



**Wilmar Sugar Australia**

**and**

**Canegrowers**

**Correspondence**

Date	From	To	Subject	Details
2014 November 25	WSA J. Pratt	Canegrowers (14 recipients)	Invitation to participate in an independently facilitated engagement program to negotiate a future model for pricing and marketing arrangements	Independent facilitator's Terms of Reference attached to letter.
2014 December 2	Canegrowers P. Marano S. Guazzo K. Borg G. Clarke	WSA J. Pratt	Response to WSA letter dated 2014 November 25: Invitation to participate in an independently facilitated engagement program to negotiate a future model for pricing and marketing arrangements	Requested that Wilmar include the below points in discussions, prior to agreeing to meet with Wilmar:  <ol style="list-style-type: none"> <li>1. An industry-led grower-choice model, pathways to market being a proposal to be explored, resulting in genuine grower choice of who markets their economic interest in the sugar</li> <li>2. Recognition of Grower Economic Interest in achieving this</li> <li>3. Wilmar's capacity to be involved in a market driven Grower Choice model</li> <li>4. Capacity for the CANEGROWERS collectives from all relevant Wilmar milling areas to collectively discuss the content of the 2017 Cane Supply Agreement.</li> </ol>
2014 December 5	WSA J. Pratt	Canegrowers P. Marano S. Guazzo K. Borg G. Clarke	Response to WSA letter dated 2014 December 2: Invitation to participate in an independently facilitated engagement program to negotiate a future model for pricing and marketing arrangements	<ul style="list-style-type: none"> <li>• Outlined meeting agenda items and agreed to discuss the four points raised by Canegrowers in previous letter, in particular confirming that Wilmar does not intend to limit the scope of what Canegrowers wishes to discuss.</li> <li>• Referred to the Sugar Industry Act regarding collective discussions of the Cane Supply Agreement, and representatives from all Wilmar milling regions being present at initial discussions.</li> <li>• Welcomed collective discussions for the first meeting and proposed meeting dates in December to take place without a facilitator, but the facilitator will chair discussions starting in 2015.</li> </ul>

**Wilmar Sugar Australia – Canegrowers**  
Correspondence



Date	From	To	Subject	Details
2014 December 9	Canegrowers P. Marano S. Guazzo K. Borg G. Clarke	WSA J. Pratt	Response to WSA letter dated 2014 December 5: Sugar Marketing	<ul style="list-style-type: none"> <li>• Seeking Wilmar’s consideration of Grower Choice model outlined in their previous correspondence.</li> <li>• First available period to meet is the first week in February 2015.</li> </ul>
2014 December 9	Canegrowers Proserpine G. Clarke	WSA J. Pratt	Response to WSA letter dated 2014 November 25:  Invitation to participate in an independently facilitated engagement program to negotiate a future model for pricing and marketing arrangements	<ul style="list-style-type: none"> <li>• Confirms Canegrowers Proserpine is agreeable to open and meaningful dialogue regarding pricing and marketing models</li> <li>• Disappointed that Wilmar seeks to undertake ‘facilitated engagement’ outside the CSA contractually agreed timeframe, but agrees to participate in the facilitated program.</li> <li>• Special meeting of CANEGROWERS Proserpine board was convened were concerns were raised in respect to the industry’s current marketing impasse (7 points in letter).</li> <li>• Willing to meet to discuss the CSA in Proserpine prior to 19 December 2014.</li> </ul>
2014 December 17	WSA S. Rutherford	Canegrowers Proserpine M. Porter	Interim Forward Pricing Arrangements	Following the engagement meeting today, below attachments emailed to Michael Porter: <ul style="list-style-type: none"> <li>• the agreements relating to the Interim Forward Pricing Arrangements</li> <li>• a general overview of the agreements</li> <li>• IFPA Guide</li> <li>• Presentation</li> </ul>
2014 December 22	WSA J. Pratt	Canegrowers S. Guazzo	Response to Canegrowers letter dated 2014 December 9:  Negotiation of a future model for pricing and marketing arrangements.	<ul style="list-style-type: none"> <li>• Advised Wilmar’s availability to meet in the first week of February and provided seven possible dates.</li> </ul>

**Wilmar Sugar Australia – Canegrowers**  
Correspondence



Date	From	To	Subject	Details
2015 February 12	WSA J. Pratt	Canegrowers P. Marano S. Guazzo K. Borg G. Clarke	Negotiation of a future model for sugar pricing and marketing arrangements.	<ul style="list-style-type: none"> <li>• Following up on Canegrowers preference to meet February and proposed two dates.</li> <li>• Facilitator not yet confirmed.</li> <li>• Propose to invite DAFF observer to next meeting with Wilmar and Canegrowers to foster transparency, and asked if there is any objection to this suggestion.</li> </ul>
2015 February 20	Canegrowers P. Marano S. Guazzo K. Borg G. Clarke	WSA J.Pratt	Response to WSA letter dated 2015 February 12:  Negotiation of a future model for pricing and marketing arrangements	<ul style="list-style-type: none"> <li>• Clarify whether Wilmar is willing to include CANEGROWERS' grower choice model.</li> <li>• Subject to a satisfactory response from Wilmar, CANEGROWERS suggests meeting in the first week of March.</li> <li>• Support facilitator and seek to be involved in the appointment of a mutually agreed person.</li> <li>• No objection to DAFF observer, suggested that a Commonwealth government or Department of Agriculture representative also be invited.</li> </ul>
2015 February 26	WSA John Pratt	Canegrowers K. Borg	Response to Canegrowers letter dated 2015 February 20.	<ul style="list-style-type: none"> <li>• Wilmar is open to discuss alternative models and propose as a first step to agree on the independent facilitator.</li> <li>• Potential facilitator identified, Ms Kathy Jones, Company Principal of KJA.</li> <li>• KJA profile attached.</li> <li>• Proposed a meeting date of 6 March 2015.</li> </ul>
2015 February 27	Canegrowers P. Marano S. Guazzo K. Borg G. Clarke	WSA J.Pratt	Response to WSA letter dated 2015 February 26.	<ul style="list-style-type: none"> <li>• Expressed disappointment and claimed that Wilmar has failed to properly respond to questions raised around GEI and Grower Choice.</li> <li>• Will not meet with Wilmar until they receive assurance that matters have been properly addressed and suggested that the</li> </ul>

**Wilmar Sugar Australia – Canegrowers**  
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Date	From	To	Subject	Details
				<p>current inquiry reports are due within a short timeframe and may impact on the holding of meaningful discussions.</p> <ul style="list-style-type: none"> <li>In Canegrowers view there would be no facilitator at the initial meeting</li> </ul>
2015 March 2	WSA J. Pratt	Canegrowers P. Marano S. Guazzo K. Borg G. Clarke	Response to Canegrowers letter dated 2015 February 27.	<ul style="list-style-type: none"> <li>Reiterated that Wilmar is open to discussing alternative models, as stated in letter dated 26 February.</li> <li>Clarified the proposed engagement program.</li> <li>Proposed meeting date of 6 March.</li> </ul>
2015 March 5	Canegrowers P. Marano S. Guazzo K. Borg G. Clarke	WSA J.Pratt	Response to WSA letter dated 2015 March 2.	<ul style="list-style-type: none"> <li>Suggested to meet in the last week of March or the first week of April.</li> <li>Noted the thrust of Wilmar’s submission remains a barrier to constructive dialogue.</li> <li>Prefer to meet at a venue other than Wilmar’s office and without a facilitator.</li> </ul>
2015 March 10	WSA J.Pratt	Canegrowers P. Marano S. Guazzo K. Borg G. Clarke	Response to Canegrowers letter dated 2015 March 5.	<ul style="list-style-type: none"> <li>Expressed disappointment that a meeting isn’t possible until late March.</li> <li>Reiterated that Wilmar is has committed to an open meeting agenda without limit to scope of discussions or marketing models.</li> <li>Agreed to the request to hold the first meeting without an independent facilitator and at their preferred venue noting, however, it is Wilmar’s view that it is in the best interest of both parties to engage an independent facilitator.</li> </ul>

Date	From	To	Subject	Details
2015 March 19	Canegrowers P. Marano S. Guazzo K. Borg G. Clarke	WSA J.Pratt	Response to recent correspondence	<ul style="list-style-type: none"> <li>• Suggested a meeting at Canegrowers Hall on 1 April 2015.</li> <li>• Requested the following be included on the agenda:               <ol style="list-style-type: none"> <li>1. Formal recognition of Grower Economic Interest</li> <li>2. Grower Choice in marketing, pricing and selling of their “Grower Economic Interest” economic interest</li> <li>3. Dispute resolution processes for pre and post CSA negotiations</li> <li>4. Retention of an industry owned marketing body</li> </ol> </li> </ul>
2015 March 25	WSA J.Pratt	Canegrowers P. Marano K. Borg G. Clarke K. Latter P. Sheedy D. Burden M. Porter	Response to Canegrowers letter dated 2015 March 19.	<ul style="list-style-type: none"> <li>• Confirmed discussion between John Pratt and Steve Guazzo regarding an apparent change in the intent of the meeting, as previous correspondence was based on meeting prior to commencing formal meetings.</li> <li>• Advised that as per previous discussions with Steve Guazzo it was agreed to have a general discussion regarding process and format of future meetings, including the potential role of a facilitator.</li> <li>• Confirmed meeting 1 April 2015 and Wilmar attendees.</li> </ul>

# Wilmar Sugar

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25 November 2014

Mr Steve Guazzo  
Chairman  
Herbert River District Canegrowers Organisation Limited  
11 Lannercost Street  
Ingham QLD 4850

By email: [guazzosr@bigpond.net.au](mailto:guazzosr@bigpond.net.au)

Dear Steve,

## **Invitation to participate in an independently facilitated engagement program to negotiate a future model for pricing and marketing arrangements**

Wilmar is committed to open and productive engagement to develop commercially-negotiated arrangements with growers to facilitate Wilmar's future sugar marketing, following our decision to exit the Raw Sugar Supply Agreement with QSL. Furthermore, Wilmar is dedicated to developing a model that will provide better returns to Wilmar cane growers and enhance our mutual long term viability.

We acknowledge the ongoing government inquiries into sugar marketing and note grower representatives have highlighted the importance of achieving commercially-negotiated agreements between Wilmar and grower collectives. This is Wilmar's desired outcome also.

Given our shared preference for a negotiated approach, Wilmar is proposing to undertake a detailed, transparent and consultative program of engagement to discuss, negotiate and agree a marketing model with grower collectives.

We would like to invite Herbert River District Canegrowers Organisation Limited to participate in this process which is planned to commence with initial engagement meetings from the week of 8 December 2014. We anticipate that a number of separate meetings will be held with individual collectives or groups of collectives as appropriate. Further particulars of the attendees and the time and venue for the meetings will be determined in consultation with your collective.

The intent of this proposed engagement program is to commence a constructive face-to-face dialogue with collectives to discuss and negotiate our respective positions on sugar marketing.

Wilmar acknowledges that grower collectives have raised concerns about Wilmar's proposed exit from the voluntary QSL marketing model, and we acknowledge the issues raised in your submission to the Senate Inquiry. A collective's participation in the engagement program will be without prejudice to your organisation's current stance in relation to the future of sugar marketing.

### **Independent facilitation**

To assist the engagement process, Wilmar is proposing to appoint an independent facilitator to chair the meetings, facilitate constructive negotiations and to deliver transparency of the process to growers through reporting outcomes of the meetings. The facilitator's meeting reports will be made publicly available to both growers and government stakeholders. A draft Terms of Reference for the facilitator's role is attached for

your reference. It is expected the Terms of Reference would be reviewed and agreed by the person engaged, which is why they are currently considered draft.

To ensure the facilitator's role is independent, it is limited by the Terms of Reference to meeting facilitation. The chosen facilitator will have no conflict of interest with regard to the sugar industry and will have no role seeking to influence a particular position or outcome, other than facilitated discussions to deliver a mutually beneficial and agreed outcome. We expect to have finalised a preferred facilitator appointment over the coming weeks and will provide you with further details when available.

### **Key principles underpin Wilmar's commitment**

As you may be aware, Wilmar has outlined 10 key principles for Wilmar sugar marketing post-2017. We are committed to developing new marketing arrangements with growers and collectives in accordance with these principles.

Given the timing of our intention to exit the Raw Sugar Supply Agreement with QSL, Wilmar acknowledges that growers will not be able to forward price their nominal sugar exposure in the 2017 season under current agreements. Wilmar has therefore provided a Temporary Forward Price and Pooling Agreement for operation during the window from mid-2014 until 30 June 2015, to give growers the opportunity to forward price up to 30 per cent of estimated 2017 season nominal sugar exposure, i.e. the same as what is normally provided to growers three years ahead of a season. Wilmar has also made a commitment to growers to ensure they continue to have choice of pricing mechanisms, managed at their discretion.

To deliver on this commitment, Wilmar has developed a set of agreements that would enable growers to continue forward pricing after July 2015, under a sugar marketing model designed to maximise returns and reduce exposure risk to growers.

These Interim Forward Pricing Agreements give effect to the key principles Wilmar has committed to, including keeping the cane price formula the same, retaining growers' choice over price risk management and providing transparency of pricing and marketing for growers and their collectives.

The Interim Forward Pricing Agreements do not include the Joint Marketing Company (JMC) partnership Wilmar proposed in April 2014, because we accept that further discussion is required before we make any final decision on the structure of sugar marketing from the 2017 season.

It is important to note, however, that the Interim Forward Pricing Agreements can be readily adapted to fit with a marketing model agreed between Wilmar and growers. JMC is one option, the Interim Forward Pricing Agreements outline another, or there may be preferred aspects of both.

***This engagement process will allow growers, and your organisation as their representative, to discuss your preferences and better understand how Wilmar's key principles can be implemented to assist growers to manage their risk exposure and to maximise their returns.***

It is our intention to table the draft Interim Forward Pricing Agreements as starting point for discussion at the first round of meetings with collectives. Copies of the agreements will be available at the first meeting with your collective. The meeting will also compare and contrast the key features of JMC and the Interim Forward Pricing Arrangements.

As part of our commitment to a constructive engagement process with collectives we will also be tabling details at the first round meeting of a proposal from Wilmar to fund an independent legal review and an independent marketing expert review of the Interim Forward Pricing Agreements on behalf of all collectives. The advisors would be engaged by the participating collectives to ensure an advisor-client relationship

independent of Wilmar. We would like to discuss the parameters of the financial assistance and seek your feedback on the proposal.

### **Wilmar's commitment to engagement**

Attached to this letter are the independent facilitator's Terms of Reference and an overview of the proposed Agenda for the first round meeting. We would like to discuss the subsequent stages of the engagement program as part of our first meeting, but subject to your feedback we envisage the engagement program will involve the following key stages:

1. Facilitated first round meetings and initial presentations and discussions with collectives expected to take place in the week starting 8 December 2014. Reporting to growers and stakeholders on meeting outcomes to follow within two weeks;
2. A period of time for collectives to consider, seek external advice and provide feedback to Wilmar by mid-February 2015;
3. A second round of facilitated meetings to discuss and negotiate collective feedback in late February 2015, and reporting of outcomes within two weeks of the meeting date;
4. Provision to collectives of finalised Interim Forward Pricing Agreements based on negotiated final outcomes;
5. Agreement in principle on post 2017 marketing concept; and
6. Provision to collectives of finalised agreements to implement agreed post 2017 marketing concept based on final negotiated outcomes.

In addition to providing collectives with the independent facilitator Terms of Reference and the outline of the engagement program, we are proposing to provide the details of the proposed engagement program to growers via the Wilmar Grower Web and Wilmar Sugar Australia website.

We look forward to your participation in this engagement process and to receiving your feedback on the elements that you would like to see included in a new marketing model to enable Wilmar to deliver on our commitments to growers – better returns, pricing flexibility and transparency.

In closing, Wilmar is committed to constructive and transparent engagement regarding new sugar marketing arrangements. I look forward to finalising an initial meeting date, time and location with you and I sincerely hope your organisation is willing to participate in the process and can attend the initial meeting.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'John Pratt'.

John Pratt  
Executive General Manager North Queensland  
Wilmar Sugar Australia

## **Independently facilitated engagement program to seek feedback on future pricing and marketing arrangements for cane growers supplying Wilmar Sugar Australia**

### **1.0 Goals of the engagement program**

Wilmar Sugar Australia (Wilmar) is committed to achieving a commercially-negotiated agreement on forward sugar pricing and marketing arrangements through a transparent and constructive program of engagement with growers and their collectives.

The engagement program will provide forums for grower collectives to consider and negotiate future marketing arrangements with Wilmar. A collective's participation in the engagement program will be without prejudice to the current positions of organisations that have been outlined publicly in responses to the Federal Government's sugar marketing Senate Inquiry.

The goals of this engagement program are to discuss, gather feedback on, negotiate and agree interim arrangements for sugar marketing and pricing and the basis for an ultimate marketing model that:

- Supports Wilmar's commitment to deliver better financial returns to Wilmar cane growers with the goal of enhancing cane farm profitability and viability;
- Delivers transparency of sugar pricing and marketing for growers;
- Provides for 100 per cent of marketing premiums to be returned to growers on a dollar per tonne basis; and
- Encapsulates the 10 key principles Wilmar has committed to delivering for growers.

### **2.0 Achieving a constructive engagement program**

To ensure a constructive engagement process with regional collectives, the process will:

- Be independently facilitated and chaired;
- Provide an opportunity for collectives to consider and provide feedback on both the high-level principles and specifics of Wilmar's proposals;
- Provide the opportunity for grower collectives to seek external legal counsel and marketing expert advice and representation during the process at their discretion; and
- Be open and transparent via public reporting of meeting agendas and meeting outcomes for the information of growers and government stakeholders.

### **3.0 Terms of Reference for the independent facilitator**

- To act in the role of meeting Chair and facilitate meeting discussion between grower collective representatives and Wilmar Sugar Australia representatives;
- To foster open negotiation, feedback and compromise during meetings;
- To ensure meetings follow the agreed pre-established agenda;
- To ensure that all meeting participants are provided with a fair opportunity to discuss matters arising from the agenda;
- To ensure matters raised that are outside the scope of the agenda are recorded for follow up by respective meeting attendees; and
- Record minutes of the meeting and provide a Meeting Report to each attendee, which reflects the key points of discussions relating to the meeting agenda. This Meeting Report will be made available to meeting attendees for review, prior to it being made publicly available to Wilmar growers and government stakeholders.

#### **The independent facilitator will not:**

- Seek to advocate for a particular viewpoint of either grower collectives or Wilmar Sugar Australia;
- Discuss the content of, or matters arising from the engagement meetings with external stakeholders, members of the public or the media (with the exception of the independent facilitator's meeting report).

#### 4.0 Collective appointed independent external review

As part of Wilmar’s commitment to a constructive engagement process with collectives, Wilmar will provide funding for a legal review and a marketing expert review of the Interim Forward Pricing Arrangements to be undertaken on behalf of all grower collectives. The advisors would be appointed by participating collectives to ensure an advisor-client relationship independent of Wilmar. The detail of this proposal will be tabled in the first round meetings. The final parameters of the financial assistance will be determined following discussions with collectives at the meetings.

#### 5.0 Indicative meeting agenda

##### First round industry engagement and initial presentations

1. Introduction by the independent facilitator and meeting attendee introductions a. Confirmation of the facilitator’s role and approach to facilitation	Facilitator
2. Outline of proposed industry engagement program a. Facilitated discussion and feedback	Wilmar Facilitator / All
3. Presentation by Wilmar Sugar Australia of the 10 key principles that have been conveyed to Wilmar growers and Wilmar’s previous performance a. Discussion and initial feedback on principles	Wilmar Facilitator / All
4. Presentation by Wilmar Sugar Australia on Interim Forward Pricing options for consideration a. Facilitated discussion and initial feedback	Wilmar Facilitator / All
5. Presentation by Wilmar Sugar Australia comparing and contrasting JMC and the IFPAs a. Facilitated discussion and feedback	Wilmar Facilitator / All
6. Outline of proposed financial assistance package a. Facilitated discussion and initial feedback	Wilmar Facilitator / All
7. Summation of collective feedback on presentations	Grower Collective
8. Next steps discussion and engagement program timetable	Facilitator / All



CANEGROWERS

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2 December 2014

Mr John Pratt  
Executive General Manager, North Qld  
Wilmar Sugar Australia  
Level 1, 5-21 Denham St  
Townsville Qld 4810

Dear Sir

**Re: Invitation to participate in an independently facilitated engagement program to negotiate a future model for pricing and marketing arrangements**

While acknowledging Wilmar is stating that it is committed to open and productive engagement to develop commercially-negotiated arrangements with growers to facilitate Wilmar's future sugar marketing, we have gained the perception that the facilitated engagement program that you are recommending is too narrow in its focus to afford the facilitator the opportunity to fully engage and then report on a genuinely independent basis.

We, representing the CANEGROWERS Membership across the relevant milling areas would also prefer a truly productive engagement being facilitated to cover the following:

1. An industry-led grower-choice model, pathways to market being a proposal to be explored, resulting in genuine grower choice of who markets their economic interest in the sugar
2. Recognition of Grower Economic Interest in achieving this
3. Wilmar's capacity to be involved in a market driven Grower Choice model
4. Capacity for the CANEGROWERS collectives from all relevant Wilmar milling areas to collectively discuss the content of the 2017 Cane Supply Agreement.

Hence we seek the inclusion of points 1 to 4 above in order to facilitate a negotiated approach that would involve a transparent and consultative program of engagement to discuss, negotiate and agree a marketing model and quality working arrangements for both Grower and Miller.

This would ensure all are dedicated to developing a model that will provide better returns to Wilmar cane growers and enhance our mutual long term viability.

Forwarded for your due consideration and response, prior to any of us agreeing with the facilitated program commencing.

Yours faithfully

Phil Marano  
Chairman  
CANEGROWERS  
Burdekin

Steve Guazzo  
Chairman  
CANEGROWERS  
Herbert River

Kevin Borg  
Chairman  
CANEGROWERS  
Plane Creek

Glenn Clarke  
Chairman  
CANEGROWERS  
Proserpine

## Wilmar Sugar

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5 December 2014

Attention: **Steve Guazzo**

Canegrowers Herbert River  
11-13 Lannercost Street  
Ingham, Queensland 4850

Dear Steve,

**Canegrowers' response to invitation to participate in an engagement program to negotiate a future model for pricing and marketing arrangements**

Thank you for your letter dated 2 December 2014 regarding Wilmar's invitation to Canegrowers.

Wilmar is committed to open and productive engagement with growers to discuss, negotiate and agree a model and commercial agreements to facilitate future marketing arrangements. As stated in our recent invitation letter, the intent of the proposed engagement program is to commence a constructive face-to-face dialogue with collectives to discuss and negotiate our respective positions on sugar marketing.

We have proposed an agenda for the meeting which includes a discussion of Wilmar's proposed marketing principles, an explanation of the Interim Forward Pricing Agreements which we will also table at the meeting, and a general discussion about marketing models comparing JMC with Interim Forward Pricing Arrangements. However, the agenda also provides the opportunity for Canegrowers to present its feedback on Wilmar's presentation material at each stage of proceedings. This provides an opportunity for you to discuss and table your key issues with Wilmar's proposals and also to put forward your own views and proposals for future sugar marketing arrangements. It is at your discretion what you table and discuss during this agenda item.

It is not our intention to seek to limit the scope of what Canegrowers wishes to discuss and nothing in the proposed agenda prevents a 'grower choice' model forming the basis of Canegrowers feedback and discussion at the initial or subsequent meetings. We also acknowledge Canegrowers' participation in these discussions is without prejudice to current industry reviews being undertaken by the State and Federal Governments on sugar marketing.

We therefore believe that the proposed process will enable Canegrowers and Wilmar to have a truly productive engagement under the guidance of the independent facilitator where each party is provided with equal opportunity to present their views and provide feedback to the other party.

Regarding Canegrowers' request for all collectives from all relevant Wilmar milling areas to collectively discuss the content of the 2017 Cane Supply Agreement, we refer you to the *Sugar Industry Act 1999*. The Act provides for the making or variation of a collective contract between a group of growers and a mill owner who are within the same Region. Regions are specifically defined in the *Sugar Industry Regulations 2010* Schedule Parts 1 and 2, and do not cover the four Wilmar milling areas within one Region. On this basis Wilmar understands that negotiating with representatives from all four milling areas may be a contravention of the Act and Regulations governing bargaining of collective contracts.



However, given the first meeting between Wilmar and Canegrowers would be the presentation of the Interim Forward Pricing framework and a discussion of our respective views on marketing models, not negotiation of specific elements of proposed contracts, we would welcome Canegrowers collectives from all Wilmar milling areas to attend the same meeting. We can further review the implications of the Act on subsequent engagement meetings, discussions and negotiations at a later time.

To allow further time for Wilmar to consult with Canegrowers prior to confirming the independent facilitator we also now propose that the proposed initial meeting in December take place without the facilitator, but that the facilitator would chair the discussions starting in 2015. This provides an opportunity for Canegrowers to consider Wilmar's presentation of the Interim Forward Pricing arrangements at the meeting and allows Canegrowers greater time to review the Interim Forward Pricing Agreements tabled at the meeting in more detail prior to providing further feedback on the agreements and a more in-depth discussion on respective marketing models during the first facilitated meeting in 2015.

We sincerely hope the above addresses Canegrowers' concerns and that Canegrowers will now agree to participate in the proposed engagement process.

I would like to propose possible meeting dates of Tues 16 or Wed 17 December in Townsville. It would be appreciated if you could advise Wilmar of your availability on these days, or a preferred alternative date for the initial meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Pratt', written in a cursive style.

John Pratt  
Executive General Manager North Queensland  
Wilmar Sugar Australia

9 December 2014

Mr John Pratt  
Executive General Manager, North Qld  
Wilmar Sugar Australia  
Level 1, 5-21 Denham St  
Townsville Qld 4810

Dear John

**Re: Sugar Marketing**

Thank you for your response of 05/12/14 and we will be seeking your comments in light of the broader consideration of the wider industry driven Grower Choice model outlined to you previously.

Following due consideration of your letter of 05/12/14 and commitments/considerations we advise that the first available period to hold a meeting is the first week in February 2015.

Therefore please consider your dates from this period on and a consensus to meet may then be arrived at.

Yours faithfully



Kevin Borg  
CHAIRMAN  
PLANE CREEK



Stephen Guazzo  
CHAIRMAN  
BURDEKIN



Glenn Clark  
CHAIRMAN  
PROSPEPINE



Phil Marano  
CHAIRMAN  
HERBERT RIVER



# CANEGROWERS

## Proserpine

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Phone (07) 4945 1844 Fax (07) 4945 2721  
Email prp@canegrowers.com.au

9 December 2014

Wilmar Sugar Australia  
Attention: Mr John Pratt  
Executive General Manager North Queensland  
Level 1 5-21 Denham Street  
TOWNSVILLE QLD 4810

Bu email: [john.pratt@wilmar.com.au](mailto:john.pratt@wilmar.com.au)

Dear John

**Re: Independently facilitated engagement program to negotiate a future model for pricing and marketing arrangements**

I refer to your invitation of 25 November to participate in Wilmar's proposed engagement program and subsequent letter of 5 December which clarifies and broadens the engagement process.

As you are aware, CANEGROWERS Proserpine has always been agreeable to open and meaningful dialog in respect to future pricing and marketing models which would potentially enhance grower's income. In fact, since Wilmar formally announced its intention to terminate the RSSA, we have been utilising the mechanisms within the Cane Supply Agreement (PRO CSA 2014-2016) to facilitate this dialog. Clause 15.14(d) was initially extended to 29 August, and again to 28 November in order to negotiate in good faith some mutually agreeable amendments to the CSA to accommodate Wilmar's proposed marketing arrangements.

Bearing in mind that Clause 2.5(a) of our CSA also requires both parties to review and agree on any changes prior to 15 December each year, it is disappointing that Wilmar now seeks to undertake 'facilitated engagement' outside the contractually agreed timeframe.

As a consequence of your latest communications, a special meeting of the CANEGROWERS Proserpine board was convened wherein the following concerns were raised in respect to the industry's current marketing impasse:

- 1) Prior to the sale, Wilmar issued a Memorandum of Understanding to the Cooperative members stating that it would '*continue to maintain the raw sugar marketing arrangements with QSL while these are in the best interests of Sucrogen and growers*'. In the absence of any substantive proof to the contrary, QSL may still be the best option for growers;

- 2) While grower's confidence improved in 2012 following Wilmar's purchase of Proserpine Sugar Mill, support for Wilmar has waned significantly over the past year, and this can be directly attributed to the decision to terminate the RSSA;
- 3) Growers are also concerned that Wilmar is going back on its pre-sale commitment that it would fully novate the previous Cane Supply Agreement. While some changes and amendments were always expected, the growers have been asked to sign new CSA's in 2012 and 2014 – and no doubt the growers will be asked to execute another CSA prior to 2017;
- 4) Growers are currently making decisions about supply for 2017 and beyond. If the current CSA is terminated by Wilmar, as indicated at the meeting held on 27 November, we believe many of our older growers would be reluctant to commit to any contractual arrangements after 2016;
- 5) We are reliably informed that growers in the southern part of the district are currently in discussions with Mackay Sugar about their supply contract and possible transport options. It is our view that approximately 200,000 tonnes of cane is at risk;
- 6) More recently, rumours have been circulating that the Proserpine mill is unsustainable at current production levels and needs to consistently crush 2 million tonnes to survive. We believe these rumours have emanated from the mill itself, but are nonetheless having a detrimental impact on the confidence of the local community;
- 7) The current lack of industry confidence is not isolated to growers – harvesting contractors have expressed concerns about their future and the banking and finance industry is also anxious about a potential grower exodus and its impact on rural property values.

Given the impact these concerns are having on the local industry, CANEGROWERS Proserpine is willing to accept Wilmar's invitation to participate in independently facilitated engagement. As many of these issues relate solely to Proserpine suppliers, we see no value in continued 'collective' discussions and would prefer the facilitated engagement to commence at a district level, sooner rather than later.

Regrettably, CANEGROWERS Proserpine has limited appetite to travel to Townsville to discuss the proposed Interim Forward Pricing Agreement. Our priority remains the long term viability of the local sugar industry which can be addressed through the negotiation of a mutually beneficial Cane Supply Agreement. We invite your team to meet with our collective in Proserpine prior to the 19<sup>th</sup> December to commence discussions.

Yours faithfully



Glenn Clarke  
**Chairman**  
**Proserpine District CANEGROWERS Cooperative Ltd**

**From:** Rutherford, Shayne  
**Sent:** Wednesday, 17 December 2014 3:42 PM  
**To:** michael\_porter@canegrowers.com.au  
**Cc:** Burgess, David; Pratt, John; Davison, Sally; Jean-Luc  
**Subject:** Fwd: Interim Forward Pricing Arrangements - CANEGROWERS Proserpine  
**Attachments:** 141217 CANEGROWERS Proserpine PRO Schedules 2 to 4\_v2.pdf; ATT00001.htm; 141217 CANEGROWERS Proserpine Draft\_Cane\_Supply\_Agreement.pdf; ATT00002.htm; 141217 CANEGROWERS Proserpine Draft\_Pricing\_and\_Pooling\_Agreement [1].pdf; ATT00003.htm; 141217 CANEGROWERS Proserpine Draft\_SPRA.pdf; ATT00004.htm; 141217 CANEGROWERS Proserpine General\_Overview\_of\_Interim\_Forward\_Pricing\_Arrangements.pdf; ATT00005.htm; 141217 CANEGROWERS Proserpine PRO Annexure AB v1 B scheme v3.pdf; ATT00006.htm

Dear Michael

Please pass on our appreciation to your colleagues for today's meeting.

Also, please find attached a copy of the agreements that comprise the interim forward pricing arrangements and a brief summary of the agreements.

We look forward to your feedback.

Don't hesitate to call me or David Burgess if you have any queries or would like any further explanation.

Regards  
Shayne Rutherford  
+61 419 477 309

**From:** Rutherford, Shayne  
**Sent:** Wednesday, 17 December 2014 5:21 PM  
**To:** michael\_porter@canegrowers.com.au  
**Cc:** Burgess, David; Pratt, John; Davison, Sally; Jean-Luc; Giordani, Paul  
**Subject:** Fwd: Interim Forward Pricing Agreement Guide and Presentation - CANEGROWERS Proserpine  
**Attachments:** 141217 CANEGROWERS Proserpine Wilmar IFPA Engagement Presentation.pdf; ATT00001.htm; 141217 CANEGROWERS Proserpine Interim Agreements Guide.pdf; ATT00002.htm

Dear Michael

Please find attached a copy of the presentation and guide that we provided today in hard copy.

Regards  
Shayne Rutherford  
+61 419 477 309

## Wilmar Sugar

Wilmar Sugar Australia Limited  
ABN 47 096 959 985

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22 December 2014

Mr Steve Guazzo  
Chairman  
Herbert River District Canegrowers Organisation Limited  
11 Lannercost Street  
Ingham QLD 4850

By email: [quazzosr@bigpond.net.au](mailto:quazzosr@bigpond.net.au)

Dear Steve,

**Re: Negotiation of a future model for pricing and marketing arrangements**

Thank you for your letter dated 9 December 2014.

Wilmar has commenced meetings with some grower collectives regarding a future model for pricing and marketing arrangements, presenting the key features of the proposed Interim Forward Pricing framework and proposed assistance to fund independent reviews of the draft agreements. Wilmar will continue to keep growers and government stakeholders informed of progress made in the engagement process.

We look forward to the opportunity to meet with Canegrowers in February 2015, to present the proposed framework and discuss Canegrowers' preferred alternatives to this model. Please see below our availability within the first two weeks of February, it would be appreciated if you could please advise your preferred date to meet:

- 2<sup>nd</sup> or 3<sup>rd</sup> February
- 5<sup>th</sup> or 6<sup>th</sup> February
- 9<sup>th</sup> or 10<sup>th</sup> February
- 12<sup>th</sup> February

I trust these arrangements are satisfactory and look forward to meeting with you in the New Year.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Pratt'.

John Pratt  
Executive General Manager North Queensland  
Wilmar Sugar Australia

## Wilmar Sugar

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12<sup>th</sup> of February 2015

Attention: **Steve Guazzo**

Canegrowers Herbert River  
11 Lannercost Street  
Ingham QLD 4850

Subject: **Negotiation of a future model for sugar pricing and marketing arrangements**

Dear Steve

Thank you for the letter dated 9 December 2014 regarding Canegrowers' willingness to participate in a transparent and constructive industry negotiation process to discuss future options for pricing and marketing arrangements.

I am following up Canegrowers' correspondence that noted your preference for a meeting in February 2015. I would like to confirm Canegrowers' availability and seek your advice on a preferred meeting date.

As you are aware, Wilmar is also proposing that the meeting be chaired and facilitated by an independent party. The facilitator's role is to foster constructive negotiation between Wilmar and Canegrowers. The facilitator's role is not to advocate for or against the views of either party.

Wilmar has not yet been able to confirm the availability of the facilitator previously canvassed with Canegrowers and as a result, we are investigating potential alternate facilitators. We will provide you with further details as soon as possible and consult with you prior to making any appointment.

To foster transparency in the negotiation process Wilmar is also proposing to invite the Department of Agriculture, Fisheries and Forestry to send an observer to attend engagement meetings between Wilmar and grower collectives. Would you please advise if you have any objection to having a DAFF observer in attendance at engagement meetings?

I would like to propose possible meeting dates of 23 or 24 February 2015 in Townsville. It would be appreciated if you could advise Wilmar of your availability those days, or a preferred alternative date.

I look forward to hearing from you and progressing discussions on this important matter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Pratt'.

**John Pratt**  
**Executive General Manager, North Queensland**



20 February 2015

Mr John Pratt  
Executive General Manager, North Qld  
Wilmar Sugar Australia  
Level 1, 5-21 Denham St  
Townsville Qld 4810

Dear John

With reference to your letter of 12 February, it is confirmed that CANEGROWERS remains willing to participate in genuine good faith negotiations around sugar marketing and pricing arrangements.

These negotiations must of course be unrestricted, and capable of canvassing all possible options. There remains a view that Wilmar is not genuinely interested in considering all options, and in particular is unwilling to consider the grower choice model proposed by CANEGROWERS. The concern is that Wilmar is only interested in holding negotiations around its model, rather than a proper and open consideration of other options, including the grower choice model.

It would be appreciated if you could clarify whether Wilmar is willing to include CANEGROWERS' grower choice model, and any other options, in these discussions on at least an equal basis to the model that Wilmar is seeking to implement. Subject to a satisfactory response from you in this regard, CANEGROWERS suggests a meeting in the first week in March at a venue to be agreed. The suggested February dates are unsuitable for a number of our representatives and Monday 2<sup>nd</sup> or Friday 6<sup>th</sup> March are suggested as alternative dates for your consideration. Should these dates not be suitable to your schedule, please suggest suitable dates post 6 March.

In relation to a facilitator, we would support such an appointment, and we would seek to be equally involved in the appointment of a mutually agreed person, rather than merely consulted.

As to a DAFF observer, we have no objection, but given the interest of the Commonwealth in this matter, it is suggested that a Commonwealth government or Department of Agriculture representative also be invited.

Once meeting arrangements have been confirmed we will advise of our attendees. It is likely that we will include some advisers such as Warren Males and Chris Cooper whose presence may assist our representatives consider and discuss some detail as well as the general principles of the various options available.

We look forward to hearing from you.

Yours faithfully

Kevin Borg  
CHAIRMAN  
PLANE CREEK

Stephen Guazzo  
CHAIRMAN  
HERBERT RIVER

Glenn Clark  
CHAIRMAN  
PROSEPPINE

Phil Marano  
CHAIRMAN  
BURDEKIN

## Wilmar Sugar

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26 February 2015

Mr Kevin Borg  
Chairman, Canegrowers Plane Creek  
120 Wood Street  
Plane Creek QLD 4740

Dear Kevin,

Thank you for your letter dated 20 February 2015. Wilmar is committed to a transparent and constructive engagement process to discuss future options for pricing and marketing arrangements. Wilmar is open to discussing alternative models and is genuinely interested in reaching an outcome through this engagement process. In the interest of progressing discussions, we propose that as a first step, Canegrowers and Wilmar agree the independent facilitator and agree upon the next stages in the engagement process.

Further to my letter dated 12 February 2015, Mr David Crombie has now confirmed he is unable to participate as independent facilitator. Wilmar has initiated discussions with other potential facilitators and has identified Ms Kathy Jones, Company Principal of KJA, as a potentially suitable independent facilitator. Ms Jones is one of Australia's leading independent professional facilitators; she is Sydney-based and has no conflicts of interest in the sugar industry. We can confirm that Wilmar has not appointed Ms Jones or KJA for any previous roles. Please refer to the attached background information on the credentials and experience of Ms Kathy Jones and KJA.

Wilmar and KJA have had a preliminary discussion regarding the Draft Facilitator Terms of Reference and the process by which Wilmar and Canegrowers might participate in a mutually agreeable engagement program. Ms Jones' suggestion was, in the first instance, that she personally contacts each of the four Canegrower district Chairmen. This preliminary telephone contact will provide the opportunity for Ms Jones to introduce herself and answer any initial questions you may have

Following these initial discussions, if Canegrowers was agreeable, Ms Jones would convene a face to face meeting with Wilmar and Canegrowers. The purpose would be for both parties to assess the suitability of Ms Jones as the independent facilitator and discuss the process, rules of engagement and attendance of observers at subsequent meetings. We propose that Ms Jones facilitate the discussion during this meeting.

Of the dates advised, Wilmar would be available to attend an initial meeting on Friday, 6 March 2015. This will allow sufficient time for Ms Jones to make initial telephone contact with Canegrowers. Following the agreement of Canegrowers and Wilmar to both the engagement process and independent facilitator, we can schedule the first engagement meeting where the parties can discuss future pricing and marketing arrangements.

I look forward to hearing from you and progressing discussions on this important matter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Pratt'.

John Pratt  
Executive General Manager North Queensland



CANEGROWERS

Herbert River  
Burdekin  
Plane Creek  
Proserpine

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27<sup>th</sup> February, 2015

Mr. J.C. Pratt,  
Executive General Manager North Queensland,  
Wilmar Sugar Australia Limited,  
Level 2, 5-21 Denham Street,  
TOWNSVILLE 4810

Dear John,

Your letter dated 26<sup>th</sup> February 2015 in reply to our letter dated 20<sup>th</sup> February 2015 is most disappointing.

You have failed to properly respond to the important questions that we have raised, including issues around Wilmar's attitude to implementation of GEI and Grower Choice in marketing. Wilmar unilaterally gave notice of intention to terminate QSL RSSA arrangements without prior consultation with grower representatives and has now terminated supply contracts. We remain concerned that Wilmar is only prepared to negotiate around the implementation of its marketing model which does not give growers any choice about the marketing of sugar, including GEI sugar.

We remain committed to having genuine discussions about resolving the current impasse , but until we receive an assurance from Wilmar that the matters we have raised will be properly addressed there seems little point in meeting. Facilitation is a matter we would discuss on an equal basis at an initial meeting to map out a general plan of approach to negotiations. In our view there would be no facilitator at an initial meeting. We also note that current inquiries are underway and well advanced with public hearings to be held in the coming weeks and reports due within a short time thereafter, which may impact on the holding of meaningful discussions.

Therefore, arranging a meeting for the 6<sup>th</sup> seems premature. You are again requested to positively respond to the matters we have previously raised.

Yours faithfully

Kevin Borg  
CHAIRMAN  
PLANE CREEK

Stephen Guazzo  
CHAIRMAN  
HERBERT RIVER

Glenn Clark  
CHAIRMAN  
PROSPEPINE

Phil Marano  
CHAIRMAN  
BURDEKIN

## Wilmar Sugar

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2<sup>nd</sup> of March 2015

Mr Stephen Guazzo  
Chairman, Herbert River Canegrowers  
11 – 13 Lannercost Street  
Ingham QLD 4850

Dear Stephen

**Subject: Your letter of dated 27<sup>th</sup> February**

As outlined in our previous correspondence, Wilmar is open to discussing alternative models and is genuinely interested in reaching an outcome through this engagement process.

In Wilmar's letter to Canegrowers dated 5 December 2014, I stated "It is not our intention to seek to limit the scope of what Canegrowers wishes to discuss and nothing in the proposed agenda prevents a 'grower choice' model forming the basis of Canegrowers feedback and discussion at the initial or subsequent meetings." We further reiterated this position on 26 February 2015, stating "Wilmar is open to discussing alternative models".

This remains Wilmar's position. Our letter dated 26 February 2015 was intended to provide Canegrowers with positive assurance that the concerns raised in your letter dated 20 February, would be addressed to your satisfaction in the proposed engagement program. We are naturally disappointed that you did not interpret our correspondence in the spirit that it was meant. However, for the avoidance of doubt, Wilmar clarifies that the proposed engagement program seeks to provide both parties with opportunity to:

1. discuss future marketing arrangements in a manner that is unrestricted and capable of canvassing all possible options in relation to future marketing arrangements
2. present and discuss any matters or proposed options in relation to future marketing arrangements without restriction or reservation regarding what parties wish to discuss
3. raise issues, present and discuss options and provide feedback to each other on an equal basis and with equal allocation of time
4. be equally involved in the appointment of a mutually agreed independent facilitator, such facilitator will not be appointed without the agreement of both parties

In relation to the independent facilitator, as per our correspondence of 26 February, Wilmar has merely proposed Ms Kathy Jones (Company Principle of KJA) as a potentially suitable facilitator for further consideration by Wilmar and Canegrowers. Wilmar has proposed a two-step process to allow the parties to further consider Ms Jones's potential appointment. Both the first and second steps of this process are on a no-commitment basis to the acceptance of Ms Jones as the independent facilitator.

As Wilmar has already had an initial discussion with Ms Jones to provide an overview of the proposed engagement process, the first step was to provide Canegrowers with an equal opportunity to hold similar initial discussions with Ms Jones. Subject to these discussions and Canegrowers agreement to further consider the appointment of Ms Jones, the second step of the process was for both parties to meet with Ms Jones. If Canegrowers did not agree at this stage that Ms Jones may be a suitable candidate for facilitator and did not wish to proceed to a face to face evaluation meeting with Ms Jones, then we could discuss identifying alternate candidates before proceeding further.

If Canegrowers was prepared to further consider the appointment of Ms Jones, then we would schedule the face to face meeting. The purpose of the meeting, proposed to take place Friday 6 March 2016, is for both Canegrowers and Wilmar to meet face to face together with Ms Jones to further discuss her suitability for the role of independent facilitator and map out a general plan and approach for the engagement process. At the conclusion of this meeting and subject to the mutual agreement regarding the suitability of Ms Jones and the proposed engagement process, Ms Jones' appointment could be confirmed along with a future meeting date and agenda to commence the process.

Wilmar notes your preference that we hold an initial meeting without a facilitator, but we think it would be very beneficial to hold without prejudice discussions with a potential facilitator in order for the parties to explore the style and approach of the facilitator in the context of a discussion about mapping out an agreed engagement process. We therefore ask that you reconsider your position in this regard.

We hope that the above more explicit assurances address Canegrowers' concerns and we request that you now provide your agreement for Ms Jones to schedule initial calls with each of the Canegrowers chairmen to discuss her potential appointment as an independent facilitator. To provide added assurance to Canegrowers regarding our willingness to not limit the scope of the discussions, Wilmar will place our previous statements on the record by providing a copy of this and previous correspondence between Wilmar and Canegrowers, to the Queensland Department of Agriculture, Fisheries and Forestry. Following Canegrowers' previous reference to the interest by the Commonwealth in this matter, Wilmar will also provide a copy of correspondence to the Federal Department of Agriculture.

Finally, regarding Canegrowers' reference to the current government inquiries, as stated in Wilmar's letter to Canegrowers dated 5 December 2014, "We also acknowledge Canegrowers' participation in these discussions is without prejudice to current industry reviews being undertaken by the State and Federal Governments on sugar marketing." While Government inquiries are ongoing, Wilmar shares the position outlined in the Canegrowers Newsletter, dated 27 February 2015, which stated, "We believe that this matter can be resolved with a mutually beneficial solution if all parties retain a clear business focus".

Given that we first invited Canegrowers to participate in the proposed engagement program on 25 November 2014 but have not yet held an initial meeting, we are particularly keen to progress matters as soon as practicable and look forward to your positive response.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Pratt'.

John Pratt  
**Executive General Manager, North Queensland**



CANEGROWERS

Herbert River  
Burdekin  
Plane Creek  
Proserpine

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5<sup>th</sup> March 2015

Mr JC Pratt,  
Executive General Manager North Queensland  
Wilmar Sugar Australia Limited  
Level 2, 5-21 Denham Street  
TOWNSVILLE 4810

Dear John

Thank you for your letter of 2nd March. As it would be unrealistic to be able to properly arrange a meeting for later this week at this stage, we would suggest the last week in March or the first week in April may be suitable.

In the meantime we note that Senate hearings commence next week and we continue to note the thrust of your submission remains a barrier to constructive dialogue for what our Collectives regard as important agenda items. We also note that some other millers have a similar view to Wilmar. We will be actively participating in these hearings and will be closely following the submissions of the milling interests. The issues surrounding marketing arrangements, including grower choice in sugar marketing and GEI as well as a dispute resolution mechanism, are industry wide issues which are also being actively considered by the State Government and wider industry. We are hopeful that these reviews, hearings and inquiries will establish some important framework upon which our intended negotiations can be conducted.

We look forward to hearing from you regarding your availability for the above timing and agreeing on the suggested meeting arrangements.

In regard to meeting arrangements, our preference is for a venue other than Wilmar's office and without a facilitator in the first instance.

Yours faithfully

Kevin Borg  
CHAIRMAN  
PLANE CREEK

Stephen Guazzo  
CHAIRMAN  
HERBERT RIVER

Glenn Clark  
CHAIRMAN  
PROSEPPINE

Phil Marano  
CHAIRMAN  
BURDEKIN

Correspondence to be directed to: [guazzosr@bigpond.net.au](mailto:guazzosr@bigpond.net.au) Phone: 0418 878 403

## Wilmar Sugar

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10 March 2015

Mr Stephen Guazzo  
Chairman, Herbert River Canegrowers  
11 – 13 Lannercost Street  
Ingham QLD 4850

By email: [guazzosr@bigpond.net.au](mailto:guazzosr@bigpond.net.au)

Dear Steve

### Re: Canegrowers' letter 5 March 2015

Whilst Wilmar is disappointed that it will not be possible to meet with Canegrowers until late March, we note public comments that your organisation is "committed to constructive engagement and negotiations to reach a mutually beneficial position".

Wilmar looks forward to meeting with Canegrowers to commence good faith negotiations on this important matter.

It is Wilmar's view that all of the matters raised in your previous correspondence have been addressed. Wilmar has committed to an open meeting agenda, without limit to the scope of discussions or marketing models. Wilmar has acknowledged ongoing Government inquiries and stated that Canegrowers' participation in discussions with Wilmar is without prejudice to current industry reviews. Constructive discussion and negotiation for an industry resolution without government intervention is in the best interests of Wilmar and Canegrowers' members.

So as not to further delay the commencement our proposed engagement process with Canegrowers, Wilmar is prepared to accede to the request to hold the first meeting without an independent facilitator. Wilmar does however reaffirm its view that it is in the best interest of both parties to engage the services of an independent facilitator to assist in our ongoing discussions and negotiation during the engagement process and look forward to your further feedback in this regard.

Wilmar is available to meet Canegrowers on either 23, 27, 30, 31 March or 1 April. Please confirm your availability to commence discussion on any of these days and your preferred venue noting that you do not wish to meet in Wilmar's office.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Pratt'.

John Pratt  
Executive General Manager North Queensland  
Wilmar Sugar Australia

CC:

Kevin Borg: [kjaborg@bigpond.com](mailto:kjaborg@bigpond.com)  
Glenn Clark: [gclarke162@gmail.com](mailto:gclarke162@gmail.com)  
Phil Marano: [marano@bigpond.com](mailto:marano@bigpond.com)  
Debra Burden: [Debra\\_Burden@canegrowers.com.au](mailto:Debra_Burden@canegrowers.com.au)  
Mary Ann Neilsen: [maryann\\_neilsen@canegrowers.com.au](mailto:maryann_neilsen@canegrowers.com.au)  
Mike Porter: [Michael\\_Porter@canegrowers.com.au](mailto:Michael_Porter@canegrowers.com.au)

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**From:** Kerry Latter [[mailto:Kerry\\_Latter@canegrowers.com.au](mailto:Kerry_Latter@canegrowers.com.au)]

**Sent:** Thursday, 19 March 2015 2:38 PM

**To:** Pratt, John

**Cc:** Kevin Borg Home; Steve Guazzo Home; Philip Marano Home; Glenn Clarke Home; Debra Burden; Maria Battoraro; Michael Porter; Warren Males; Chris Cooper

**Subject:** Letter regarding meeting - 01/04/15

Hi John,

Attached is a letter regarding the potential date of the next meeting. We have also included four items that we feel must be on the Agenda for our Organisations to proceed with a meeting.

Thank you and we await your response.

Regards,

Kerry Latter | *Chief Executive Officer*

**CANEGROWERS MACKAY** | T: 07 4944 2602 | F: 07 4944 2611 | M: 0407 580 802 | PO Box 117 MACKAY QLD 4740  
[www.canegrowers.com.au](http://www.canegrowers.com.au) [kerry\\_latter@canegrowers.com.au](mailto:kerry_latter@canegrowers.com.au)



19 March 2015

Mr John Pratt  
Executive General Manager, North Qld  
Wilmar Sugar Australia  
Level 1, 5-21 Denham St  
TOWNSVILLE QLD 4810

Dear John

Following on from the last exchange of correspondence and the recent Senate Inquiry hearings, we seek Wilmar's availability to meet on 01/04/15 in the Canegrowers Hall, 68 Tenth Street, Home Hill at 1.30 pm.

As your previous letter made it very clear that you are open to any items being on the agenda, we request that the following be included on the agenda for the meeting:

1. Formal recognition of Grower Economic Interest
2. Grower Choice in marketing, pricing and selling of their "Grower Economic Interest" economic interest
3. Dispute resolution processes for pre and post CSA negotiations
4. Retention of an industry owned marketing body

With regard to the 4 items listed above, we seek your confirmation by return email that these items will be placed on the agenda for this meeting.

Please be advised that Chris Cooper and Warren Males will be part of the CANEGROWERS meeting delegation.

Should you and your team be unavailable for this date then we suggest we would need to wait and target the week commencing 20 April, in order to afford all the CANEGROWERS representatives needing to attend, to be present.

Yours faithfully



Kevin Borg  
CHAIRMAN  
PLANE CREEK



Stephen Guazzo  
CHAIRMAN  
HERBERT RIVER



Glenn Clark  
CHAIRMAN  
PROSPEPINE



Phil Marano  
CHAIRMAN  
BURDEKIN

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[gclarke162@gmail.com](mailto:gclarke162@gmail.com) Phone: 0407 164 884

From: "Pratt, John" <[John.Pratt@wilmar.com.au](mailto:John.Pratt@wilmar.com.au)>  
Date: 25 March 2015 3:12:17 pm AEST  
To: "Kerry Latter ([Kerry\\_Latter@canegrowers.com.au](mailto:Kerry_Latter@canegrowers.com.au))"  
<[Kerry\\_Latter@canegrowers.com.au](mailto:Kerry_Latter@canegrowers.com.au)>  
Cc: "Kevin Borg (E-mail) ([kjaborg@bigpond.com](mailto:kjaborg@bigpond.com))" <[kjaborg@bigpond.com](mailto:kjaborg@bigpond.com)>, "[guazzosr@bigpond.net.au](mailto:guazzosr@bigpond.net.au)" <[guazzosr@bigpond.net.au](mailto:guazzosr@bigpond.net.au)>, "Marano Phil ([marano@bigpond.com](mailto:marano@bigpond.com))" <[marano@bigpond.com](mailto:marano@bigpond.com)>, "Glenn Clarke ([dunoon@mackay.net.au](mailto:dunoon@mackay.net.au)) ([dunoon@mackay.net.au](mailto:dunoon@mackay.net.au))" <[dunoon@mackay.net.au](mailto:dunoon@mackay.net.au)>, "Sheedy Peter ([Peter\\_Sheedy@canegrowers.com.au](mailto:Peter_Sheedy@canegrowers.com.au))" <[Peter\\_Sheedy@canegrowers.com.au](mailto:Peter_Sheedy@canegrowers.com.au)>, "[debra\\_burden@canegrowers.com.au](mailto:debra_burden@canegrowers.com.au)" <[debra\\_burden@canegrowers.com.au](mailto:debra_burden@canegrowers.com.au)>, "Michael Porter ([michael\\_porter@canegrowers.com.au](mailto:michael_porter@canegrowers.com.au))" <[michael\\_porter@canegrowers.com.au](mailto:michael_porter@canegrowers.com.au)>  
Subject: Proposed Meeting 1 April

Dear Kerry,

I refer to your letter of 19 March seeking to confirm our availability to meet on 1 April at the Canegrowers Hall, Home Hill.

I apologise for the delay in replying but I wanted to first clarify Canegrower's expectations in relation to the meeting agenda. To this end, Steve Guazzo and I unsuccessfully returned calls with each other for a number of days before finally having a conversation yesterday morning. In our call, I queried Steve on the apparent change in intent of the meeting; our previous communications were based on having a meeting prior to commencing the formal meeting or engagement process whereas the letter of 19 March seemed to indicate launching full-on into the process.

In discussion, Steve agreed that the meeting would not involve getting into formal discussion and negotiation. We agree with this approach and suggest that the meeting should accommodate general discussion and the process and format of future meetings – including the potential role of a facilitator.

We are agreeable to the proposed meeting going ahead on this basis and confirm our attendance at the suggested date and venue.

Given that the primary objective of this initial meeting will be to discuss the scope and process for future meetings, we would not anticipate it being necessary to involve advisors.

Wilmar's proposed attendees are:

John Pratt  
Paul Giordani  
Shayne Rutherford  
David Burgess  
Sally Davison

Regards,

John

**John Pratt**  
*Executive General Manager, North Queensland*

The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

**Wilmar Sugar Australia Limited**  
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