

NICK DAMETTO
Member for Hinchinbrook



MEDIA RELEASE

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Feds need to ramp up sugar market pressure

THE Federal Coalition Government should throw its weight behind a push by a key international trade group to stop India dumping millions of tonnes of subsidised sugar onto the world market, says Hinchinbrook MP Nick Dametto.

Mr Dametto welcomed the efforts of the Global Alliance for Sugar Trade Reform and Liberalisation to use all available avenues to stamp out export subsidies and remove trade distorting domestic price supports on sugar.

"The Global Alliance has already stated that India's actions are in violation of their commitments made to the World Trade Organisation (WTO), with Australia, Brazil and Guatemala having initiated formal action through the WTO in February," he said.

"But Australia should follow the lead of Brazil and proactively engage with India to look at alternative domestic uses for their surplus sugarcane, like ethanol. It's important that India be held to account for their actions through the WTO but there's no reason why the Federal Government can't also work closely with India to help them develop domestic industries which would avoid distorting the world market."

Mr Dametto urged the Federal Government to heed the calls of the Global Alliance in having its member governments urgently work together to solve the Indian sugar dispute to avoid further unnecessary market disruption.

"Despite their resilience, our growers in Hinchinbrook have had a rough few seasons with the world sugar price being where it is. All they want is a fair go in a fair market," he said.

"We know India's actions have been depressing the global sugar price for some time and are making it extremely hard for Australian growers and millers to compete. It's not a level playing field.

"I need not remind the government what happened when the Indian government announced it would dump five million tonnes of subsidised sugar onto the world market in September 2018. Prices fell by \$14 per tonne overnight to be just on \$300 per tonne at the time. Then they went and did again in August this year with a contentious 1.3 billion export subsidy of \$216/tonne to help its sugar industry export more than 6 million tonnes over the next year.

"Australia should not be tolerating this."

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Mr Dametto said farmers were being pushed out of agriculture because of government policies at both a State and Federal level.

"Whether intentionally or unintentionally, we've got the State Labor Government rushing through extreme environmental legislation and green tape that is unworkable for our farmers and then you've got the Federal Coalition Government failing to guarantee a minimum price for produce like sugar or milk," he said.

"You have to ask what's the agenda here? Is it to get rid of the little guy? Will we have a situation where the only people who can afford to grow sugar cane in the future will be those involved in corporate broadacre farming, with lower margins but more tonnage to make up those margins.

"This needs to be called out. Katter's Australian Party will always fight to protect our local farming families."

Analysis conducted by both government and the Australian Sugar Milling Council indicates there is a strong case against Indian sugar support mechanisms and that India is clear breach of its WTO obligations.

Hinchinbrook is home to a sugar industry worth more than \$300 million a year which is part of an Australian export industry worth \$1.8 billion per year to the economy.

According to Canegrowers, India in eight of the past 10 years has produced a quantity of sugar in excess of its domestic requirements primarily because of its regulated cane prices.

India is also understood to be currently holding over 14 million tonnes of raw sugar in storage.

—ENDS—

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Photo caption:

HINCHINBROOK MP Nick Dametto has urged the Federal Government to proactively engage with India to look at alternative domestic uses for their surplus sugarcane.

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