The Australian CaneFarmer

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Evolve petrol station opens its doors.

Photos - Main: The new Evolve petrol station at Mt Warren Park; inset right: the Evolve logo; inset left: Queensland Premier Peter Beattie presents a grant of $72,050 to the station.

Queensland's first service station primarily selling ethanol blended fuels has been awarded a Sugar Industry Innovation Grant of $72,050.

The Evolve petrol station, an initiative of the Petro Fuel Group and the Queensland Fuel Group, was opened at Mt Warren Park, near Beenleigh, on November 12 to a crowd including Queensland Premier Peter Beattie, new ethanol spokesman Jack Brabham and ACFA Chairman Ross Walker.

Announcing the grant, Mr Beattie said that Evolve would source its ethanol for 14 fuel pumps from cane growers at Rocky Point.

"This is a win for local cane growers, a win for the service station proprietors and a win for cleaner, renewable fuel."

Mr Beattie also said that the Queensland Government had made legislative changes that allowed for the sugar industry to better diversify into alternative products such as ethanol.

"Recent amendments to sugar industry regulation through the Sugar Industry Reform Act 2004 have significantly widened opportunities for the industry to explore production of alternative products from sugar and cane.

"The Government also amended the Environmental Protection Regulation 1998 to provide an appropriate relaxation of petrol vapour pressure limits in South East Queensland to accommodate ethanol use," he said.

Prior to the opening, Chris Harrison of Dalby Bio-refinery Ltd, said that the company had been wanting to take this step for a long time.

"The unprecedented oil prices are giving us a great opportunity to demonstrate that we can deliver a renewable fuel onto the market at the same prices as motor spirit for, hopefully less (cost) but it certainly won't be any more," he said.

The station has two types of ethanol-blended fuels available: Evolve 95 which is a 10% ethanol blend with unleaded fuel and Evolve 98 which is a 10% ethanol blend in 95 Octane premium.

The ethanol blended fuels have been well taken up by the community with reports that on the first day of operation, ethanol blends achieved 76.5% of total petrol sales on site.

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Chairman's Comment

ACFA: Working hard to deliver the best possible outcomes for farmers.

By ACFA Chairman Ross Walker.

The Australian Cane Farmers is a grassroots organisation, a voluntary organisation, driven by its members.

ACFA's vision is a profitable and sustainable sugar industry in Australia and our mission is to negotiate profitable outcomes and to provide information to Australian cane farmers relative to their business environment.

ACFA's main focus has always been to improve the lifestyle and livelihood of our cane farmer members and to provide them with effective political and industry representation.

During 2004, ACFA has undertaken numerous activities in order to progress the interests of our members and to improve the quality and extent of the services we provide.

We have met regularly with all levels of government and with industry stakeholders to deliver better results for farmers through negotiation and consultation.

ACFA has been heavily involved in negotiating improvements to the Sugar Industry Reform Program 2004 and will continue to do so, so that the program best serves the needs of our members.

One of ACFA's key focuses this year has been to emphasise the need for the industry to look at options for diversification including, ethanol, cogeneration and sugarcane bi-products.

The submission ACFA put to the Federal Government in February this year strongly advocated for policy settings which would instil confidence and therefore investment in the these industries.

Always with our members in mind, ACFA believes that farmer equity in these projects is imperative and on numerous occasions has reiterated the benefits of these industries to farmers and communities at large.

ACFA was also heavily involved in the ethanol excise reform which has allowed the fledgling Australian ethanol industry to get underway. However, more work still needs to be done at this point in time.

ACFA also conducted a series of conferences this year, based loosely on the theme of diversification but ultimately on future pathways for the industry.

The themes have been trade, fueling the future and sugar industry innovation.

The Association has continued to offer services including; lobbying, general insurance, crop insurance, negotiation, pays service, an up-to-date website, and a weekly news bulletin.

Although in 2004 we have focused on political, financial and business management support, ACFA is nevertheless focused on traditional areas of improvement such as cane variety development, pest and disease management and enhancing R&D.

And now, with the changes to the Sugar Industry Act 1999, ACFA will be representing members in supply contracts will mills and will endeavour to achieve the best possible outcomes for our members.

We look forward to continuing to serve the interests of cane farmers into 2005. I'd like to wish you all a Merry Christmas and all the best for the New Year.

Inside this issue:

Farmers bear brunt of 'greenhouse load': Institute claims.

The Australian Farm Institute has claimed that farmers are bearing the brunt of national policies to reduce carbon emissions, estimating the cost of lost production from restricted farming operations at $600 million.

Executive director Mick Keogh said that farmers have been taking the cuts without any recompense because the Government had failed to create a viable carbon trading system.

"They (farmers) are the one sector of the Australian economy that has so far felt any real impact from climate change policies," Mr Keogh said.

Mr Keogh said that states that had banned land clearing had created a significant amount of credits for themselves and yet these states had increased their coal-fired electricity generation and carbon dioxide emissions.

"You really have to question the effectiveness and the equity of the policies that have been put in place up to date."

Mr Keogh said that a national emissions scheme would be 'a very equitable arrangement' as it would enable farmers to be paid for the carbon saved by retaining vegetation.
Source: The Australian

2005 International Ethanol Conference.

The International Ethanol Conference proposed by Queensland Premier Peter Beattie has been booked in for the 9th and 10th of May 2005.

The purpose of the conference is to explore ways forward for a sustainable ethanol industry in Queensland and Australia, and to look at the investment potential and future technologies from a national and international perspective.

The conference will bring together international speakers from the United States, Brazil, Asia and Europe, along with national experts, to discuss issues including:
* Is there a future for an Australian ethanol industry?
* What are the returns for investors?
* The impact of ethanol blended fuels on the Australian passenger vehicle fleet.

A registration brochure will be available of the Department of State Development website in the near future (www.sd.qld.gov.au.).

2005 Primary Industries Awards

Primary Industries Minister Henry Palaszczuk today officially lauched the 2005 Primary Industries Awards, urging all members of the sector to become involved in the Awards.

Mr Palaszczuk said that the awards would be a highlight of Primary Industries Week to be held across Queensland from April 2 to 9 next year.

Categories this year include awards for Young Achiever, Product and Services Marketing, Training and Education, Strategic Management and Leadership, Environment, Innovation, Research and Development and Rural Community.

Mr Palaszczuk said that the 10 award categories were open to individuals, groups and organisations in the public and private sectors and would be judged by an independant panel consisting of four industry representatives with the winners to be announced at the Primary Industries Week Achievement Awards Gala Dinner to be held at the Carlton Crest in Brisbane on April 8 2005.

Nominations for the awards close on March 15. For further information and a nomination form contact Primary Industry Week Inc Secretary Liz Allen on 0427 733 515 or email piweek2005@yahoo.com.au

ACFA Calendar

20th December	QSL Board Meeting	Brisbane
January 2005	Payments under the second Instalment of the Sustainability Grants due	
January 2005	Key amendment of the Sugar Industry Act 1999 become Effective.	

ACFA would like to wish members and subscribers a very merry Christmas and a happy and prosperous New Year.
See you in 2005!

New Sugar Program helps farmers increase productivity.

A new joint Suncorp and BSES Ltd sugar program which aims to help farmers increase their productivity levels by as much as 17 per cent, was launched in early December at the Rocky Point Sugar Mill.

The program, called Combined Recommendations on Productivity (CROP), involves looking at productivity drivers to improve growing practices and crop yield whilst lowering production costs.

Suncorp CEO John Mulcahy, said that estimates indicated that participation in the program could improve cane yields by up to 37 tonnes per hectare.

"We trailed CROP in Mackay earlier this year and a number of growers are already forecasting productivity gains of up to 17 per cent. This number could increase in future years," he said.

Speaking at the launch, BSES Ltd CEO Eion Wallis said that CROP is a four stage process that involves the assessment of individual farmers and the development of a business plan specific to the needs of that farm.

Stage 1 involves a comprehensive audit of current farm practices and financial performances.

In stage 2 the audit report is used to form the basis of a business plan, prepared jointly by Suncorp and BSES. The plan is used to identify opportunities and challenges to reduce production costs and improve cane yields.

Stage 3 involves the implementation of the plan whereas stage 4 involves the provision of ongoing support for farmers to achieve their business plan goals.

Mr Mulcahy said that farmers who had participated in the pilot were using the CROP report to apply for funding under the Federal Government's Grower Restructuring Grant.

He said that CROP would be available to Suncorp customers at no cost and was just one of the value added initiatives Suncorp had undertaken to assist primary producers.

"We recently hired an agronomist to provide specialist advice to our banking team and a number of our regional managers have just returned from South America where they were exploring industry advancements," he said.

To participate in the CROP program, contact your local Suncorp Agribusiness Manager.

BSES Ltd CEO Eoin Wallis addresses industry stakeholders at the launch of the CROP program.

Boswell calls for renewable fuel target.

The Nationals Senate Leader Ron Boswell has called on the government to support a Mandatory Renewable Fuel Target as the next step forward to ensure the development of a viable ethanol industry in Australia.

Mr Boswell said that fuel companies needed to be encouraged through legislation to take up renewable fuels.

"The key matter is that fuel companies do not want to lose control any aspect of their industry. They do not want to give up 10 per cent of their business to a fuel they do not control," he said.

> "The MRET has been highly successful and is a working model of how a market strategy for renewable fuels could be adapted," - Boswell.

Mr Boswell said that a retail market is essential to the long term viability of a strong ethanol industry and suggested that government intervention would help to ensure its sustainability.

"There is a precedent for government intervention in market access in the Mandatory Renewable Energy Target, MRET," he said.

"As a government we took steps to ensure the continued viability of renewable energy sources for the benefit of the nation by introducing the mandatory take up of renewable energy by electricity wholesales.

"The MRET has been highly successful and is a working model of how a market strategy for renewable fuels could be adapted to embrace the Australian fuel industry," he said.

Mr Boswell said that under his plan, the strategy would begin in 2005 with 0.25 percent of the nation's fuel consumption required to be renewable fuels.

"This level would ratchet up every year and incorporate the government's initial 2010 target of 350 million litres of biofuels.

"After 2010 there would be incremental annual production increases leading to a five percent renewable target by 2018," he said.

Mr Boswell also reiterated the need for Australia to embrace the use of ethanol to improve the health of Australians, to protect the environment, to provide security of fuel supply and to benefit regional communities.

ISO Quarterly Market Outlook November 2004.

The International Sugar Organisation's latest market outlook has placed world sugar output for 2004-2005 at 1.816 million tonnes below world consumption, compared to the 2.761 million tonnes deficit forecast in September.

The ISO says that, over the coming months, the market will be shaped by development in two sugar giants: Brazil, the world's largest sugar producers and exporter, and India, the world's largest sugar consumer.

The report said that varying assumptions concerning the timing and volume of India's purchases as well as Brazil's expansion in the coming twelve month had caused discrepancies between sugar analysts over market prospects.

The report also says that current fundamentals suggests that, despite a global statistical deficit, the market remains well supplied and that no further increases in prices could be justified by market fundamentals.

Source: International Sugar Organisation's Quarterly Market Outlook November 2004. Www.sugaronline.com / iso

Sales exceed expectations at new Evolve petrol station.

Continued from page 1.

Recent statistics have shown that ethanol blended fuels accounted for 84.2% of total fuel sold at Evolve during November. This is a 30% increase on October sales.

Ethanol Project Manager of Dalby Bio-refinery Ltd, Bill Elliot, said that the sales had overwhelmingly exceeded expectations.

Mr Elliot said that he felt there were two factors which had lead to this: firstly, that the ethanol blended fuels are at every bowser and therefore are ready available to consumers; and secondly, that Evolve had provided lots of information by handing out brochures and talking to customers about the different fuels.

Mr Elliot also said that Evolve had received a great deal of positive comments, with many customers commenting on improved fuel economy when using ethanol blended fuels.

Ethanol blended fuels are available at all bowsers at the new Evolve petrol station, making the fuel readily available to consumers.

One customer said that he gets as much as an extra 60 kilometres per tank of fuel when he uses an ethanol blended fuel.

“We’ve certainly kept all our regulars, and made some regulars more regular!” he said.

Mr Elliot said that it is hoped that more Evolve sites will open next year and said that now, with the phasing out of LRP, it is a good opportunity to reserve those hoses for ethanol blended fuels.

Evolve currently has a special deal for anyone traveling to the Gold Coast during Christmas. A discount coupon can be downloaded from the Evolve website at www.evolvecleanerfuels.com and will be accepted up until February next year.

FMD scheme continues to grow, says Minister.

According to Federal Agriculture Minister warren Truss, the Government's Farm Management Deposit (FMD) scheme was continuing to grow with the June 2004 quarter showing 4,596 new members and an increase in overall holdings.

Mr Truss said that as at 30 June 2004, figures showed that there were 43,309 primary producers using the scheme with total holdings of $2.62 billion - an average of $60,463 per deposit holder.

“The June quarter data reflects a net increase of around $494 million in aggregate FMD holdings compared with the March 2004 quarter," he said.

Mr Truss also said that farmers from a broad range of rural industries use the scheme with grain producers ($663 million), mixed broadacre farmers ($542 million), beef producers ($352 million) and horticulturists ($264 million) having the largest aggregate holdings as at the end of June.

The sugar industry in total had 3,712 FMD holders as of the end of June with deposits valued $42,844,000.

More information on FMD's is available on the Department of Agriculture's website at www.daff.gov.au / fmds

Record forecast for Queensland Primary Industries.

The gross value of Queensland's primary industries is forecast to be a record $10.295 billion this financial year, according to the Department of Primary Industries and Fisheries' latest edition of Prospects for Queensland's Primary Industries.

Primary Industries Minister Henry Palaszczuk said that the forecast value of production is a tribute to Queensland primary industry producers.

"Producers are continuing to make a significant contribution to the State's economy despite the hardships of dry weather and a strong Australian dollar. The drought, beginning in 2000-01, is one of the most severe droughts Queensland producers have ever experienced," Mr Palaszczuk said.

Mr Palaszczuk said that while the forecast was for a 1% increase on the past financial year, their were mixed projections for the largest industries. The State's horticulture industry, the DPI has forecast, will increase by 4% to $2.99 billion.

"Similarly, sugar cane is estimated to increase to by 12% to $815 million this financial year from the 2004 season as a result of an expected increase in world sugar prices," he said.

On the other hand, the cattle industry looks to decrease by 4% to $3.08 billion but would still remain the state's largest industry.

Mr Palaszczuk said that the DPI&F projections reflected the resilience of the farm sector and the change in the industry's psyche over the last decade.

"The bulk commodity focus no longer dominates industry thinking. Producers are seeking out niche markets. They are questioning what consumers want and delivering it.

"On the farm, producers are diversifying, value-adding and marketing," he said.

The September edition of Prospects for Queensland's Primary Industries is available at www.dpi.qld.gov.au.

Primary Industries Minister Henry Palaszczuk says that farmers' resilience is a factor in Queensland's record primary industries forecast.

Springborg launches single party road map.

State Opposition leader Lawrence Springborg has launched a seven-step road map towards creating a new single conservative party in Queensland.

Mr Springborg said that the time had come for serious discussions on the pros and cons of forming a united conservative party to give Queenslanders an alternative to Beattie's Labor government.

"We all know that the strength of Labor in Queensland today is more to do with the fragmentation of conservative politics than it is to do with Labor's ability to manage our economy and build infrastructure for the future," he said.

"The Government has 63 seats to the Nationals 15 and the Liberals 5. This imbalance alone drives home the necessity to work together like never before to get real and long-lasting unity that stands the test of time."

The seven step process outlined by Mr Springborg starts with appointing a new committee of respected persons from both the National and Liberal parties who would commission voter research and develop an 'agreement in principle' for conservative unity.

The committee would then present a 'yes and no' case to members of both parties who would vote on whether or not to form a single conservative party.

Then, if the vote was successful, the steering committee would be expanded to include the leaders of each party in order to develop policy positions and a draft constitution.

An inaugural conference would follow where the new party and its policies would be launched.

The plan, however, has split Federal and State conservatives.

Queensland Liberal leader Bob Quinn said that the plan was 'simplistic and rather naive' and that the Nationals and Liberals needed instead to try to reconnect with their constituents and develop clear policy positions.

"We are rock solid in terms of our rejection of this idea," he said.

Mr Springborg's plan so far has the support of his 14 parliamentary colleagues, former Queensland Premiers Russell Cooper and Rob Borbidge, Federal Liberal MPs Alex Somlyay and Cameron Thompson, former Liberal state leader Joan Sheldon.

However, the plan was dealt a blow in early December when Prime Minister John Howard said that the proposal was not feasible.

Australian HomeGrown primed for New Year Launch.

Australian HomeGrown, a not-for-profit organisation spearheading a new Trust mark campaign to identify all food products sold in Australia that are, or are made with, 100 percent Australian grown produce, is calling on farmers, producers and manufacturers of Australian food products to sign up for a license and display the Australian HomeGrown logo with pride.

Launched in October 2004, with $4 million in Federal Government support over two years, the HomeGrown initiative will see foods such as fresh fruit and vegetables, pork, seafood, sugar, chicken, dairy products and processed foods marked with the distinctive Australian HomeGrown logo indicating they are 100 percent Australian grown. Already the campaign has gained letters of support from 56 industry organisations.

According to Marcus Elgin, Executive Director of Australian HomeGrown, "Independent research demonstrated a resounding agreement amongst consumers that explicit labelling of fresh produce from Australia would be a strong motivator in purchasing local produce.

"The AHG campaign will enable Australian food producers to differentiate their product in the marketplace and gain a competitive edge over non-labelled produce. The logo gives licensees access to a unique marketing tool, with the backing of a multimillion dollar advertising and marketing campaign which has previously been unavailable to them."

Australian Pork Limited (APL) was the initial proponent of the Australian HomeGrown initiative after it embarked on a search for a logo to help identify Australian pork products in the marketplace.

John Cook, Chief Executive Officer, APL said, "HomeGrown is one of the most important things to happen in Australia for a very long time. It will make a massive contribution to Australian agriculture. I am proud of the involvement of APL, but I am even more proud that a massive part of the food producers of Australia, and Government, have also seen the benefits of the program. I am sure that when the public are given the opportunity to be a part of the HomeGrown campaign, they too will embrace the program as farmers have done."

The Australian HomeGrown campaign differs from other campaigns such as Australian Made and Australian Made and Owned as it is all about produce being grown in Australia.

"Research has identified that Australians generally assume all produce found in supermarket delis and fresh sections is Australian grown. When they discover the truth that much of what they purchase and consume is imported, they express alarm. The HomeGrown campaign is designed to help grocery-buyers be more discerning in their choices by buying Australian HomeGrown food produced by Australian farmers," said Mr Elgin.

For a product to be labelled with the Australian HomeGrown logo, it must be 100 percent Australian produced or manufactured, using 100 percent Australian grown produce. Verification via an accreditation process will be used prior to Australian HomeGrown issuing licenses to producers. There is also a strict Code of Conduct which must be adhered to and a random audit process throughout the duration of the license.

Australian consumers will be able to see Australian HomeGrown-labelled products appear in food stores in the New Year. Australian HomeGrown intends to spend around $10 million in its first year to ensure that 90 percent consumer recognition is achieved within 12 months.

US company dodges ethanol debate.

A US company, Virent Energy System, Inc, has been awarded a grant of almost $2 million to progress its research into producing hydrogen for vehicle fuel from sugar based liquids.

> "This grant allows us to go straight from cheaper raw sugar to hydrogen"
> - Virent.

The grant, awarded by the US Department of Energy, was announced by Acting Under Secretary of Energy David K Garman during a visit to Virent's corporate office.

"The project we are announcing today highlights the emphasis that the department has placed on renewable production of hydrogen.

It will move the nation toward advanced technologies that use renewable energy sources to make and deliver safe, affordable hydrogen for fuel cell powered vehicles," he said.

Virent has developed a one step process for converting sugar-based liquids into hydrogen and other fuel gases for distributed systems.

The system can be used at existing petrol stations, thereby eliminating the need for hydrogen transport infrastructure and costs.

The direct-conversion process also saves energy and reduces equipment costs.

President and Chief Executive of Virent, Eric Apfelbach, said that the grant would be used to help create a reactor large enough to produce 2.5 kilograms of hydrogen per hour.

"This funding will enable us to move forward with key elements of our strategic plan to commercialise the APR process.

"This grant allows us to go straight from cheaper raw sugar to hydrogen and also scale up the design of our systems," he said.

ACFA Update

ACFA Activities over the past month.

During late November and early December, ACFA Chairman Ross Walker and General Manager Stephen Ryan have traveled along the Queensland coast for a series of regional meetings with farmers.

Meetings will occur in New South Wales early next year so keep watch for your invitation in th email.

The following activities have also been undertaken by ACFA over the past month:

* attending the launch of the Suncorp / BSES Combined Recommendations on Productivity program at the Rocky Point Sugar Mill;

* a meeting with Mossman Agricultural Services;

* meeting with Ron Porter and Craig Alman of Bundaberg Sugar in north Queensland;

* meeting with Grant Maclean and Gary Longden of Bundaberg Sugar in south Queensland;

* meetings with Jim Crane and John Pollock of Mackay Sugar.

At the October Board Meeting, the ACFA Board of Directors moved to increase the ACFA levy to 6c per tonne (excluding GST) for the 2005 and subsequent crushing seasons.

In recognition of the difficult times facing the sugar industry, ACFA has not raised its levies since 1996 when it was decided to raise the levy by 0.25 cents to 4.75 cents per tonne.

It also means that the levy cap will be increased to $1260 (excluding GST).

This levy increase will ensure that ACFA continues to provide the high level of services enjoyed by our members.

Excellent turn out at Ingham meeting.

The following photos were taken at ACFA's Ingham regional meeting held in November.

Farmers who attended the Ingham meeting discussed issues ranging from sugar markets to grower assets to cane supply agreements.

Photos courtesy of ACFA Herbert Branch Secretary Alison Board.

Above: ACFA General Manager Stephen Ryan gives a presentation at the Ingham regional meeting.

Left: ACFA Chairman Ross Walker and General Manager Stephen Ryan discuss issues arising from the meeting with farmers.

Thanks to all farmers from all districts who were able to attend their local meeting.

Special offers for ACFA members.

Will you be traveling to Brisbane or the Gold Coast over the Christmas break?

ACFA members are eligible for special accommodation rates at two hotels in the South East corner, to help take the sting out of traveling and accommodation costs over the Christmas period.

If you are traveling to Brisbane, the Hotel Grand Chancellor on Wickham terrace offers ACFA memebrs a special rate of $99 per night for a standard room.

The Hotel's famous breakfast is also offered to ACFA members at a discounted rate of $16 per person.

To make the most of these prices for a quality inner-city stay, call the Hotel's reservation line on (07) 3831 4055.

All you have to do is say that you're a member of the Australian Cane Farmers Association.

Alternatively, if you're headed to the Gold Coast, the Sea World Nara Resort is offering members of ACFA some great discounts as well.

If you book on the Resort's website you are eligible to receive:
* 10% discount on Room Only Accommodation;
* 10% discount on Resort packages;
* 10% discount on buffet meals at the Shoreline Restaurant and
* 10% discount on watersport activities.

To access these savings, visit www.seaworldnara.com.au and type 102895 in the affiliates box that appears on the left hand side of the home page.

Showcasing Innovation:

Presentations Given at ACFA's October Conference.

Diversifying into Aquaculture.

At the recent ACFA conference - Showcasing Innovation Getting the most out of your cane farm, diversification emerged as one of the most prevalent ways to gain profitability from, and add value to, cane farming enterprises.

Micheal Heidenreich, an aquaculture specialist from the Department of Primary Industries, spoke on the different options available and most suited to integrated agri-aquaculture systems on Queensland cane farms.

It was highlighted that aquaculture on cane farms should be undertaken as part of an integrated production system. When cultivated properly, aquaculture can provide sustainable management and utilisation of natural and water resources, encouraging the multiple use of water.

Mr Heidenreich said that the aquaculture industry is considered a growing and profitable market as it has almost trebled to a gross production value (GDP) of $733 million since 1991-92 when its GDP was $256 million.

Further growth is expected for the industry, with estimates that it could treble to $2.5 billion by 2010. On a state level, the Queensland aquaculture industry has increased from $36.1 million to $75.2 million from 1996/7 to 2001/02.

Mr Heidenreich pinpointed the redclaw industry as one of the best emerging industries for cane farm integration, with an average return of $13.92/kg from the 2002/03 season. Other positives are that it is a stable market, can be farmed in small ponds of around 0.1 hectares and is easy to maintain and harvest.

Other species suitable for cane farming in Queensland included barramundi, marine prawns and freshwater fish including silver, jade and golden perch.

It was emphasized that before any aquaculture venture is initiated, it is important to conduct a feasibility study of the operation and to evaluate the prospects of a good financial return.

Picture: Integrating redclaw farming with sugarcane. Photo courtesy of Michael Heidenreich.

Making the most of rotational cropping.

ACFA was fortunate to have BSES Burdekin Area Development Manager Peter Sutherland talk at our recent conference- Showcasing Innovation Getting the most out of your cane farm.

Mr Sutherland discussed rotational cropping, notably, legumes as a suitable rotational crop for cane farms.

Mr Sutherland pointed out that legumes can enhance sugarcane yields through nitrogen contribution and improved soil health.

He also highlighted that there is potential for increased cash flow through grain production, as well as a good opportunity to combine legumes and sugarcane in a minimum tillage system.

According to Mr Sutherland, choosing the right legume species is critical in achieving benefits from legume crop rotation.

Mr Sutherland discussed a number of different options suitable for cane farms, highlighting pinto peanuts and soybeans as those with the greatest potential, with peanuts being grown for their seed and soybeans for their seed and green manure.

It was stressed that a high level of legume management is critical for successful establishment and to optimize the following cane crops.

When managing legumes, farmers will get the best results by using a seed planter and planting on ridges to avoid water logging.

Mr Sutherland said that the potential contribution that legumes can make to sugar cane cropping systems has not been fully realised, and that a dedicated legume development program is warranted within the sugar industry.

He concluded that agriculture is all about risk and managing such risk in the best possible way and recommended that farmers utilise the skills and expertise of extension officers to work out the best rotational crop for each individual case.

The Australian CaneFarmer will feature more presentations from 'Showcaing Innovation: getting the most out of your cane farm' in the January/February edition of our magazine next year.

Headway made on drought reform at Ministerial meeting.

The seventh meeting of the Primary Industries Ministerial Council (PIMC) was held in Melbourne on the 3rd December, with Primary Industries Ministers from across Australia reviewing major issues impacting on Australia's primary production sector.

The nation's drought policy was one of the key issues discussed during the council meeting, with the council setting a target of resolving the future of drought assistance policy at its next meeting in April 2005.

Federal Agriculture Minister Warren Truss said that progress on an automated computerised system to assess drought, and to take the paperwork burden out of the Exceptional Circumstances (EC) drought declaration process, had been warmly welcomed by the council.

“I am very pleased that there has been further headway made today on the vital issue of reforming the National Drought Policy so that it can better serve out nation's farmers,” Mr Truss said.

“Work on a National Production Monitoring System (NPMS) by the Bureau of Rural Sciences, and State and Territory departments, is well advanced, and it is shaping up as a useful tool in the streamlining the EC application process by taking the paperwork burden off farmers.

“By using information already collected by governments, coupled with agronomic industry-by-industry modelling, it is hoped that in the future NPMS may enable a transparent and semi-automatic EC declaration process,” he said.

Mr Truss also welcomed an agreement to work on a funding model for future drought assistance.

“Funding for a new policy is a contentious issue, but it is an important step for ministers to have recognised that no one can commit to a new policy unless it is funded,” he said.

Queensland Primary Industries Minister Henry Palaszczuk, who attended the PIMC meetings, urged all Australian agriculture ministers to commit to finalising drought reform by the April 2005 target date.

“Australia has experienced the worst drought in a century in recent years.”

“The drought policy in place was deficient in encouraging producers to prepare prior to the drought and EC assistance could have been provided quicker and on a fairer basis,” he said.

“As Minister, I believe the National Drought Roundtable held in Canberra in April this year was critical to getting drought policy reform talks on track.

I believe we owe it to the participants at the Roundtable and the wider farm sector to finalise drought policy reform principles by April next year the anniversary of the Roundtable,” he said.

The council discussed numerous other agricultural issues including investment in research for primary industries, National Emergency Preparedness Initiatives, citrus canker initiatives and trade issues.

The council noted the completion of the final steps necessary for the Free Trade Agreements with the United States and Thailand to come into force on the 1st January 2005. They also discussed agricultural trade opportunities in Asian markets, particularly with China and the ASEAN group countries.

The council also noted the July WTO Doha Round framework agreement for agricultural reform which paves the way for the next and final phase of the Doha negotiations, and welcomed the success of Australia's WTO challenge against the European Union's sugar regime.

On the same day, the Natural Resource Management Ministerial Council was held, and involved Primary Industries, Natural Resources, Environment and Water Ministers from across the country.

Among many issues discussed were the National Action Plan on Salinity and Water Quality, an implementation plan for a national approach to coastal zone management and the National Weed Strategy.

The council agreed to support the eradication of Siam weed from Queensland sites near Mission Beach, Townsville and Mossman.

Speaking at the council meeting, Federal Minister for Fisheries, Forestry and Conservation Ian Macdonald said that $1.12 million had been allocated to toppling these recently discovered outbreaks.

Senator Macdonald said the funding would also be used to establish a two-year delimiting survey, to see if the weed is more widespread than first thought.

"Governments and stakeholders only get one crack at being able to get on top of a weed before it really takes hold," Senator Macdonald said.

The Australian Government will provide $560,000 towards the project (50 per cent), Queensland $280,000 (25 per cent), with the balance to come from the Northern Territory, NSW, Western Australia and Victoria.

Overview

* Reform of Australia’s drought assistance policies is expected to conclude at the next PIMC meeting in April next year.

* A new National Production Monitoring System will be central to the reform, aiming at simplifying the Exceptional Circumstances drought declarations process.

* Ministers have agreed to work towards a model for how future drought assistance will be funded.

Sugar Industry Reform Program 2004: Revisited.

This month, ACFA has decided to re-visit the assistance package which has dominated talk in the sugar industry over the past year.

Will you be staying in sugar?
It is important that you check your eligibility for the following grants:
1.Income Support
2a) Business Planning for farmers who receive Income Support
2b) Business Planning for farmers who do not receive Income Support
3. Restructuring Grants

Will you be leaving the industry?
There is also funding available to those who have decided to leave the industry including:
4.Re-establishment Grants
5. Retraining grants.
6. Intergenerational Transfer.

1. Income Support.

Income Support assistance is available until 1st March 2005. Payments are made fortnightly and are at a similar rate to the Newstart Allowance.

Am I eligible?
Applications are subject to income and assets tests similar to those for the Newstart Allowance.

What do I have to do?
Call Centrelink on 1800 050 585 or visit your local office to find out more information. If your application is successful you will be required to undertake Business Planning activities within six months of being granted Income Support.

2A. Business Planning for customers who receive Income Support.

A Business Planning Grant of up to $2,500 is available to cane farmers and harvesters who are receiving Income Support payments.

What do I have to do?
The Business Planning Assistance is to be used to obtain advice or training that assists with a financial assessment of the sugar industry enterprise; the development and implementation of an individual activity plan and / or improves the current skills of the farmer or harvester or prepares them for an alternative career to farming.

The financial advice must be provided by a person who is a member of a professional association which normally provides advice on business or financial planning, business management, career options, legal matters or personal and family issues.

Only a registered training organisation such as TAFE or an agricultural college may provide the training.

2B. Business Planning for customers who do not receive Income Support.

A Business Planning Assistance grant of $1,500 is available to cane farmers and harvesters.

Am I eligible?
Any cane grower or harvester who has not accessed business planning assistance under the Income Support measures is eligible subject to the following definitions:

What do I have to do?
Lodge a claim with Centrelink before the 30th June 2006. The grant must be used for advice or training as in part 2A.

3. Restructuring Grants.

Grants are available to sugar cane growing enterprises to undertake significant operational restructuring on their property. Grants will be paid at a rate of $75 per hectare of land dedicated to cane, up to a limit of $15,000 or $7,500 over two instalments.

Am I eligible?
Farmers will only be considered eligible if they have undertaken Business Planning.
Farmers will then be required to choose from a broad range of activities, those activities which they intend to undertake with the funding.

What do I have to do?
Claims need to be lodged with Centrelink by 30th June 2005 to be eligible for the first instalment payment. A further review form or a new application form will need to be lodged by the 30th June 2006 in order to receive a second year instalment payment.

4. Re-establishment Grants for cane farmers.

A grant of up to $100,000 is available to cane farmers who choose to leave the industry. The amount drops every year according to the following scale:
Up to $100,000 before the 30th June 2005;
Up to $75,000 before 30th June 2006;
Up to $50,000 before 30th June 2007.

Am I eligible?
To be eligible to receive a Re-establishment Grant a cane grower must be able to provide evidence of the sale or lease of their sugar industry enterprise; not be bankrupt or in any way lost control of their farm immediately before sale; have net assets worth less than $217,500 after the sale; not have received or applied for a grant under this or a similar program.

What do I have to do?
Lodge a claim with Centrelink, being aware that the later the claim is lodged, the less you may be eligible for.

5. Retraining grants.

A Retraining Assistance Grant of $2,000 is available to farmers who leave the industry to use towards the costs of approved retraining.

Am I eligible?
You qualify for Retraining Assistance if you or your partner receive a cane grower Re-establishment Grant.

What do I have to do?
The course you choose will need to develop skills that will improve your chances of finding a job.
The course must be provided by a registered training organisation.

6. Intergenerational Transfer Scheme.

Farmers are able to transfer their farm to the next generation of their family with a three year 'holiday window' from the normal gifting provisions that apply to the age pension.

Am I eligible?
The net value of the farm must be no more than $500,000. The retiring farmer must have owned the property for at least 15 years or have been involved in farming for 20 years. The retiring farmer must be transferring the property by way of a gift to the next generation who must have been involved in the farm for the three years prior to the transfer.
Farmers who access this scheme will be ineligible to receive a Re-establishment grant.

What do I have to do?
Contact Centrelink for further information.

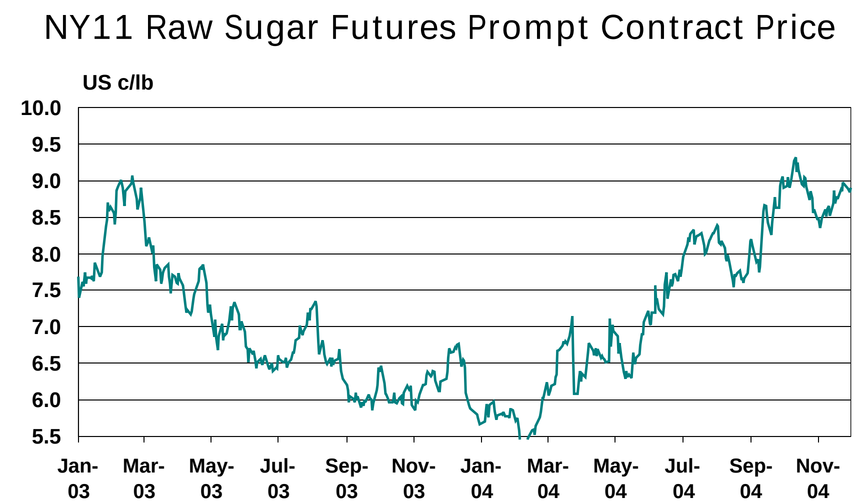
AUD climbs to 9 month highs.

The prompt New York No.11 Raw Sugar Futures contract continued to trade in the upper US 8.00 c/lb range over the month. The Mar'05 managed to reach a high of US 8.98 c/lb on the 24th as a result of trade buying. The May'05 contract continued to trade at a premium to the prompt March 2005 contract, breaching US 9.00 c/lb on the 17th of November and riding the back of trade and speculative buying to trade to a high of US 9.14 c/lb on the 29th.

The funds continue to be the dominant influence in the nearby month, providing liquidity and direction, while fundamental factors such as projected Indian imports and a global deficit are supporting the first-half 2005 positions.

In the physical market, the major point of speculation over the month has been tight ethanol supplies in Brazil. Higher sugar prices, coupled with delays at the start of the crush, saw Centre South Brazilian producers divert a higher proportion of cane to raw sugar.

An extremely successful ethanol export program this year, along with increased domestic usage as a result of the growth in flexi-fuel car sales, has meant that producers may have to start the 2005/06 season early to replenish ethanol stocks. Producers diverted 55% of cane to ethanol during November in an effort to quell shortages.



The Thai 2004/05 harvest officially commenced at the end of November.

Increased supplies of Thai sugar have not had an effect on values, with many producers abstaining from selling their sugar due to fears of a lower crop.

The Chairman of the Thai Cane and Sugar Board last week estimated cane production at 58.4 million tonnes and sugar production at 6.31 million tonnes due to a lack of rain from May to October.

There has been a notable lack of Indian purchases over the month, mainly due to high world sugar prices and freight rates.

The Managing Director of Maharashtra's Cooperative Sugar factories Federation told Esugar India that cooperatives will not be importing anymore raw sugar due to a shorter season.

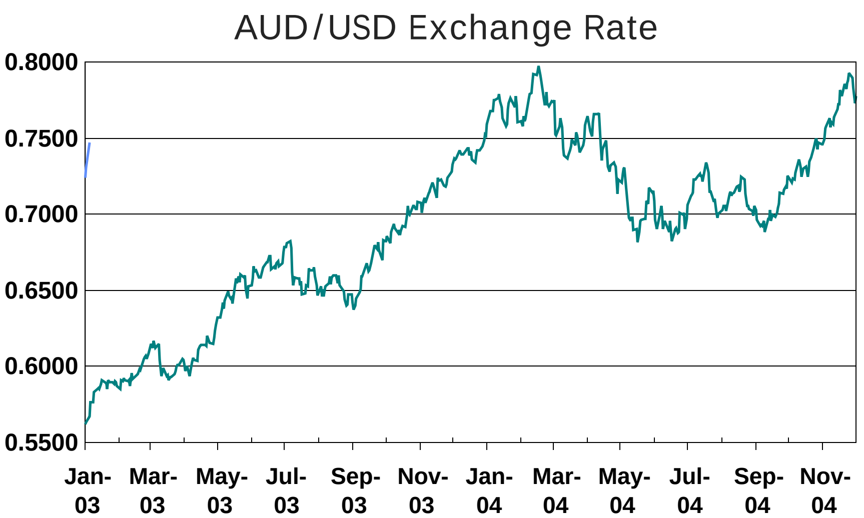
Private mills with cogeneration facilities still have the ability to import raw sugar for processing in the off-season.

It is likely that further raw sugar imports will occur as it is currently unattractive to import white sugar with the 60% duty.

While the NY11 is looking more positive than it has for some time, US dollar weakness and Australian dollar strength are taking some of the shine off potential Australian dollar returns.

A weak US Dollar has seen the AUD has gain a staggering US 3 cents over the month, reaching nine-month highs of USD 0.7947 at the end of November.

The release of weak local data saw the AUD lose some of it's momentum following this rally, however this has since been reversed. Many analysts are now predicting a strong possibility that the AUD could again be on it's way to USD 0.80.



Mixed Outlook for Sugar Growing Regions
* Compiled by CSIRO

SOI Phase: Near Zero

* The monthly average SOI for November was minus 7.7 (-7) compared to minus 3 (-3) in October. Therefore SOI phase for November came out as "Near Zero".
* Chances close to 50% (say, between 40 and 60%) indicate that climate forecasting tools are unable to improve upon what you already know about above median rainfall. That is, with no knowledge of climate forecasts above median rainfall is expected 50 % of the time e.g. South Mossman, Tully, Ingham, Ayr, Proserpine, Bundaberg, Nambour, Beenleigh, Harwood, Plane Creek.
* Probabilities much greater than 50% highlight that there is a moderately high chance of experiencing above median rainfall e.g. Mackay.
* Probabilities much less than 50% highlight that there is a moderately high chance of experiencing below median rainfall. No Locations in this table satisfy this condition for Dec-Jan.

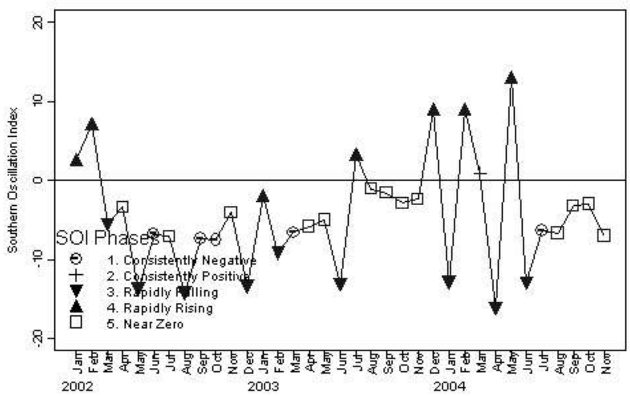


Table 1.

	SOI Value	SOI Phase
End of December 2003	+9	"Rapidly Rising"
End of January 2004	-12.9	"Rapidly Falling"
End of February 2004	+9	"Rapidly Rising"
End of March 2004	+0.9	"Consistently Positive"
End of April 2004	-16.2	"Rapidly Falling"
End of May 2004	+13	"Rapidly Rising"
End of June 2004	-13	"Rapidly Falling"
End of July 2004	-6.4	"Consistently Negative"
End of August 2004	-6.7	"Near Zero"
End of September 2004	-3.2	"Near Zero"
End of October	-3	"Near Zero"
End of November 2004	-7	"Near Zero"

Note: The Southern Oscillation Index (SOI) is equal to the difference in monthly surface pressure anomalies between Tahiti and Darwin divided by the standard deviation of the difference. It is calculated using a climatic base period of 1887 to 1989. The National Climate Centre has made a number of changes to the way the SOI is calculated, in particular changing the climatic base period to 1933 1992. This page will continue to provide the original SOI data (1887 to 1989 base period) as the forecast information is based on these data.

Rainfall Outlook.

Table 2.

Location	Long term median Rainfall for Nov - Dec	Chance of Exceeding long term mediam.
South Mossman	604 mm	46%
Tully (Sugar mill)	856 mm	48%
Ingham (Macknade)	556 mm	59%
Ayr (Kalamia estate)	283 mm	54%
Proserpine (Letherbrook)	367 mm	48%
Mackay (Farleigh Co-op Sugar Mill)	398 mm	62%
Plane Creek (Central Mill)	429 mm	58%
Bundaberg (Fairymead Sugar Mill)	265 mm	46%
Nambour (Bowling Club)	344 mm	43%
Beenleigh (Bowls club)	257 mm	52%
Harwood Sugar Mill	219 mm	50%

Latest Developments:
The current climate outlook remains similar to the outlook presented last month. Since the chance of reaching median rainfall amounts for the next two months is close to 50% for most sugar growing regions, climate indicators are unable to suggest if rainfall over the coming two months is likely to be wetter or drier.

For more information about sea surface temperatures and general climate information see http://www.dnr.qld.gov.au/longpdk/latest/latest.htm and http://www.bom.gov.au/climate/ahead.

Disclaimer:
The seasonal climate forecasting information provided in this document is presented for the purposes of raising awareness of the potential value of seasonal climate forecasting information and should be considered as a guideline only. The user assumes all risk for any liabilities, expenses, losses, damages and costs resulting directly or indirectly from the use of the climatic forecast information.

What's going on in the sugar regions?

Mossman District Report.

The Mossman crush concluded on Friday 26th November for a combined total of 792,400 tonnes and a CCS of 13.5.

While its inevitable that a fair amount of Mossman's Tableland cane will be lost to Bundaberg's Tableland Mill, of real concern is the number of farmers going out of production on the coast.

On a more positive note, plantings were up considerably on last year and farmers are applying higher rates of fertilizer mixtures this year, hopefully resulting in higher tonnages next year.

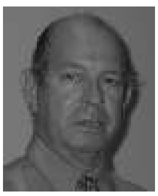
ACFA members were among a large group of angry landholders to attend a public meeting protesting the latest town plan and in particular the Green Overlay. This is a very serious attack on freehold property rights so beware as I believe it to be State Government driven and that Douglas Shire is the first cab off the rank.

Last Monday Dr Barry Kitchen of Cocoa Australia gave a 3 hour presentation to about 40 interested growers outlining the potential of a Chocolate and associated products industry. Expressions of interest to grow cocoa may be registered with Mossman Agricultural Services.

Happy Christmas all and may we look forward to a more prosperous New Year.

Don Murday.
ACFA Northern Queensland Director
7th December 2004.

Innisfail/Tully District Report.



November was a very dry month but with good rain in the last week. The rain gave a boost to plant cane and the ratoons are looking promising for next years harvest at the moment.

Harvesting wound up on a dry note with most mills finishing in early to mid-November.

The Tableland mill crushed around 631,000 tonnes with an average yearly CCS of 13.88. Babinda crushed just over 800,000 tonnes and recorded an average CCS of 12.59. Mourilyan crushed 706,000 with an average CCS of 12.91 and South Johnstone crushed almost 1.2 million tonnes with an average CCS of 13.07.

Meanwhile, Tully mill crushed its second biggest crush on record with just over 2.2 million tonnes going through the mill.

The post-crushing regional meeting were well attended throughout the district.

Large beetle flights are causing concern in the Innisfail area.

Finally, I would like to wish all farmers a Merry Christmas and a happy New Year.

John Blanckensee.
ACFA North Queensland Director
6th December 2004.

Burdekin District Report.

The weather has been hot and dry throughout the district, with a storm lurking at the time this report was written. There were also a few isolated showers around the start of December.

Underground water levels are very low in some areas so a bit of rain would be welcome.

With the crushing finished, farmers have been flat out with fertilising and weed control.

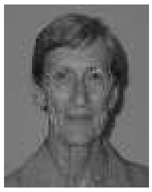
The Bowen Burdekin Natural Resources Management Plan is now out for public review. Copies are available at the BBISMAC office in Young St.

A Merry Christmas to all farmers and, hopefully, a more prosperous New Year.

Kent Fowler
ACFA Burdekin Branch Chairman.
7th December 2004.

Herbert District Report.

The whole district received very good rain over the four or five days after the crushing had finished.



This rain was a wonderful Christmas present and certainly lifted the spirit of farmers in the area.

The Herbert mills crushed 4,641,373 tonnes with an average yearly CCS of 13.56 for the 2004 season.

Dawn Brown.
ACFA Herbert Director
1st December 2004.

Central District Report.

Plane Creek crushing was extended by four days to finish up on the 21st November.

Welcome rain on the 19th put an early end to the crushing and has seen some cane left standing in the Carmila, West Hill and Orkabie districts.

Good rainfall has been recorded but has been very patchy.

The central district mills crushed nearly 9.7 million tonnes in total.

The average yearly CCS for Proserpine was 14.59, Mackay was 14.40 and Plane Creek was 14.19.

I wish you all a merry and safe Christmas and New Year break.

Kevin Jones
ACFA Central Queensland Director.
6th December 2004.

Continued on page 15.

What's going on in the sugar regions?

Continued from page 14.

Southern District Report.

The crushing finished in Maryborough on Monday 15th November. There were 840,570 tonnes of cane crushed from the Maryborough area plus 6,453 tonnes from the Nambour area.

The CCS for the season was 14.02.

The weather had been dry since the crushing finished up until the 4th December when Maryborough received up to 30mm in some areas.

The Bundaberg district finished harvesting for most on Friday the 12th November.

Some persistent showers caused some stress to contractors trying to wind up the last few days. The mill was sympathetic and was open for business on the following Monday and Tuesday to cater for those experiencing harvesting difficulties.

Bundaberg crushed 2,579,508 tonnes at its three mills with an average of 14.68 CCS. Isis mill finished crushing on the 17th November, crushing 959,593 tonnes of cane at an average of 14.25 CCS.

ACFA Southern Queensland Director Graham Parker and ACFA Bundaberg Branch Chairman Errol Zunker.
6th December 2004

New South Wales District Report.

Late rain in November has given cane a real boost with most areas looking excellent for next year.

The rains caused some delay in the harvest at the mills still crushing. Harwood mill completed its season on the 22nd November and Condong finished its season on 28th November while Broadwater is expected to finish approx 10th December provided there is no more weather delays.

Figures for the week ending 28 November 2004 are as follows:

Harwood crushed 7,510 tonnes for the week with an average CCS of 11.36, bringing the total tonnes to date to 725,540.

Broadwater crushed 15,772 tonnes for the week, bringing the yearly total to date to 948,183. The CCS for the week and year 11.18 and 11.62 respectively.

Condong mill crushed 25,278 tonnes for the week with a CCS of 11.06. That brought the total tonnes crushed for the year to date to 608,803 with an average CCS of 12.37.

Wishing everyone and their families a safe and happy Christmas and New Year.

Wayne Rodgers
ACFA New South Wales Director
2nd December 2004.

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Sugar deadline set for EU.

The European Union's new Agriculture Commissioner Mariann Fischer Boel has told a meeting of EU agriculture ministers that an agreement on sugar industry reform must be reached before a World Trade Organisation meeting in Hong Kong in December 2005.

Ten European countries have voiced fears over the proposed overhaul, arguing that the reforms 'depart from the fundamental principles' of the EU's common agricultural policy.

The countries - Finland, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Portugal, Slovenia and Spain - wrote a letter to Fischer Boel, asking that the reforms 'should aim at maintaining the existing distribution of sugar beet and sugar production on the entire EU territory.'

Although the 10 opponents agreed that it is necessary to introduce significant modifications to the current regime, they asked that the reform be based on the following principles:

* An import system from their countries should be put in place to ensure predictable and regular import qualities;
* The institutional price reduction should be significantly less and more gradual than what the Commission had proposed;
* Regarding national quota, net exporter Member states should be mostly affected by the reduction.

Oxfam hits out at EU reforms.

A report released by international agency Oxfam has accused the EU of turning its back on some of the word's poorest countries by proposing inadequate reforms of its sugar regime.

Phil Bloomer, Head of Oxfam International's Make Trade Fair Campaign said that research conducted by Oxfam showed that trade in sugar has the potential to deliver significant benefits to developing countries. However, recent EU reform proposals would deny developing countries the chance to prosper.

"They will not end the harmful practice of export dumping, which pushes down world prices and undermines more efficient producers overseas, nor will they guarantee vital access to Europe's markets for countries that desperately need it.

"The EU says it is committed to development but the recent proposals undermine this pledge," he said.

Oxfam is calling for reforms that end EU export dumping, increased access to Europe's market for Least Developed Countries (LDC's) and compensation for African Caribbean and Pacific (ACP) producers who lose out as a result of the reforms.