



Investment helps underpin industry

Description

QSL has entered into a new partnership with sugar cane farming enterprise Australian Cane Farms (ACF) in a move designed to protect and expand sugar cane production in Queensland.

Under the new arrangement, QSL has invested \$20 million to take an approximate 20% shareholding in ACF, with the capital injection used to expand the ACF farm portfolio and keep strategic properties under cane production.

QSL Managing Director and Chief Executive Officer Greg Beashel said the new partnership was just the first step in a wider program of QSL projects designed to promote the Queensland sugar industry's long-term viability by supporting sugar production at the grass-roots level.

"QSL is always looking at ways that we can add further value for our members and the loss of cane-farming land to other industries is one of the biggest threats to the Queensland sugar industry's long-term viability," Mr Beashel said.

"Our new partnership with Australian Cane Farms aims to not only help protect and maximise production from existing cane land, but eventually expand the land under cane.

"It also potentially provides an option for farmers who would like to exit the industry while also keeping their valuable land in production and jobs in cane."

Mr Beashel said the new investment was low risk, with the ability for QSL to cash in its shares if needed.

"Just like QSL's shares in Sugar Terminals Limited (STL), our investment is debt funded, meaning we have borrowed the funds required to purchase the shares and will offset this with the dividends, passing net profits back to our members," he said.

Mr Beashel said that while this initial investment was based in the Burdekin, QSL was looking for other opportunities to support production and keep as many producers as possible viable around the state.

“Each region has its own challenges and priorities, and so we’re keen to develop a wider program of work to leverage QSL’s unique advantages and strengths to help our members beyond just the marketing space.”

Established in 2005, Australian Cane Farms is an Australian company which operates more than 2,250 hectares (5,550 acres) of highly productive sugar cane farms in the Burdekin Valley. It has total assets of \$73 million, 90% of which comprises farmland and crops.

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