply had also been a concern as most of the gangs with indigenous cane cutters did not operate on Sundays and cane supply during the weekend became weak.



A Mechanical Harvester harvesting cane in Qeleloa Sector.

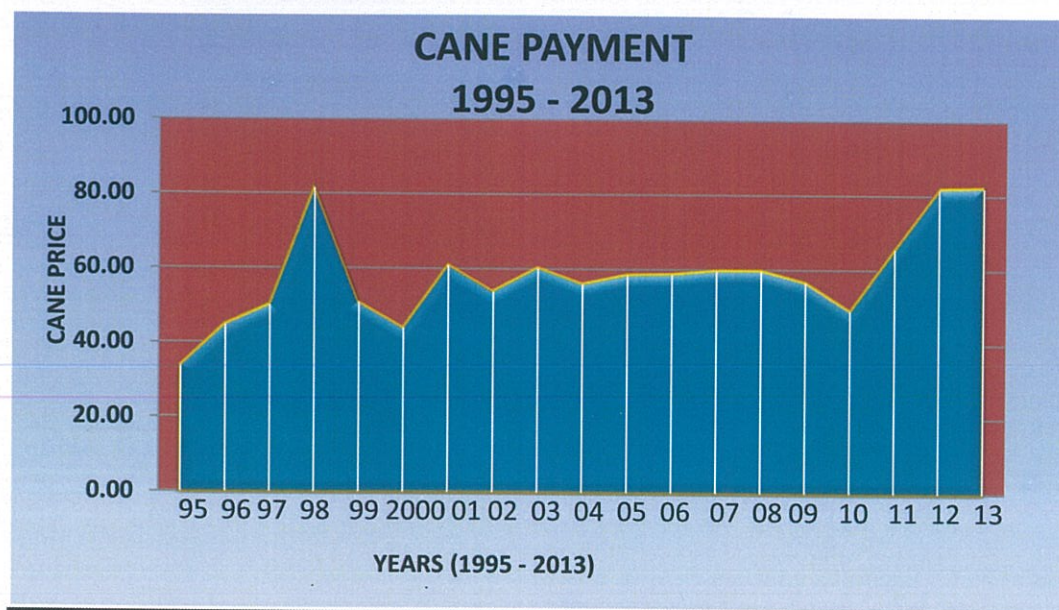
Manpower shortage continues to be a major setback for farmers. However, some farmers were thankfully relieved with the assistance provided by the Fiji Correctional Services in providing inmates to assist these farmers harvest their cane.

7. CANE PRICE & MARKETING

The forecast price for the 2013 season crop announced by the Corporation was \$62.58. For the first time, a special cane payment of \$5.00 per tonne was paid out to all growers by FSC upon the request of the Council to the Government.

The 2013 cane price brought confidence and a positive attitude towards the sugar industry by the growers as this was among the highest prices of cane per tonne. This has given farmers the reassurance in the success of the Sugar Industry in the coming years.

<i>Cane Payments</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>
<i>Delivery Payment</i>	37.55	32.13	31.32
<i>2nd Cane Payment</i>	12.52	10.70	10.44
<i>Special Payment</i>	5.00	4.00	nil
<i>3rd Cane Payment</i>	12.00	11.50	10.44
<i>4th Cane Payment</i>	15.05	20.40	11.39
<i>Final Cane Payment</i>		3.09	2.34
<i>Total</i>	<u>\$82.12</u>	<u>\$81.82</u>	<u>\$65.67</u>



CANE PAYMENT LISTING

Season	Forecast	Delivery	Second	Special	Third	Fourth	Final	Total
1995	39.18	3.51	7.84		12.34	4.00	6.09	33.78
1996	39.21	23.54	8.42		7.02	4.94	0.89	44.81
1997	38.62	23.17	7.72		12.15	6.19	0.84	50.07
1998	48.61	28.89	9.72		27.82	12.28	2.80	81.51
1999	41.70	25.02	8.34		8.00	8.24	1.16	50.76
2000	36.72	22.02	7.34		7.33	6.03	1.28	44.00
2001	43.03	25.82	8.61	4.00	13.44	6.92	2.01	60.80
2002	43.99	26.39	8.80		9.59	6.72	2.30	53.80
2003	43.50	26.10	8.70	4.00	9.71	10.23	1.38	60.12
2004	47.10	28.26	9.42	4.00	2.76	9.68	1.75	55.87
2005	44.28	26.57	8.86	4.00	7.29	9.93	1.70	58.35
2006	48.54	29.12	9.78	4.00	4.96	8.94	1.80	58.60
2007	43.76	26.26	8.75	4.00	6.59	12.44	1.61	59.65
2008	46.26	27.76	9.25	4.00	4.02	12.44	2.23	59.70
2009	61.17	36.70	12.23		5.03	2.26	0.37	56.59
2010	45.67	27.40	9.13		3.5	6.54	2.59	49.16
2011	52.20	31.32	10.44		10.18	11.39	2.34	65.67
2012	53.55	32.13	10.70	4.00	11.50	20.40	3.09	81.82
2013	62.58	37.55	12.52	5.00	12.00	15.05	6.37	88.49

2013 SHIPMENT RECORD AND PRODUCTION

VESSEL	DATE	TONNES
SUGAR	SAILED	SHIPPED
Hudson Bay	19.09.13	28,100
Biograd	16.10.13	31,900
Wuchang	23.11.13	33,450
Corentalent	29.05.2014	30,650
Petra	20.06.14	32,400
TOTAL		156,500
MOLASSES		
Siteam Leader	7.10.13	35,000
MILLS		SUGAR PRODUCTION
Lautoka		40,312.96
Rarawai		58,848.18
Penang		18,681.33
Labasa		62,025.79
TOTAL		179,868.26

<i>Key Production and Pricing Data</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>
<i>1. Tonnes Cane Crushed</i>	1.75m	1.55m	2.1m
<i>2. Sugar Production</i>	179,411	154,814	166,669
<i>3. TCTS (Tonnes Cane/Tonnes Sugar ratio)</i>	9.0	10.0	12.6

8. LEGAL SERVICES

The Sugar Cane Growers Council's legal department which was established on 3rd February 2003 has continued to provide a wide range of legal services to the growers at an affordable cost. It is the aim of the Management to operate the legal services on a user pay concept to avoid any additional burden on all growers.

In August 2011, all legal services ceased due to certain legislations which prevented the Council from providing legal services without a Legal Practitioners Certificate.

A number of representations were made to the Chief Registrar, however the Council was not allowed to continue unless a lawyer or a legal firm was engaged to act on the Council's behalf. Discussion is continuing with a prominent solicitor in Lautoka to have a managerial contract done so that the Council's Legal services are not disrupted.

During the year various types of services were provided to the cane growers throughout Fiji at a comparatively cheaper rate.

LEGAL SERVICES REPORT FROM 2ND JANUARY 2013 TO 31ST DECEMBER 2013

DOCUMENTS	RAKIRAKI	TAVUA	BA	LAUTOKA	NADI	SIGATOKA	LABASA	SEAQAQA	TOTAL
P/Attorney	16	28	31	34	21	31	28	2	191
Rev. P/A	6	7	10	6	0	0	7	1	37
Will	12	47	40	43	31	21	49	2	245
Total	34	82	81	83	52	52	84	5	473

9. OTHER GROWERS SERVICES

A wide range of other services were provided to the growers throughout the Council's 8 cane growing district offices and the Head office. Services provided by the Council have greatly assisted the growers to save thousands of dollars.

Despite the downsizing of the Council, the Administrative Arm continues to strive to achieve the ultimate goal of serving the interest of the registered cane growers of the nation. The types of services have increased and so has the number of growers benefiting from these services. Some of the key services provided by Council on a district by district basis during the year are shown below.

GROWERS SERVICE AS AT 31ST DECEMBER 2013

SERVICES	RAKIRAKI	TAVUA	BA	LAUTOKA	NADI	SIGATOKA	LABASA	SEAQAQA	TOTAL
Additional Ticket book	0	0	0	0	0	0	212	132	344
Bond	0	17	8	0	0	0	0	0	25
Burnt Cane	37	22	11	4	0	0	0	0	74
Cane Access Rd	97	33	11	9	0	21	273	1	445
Cane payment	165	282	21	14	119	29	13	133	776
COR amend	24	57	77	24	8	19	5	9	223
COR repl.	25	43	18	12	6	1	4	0	109
Crop Damage	19	5	3	2	12	0	0	0	41
Drainage	3	5	8	5	0	0	0	0	21
Drought	0	0	1	0	0	0	0	0	1
Gang Disputes	0	29	42	1	3	6	0	0	81
Gang Matters	54	30	3	2	0	4	0	0	93
Gang Meeting	12	53	2	1	0	0	0	0	68
Gang Rat.	15	19	19	0	0	0	0	0	53
General Services	3359	1182	1089	595	2469	561	1651	1786	12692
Income tax	360	228	439	408	278	74	1381	495	3663
Increase H/Rates	113	115	240	74	0	15	261	166	984
Individual Harvest	161	91	35	0	0	0	1	0	288
Knife Sale	124	0	236	273	437	29	11	0	1110
Land rent object	39	31	4	5	0	0	0	5	84
Lorry Wheel Tax	64	58	226	151	179	15	194	138	1025
MOGA	1	77	255	167	0	4	403	0	907
New Reg.	19	15	49	12	3	0	71	4	173
P/Attorney	16	28	31	34	21	31	28	2	191
Rent Appeal	0	46	8	1	0	0	38	0	93
Rev. P/A	6	7	10	6	0	0	7	1	37
Split Reg.	0	2	0	0	0	0	0	0	2
Sub Dispute	0	48	30	13	11	4	74	2	182
Substitute Agreement	203	392	572	823	114	59	414	21	2598
Tax Refund	0	0	1	0	0	0	0	0	1
Transfer of COR	8	3	106	8	8	0	0	0	133
VAT returns	9	0	39	26	0	5	260	0	339
Weedicide Sales	2045	2623	5601	9893	11498	945	5609	1591	39805
Will	12	47	40	43	31	21	49	2	245
Total	6991	5589	9236	12608	15197	1843	10960	4491	66915

10. CANE ACCESS ROADS

Cane Access Roads were maintained and controlled by the Ministry of Sugar with the assistance of The Council and the Fiji Sugar Corporation. The upgrading of roads was carried out by contractors appointed by the Ministry of Sugar.

Most of the Cane Access Road works were not completed on time due to the Contractors laxity whereby they did not fulfill their obligation to their assigned work. Also, few Contractors had mechanical breakdown with their machines.

The following is the summary for Cane Access Road Maintenance for the year 2013

2013 CANE ACCESS ROADS SUMMARY										
Mill Area	1st Allocation				2nd Allocation			3rd Allocation		
	No. of Roads	Length (km)	Tonnage	Cost	No. of Roads	Length (km)	Amount	No. of Roads	Tonnage	Amount
Lautoka	206	341.55	130,615.00	\$ 152,685.51	189	422.4	\$155,000.00	382	255,370	\$222,315.00
Rarawai	124	247.7	128,783.00	\$ 147,252.29	131	182	\$ 165,000.00	253	161,450	\$174,530.00
Labasa	159	237.7	139,000.00	\$ 163,029.41	100	202.6	\$145,000.00	295	209,230.20	\$287,205.00
Penang	84	61.9	37,200.00	\$ 37,032.79	35	42.7	\$35,000.00	56	27,310	\$47,950.00
Total	573	888.85	435,598.00	\$ 500,000.00	455	849.7	\$500,000.00	986	653,360.20	\$732,000.00

11. WEEDICIDE SALES

The Council continues to facilitate the sales of the following types of weedicides to growers from its district offices at cost with marginal handling charges.

- Glyphosate 360 (5 litres)
- Amine 720 (5 litres)
- Diuron 80 (1 kg pack)

All of these weedicides and agro-chemicals are available from South Pacific Fertilizers Company Limited and are made accessible to all cane growers nationwide from suitably located SCGC outlets in their own districts and towns.

An agreement was reached In December 2011 between the Council and Fiji Sugar Corporation after which growers began receiving weedicides on credit basis from the Council's 8 district offices. This arrangement has assisted growers who could not afford to control weeds on their farms due to financial constraints. This gained momentum during 2013 when more growers were seen taking advantage of this credit facility that has reduced cash handling for growers and offices as well.

In 2013, the Council's Labasa and Seaqqa District offices distributed weedicide to around 4,000 members of Labasa Cane Producers Association, a fair-trade certified organization within the Labasa Mill Area under LCPA orders. The same was done for growers in the Lautoka Mill Area in which the Lautoka Cane Producers' Association members were provided with weedicides.

SALES BY DISTRICT

DISTRICT	DIURON 800		GLYPHOSATE 360		AMINE 720	
	Quantity	Amount (\$)	Quantity	Amount (\$)	Quantity	Amount (\$)
Rakiraki	4,578	94,525.80	1,709	53,406.35	2,221	92,954.20
Tavua	3,920	80,895.90	1,512	47,254.90	2,566	107,354.00
Ba	9,681	199,120.10	3,596	112,516.55	5,686	237,833.40
Lautoka	4,706	98,357.10	2,333	72,625.40	3,077	128,963.80
Nadi	4,309	90,247.30	2,425	75,473.20	3,339	139,992.60
Sigatoka	1,195	25,046.40	1,041	32,380.90	1,138	47,715.00
Labasa	5,766	122,111.40	4,747	147,592.40	4,522	189,681.00
Seaqaqa	1,898	40,128.70	1,278	39,764.65	1,320	55,354.60
TOTAL	36,053	750,432.70	18,641	581,014.35	23,869	999,848.60

12. KNIFE/ FILES / HAND GLOVE SALES

The Council introduced the sale of a cane knife set consisting of a cane knife, file and hand gloves to growers in the 2008 season. This has been a very successful innovation because demands have increased thereafter with 2013 recording a sale of 1,912 sets sold. The Management is negotiating the price with the supplier so farmers can be given the opportunity to purchase the knife sets at a cheaper cost.

SALES BY DISTRICT

DISTRICT	CANE KNIFE SET	
	Quantity	Amount (\$)
Rakiraki	229	4,122.00
Tavua	338	6,084.00
Ba	503	9,054.00
Lautoka	274	4,932.00
Nadi	438	7,884.00
Sigatoka	117	2,106.00
Labasa	11	198.00
Seaqaqa	2	36.00
TOTAL	1,912	34,416.00

13. GROWERS RICE SUPPLY

The Fiji Sugar Corporation and Council continued to arrange in the delivery of rice through South Pacific Fertilizers Ltd who in turn provides efficient service at affordable costs. The Council has received an overwhelming response from on the quality of rice supplied.

14. FERTILIZER

The fertilizer price continues to be a topic around all growers meetings. As noted the price of fertilizer remains an all time high of \$45.59 per bag. Growers are fortunate that the Government has been subsidizing it by \$14.09 per bag while the growers pay the rate of \$31.50 a bag. The Council is thankful to the Government for its continued support to the sugar industry.

15. LTA CONCESSIONS

The Council has been closely associated with the various cane lorry associations and upon their recent successful negotiations have resulted for concessions of LTA regulations on cane Lorries such as waiver of wheel tax, reduction in road user levy and minor infringements. The lorry association members are not growers and these costs have been very high compared to the income for the six monthly operations of crushing. The Council is indebted to the Government and LTA for their continuous support.

16. FAIRTRADE CERTIFICATION

Following successful Fair-trade certification, Labasa Cane Producers Association (LCPA) have received their share of premium from the 2010, 2011, 2012 and 2013 season sugar produced at Labasa Mill. It has been assisting its grower members and the community at large by distributing free weedicides, kitchen files, water projects, electricity connection deposits, bus shelters, computers to schools etc.

The two other producer organizations in Viti Levu namely, Lautoka Cane Producers Association and Penang / Rarawai Cane Producers Association have been certified. Lautoka Cane Producers Association assist the Lautoka Mill Area growers by issuing weedicide vouchers where growers produce the vouchers at their respective Council's district office and getting weedicides of their choices.



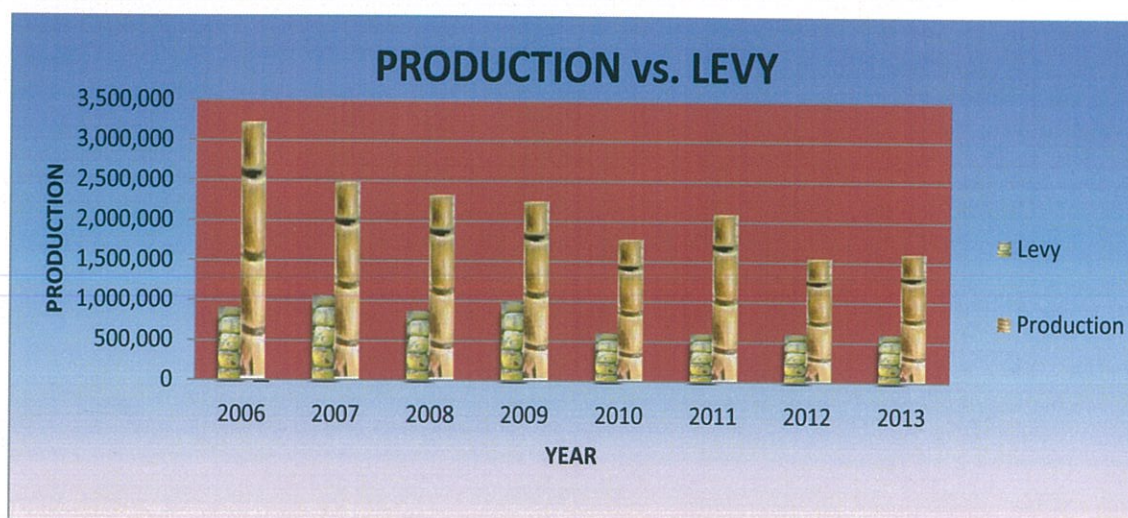
Nadi Growers receiving their weedicide with assistance from SCGC staff

17. COUNCIL LEVY

The Ministry of Sugar approved an Administrative Budget of \$600,000.00 for the 2013 financial year. The cane production for the year was 1,546,897 tonnes resulting in a chargeable levy of 0.37 cents per tonne of cane produced in the season.

Table 17.1 Last 8 years Annual Levy and Cane Production

YEAR	2006	2007	2008	2009	2010	2011	2012	2013
Levy	\$910,510	\$1,058,538	\$870,879	\$992,691	\$600,000	\$600,000	\$600,000	\$600,000
Production	3,225,551	2,478,853	2,321,783	2,246,722	1,778,014	2,095,741	1,546,897	1,608,546
Levy/tonne	\$0.28	\$0.42	\$0.38	\$0.44	\$0.34	\$0.29	\$0.39	\$0.37



It must be noted that Council Levy per tonne is based on the size of crop each year and a decline in crop will result in a marginal increase in chargeable levy. The Council has continued to strive to provide maximum service to all registered cane growers, despite maintaining the same annual "general levy" for over last six years.

It should be noted that Council's Budget has now been reduced to \$600 000.00. The decline in crop has seriously affected levy per tonne of cane and if the crop was maintained at 3.5million tonnes, the levy would have only been \$0.17 per ton for 2012. All the expenses are very well managed within the budget.

Another notable feature is that for the 2010 season, the total levy was \$0.34 / ton but due to a reduced cane price, Council had decided to waive \$0.09 / tonne deduction. This amount has not been deducted till to date and the management has now decided to waive this deduction. Therefore, the levy for 2010 has just been \$0.25 per ton.

18. AGRICULTURE SHOW

Sugar Cane Growers Council once again took part in the Annual Agriculture Show which was for the second time held at Lautoka's Churchill Park from 03rd to 07th September, 2013. The week long show ended with the Awards night in which different Agriculture departments recognizing its best and farmer of the year. As for the Sugar Industry, the Best Sugarcane Farmer of the Year Award was presented to Mr. Dildar Ali, 62 years old of Farm No. 5520 in Cuvu Sector. He was appointed by the Sugar Industry Selection Committee after considering his cane production for the last three years and his achievement in farming.

19. CANE DEVELOPMENT REVOLVING FUND (CDRF)

With a view to increase cane production, Government as in previous years provided \$6m for Cane Development project. Grants given out for cane planting in the past had been futile as there was no significant increase in crop. The Stakeholders then decided to turn the grant into a revolving fund to enable growers interested to plant cane to get interest free loan. This would enable the growers to take some ownership and the loan would be recovered slowly and the funds could be reutilized.

It was decided that a further \$3m be allocated by the SCGF and the entire funds controlled by the stakeholders. Criteria was set for the fund where a minimum of \$1000/ acre or \$2500/ ha provided to a grower on an interest free loan via SCGF. There were other conditions attached and was to be overseen by all the stakeholders who were tasked to do different tasks in the CDRF. The Council was given the task of following up on compliance to cultivation of different varieties, certification of land preparation/ planting and monitoring of field activities.

Subsequent to the two flooding of 2012, the stakeholders met and revised the criteria. It was then agreed that growers would be given \$1,000.00 per acre under CDRF cane planting program of which \$500.00 would be loan repayable within the next 5 years while \$500.00 would be granted to assist growers rehabilitate. Many growers took advantage of this and replanted their ageing ratoon with new cane.

20. LAND LEASE EXPIRY AND RENEWALS

Total Registration Issued on Expired ALTA Leases as at 2006 – 2013

	iTaukei			Indo-Fijian			Total		
	NEW	SIT	TOTAL	NEW	SIT	TOTAL	NEW	SIT	TOTAL
LAUTOKA	78	2	80	505	65	570	583	67	650
RARAWAI	123	4	127	503	56	559	626	60	686
LABASA	60	5	65	571	100	671	631	105	736
PENANG	57	6	63	44	5	49	101	11	112
TOTAL	318	17	335	1,623	226	1,849	1,941	243	2,184

Source - Sugar Industry Tribunal

21. INTERNATIONAL SUGAR ORGANISATION (ISO) CONFERENCE

The 43rd Council session of the International Sugar Organisation conference was hosted by Fiji which was held in Denarau, Nadi in June 2013. The Council's Chief Executive Officer was one of the speakers in the conference as he made his presentation on the **"NEEDS FOR A PROSPEROUS FUTURE OF FIJI SUGARCANE GROWING"**. The Council session had the presence of eighty delegations from different cane growing countries.

The 22nd ISO International Seminar was later held from 26th to 27th November 2013 in London. The Council's Chief Executive Officer was part of the Fiji delegation to the International Sugar Organisation (ISO) Conference which was led by the Honorable Prime Minister and Minister for Sugar, Commodore Voreqe Bainimarama.

22. 13TH ACP MINISTERIAL CONFERENCE ON SUGAR

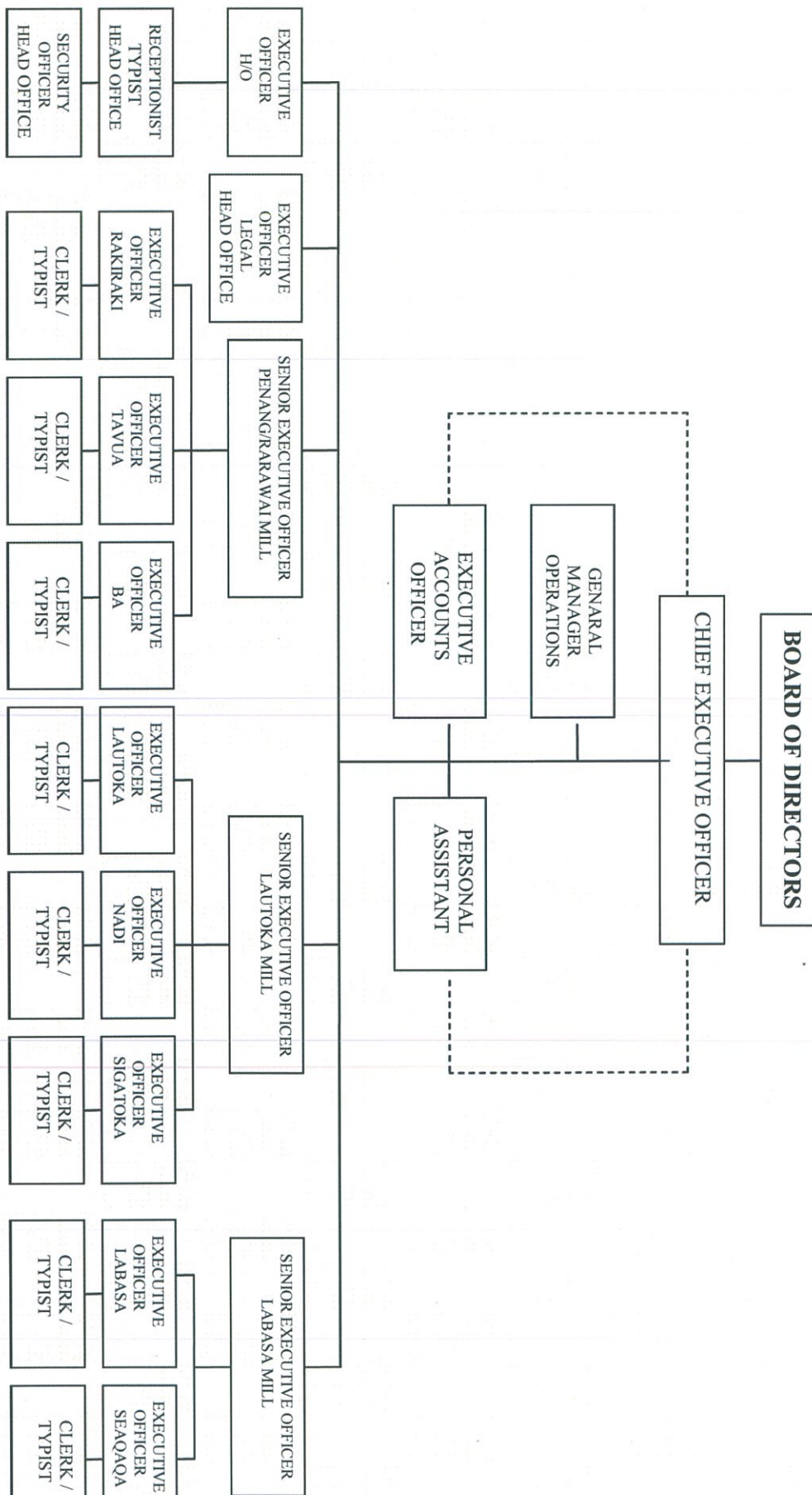
The 13th African, Caribbean and Pacific Group of States (ACP Group) Ministerial Conference on Sugar was held in Shangri-La's Fijian Resort & Spa in Yanuca, Sigatoka from 14th to 17th October, 2013. The conference was opened by Fiji's Prime Minister and Minister for Sugar, Commodore Voreqe Bainimarama and attended by the representatives from the ACP group.

23. STAFFING ISSUE

The Council has a dedicated team of staff in the district offices and its Head Office. Each district office has an Executive Officer and a Clerk/Typist, and there are 3 Senior Executive Officers who are assigned to their respective Mill Areas.

2013 was a year with more recruitment in the Council staff. The Council with the approval of the Ministry of Sugar recruited its new General Manager Operations, Mr. Nemani Veikoso who has vast knowledge and experience with the Sugar Industry.

SUGAR CANE GROWERS COUNCIL ORGANISATION CHART



Sugar Cane Growers Council

Financial Statements

For the year ended

31 December 2013

Sugar Cane Growers Council

Contents

Officers' report	1 - 2
Report of the independent auditor	3
Statement of comprehensive income and accumulated funds	4
Statement of financial position	5
Statement of cash flows	6
Notes to the financial statements	7 - 19
Disclaimer	20
Statement of operations	21 - 22

Sugar Cane Growers Council

Officers' report

The Director of Sugar and Chief Executive Officer (Officers) herewith submit the statement of financial position of Sugar Cane Growers Council ("the Council") as at 31 December 2013 and the related statement of comprehensive income and accumulated funds and statement of cash flows for the year ended on that date and report as follows:

Officers

The names of Officers in office at the date of this report and at any time during the financial year and up until the date the financial statements were authorised for issue are as follows:

William Gucake - Director of Sugar
Sundresh Chetty - Chief Executive Officer
Nemani Veikoso - General Manager Operations

State of affairs

In the opinion of the Officers the accompanying statement of financial position gives a true and fair view of the state of affairs of the Council as at 31 December 2013 and the accompanying statement of comprehensive income and accumulated funds and statement of cash flows give a true and fair view of the results, changes in funds employed and cash flows of the Council for the year then ended.

Results

The total comprehensive loss for the year amounted to \$73,347 (2012: Surplus of \$63,929).

Principal activities

The principal activities of the Council are outlined under Section 42 of the Sugar Industry Act of 1984, which includes generally all such things and undertaking all such steps as it may consider necessary for the protection and development of the sugar industry. There were no significant changes in the nature of the activities of the Council during the financial year.

Current assets

The Officers took reasonable steps before the Council's financial statements were made out to ascertain that the current assets of the Council were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of business.

At the date of this report, the Officers are not aware of any circumstances which would render the values attributable to the current assets in the financial statements to be misleading.

Receivables

The Officers took reasonable steps before the Council's financial statements were made out to ascertain that known bad debts were written off and adequate allowance was made for impairment losses.

At the date of this report, the Officers are not aware of any circumstances which would render the above assessment inadequate to any substantial extent.

Sugar Cane Growers Council**Officers' report (continued)****Related party transactions**

All related party transactions have been adequately recorded in the financial statements.

Going concern basis of accounting

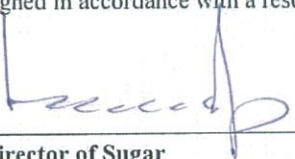
The Council's financial statements have been prepared on a going concern basis, which assumes that the Council will continue in its present form. A Cabinet decision was made to dissolve the Council on 11 August 2009. As at the date of the financial statements, there have been no further actions taken with regard to the dissolution of the Council or appointment of a successor body. The Council continues with its normal operations.

Events subsequent to year end

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Officers, to affect significantly the operations of the Council, the results of those operations or the state of affairs of the Council in subsequent financial years.

Dated at Lautoka this 24th day of April 2014.

Signed in accordance with a resolution of the Officers.



Director of Sugar

Chief Executive Officer



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SUGAR CANE GROWERS COUNCIL**

We have audited the accompanying financial statements of Sugar Cane Growers Council, which comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income and accumulated funds and statement of cash flows for the year then ended, and notes 1 to 21, comprising a summary of significant accounting policies and other explanatory information.

Officers' and Management's Responsibility for the Financial Statements

Officers and Management are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and for such internal control as the officers and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Sugar Cane Growers Council as at 31 December 2013 and of its financial performance, its changes in accumulated funds and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities.

4 April 2014
Suva, Fiji Islands

KPMG
Chartered Accountants

Sugar Cane Growers Council

Statement of comprehensive income and accumulated funds

For the year ended 31 December 2013

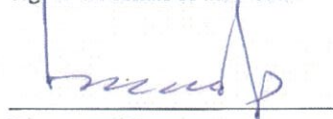
	Note	2013 \$	2012 \$
Sales		2,336,587	1,753,624
Cost of Sales		<u>(2,139,208)</u>	<u>(1,603,612)</u>
Gross Profit		197,379	150,012
Revenue - growers levy		600,000	600,000
Other income	4	160,571	143,168
Administrative expenses	5	(444,689)	(385,904)
Other operating expenses	6	<u>(601,848)</u>	<u>(458,794)</u>
Surplus from operations		(88,587)	48,482
Finance income	8	17,520	20,007
Finance expense	8	<u>(2,280)</u>	<u>(4,560)</u>
(Loss) / surplus for the year		(73,347)	63,929
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss) / income for the year		(73,347)	63,929
Accumulated funds at the beginning of the year		<u>3,004,797</u>	<u>2,940,868</u>
Accumulated funds at the end of the year		<u><u>2,931,450</u></u>	<u><u>3,004,797</u></u>

The notes on pages 7 to 19 are an integral part of these financial statements.

Sugar Cane Growers Council
Statement of financial position
As at 31 December 2013

	Note	2013 \$	2012 \$
Assets			
Non-current assets			
Property, plant and equipment	9	1,176,024	1,136,757
Investments	10	358,432	341,427
Total non-current assets		<u>1,534,456</u>	<u>1,478,184</u>
Current assets			
Cash and cash equivalents	11	615,020	614,145
Held to maturity investments	12	550,000	550,000
Inventories		38,095	-
Receivables	13	1,101,692	1,034,681
Prepayments		12,851	12,941
Total current assets		<u>2,317,658</u>	<u>2,211,767</u>
Total assets		<u><u>3,852,114</u></u>	<u><u>3,689,951</u></u>
Funds employed			
Funds employed		2,931,450	3,004,797
Total funds employed		<u>2,931,450</u>	<u>3,004,797</u>
Current liabilities			
Loans and borrowings	14	-	76,000
Other payables and accruals	15	880,292	581,130
Employee benefits	16	40,372	28,024
Total current liabilities		<u>920,664</u>	<u>685,154</u>
Total liabilities		<u>920,664</u>	<u>685,154</u>
Total funds employed and liabilities		<u><u>3,852,114</u></u>	<u><u>3,689,951</u></u>

Signed on behalf of the Board.



Director of Sugar



Chief Executive Officer

The notes on pages 7 to 19 are an integral part of these financial statements.

Sugar Cane Growers Council
Statement of cash flows
For the year ended 31 December 2013

	Note	2013 \$	2012 \$
Operating activities			
Receipts of growers levy from Fiji Sugar Corporation		640,612	455,374
Receipts from weedicide sales		1,952,594	1,348,364
Other receipts		103,416	497,720
Payments to suppliers and employees		(2,580,257)	(2,291,353)
Interest and other finance charges paid		(2,280)	(6,925)
Cash flows from operating activities		<u>114,085</u>	<u>3,180</u>
Investing activities			
Interest received		17,520	20,007
Proceeds from sale of property, plant and equipment		40,150	22,000
Acquisition of property, plant and equipment		(94,880)	(17,280)
Cash flows (used in) / from investing activities		<u>(37,210)</u>	<u>24,727</u>
Financing activities			
Repayment of loan		(76,000)	(76,000)
Cash flows used in financing activities		<u>(76,000)</u>	<u>(76,000)</u>
Net increase / (decrease) in cash and cash equivalents		875	(48,093)
Cash and cash equivalents at 1 January		<u>614,145</u>	<u>662,238</u>
Cash and cash equivalents at 31 December	11	<u><u>615,020</u></u>	<u><u>614,145</u></u>
Non-cash investing activity	18		

The notes on pages 7 to 19 are an integral part of these financial statements.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2013

1. Reporting entity

Sugar Cane Growers Council (the "Council") is a body corporate domiciled in Fiji, established under the Sugar Industry Act of 1984. The address of the Council's registered office is 75 Drasa Avenue, Lautoka.

The principal activities of the Council are outlined under Section 42 of the Sugar Industry Act of 1984, which include generally all such things and undertaking all such steps as it may consider necessary for the protection and development of the sugar industry. There were no significant changes in the nature of the activities of the Council during the financial year.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

The financial statements were authorised for issue by the Director of Sugar and Chief Executive Officer on 24/04/2014.

(b) Going concern basis of accounting

The Council's financial statements have been prepared on a going concern basis, which assumes that the Council will continue in its present form. A Cabinet decision was made to dissolve the Council on 11 August 2009. As at the date of the financial statements, there have been no further actions taken with regard to the dissolution of the Council or appointment of a successor body. The Council continues with its normal operations.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis except for investments which have been measured at fair value.

(d) Functional and presentation currency

The financial statements are presented in Fiji dollars, which is the Council's functional currency.

(e) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2013

2. Basis of preparation (continued)

(e) Use of estimates and judgments (continued)

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 13 Recoverability of receivables

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Council.

(a) Financial instruments

(i) Non-derivative financial assets

The Council generally recognises loans and receivable on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Council becomes a party to the contractual provisions of the instrument.

The Council derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of the ownership of the financial asset are transferred. Any interest in the transferred financial asset that is created or retained by the Council is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when and only when, the Council has a legal right to offset the amounts and intends either to offset the amounts and settle on a net basis or to realise the asset and settle the liability simultaneously.

The Council classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets and loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses (see note 3 (c) (i)).

Loans and receivables comprise cash at bank and receivables.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2013

3. Significant accounting policies (continued)

(a) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank for the purposes of the statement of cash flows.

Held-to-maturity financial assets

If the Council has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Held-to-maturity financial assets comprise term deposits.

Financial assets at fair value through profit and loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Council manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Council's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Financial assets at fair value through profit or loss comprise investments in Unit Trust of Fiji.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Council becomes party to the contractual provisions of the instrument.

The Council derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Council classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, other payables and accruals.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2013

3. Significant accounting policies (continued)

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other operating expenses in profit or loss.

(iii) Depreciation

Items of property, plant and equipment are depreciated in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Council will obtain ownership by the end of the lease term.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Council. Ongoing repairs and maintenance is expensed as incurred.

The depreciation rate for the current and comparative years are as follows:

Asset	Rate
Fixtures and fittings	25%
Plant and equipment	25%
Motor vehicles	25%
Land and building	1.25% - 5%

(c) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2013

3. Significant accounting policies (continued)

(c) Impairment (continued)

Financial assets measured at amortised cost

The Council considers evidence of impairment for financial assets at amortised cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Council's non-financial assets excluding inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGU's) and then to reduce the carrying amounts of the other assets in the CGU (group of CGU's) on a *pro-rata* basis.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2013

3. Significant accounting policies (continued)

(d) Employee benefits

i) Defined contribution plan / Superannuation

Contributions are paid to the Fiji National Provident Fund on behalf of employees to secure retirement benefits. Costs are included in profit or loss.

ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in profit or loss as the related service is provided.

A liability is recognised for the amount to be paid under short-term benefits if the Council has a present or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

The cost of inventories is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(f) Revenue

(i) Levy income

Levy income for any financial year is approved by the Council and certified by the Tribunal Accountant at the beginning of the crushing season in accordance with Sections 51 and 53 of the Sugar Industry Act of 1984. Growers levies are determined under the Master Award and regulated under the Sugar Industry Act 1984 s(53). The collection of levies by FSC is deducted from the growers' share of proceeds of sale of sugar, molasses and other by-products of sugar.

(ii) Sale of weedicide

Revenue from sale of weedicide is measured at the fair value of the consideration received or receivable. Revenue is recognised when significant risks and rewards of ownership have been transferred to the buyer.

(iii) Other income

Revenue from dividend and other operating activities are recognised in profit or loss on an accrual basis.

(iv) Rental income

Rental income from hire of hall and office premises are recognised in profit or loss on an accrual basis.

Sugar Cane Growers Council

Notes to the financial statements

For the year ended 31 December 2013

3. Significant accounting policies (continued)

(g) Income tax

The Council is exempt from income tax under the provision of section 17 (4) of the Income Tax Act, Cap 201.

(h) Financing income and expenses

Finance income comprises interest received on the term deposits held. Interest income is recognised as it accrues in profit or loss.

Finance costs comprise interest on borrowings.

(i) Value Added Tax (VAT)

The financial statements have been prepared on a gross basis (VAT inclusive) since the organisation is not registered for VAT.

	2013	2012
	\$	\$
4. Other income		
Dividend income - Unit Trust of Fiji	14,706	14,090
Gain on disposal of property, plant and equipment	40,150	12,194
Gain on remeasurement of investments to fair value	2,299	24,424
Other income	8,996	7,181
Rental income	94,420	85,279
	<u>160,571</u>	<u>143,168</u>
5. Administrative expense		
Bank charges	1,295	2,365
Meeting costs	3,689	3,874
Personnel expenses (refer note 7)	439,705	379,665
	<u>444,689</u>	<u>385,904</u>
6. Other operating expenses		
Included in other operating expenses are the following items:		
Doubtful debts	280,327	136,172
Auditor's remuneration - audit services	7,000	7,000
- other services	1,257	1,283
Depreciation	55,613	49,929
Electricity	28,427	27,418
Insurance	23,041	24,332
Legal department expenses	9,901	12,486
Motor vehicle expenses	40,131	47,152
Rent	29,755	28,287
Telephone	27,289	26,884

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2013

	2013 \$	2012 \$
7. Personnel expenses		
Annual and long-service leave	32,823	21,398
Fiji National Provident Fund (FNPF) contributions	24,435	22,646
Key management compensation - short term benefits	90,413	77,578
- FNPF	6,589	5,918
National Training and Productivity Center levy	3,903	2,152
Wages and salaries	281,542	249,973
	<u>439,705</u>	<u>379,665</u>
8. Finance income and expenses		
<u>Finance income</u>	<u>17,520</u>	<u>20,007</u>
Interest income		
<u>Finance expense</u>	<u>2,280</u>	<u>4,560</u>
Interest expense		

Sugar Cane Growers Council

Notes to the financial statements

For the year ended 31 December 2013

9. Property, plant and equipment

	Fixtures and fittings \$	Plant and equipment \$	Motor vehicles \$	Land and buildings \$	Total \$
Cost					
Balance at 1 January 2012	123,710	418,391	343,384	1,321,745	2,207,230
Acquisitions during the year	-	11,280	-	6,000	17,280
Disposals during the year	(2,345)	(5,089)	(30,000)	-	(37,434)
Balance at 31 December 2012	121,365	424,582	313,384	1,327,745	2,187,076
Acquisitions during the year	-	6,086	76,870	11,924	94,880
Disposals during the year	-	-	(120,929)	-	(120,929)
Balance at 31 December 2013	121,365	430,668	269,325	1,339,669	2,161,027
Depreciation					
Balance at 1 January 2012	123,710	391,959	273,862	238,487	1,028,018
Depreciation charge for the year	-	13,037	17,507	19,385	49,929
Disposals during the year	(2,345)	(5,089)	(20,194)	-	(27,628)
Balance at 31 December 2012	121,365	399,907	271,175	257,872	1,050,319
Depreciation charge for the year	-	10,997	24,019	20,597	55,613
Disposals during the year	-	-	(120,929)	-	(120,929)
Balance at 31 December 2013	121,365	410,904	174,265	278,469	985,003
Carrying amount					
At 31 December 2012	-	24,675	42,209	1,069,873	1,136,757
At 31 December 2013	-	19,764	95,060	1,061,200	1,176,024

Labasa mill recorded the lowest percentage of burnt cane at 18.2% and Rarawai recorded the highest at 41.0%. Penang and Lautoka recorded 28.2% and 29.6 % respectively.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2013

10. Investments

Non-current investment

Financial assets designated at fair value through the statement of comprehensive income.

	2013	2012
	\$	\$
<u>Unit Trust of Fiji</u>		
This represents investment in Unit Trust of Fiji of 261,629 units (2012: 251,049 units) at \$1.37 (2012: \$1.36).	358,432	341,427
<u>Reconciliation of investment in Unit Trust of Fiji</u>		
Balance at 1 January	341,427	302,913
Additional units acquired during the year	14,706	14,090
Gain on remeasurement of investment to fair value	2,299	24,424
Balance at 31 December	358,432	341,427

11. Cash and cash equivalents

Cash at bank	613,191	612,316
Cash on hand	1,829	1,829
Cash and cash equivalents in the cash flow statements	615,020	614,145

12. Held-to-maturity investments

Term Deposits	550,000	550,000
---------------	---------	---------

The average interest rate on term deposits in 2013 is 3.22% (2012: 4.33%). The deposits have an average maturity of 365 days (2012: 365 days).

13. Receivables

	2013	2012
	\$	\$
Growers levy receivable from The Fiji Sugar Corporation Limited	725,586	766,198
Less: Provision for doubtful debts	(492,664)	(212,337)
	232,922	553,861
Receivable from The Fiji Sugar Corporation Limited for sale of weedicide	852,081	468,088
Other receivables	16,689	12,732
	1,101,692	1,034,681
<u>Provision for doubtful debts</u>		
Balance as at 1 January	212,337	76,165
Expense recognised during the year	280,327	136,172
Balance as at 31 December	492,664	212,337

Sugar Cane Growers Council**Notes to the financial statements****For the year ended 31 December 2013****14. Loans and borrowings**

	2013	2012
	\$	\$
Secured loan from Sugar Cane Growers Fund	-	76,000

The loan was repayable by annual repayments of \$76,000 and interest was charged at the rate of 3%.

15. Other payables and accruals

	2013	2012
	\$	\$
Payables and accruals	51,606	48,095
South Pacific Fertilizers Limited	828,686	533,035
	<u>880,292</u>	<u>581,130</u>

16. Employee benefits

Balance at 1 January	28,024	36,130
Expense recognised in the profit or loss	32,823	21,398
Leave utilised	(20,475)	(29,504)
Balance at 31 December	<u>40,372</u>	<u>28,024</u>

17. Related parties**(a) The Officers**

The names of Officers in office at any time during the financial year are as follows:

Villiams Gucake - Director of Sugar

Sundresh Chetty - Chief Executive Officer

Nemani Veikoso - General Manager Operations

(b) Identity of related parties

The Fiji Sugar Corporation Limited (FSC) and South Pacific Fertilizers Limited are related parties by virtue of common directorship and shareholding. Other related parties of the Council include key stakeholders in the Fiji Sugar Industry, namely, the Government of Fiji, Sugar Research Institute of Fiji and Sugar Cane Growers Fund.

Sugar Cane Growers Council
Notes to the financial statements
For the year ended 31 December 2013

17. Related parties (continued)

(c) Amounts receivable from / (payable to) related parties	2013	2012
	\$	\$
South Pacific Fertilizers Limited (Note 15)	(828,686)	(533,035)
Receivable from The Fiji Sugar Corporation Limited for sale of weedicide (Note 13)	852,081	468,088
Growers levy receivable from The Fiji Sugar Corporation Limited (Note 13)	725,586	766,198
Loan payable - Sugar Cane Growers Council (Note 14)	-	76,000

(d) Transactions with related parties

During the year, the Council entered into various transactions with related parties which were at normal commercial terms and conditions. The aggregate value of material transactions with the related parties during the year is as follows:

	2013	2012
	\$	\$
Interest expense – Sugar Cane Growers Fund	2,280	4,560
Levy income – The Fiji Sugar Corporation Limited	600,000	600,000
Purchase of weedicide from South Pacific Fertilizers Limited	2,164,786	1,603,612
Sale of weedicide to The Fiji Sugar Corporation Limited	1,304,707	1,114,432
Rental income from Sugar Cane Growers Fund	62,303	50,162

(e) Transactions with key management personnel

Key management personnel includes the Chief Executive Officer and General Manager

In addition to their salary, the Council also provides non-cash benefits to key management personnel.

Key management compensation is disclosed in Note 7.

18. Non-cash investing activity	2013	2012
	\$	\$
Re-investment of dividend income earned in Unit Trust of Fiji	14,706	14,090
Trade-in of property, plant and equipment	-	12,194

19. Capital commitments

Capital commitments as at 31 December 2013 amounted to \$Nil (2012: \$Nil).

20. Contingent liabilities

The Council is a defendant in various third party claims. The Officers do not expect the outcome of these actions to have a material effect on the Council's financial position.

Sugar Cane Growers Council**Notes to the financial statements****for the year ended 31 December 2013****1. Events subsequent to year end**

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Officers, to affect significantly the operations of the Council, the results of those operations or the state of affairs of the Council in subsequent financial years.

Disclaimer

The additional financial information presented on pages 21 to 22 is in accordance with the books and records of Sugar Cane Growers Council which have been subjected to the auditing procedures applied in our statutory audit of the Council for the year ended 31 December 2013. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the Council) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however used.

24 April 2014

Nadi, Fiji Islands

KPMG.

KPMG

Chartered Accountants

Sugar Cane Growers Council
Statement of operations
For the year ended 31 December 2013

	2013	2012
	\$	\$
Sales	2,336,587	1,753,624
Cost of Sales	(2,139,208)	(1,603,612)
Gross Profit	197,379	150,012
Growers levy	600,000	600,000
Dividend income	14,706	14,090
Gain on disposal of property, plant and equipment	40,150	12,194
Gain on remeasurement of investments to fair value	2,299	24,424
Interest income	17,520	20,007
Rental income	94,420	85,279
Other income	8,996	7,181
Total income	975,470	913,187
Expenditure		
Advertising	1,155	1,046
Doubtful debts	280,327	136,172
Auditor's remuneration - audit services	7,000	7,000
- other services	1,257	1,283
Bank charges	1,295	2,365
City rates	842	881
Cleaning	9,965	9,820
Contingency expense	200	100
Depreciation	55,613	49,929
Donations	260	280
Electricity	28,427	27,418
Fiji National Provident Fund contributions	31,024	28,564
General expenses	9,364	5,639
Growers accountant's fees	5,750	5,750
Hospitality	1,471	1,251
Insurance	23,041	24,332
Interest expense	2,280	4,560
Legal department expenses	9,901	12,486
Meeting costs - other	3,689	3,874
Motor vehicle expenses	40,131	47,152
Office expenses	6,694	6,187
Expenses balance carried forward	519,686	376,089

The above statement of operations is to be read in conjunction with the disclaimer report set out on page 20.

Sugar Cane Growers Council
Statement of operations (continued)
For the year ended 31 December 2013

	2013	2012
	\$	\$
Expenses balance brought forward	519,686	376,089
Postage	2,756	3,031
Professional services	1,200	-
Rent	29,755	28,287
Repairs and maintenance	23,286	36,119
Security expenses	13,223	12,516
Staff Training	748	55
Stationery and printing	15,611	10,539
Subscriptions	2,447	2,353
Telephone	27,289	26,884
National Training and Productivity Center levy	3,903	2,152
Wages and salaries	404,778	348,949
Water rates	2,219	458
Website costs	1,916	1,826
Total expenditure	1,048,817	849,258
Operating surplus	(73,347)	63,929