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## STATEMENT AT THE 52<sup>nd</sup> SESSION OF THE ISO COUNCIL AGENDA ITEM 8 - NATIONAL POLICIES

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Mr. Chairman,  
Honourable Ministers,  
The Executive Director,  
Your Excellencies,  
Distinguished Ladies and Gentlemen.

Bula vinaka and a very good morning to you all.

It is my distinct pleasure to address you all this morning,  
and I would like to begin by thanking the British  
Government for hosting this 52<sup>nd</sup> Session of the ISO  
Council.

When I addressed you all one year ago, Fiji was on the cusp of entering one of the most momentous years in our history. Not only were we in the midst of a massive programme of rebuilding following the devastation of Category 5 Cyclone Winston – the strongest cyclone to ever strike in the Southern Hemisphere – we were also preparing to lead the global campaign against climate change as the incoming President of COP23.

I hardly need to restate the ways that climate change can affect the health of cane farming the world over. We all know that cane farmers are suffering dearly from the prolonged droughts that devastate crop yields, the encroaching sea water that can spoil vast tracts of arable land, and increasingly volatile weather patterns. Not to mention the threat of extreme weather events that can bring economies to their knees.

I've shared Fiji's own experience with Cyclone Winston with you all before, where we saw first-hand the catastrophic potential of our changing climate, and that gave us a sense of urgency that formed the basis of our preparations and priorities in the lead-up to COP23.

We knew this Presidency would be our chance to bring a heightened sense of urgency to the climate negotiations, borne from our experience as a Small Island Developing State on the front lines of climate change. And we knew this threat was global, whether it be in low-lying countries like Bangladesh, or low-lying cities like New York, Miami and Rotterdam. Or drought affected areas like Arizona, Nevada and sub Saharan Africa.

Due to my extensive work abroad rallying the global community to support our presidential agenda, I was unable to attend the 51<sup>st</sup> Session in El Salvador this past June. But thanks to those efforts, we arrived in Bonn with tremendous backing from the international community.

And, Mr Chairman, it brings me a great deal of pride to say that our work paid off, and COP23 was welcomed as a great success.

In Bonn, we made significant progress in moving the Paris Agreement forward, and recorded a number of major victories for the citizens of small island developing States, and people from around the world, including many of the hard-working men and women, and their families, whose very livelihoods depend on cane farming.

Mr. Chairman, among a long list of accomplishments, COP23 saw the launch of the Ocean Pathways Partnership to protect our oceans and marine resources from the growing threat of climate change and a renewed commitment to the International Partnership for Blue Carbon to protect and manage coastal blue ecosystems in the Pacific. We secured greater funding for critical climate adaptation work, and advanced the process of ensuring that the Adaptation Fund shall serve the Paris Agreement.

We launched a global partnership to provide millions of climate-vulnerable people around the world with the view to provide affordable access to insurance, including crop insurance. And lastly, in a ground-breaking achievement of COP23, countries reached a historic agreement on agriculture.

The Parties agreed to work together over the next few years on the crucial linkages between climate change and agriculture to develop and implement new strategies for adaptation and mitigation within the sector. This achievement, coupled with new, record levels of adaptation finance, has sent a strong message of reassurance to all farmers around the world, including our cane farmers, that the global community stands ready to do what is necessary to prepare agro-industries for the worsening effects of climate change.

Mr. Chairman, we can all be proud of what we've achieved on the global stage, but I'd like to also take some time to discuss our ongoing work in Fiji to adapt our Cane Industry to the realities of climate change and to those of the modern sugar market. As I speak with you now, our rehabilitation work from Cyclone Winston continues. We haven't gone about the rebuild with a rush-job mentality. We are rebuilding to a far higher and more resilient standard across the Fijian economy. Stronger and better homes, schools that are reconstructed to strict building codes and infrastructure that can withstand the worsening impacts of climate change.

And, of course, we are setting a new course for our Sugar Industry – a course that will bring far greater stability and prosperity to the over **200,000** Fijians who depend on the health of sugarcane farming, even in the face of worsening climate impacts.

We are laying the foundation for an industry that sets a new bar in resilience, not only to storms like Winston, but to the droughts, flooding and rising seas that threaten sugarcane farmers in Fiji and around the globe. The world has already looked to us as champions on climate change, the great issue of our time. And again, we want to emerge as a global leader, a leader in the Sugar Industry, as a nation that puts our cane farmers at the forefront of bold and innovative climate adaptation strategies.

That means greater investment in farm drainage infrastructure and irrigation to better control water run-off and saltwater intrusion, and as part of this commitment we have formed a new Ministry of Waterways dedicated to improving water infrastructure across Fiji, which I personally oversee. Our adaptation strategy also includes research and development in improved cane varieties and production systems that can better withstand climate effects. And it includes continued investment in resilient farm access roads, cane replanting and fertiliser subsidies, to

ease burdens on our farmers, particularly in challenging seasons.

Mr. Chairman, in another stark reminder of the growing climate threat we face, this year we experienced another serious stretch of drought conditions, beginning in April and continuing through the harvesting season to early November. We've seen a delay in planting ahead of the 2018 season and expect this to have some effect on production.

But I'm very glad to say that – despite this challenge – our relentless work to build up this Industry has brought about a steady recovery in levels of production. Working side-by-side with our cane farmers and the Fiji Sugar Corporation, my Government has put this Industry back on a path towards a resilient future – a future where sugar remains a bedrock of our economic growth and prosperity.



As of 19 November, over the course of 25 weeks, our three mills crushed 1.61 million metric tonnes of cane, yielding 178.9 metric tonnes of sugar with a TCTS of 9.0. Compared to last year, these estimates mark a 19 per cent increase in cane production, a 30 per cent increase in sugar production and a nine per cent improvement in TCTS.

All in all, the figures show a remarkable turnaround for the Industry, and are a major validation of my Government's bold response to rehabilitate the Industry from the massive devastation wrought by Cyclone Winston. We doubled down on our efforts to directly assist farmers by reducing costs of production, including the planting of crops, the harvesting and transportation of cane to mills and we are now subsidising weedicide to keep production costs more stable. We've also set up a new farmers assistance programme to encourage new farmers to enter our cane industry in response to our aging farmer population.

And in an effort to bring greater security to our cane growers, we've also introduced a new micro-insurance initiative, the first of its kind in Fiji, that grants pay-outs to cane farmers and their beneficiaries in the event of death, fire, loss of income or to cover funeral costs – and the scheme comes at no cost to our farmers.

This year, we also saw a big jump in mill efficiency in the 2017 crushing season, with an overall breakdown reduction of 21 per cent compared to last year. When faced with the closure of one of our major mills, our nearby Rarawai Mill was able to fill the void by crushing all of the closed mill's cane, in addition to the cane from its own traditional supply areas. In fact, the Rarawai Mill ended the season with the greatest reduction in breakdowns, down 37 per cent from the year prior. Another of our mill, the Lautoka Mill, also reduced its breakdowns by 32 per cent. As we look to next season, we also hold high optimism for similar improvements at our third mill in Labasa.

We've long recognised that many of our cane farms need new and better technology at their disposal to stay competitive in an increasingly-efficient global marketplace. And we've made mechanisation an even larger priority. That is why we've invested heavily in new machinery, and that has already led to a dramatic reduction in harvesting costs for farmers.

Not only are we producing more cane, we are producing more sugar from less cane, and are rapidly approaching international benchmarks. Together, these figures tell a story of resilience in the face of adversity. They are testament to the many thousands of Fijians who work in our cane farms and to the vision my Government has set out for the cane industry. And they carry great promise for the years ahead.

Our investment in the Cane Industry isn't limited to technology. We've also put money into attracting top talent, building a new generation of leaders to carry the Fiji

Sugar Corporation into a more innovative and resilient future.

Last year we brought on a new Board Chairman, Mr. Vishnu Mohan, and this past year we recruited a new CEO, Mr. Graham Clark, who brings extensive industry experience working in Africa to his mandate of working more closely with cane farmers in meeting industry targets.

Mr Chairman, as the FSC's major shareholder, the Fijian Government has committed to extend our loan guarantee to the FSC until 2022. This move will provide cash-flow relief and give the FSC more breathing room to focus on its investment and recovery programme, which is designed to increase cane production, improve mill efficiency and establish new and better markets for Fijian sugar.

In the short-term, we expect to remain largely dependent on buyers in the European Union market. But we have been actively seeking alternative markets in response to the

removal of the EU domestic production quotas this past October.

I've personally met with a number of buyers who have reiterated their commitment to Fijian sugar, and we will continue to seek new markets for the high-quality brand of sugar Fiji is known for around the world.

We are deeply grateful for the support from the EU in modernising and adapting our Cane Industry. And looking forward, we have set out a clear strategy for the Industry in the 5-Year and 20-Year Development Strategies within our newly published National Development Plan. Working concurrently with the FSC's own 5-Year Strategic Action Plan, we expect to raise sugarcane production to around 3.9 million tonnes over the next five years to more closely match the crushing capacity of our mills.

Mr Chairman, the lessons we've learned over the past year are simple and telling. When we work hard, we get results. When we think creatively, we can overcome even the most insurmountable odds. And when we work as a team, we can reduce costs, we can maximise revenue and we can build this Industry to be bigger and better every year.

It is the unrelenting spirit and hard work of our cane farmers that helps build Fiji and the Fijian economy. And I would like to close by thanking our cane farmers for all that they do. As always, you have my passion, my commitment and the vision and support of my Government in taking this Industry to even greater heights. Together, we are bringing this Industry back, and together we will carry it into a more secure, sustainable and prosperous future.

Vinaka vakalevu. Thank you.

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