



**Friday, August 16<sup>th</sup> 2024**

**PRESS RELEASE**

**FSC Reports Year-to-Date Performance Amid Challenging Weather Conditions**

**Lautoka, Fiji.** The Fiji Sugar Corporation Ltd (FSC) provides an important update on the Year-to-Date (YTD) performance of its three sugar mills—Lautoka, Rarawai, and Labasa—as the 2024 crushing season progresses. The Corporation has faced significant challenges this season due to adverse weather conditions, notably the ongoing drought associated with the El Niño phenomenon. Cane quality parameters have not seen any significant improvements compared to the last seasons. Burnt cane in the Viti Levu Mills has been one of the highest recorded, with the mills being supplied with more than 50 percent burnt cane on a daily basis in the early part of the crushing season. Trash received in the cane has also been recorded as abnormally high.

The Rarawai and Lautoka Mills have had some plant failures in the earlier part of the season; the maintenance teams have resolved the issues, and operations have normalised. Labasa Mill has had an exceptionally good season with minimal plant failures, most mill stoppages have been related to poor cane supply in the mill.

**Mill Performance Overview (YTD)**

Overall, the three mills have faced significant challenges with varying degrees of impact on the performance metrics. Below is a detailed breakdown of the performance as of Monday, 12 August 2024.

<b>Mill</b>	<b>Cane Crushed (Tonnes)</b>	<b>Sugar Production (Tonnes)</b>	<b>Molasses Production (Tonnes)</b>	<b>TCTS</b>	<b>Cane POCS</b>	<b>Cane Purity</b>	<b>Tonnes Burnt Cane</b>	<b>Percentage Burnt Cane</b>
<b>Lautoka</b>	208,768	16,066	9,435	13.0	10.18	78.4	68,392	32.8
<b>Rarawai</b>	153,564	13,677	5,962	11.2	10.06	78.2	53,440	34.8
<b>Labasa</b>	239,388	23,796	8,664	10.1	10.29	80.1	15,225	6.4
<b>Total/Average</b>	601,720	53,539	24,061	11.4	10.20	78.9	137,057	24.7

## Performance Highlights.

- **Labasa Mill** processed the highest amount of cane and achieved a TCTS ratio of 10.1; the cane quality parameters have been better, and the mill has achieved better sugar production. It also recorded the lowest percentage of burnt cane at 6.4%.
- **Lautoka Mill** processed 208,768 tonnes of cane with a TCTS ratio of 13.0, with 32.8% of the cane being burnt.
- **Rarawai Mill** processed 153,564 tonnes of cane and reported a TCTS ratio of 11.2, with the highest percentage of burnt cane at 34.8.

## Impact of Burnt Cane

Burnt cane is a significant factor affecting mill performance and overall sugar production. FSC encourages farmers to adopt clean cultivation practices and refrain from burning. Burning before harvesting impacts juice quality, increases processing costs, and lowers sugar yields, negatively affecting both farmer and industry profitability. FSC urges farmers to supply green and clean cane.

## Weather Impact and Crop Decline

Erratic rainfall patterns significantly impacted the 2024 season crop due to the ongoing El Niño event. The Fiji Meteorological Service (FMS) had warned of potential drought conditions in June 2023, and these predictions have unfortunately materialised, severely affecting cane production.

According to a World Bank report, most meteorological droughts in Fiji since 1920 are associated with El Niño events. Recent severe droughts occurred in 1997-1998, 2003 and 2010, with an average annual rainfall of well less than 2000 mm, similar to the rainfall in 2023-2024.

The production of cane in the three years of drought associated with El Niño events and similar expected decline in 2024 is outlined below.

Cane production ( Million Tonnes)		Rainfall (mm)	Percentage Decline
<b>1997</b>	<b>1998</b>	1351	35
3.20	2.09		
<b>2002</b>	<b>2003</b>	1750	24
3.42	2.61		
<b>2009</b>	<b>2010</b>	2102	13
2.04	1.77		
<b>2023</b>	<b>2024</b>	2076	16
1.56	1.30		

*\*The average annual rainfall is 2593 mm from 1991-2022*

The year 2024 was also categorised as an El Niño event by the FMS in June 2023, and there was a grave threat of drought unfolding with effects of El-Niño predicted by the meteorological department later in the year and leading up to late 2024.

The drought began immediately after the completion of the 2023 harvest season, during the critical tillering phase, and persisted through the grand growth phase from April to July 2024. These periods are crucial for the development of both the number and weight of harvestable canes, and the lack of sufficient rainfall during these times has led to a marked reduction in crop yield.

### **Rainfall Data and Crop Estimates**

- **Lautoka Mill:** Recorded an 82% decrease in rainfall from October to December 2023 and a 58% decrease from April to July 2024 over the average annual rainfall.
- **Rarawai Mill:** Experienced an 87% reduction in rainfall from October to December 2023 and a 75% reduction from April to July 2024 over the mean.
- **Labasa Mill:** Faced a 59% decline in rainfall from October to December 2023 and a 52% decrease from April to July 2024.

These significant deficits in rainfall have led to a 20% decline in crop output in the mills on Viti Levu (Lautoka and Rarawai) and a 4% reduction in the Labasa mill on Vanua Levu, where the low rainfall impact was comparatively lesser.

### **Future Projections**

The initial forecast by FSC in November 2023 predicted cane production of 1.51 million tonnes for the 2024 season. The individual farm-based field disposition exercise, done in consultation with farmers and gang sirdars in February 2024, indicated a slight increase in the crop to 1.56 million tonnes. FSC again conducted a farm-level pre-crush estimate in April, and based on revived rains from mid-January to March, it was estimated to be a better crop of 1.56 million tonnes, assuming favourable weather would persist with well-distributed rainfall from April to June to aid crop growth and maturity. However, the crop outturn was again affected by the prolonged period of negligible rainfall from April to June, as detailed earlier.

With the continuation of drought conditions, the current projection as of August 2024 has been reduced to 1.30 million tonnes. The prolonged drought has not only affected the 2024 crop but also poses a risk to the 2025 season crop due to poor planting during the peak planting season months from March to July and poor establishment of harvested ratoon crops. Even with potential rainfall in the upcoming months, the likelihood of late planting and subsequent lower productivity remains a significant concern.

FSC has already committed to ship a total of about 84,000 tonnes of sugar, which comprises a shipment to the US market and two shipments to a refiner in Korea. There is also a commitment to supply about 35,000 tonnes of sugar to the local and regional markets. The fourth shipment now does not seem possible as the volume of expected sugar has been reviewed from the initial estimate of 153,021 tonnes to 121,272 tonnes.

FSC is closely monitoring the situation and remains committed to supporting farmers through these challenging times. While weather projections remain uncertain, the Corporation is exploring all possible future avenues to mitigate the impact of such drought occurrences in future crop cycles.

**Bhan Pratap Singh**  
**Chief Executive Officer**

**Ends**