

the Australian Cane Farmer

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ACFA on the ground in Innisfail



ACFA Chairman Ross Walker and North Queensland Director John Blanckensee discuss the effects of Cyclone Larry on North Queensland's sugar cane crop.

Australian Cane Farmers Association Chairman Ross Walker said he was shocked at the carnage he saw while touring the Far North recently and pledged ACFA's support to ensure cane farmers weren't left out in the cold.

"The carnage and destruction that has ravaged Innisfail's community and sugar industry cannot be fully understood until experienced first hand," he said.

"So many people up here have lost not only their homes but their livelihoods as well."

Mr Walker was on the ground to inspect crop damage and hear farmers concerns first hand.

"It is important that the Far North's farmers know that ACFA is with them during what is perhaps the toughest time of their lives," he said.

"I am here to listen to their concerns and lobby the state and federal government's strongly to make sure farmers issues are addressed by the Prime Minister and the Premier on an industry specific level and not just absorbed into the wider community.

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31st March 2006
Volume 6, Issue 3

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Breaking News

In promising news for Australian Cane Farmers, British Prime Minister, Tony Blair, has told Parliament that the European Union's agricultural policy is outdated and in need of reform.

ACFA strongly supports Mr Blair's view and urged the European Union to commit to further reform in regard to the trade of agricultural commodities as soon as possible.



Leading farmers into the future

ACFA offers support to North Queensland's cyclone ravaged farmers



By ACFA.
Chairman
Ross Walker.

Northern Director Don Murday and I spent two days touring the area affected by Cyclone Larry which struck the region on March 20.

The devastation to sugar cane crops in the Babinda, Mourilyan and South Johnstone areas is severe and will result in losses approaching 40 per cent.

There is also significant damage to parts of Tully, Mulgrave and Tableland areas.

There has also been damage to mills in the area with Mourilyan and Babinda appearing to be the most affected.

Bundaberg Sugar has announced Mourilyan Mill will not be operating for the 2006 Season.

As a result, the current supply contract and payment formula will mean farmers will be disadvantaged by the longer season.

Damage to the mills will run into the many millions of dollars but

insurance will shield the mills from much of the cost.

The worst effected mills will find it very difficult to get labour to complete repairs in time to commence crushing.

Farmers were looking at a good crop with the price being the highest for a long time. Optimism was high but that has now disappeared. ACFA Director, John Blanckensee lost his home and contents and will harvest 25 per cent of his crop at best.

Farmers will have little planting material for this year.

The ability of different varieties to withstand cyclones was clearly seen with varieties like Q200 and Q187 suffering large losses.

It is encouraging to see Queensland Primary Industries Minister Tim Mulherin and Federal Agriculture Minister Peter McGauran in the region working together.

The initial response is a start but much more needs to be done.

ACFA has written to the Prime Minister John Howard and Premier Peter Beattie and other relevant Ministers requesting the package be extended and guidelines be relaxed.

Some of these concerns have now

been addressed.

ACFA requested governments to provide a platform to allow Queensland Sugar Limited to advance immediately the remainder of the 2005 crop payments to June 30. ACFA also requested compensation for the 2006 crop loss payable on a dollar per hectare basis.

ACFA has asked governments to investigate again the introduction of a multi-peril crop insurance scheme for agricultural industries which have been operating successfully overseas.

The successful applicants in the second round of the Regional Community Projects have been announced.

While welcoming the funding ACFA has some serious concerns about the outcome in two main areas. I urge the Federal Government to include in the criteria the potential for farmers to participate and share in the profits of projects.

It is pointless to encourage diversification and broaden the revenue base if only a select few (millers) reap the financial benefits.

Secondly a number of projects announced appear to be normal mill operational matters and should not be eligible for funding.

It is essential these two areas are addressed immediately.

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ACFA outline their plans to help North Queensland's struggling cane farmers

ACFA Chairman Ross Walker has called on Prime Minister John Howard to increase the flow of funds to farmers in the wake of Cyclone Larry.

"I have listened to farmers concerns here in Innisfail and many of them have said that the first thing they need, once essential services are restored, is money to get their farms up and running again," he said.

Mr Walker said sugar cane farmers had endured a very tough time during the last several years and this cyclone would push many to the brink.

"Unlike other businesses, farmers are unable to access any kind of crop insurance whatsoever and have no choice except to be thrown to the elements during extreme weather events such as droughts and cyclones."

Mr Walker called on the Prime Minister to increase his financial commitment to sugar cane farmers and harvesters and outlined his plan to get the industry back on track.

"I am calling on the Prime Minister to issue an Emergency Relief Payment to cane farmers in the area based on 2005 production per hectare of land under sugar cane minus harvesting costs," he said.

"25 to 50 per cent of that payment must be paid directly to farmers as soon as possible to help the industry get back on its feet and cover extraordinary costs farmers are facing because of the cyclone."

"The balance of that should be paid

during the harvest," he said.

Mr Walker pointed out that such payments would be compliant with World Trade Organisation rulings.

"Such a payment would demonstrate the Prime Minister's commitment to the future of the sugar industry in Australia and would show the broader community that we, as farmers and harvesters, are prepared to pay our own way," said Mr Walker.

Mr Walker also pointed out that should further funds arrive from the Federal Government they should not be diverted from any other area of the sugar package announced in 2004.

"The remaining funds that were pledged in the Federal Government's sugar package to drive reform and ease some farmers' transition out of the industry must remain where they are," said Mr Walker.

"To avert those funds to the Far North would only short change other sugar cane farmers around the country who are planning to leave the industry or attempt significant on-farm reform," he said.

"Our industry has experienced enormous hardship over the last several years and unless help arrives quickly, it could disappear from the far north all together taking with it the life blood of many communities and a unique piece of Queensland's distinctive culture as well."

Short and Sweet

Malaysia and Australia sign MoU on agriculture

Establishment of a Memorandum of Understanding (MoU) between Australian and Malaysia is set to build new cooperation on agricultural, food processing, livestock and fisheries trade.

The MoU - For the Enhancement of Agricultural Cooperation - has been signed by Australian Minister for Agriculture, Fisheries and Forestry Peter McGauran, and Malaysian Minister for Agriculture and Agro-based Industry Muhyiddin Yassin.

Minister McGauran outlined the importance of the Malaysian market for Australian farmers, valued at more than \$860 million a year for exports including raw sugar, wheat, dairy products, meat, wool, wine, fruit and vegetables.

ACFA inspects cyclone damage

Continued from Page 1

"Sugar farmers are different and they have different needs that must be met to ensure they are back on their feet as soon as possible," he said.

Mr Walker commended the Prime Minister and Premier Beattie on their swift reaction to the incident.

"Mr Howard and Mr Beattie deserve praise for their swift actions along with the rest of the emergency service teams providing essential services," he said.

"The funds pledged by Mr Howard and Mr Beattie will do much to restore the Far North's vibrant communities and sugar industry but they're only a start."

"I understand that the financial commitment made by the Prime Minister isn't exhaustive but more funds must flow to farmers in the near future."

ACFA calls on governments to assist QSL to advance 2005 payments

In the wake of Cyclone Larry, Australian Cane Farmers Association (ACFA) Chairman, Ross Walker, has called on the Federal and Queensland Governments to work together to provide a platform for Queensland Sugar Limited (QSL), to advance the remaining 2005 pool payments owed to cyclone-affected farmers in the far north.

Currently sugar cane farmers throughout Queensland are waiting to receive funds from the sale of their 2005 crop from QSL.

"This would be a tremendous first step towards recovery for many of the Far North's sugar cane farmers who are

struggling in the wake of Cyclone Larry," he said.

"Farmers in the Far North need those funds immediately and I urge Prime Minister Howard and Premier Beattie to swiftly commence negotiations with QSL for the sake of farmers who are trying to salvage their crops and businesses."

Mr Walker put forward ACFA's proposal at a meeting with State Minister for Primary Industries and Fisheries, Tim Mulherin, at Mulgrave today.

"It is important to stress that securing this payment would only provide

short term relief to sugar cane farmers in the far north, it will do nothing to compensate farmers for the financial loss they will suffer due to the decimation of their forthcoming 2006 crop," he said.

He also stressed that any further funds to help the Far North's industry must not be diverted from other sections of the sugar package.

"Our industry is still in the midst of reform and it is vital that the funds allocated to reforming the industry under the sugar package remain available to facilitate this ongoing change," he said.



ACFA Chairman Ross Walker and North Queensland Director John Blanckensee inspect crop damage left by Cyclone Larry. Much of Innisfail's crops are in a similar condition thanks to Larry's destructive winds.

No Concessions for Australia's sugar industry in annual US - Australia Free Trade Agreement Review

Australia's Cane Farmers have not won any concessions following the review of the Australia - United States, Free Trade Agreement, according to recent news reports.

The decision means Australian farmers will continue to have their access to the US Market restricted to 87,000 tonnes of raw sugar per year under normal circumstances.

Federal Trade Minister Mark Vaile was seeking to have that quota increased in light of the additional 52,000 tonnes of raw sugar Australia will export to the US this year in a deal that sees Australia's sugar farmers help meet the shortfall caused by Hurricane Katrina.

Australia's cane farmers were given a small glimmer of hope last year when the US entered into a trade deal with Central America that included sugar.

ACFA Chairman Ross Walker expressed his frustration at the towards the US imposed trade barriers.

"In an era that has seen unprecedented co-operation between our two nations, it is very frustrating that Australian cane farmers are still being subjected to trade restrictions.

"Cane farmers are still battling the drought and the corrupt world market and much of the industry is trying to adapt to major restructuring," said Mr Walker

"ACFA is not seeking sugar access at the expense of other industries involved in the agreement, what we are seeking is free and open access for Australian sugar into the US market.

However, Australia's Cane Farmers

still have a small window of hope open to them in the future with US Trade Secretary Rob Portman reportedly considering Australia's proposed changes.

Mr Walker said although the outcome was disappointing for Australia's sugar industry, he praised Mr Vaile for his efforts.

"Mr Vaile tried hard in the face of challenging circumstances to achieve a positive outcome for the Australian Sugar Industry and I commend him for his efforts," said Mr Walker.

"Australia's cane farmers are a tough bunch and we will pull through this, in the meantime though the industry must continue to examine both market and product diversification options, through events such as the Ethanol 2006 Conference."

Larry boosts dam levels

More than 300 billion litres of water has flowed into north Queensland's major water storages - Burdekin Falls and Tinaroo Falls dams - in the wake of the destructive Tropical Cyclone Larry.

Queensland Water Minister, Henry Palaszczuk, said an extra 272 billion litres (or 272,000 megalitres) had flowed into Burdekin Falls Dam near Ayr and Charters Towers and an extra 42 billion litres into Tinaroo Falls Dam on the Atherton Tableland.

"These dams are now at 79 per cent and 94pc of respective dam capacities," he said.

Source: Queensland Country Life



The damage done to the sugar industry wasn't just confined to cane farms, these bins were derailed thanks to Larry's fury.

Big Biofuels boost with International Ethanol Conference

The Australian Cane Farmers Association has welcomed the State Government's \$70,000 commitment to the Ethanol 2006 conference.

ACFA has played a major part in the organisation of this year's conference to be held at The Hilton in Brisbane between May 8 and 11.

The production of ethanol is one of a number of diversification options open to the sugar and other agricultural industries around Australia.

Not only is ethanol a cleaner, greener fuel that is less damaging to the

environment than fossil fuels, it's also capable of reducing Australia's dependence on oil market prices and could offer a cheaper alternative at the bowser.

The sugar price is highly volatile and Ethanol could provide an alternative source of income for cane farmers who are dependent on the corrupt world market price for sugar.

ACFA Chairman Ross Walker congratulated the State Government on their commitment to the conference and encouraged industry stakeholders to attend and reap the benefits of the conference.

"I invite everyone that is interested in learning more about the bright future of this bio-fuel to attend the conference and play a part in shaping the future of this product," he said.

It is estimated that more than 400 people will attend from Australia and around the world including agricultural policy-makers, key local, state and federal government agencies and the petroleum industry.

Anyone wishing to attend will find registration information is available on the organizer's website www.ethanol2006.com

Concerns over Biofuel Action Plan Progress

Australian Cane Farmers Association Chairman, Ross Walker, joined Renewable Fuels Australia in calling on Caltex, Shell and BP to make good on their action plans detailing their own commitment to ethanol and biodiesel consumption targets they presented to the Prime Minister last year.

"I congratulate Caltex, Shell and BP on their commitment to biofuels but I am concerned at the lack of negotiations that appear to be taking place between them and with established as well as new ethanol and biodiesel producers," said Mr Walker.

"I fear that if contracts are not entered into soon, the oil companies' biofuels targets won't be met. This could deal a crushing blow to the fledgling ethanol industry.

"For the good of biofuel industry and those set to benefit from its success, including cane farmers, I call on Caltex, Shell and BP to finalise their contracts and give ethanol a go." Mr Walker also called on the Federal Government to publish an updated list of ethanol contracts with oil companies.

"With respect to commercial confidentiality I urge the Federal Government to publish the total volume of ethanol contracts entered into each year by the oil companies.

"By doing this they would help build consumer confidence in biofuels and show stakeholders that big business is truly interested in supporting the ethanol industry," he said.

"It would also illustrate that the Federal Government policy on biofuels is working."

Blair tells Australian Parliament EU's agricultural policy must end

In a special joint sitting of Federal Parliament, British Prime Minister, Tony Blair, has urged Europe to do away with its outdated agricultural policy.

Mr Blair included trade liberalisation in his argument that defeating global issues of poverty, terrorism, Middle East insecurity and the domestic problems of multiculturalism, all relied on building stronger relationships and removing the divide of the 'haves and have nots'.

But he also confronted Europe's own failings head on.

"Europe's agricultural policy is something born of another age.

"It's time to end it," Mr Blair said.

SOURCE: Rural Press National News

Australian farmers world leaders in water management

A United Nations report has found Australian farmers are world leaders for using market forces to stop water wastage and pollution.

Irrigators deserve congratulations, according to Nationals Member for Barwon, Ian Slack-Smith.

He said the report was unveiled at a World Water Forum in Mexico.

It found that although farming is the single biggest threat to water reserves, Australian farmers were leading the world in water management.

"Our irrigators often receive a lot of bad press but this report proves they are at the forefront of water management in agriculture on a global

scale," Mr Slack-Smith said.

"The report should silence the critics of Australian farmers who have been pushing an uninformed green agenda.

"These people often speak without any knowledge the fantastic work that has been done in Australia to strike a balance between agriculture and conservation."

Mr Slack-Smith said Australian farmers had to comply with some of the strictest water entitlement regulations in the world.

They were extremely environmentally conscious when it came to water wastage.

"Perhaps more than anyone else in the country, Australian farmers understand and appreciate that fresh water is our most precious natural resource," he said.

"They go to great lengths to stop water wastage.

"The international community sees Australians as being pioneers in the areas of tradeable water rights, river flow management and the reduction of pollution.

"It is time our farmers received due credit for their water conservation efforts from the Australian community," he said.

Source: Farmonline.com.au



The stack at Mourilyan Mill was snapped thanks to Larry's blistering wind gusts. Mourilyan will be closed this coming season.

SRDC Update

SRDC Scholarship students set to shine in the future

The inaugural SRDC Scholarship Forum held in Townsville last month revealed that the future of sugar research is in excellent hands.

Eight current SRDC scholarship students attended the Forum to learn of each other's projects, share information and experiences about their post-graduate studies, and build on their communication skills.

The Forum was greatly valued by all participants, and seven of the eight participants stayed on for the inaugural Generation Next Forum see next article for more information.

According to PhD scholar and forum participant Matt James, "The forum was a terrific opportunity for us to come together and address issues of common concern. I learned a lot and really enjoyed interacting with the other SRDC Scholarship students at the forum. I'm already looking forward to our next Forum."

Since its inception SRDC has funded more than 50 PhD and Masters scholarships for students with research projects relevant to the sugar industry. SRDC Scholarship Projects cover a wide range of disciplines and topics.

SRDC Scholarship Project
Applications for students wishing to commence post-graduate studies in 2007 are due to SRDC by 15 September 2006.

Full details are available from www.srdc.gov.au or by contacting Program Manager Dr Tracy Henderson on (07) 3225 9443.

Generation Next Forum hits a high note

Over 50 young, innovative "generation next" delegates from across Queensland and NSW converged in Townsville last month to work out how the next generation of sugar people can make a bigger and better contribution to the future of the industry.

The two-day forum addressed three important themes: Influencing People; Influencing Industry; and Profiling Industry.

Over 20 industry leaders participated in a high-energy business dinner to listen to the next generation and work with Forum delegates to develop plans for the future. Industry leaders, including SRDC Board Directors, demonstrated strong support for the next generation of sugar industry people.

Forum delegates included male and female growers, harvesters, millers, researchers, extension officers, and representatives from government and other support agencies. Delegates worked in small teams to develop individual and team plans to make a positive contribution to the sugar industry.

Already Mossman delegates Gerard Puglisi, Gerrard Padovan, and Jason Shepherdson followed through and organised a Generation Next meeting in Mossman. They attracted 17 young people to their first meeting and future meetings are scheduled.

Delegates are already working toward holding a 2nd Generation Next Forum to ensure the momentum continues and generation next delegates across

the industry remain connected.

The success of the Forum was largely due to the positive energy and enthusiasm of delegates to make a positive difference.

The 15 member SRDC Generation Next Forum Steering Committee, and facilitators Cheryl Phillips and Martin Smallridge from Leading Industries, made a tremendous effort leading up to and during the Forum to ensure this event was a terrific success.

Growers learning from growers - a successful recipe

On 13 February the Advance Burdekin Collective (ABC) grower group, together with their sponsorship partners SRDC, Rabobank, QDPI&F Futurecane and Australian Agricultural Colleges Corporation (AACC), hosted more than 300 sugar industry people at the AACC Burdekin campus for their Grower Innovation Virtual Expo (GIVE) day.

The ABC group accessed SRDC Travel and Learning Opportunity funds to host this day for growers to deliver information from their own grower group trials to other growers, industry, R&D, government and community participants.

The response was overwhelming with the college venue filled to capacity and many growers taking the opportunity to learn from the experiences of other cane farmers about their trial results across all sugar regions.

Growers from Mackay, Herbert, Tully and New South Wales as well as the Burdekin presented results from their,

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SRDC Update

predominantly farming systems, grower-group projects on such diverse topics as "Accurate, consistent bed forming to promote better farming practices", "DIY water sampling trailer monitoring off farm runoff", "Incentive price harvesting signals versus traditional payment" and "Trial export of soybean from Burdekin to Indonesia".

Rick Llewellyn, a Farming Systems Scientist with CSIRO Sustainable Ecosystems in Adelaide, and Andrew Weidemann, a farmer and Board member of the Birchip Cropping Group from north-western Victoria, also shared their experiences of research and development by farmer-groups in the grains industry. Farmers everywhere appreciate hearing first-hand from other farmers about what worked and what didn't work with on-farm research.

Feedback from growers at the GIVE day included: -

- "...an excellent day...",
- "...a day full of passion and enthusiasm...",
- "...growers delivering outcomes in their own words...",
- "...so many different ideas presented to so many over a short period sowing the seeds for innovative implementation...", and
- "...growers learning from other growers and taking a close interest in activities affecting their futures...".

Andrew Lashmar, from the ABC group, when closing the day, invited growers in other regions to hold a similar event in their own region and offered assistance and support.

If any grower-groups are interested in conducting a similar event in their region they should initially contact

Andrew Lashmar of the ABC group on 0428 188 127.

Alternatively they can contact SRDC on (07) 3210 0495 to discuss their ideas and apply for Travel and Learning Opportunity Project funding, with the next round of applications closing on 21 April 2006.

Full details of this call are available at www.srdc.gov.au

Sugar Industry Secures Its Future

The inaugural SRDC Impact on Sugar Industry Training Program was delivered by Leading Industries in early February in both Mission Beach and Ayr.

Follow up activities are planned for May 2006.

The 27 participants include sugar industry farmers, extension and government representatives .

They have been nominated because they are interested in resource management and are ready to take on leadership roles and to be involved in industry organisations.

Leading Industries Training Manager, Cheryl Phillips, said the focus of the program is on communication techniques, planning and management, networking and professionalism, because leadership does not involve a single decision-maker.

The Program prepares the participants to work more effectively in their enterprise as well as in the broader industry.

"One of the benefits of the Program is

that it includes participation from all sectors within the sugar industry.

This approach brings about alliances through each stage of the chain and encourages the participants to take a whole of industry approach rather than focusing solely on their immediate business or sector.

If we can form teams of diverse groups of people, across the various farming and extension sectors then the outcome is going to be better than if one person is left with the sole responsibility of bringing about change and leading such a changing industry into a secure future," she said.

Having completed the first session, owner/operator of a sugar farm, Ian Ghidella said he gained insight into the fact that the sugar industry is about a career not just a job.

Fellow farmer Joe Marano said that the Program has given him the necessary skills and insight for the future direction of his life in the sugar industry.

SRDC Dates to Remember

May 11, Tully, Regional Workshop, Tully Mill Recreational Building, 2pm start.

May 12, Cairns, Regional Workshop, Rydges Esplanade Resort, 2pm start.

For further information regarding the workshops or the functions following, go to the SRDC website at www.srdc.gov.au or call them (07) 3210 0495.

New South Wales

Up to \$200,000 to NSW Sugar Milling Cooperative Ltd, to implement a GPS guidance network for efficient farming and harvesting of the whole sugar cane crop to collect biomass for the cogeneration of electricity.

Up to \$2.305 million to NSW Sugar Milling Co-operative Ltd, to optimise the size and location of cane pads for whole-crop harvesting. The cane loading pads are the interface between harvesting and transport operations, and the proposed changes will assist efficient delivery of whole-crop material to the factories.

Queensland

Up to \$362,500 to Australian Sweet Forage Pty Ltd, to demonstrate a viable, efficient, cost-effective, in-paddock bulk-handling and storage system that will use green cane tops to make a value-added product using new techniques.

Up to \$2,529,450 to CSR Sugar Ltd, to construct a dual-gauge railway from the Browns Road intersection to the Pioneer Mill via Pelican Road.

Up to \$716,160 to CSR Sugar Ltd, to develop information systems and knowledge-building processes to pass on information to farmers using precision agriculture practices in the Burdekin region.

Up to \$1.15 million to Bundaberg Sugar Ltd, to construct a new 7.1km cane railway line from the ferry yard at Strathdee's Siding to Millaquin Mill.

Up to \$71,500 to Isis Central Sugar Mill Company Ltd, to coordinate a more strategic approach to the Isis Mill's cane supply management system by rationalising the harvesting and transport sectors.

Up to \$770,844 to Isis Central Sugar Mill Company Ltd, to re-align and extend

the current rail track by eight kilometres to bring it closer to cane farmers supplying the Isis Mill. The project also includes the construction of two additional sidings along the rail extension and the relocation of a truck reception siding to reduce the distance the cane is transported.

Up to \$150,984 to Bundaberg Sugar Services Ltd, to fast-track cane farming and harvesting sector reform in the Bundaberg district by identifying, with growers and harvesters, opportunities for structural business reform such as further aggregation, rationalisation, leasing, industry exit etc.

Up to \$147,000 to Corradini Investments Pty Ltd, to increase the cross-regional adoption of the '2in1multiple-row' harvester. It will include establishing small pilot groups in the Herbert and Far Northern regions of the industry.

Up to \$139,264 to Mossman Agricultural Services Ltd, to drive changes in farming practices to increase farm productivity and keep pace with the Mill's diversification initiatives for long-term sustainability.

Up to \$1,355,660 to Tully Sugar Ltd, to design and construct two 4.2km cane railway extensions (including sidings and loops) at the extremity of the existing Tully network in the Warrami area south west of the Tully Mill.

Up to \$811,115 to Tully Sugar Ltd, to design and construct a 5.1 km cane railway extension (including siding and loop) at the extremity of the existing Tully network in the Riversdale area.

Up to \$11.65 million to Bundaberg Sugar Ltd, to construct a flexible feedstock fuel ethanol facility adjacent to the Tableland Mill that includes a liquid fertiliser plant that will produce a vinasse-based fertiliser.

Up to \$399,924 to Maryborough Sugar Factory Ltd, to improve the efficiency of

cane haulage, and other dependent activities, within the Maryborough sugar industry, by restructuring the road haulage fleet and adding nine, new B-Double cane trailer combinations.

Up to \$64,750 to Rocky Point Mulching Pty Ltd, to construct a factory to manufacture cane subs compacted tubes of cane trash wrapped in biodegradable netting. They will be marketed as a way of controlling soil erosion and hastening revegetation and restoration efforts after earthworks, natural disasters and mine closures.

Up to \$54,457 to PJ Daniel & RA Daniel & Larjo Pty Ltd, to purchase equipment to assist in more efficient collection of cane trash bales to be supplied for use as mulch.

Up to \$1.27 million to BioCane Ltd, to increase the throughput of their 'CowCandy' stockfeed from 1 tonne/hour (t/h) to 6 t/h. A full-scale steam drying plant and associated fluid-bed combustor will be constructed to supply an installed export hay press at its rated capacity of 6 tonnes of baled fodder per hour.

Up to \$35,144 to Rocky Point Cooperative Ltd, to erect two 100-tonne silos along with transport/handling infrastructure to store soya beans and other alternative crops grown on fallow ground in rotation with sugar cane.

Up to \$12 million to Proserpine Co-operative Sugar Milling Association Ltd, to construct a manufacturing plant at the Proserpine Mill to produce up to 5,000 tonnes per year of the liquid chemical 'furfural' from bagasse.

Up to \$50,016 to Progressive Harvesting Co-operative Ltd, to enable a viable and sustainable industry in the Plane Creek district by rationalising the harvesting sector and implementing precision agricultural practices.

Aussie Dollar drops to 17-month low

Compiled by Queensland Sugar Limited

The Australian Dollar (AUD) has traded to a 17 month low of 0.7148 on the back of a weaker New Zealand Dollar (NZD) which also traded down to a 21 month low of 0.6210.

Both of these currencies have enjoyed a high yield status due to their higher interest rates relative to other countries.

This has typically attracted investment from economies, such as Japan, with relatively lower interest rates.

With interest rates increasing, particularly in the U.S.A and Euro Zone, the attractiveness of investing in the AUD and NZD is beginning to decline.

The prompt May'06 New York No.11 (NY11) raw sugar futures contract has decreased by US 0.62 c/lb over the course of the past month thanks largely to speculating selling.

The latest Commitment of Traders Report (COT) issued by the New York Board of Trade (NYBOT) has estimated the net speculative long (bought) position at 101,649 as at March 14.

This represents a decrease of around 5,500 lots since our last report.

The speculative sell-off is largely due to a decline in investment in commodities rather than a reflection of any fundamental (supply and demand) developments in the sugar market.

At the time of writing, the market had gained around US 0.40c/lb, mainly as a result of concerns regarding cyclone damage to Queensland's crop.

Meanwhile, the fall-out from Hurricanes Katrina, Rita and Wilma continues in the US, with the country's Department of Agriculture (USDA) announcing a further reduction to their 2005/06 production estimate during the month.

The USDA is anticipating cane production to reach 3.108 million short tons raw value, compared to a previous estimate of 3.131 million short tons raw value.

Total beet and cane sugar production is estimated at 7.536 million short tons raw value.

The USDA did not pencil in an increase in imports, however the US may need to call on additional imports under their

Tariff Rate Quota (TRQ) system to ensure adequate supplies. The 2006/07 Centre South Brazil harvest has officially commenced, around one month earlier than usual.

Tight ethanol supplies have been attributed to the early start, with newswire service Oster Dow Jones (ODJ) reporting that around 25 mills will commence crushing cane in March.

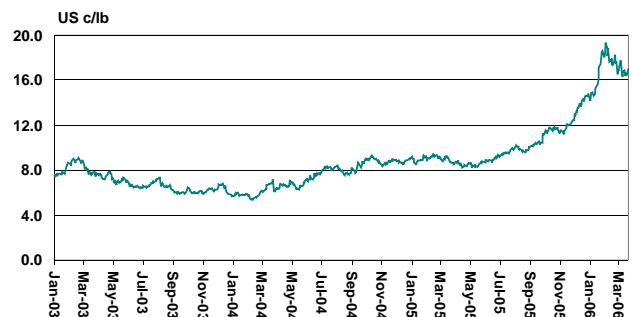
The Sao Paulo Agroindustry Union (UNICA) has reported to ODJ that it expects 19 new mills to begin operations during 2006.

This additional production capacity will assist in processing around 27 million additional tonnes of cane.

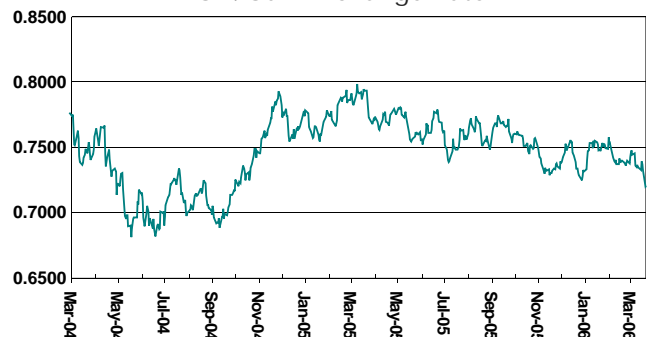
The volume of sugar production during the season will be dependent on the ethanol production ratio.

A reduction of the mandated ethanol blend from 25% to 20% may result in lower ethanol production than expected.

NY11 Raw Sugar Futures Prompt Contract Price



AUD/USD Exchange Rate



Employment contracts made simple

Article provided by McKays Consulting, a division of McKays Solicitors

Scenario... You have been running on a skeleton staff for the past three months... your faithful employees are threatening mutiny unless you take on more staff.

You place an ad, hold the interviews and then ring the best candidate (Jim) with the good news that he has the job!

You quickly agree on wages... and he can start Monday.

Two weeks later you are catching up on paperwork and remember you haven't yet sent Jim a letter of appointment.

You only have 15 minutes before the next job, so you pull out the letter of appointment that you used last time, handwrite a few changes, and ask your secretary to type it by tomorrow...

When you think about it that's a pretty casual approach to a legal contract that:

Binds you to pay \$40,000 wages each year with no end date

Is the benchmark by which the

expectations for the position are set

You can be sued on if the relationship turns sour.

That about sums up the time and effort that most employers give their letters of appointment.

Most employers fail to take the golden opportunity in the letter of appointment to:

Set out their expectations in legally binding terms

Set out their rights and their employee's rights so there can be no confusion down the track

This series of articles, "Employment contracts getting it right!" is self explanatory we tell you how to get it right.

Our first edition concluded with a list of the issues that a good letter of appointment or employment contract will deal with. Now we shall explain them in turn.

Name of Employer

Believe it or not even very experienced multi-national companies can get this wrong! A few handy rules of thumb will fix the problem:

1. Always use your actual business letterhead, which should have the employer and any appropriate description like the ACN if the employer is a company...
2. The introductory paragraph should state the name of the employer
3. Take care where related companies identify themselves with a branded business name. Be clear on which entity is the employer, and use the letterhead and name of that entity. If unsure check with your accountant!

It's all in the Name...the Position Title

Which employer hasn't had to assuage the feelings of a new employee, and his/her co-workers...over misunderstandings about position title.

By including the position title in the letter of employment you are forced to think through the position title, and what implications it may have for your other staff.

Nature of Employment

There must be no room for confusion as to whether employment is full time, part time or casual. Be sure what each means and be sure to set it out.

Failing to state this in writing can be a very expensive mistake...you might end up having to pay out for very substantial accrued entitlements for employees you thought were casual

staff...and many an employer has faced the domino effect of supposedly happy employees seeing co-workers get a windfall and deciding to press for a share of the action...

Also when appointing casual or part time staff, always remember that your business needs will change. In six months time it might suit your business needs better for your part time staff to work Tuesdays and Thursdays, not Mondays and Fridays. So... you should write your employment agreement accordingly:

"Your hours of work will be 24 hours per week, to be usually worked between the hours of 8:00am to 5:00pm on Monday, Wednesday and Friday each week, including a one hour lunch break. *The days on which you work may be varied by the employer from time to time to respond to changes in its requirements.*

Remember that before changing the normal work patterns some industrial awards will require you to agree with the employee. But at least you can start that discussion by reminding your employee that the pattern of work hours was always subject to change.

In our next edition we will give you helpful tips on writing a job description which, if well worded, can be the most important part of a good employment contract.

Contact us...

For more information or advice in relation to any of the above matters, or you require assistance in the development of policies and procedures in your workplace, contact our Mackay office...

Scott McSwan on 4963 0888 or email smcswan@mckayslaw.com

Your Insurance What does it cover?

Cane farmers need to know how best to insure and the various limits in their policies.

ACFA has had a relationship of some 15 years with Aon Risk Services one of the largest insurance brokerages in the World.

The ACFA insurance program is the largest scheme for sugar cane farmers.

The False Sense of Saving The Problem

We are often faced with a cheaper insurance premium and the temptation to accept that a dollar saved is good business, especially if you do not expect to have to claim however that is against the very principle of insurance where you pay premium on the expectation of not needing it.

“The very time that you cannot afford the premium is the time you cannot afford not to have insurance”.

Recently we saw a situation where a farmer accepted a cheaper premium on his house and saved approx \$ 100 on his annual premium. During the year his

house was destroyed by fire. His sum insured of \$ 150,000 was paid out in the replacement of his building but he discovered that this amount also had to pay for the removal of the old structure, architects fees, council fees etc. which reduced the amount he had available to rebuild by \$ 22,000.

If he had not changed insurance policies the \$ 22,000 would have been available in addition to his sum insured. Thus a saving of \$ 100 resulted in an overall loss of \$ 22,000, which would take that farmer 220 years to make up from his saving!

If you genuinely believe that it will never happen to you why insure at all? So by accepting that at some time in your life that you may need your insurance policy, make sure you do not fall into the trap of believing that saving money on your insurance policy is good business.

The Solution

Aon Rural policy has been designed to give you maximum benefits at a good market rate Value for Money.

Aon specialises in providing insurance risk services to the Australian farming community and strongly believes in educating farmers to understand their policies and make informed business decisions.

Contact your local Aon office:

Ayr	07 47 835 165
Cairns	07 40 510 688
Caloundra	07 54 914 455
Bundaberg	07 41 536 011
Mackay	07 49 446 400
Rockhampton	07 49 277 411
Townsville	07 47 255 906

The information provided to you may be general advice. In preparing the information, no account was taken of your own personal objectives, financial situations, or needs. Accordingly, you should take into account the appropriateness of any general advice or information we have given having regard to your own objectives, financial situation and needs before acting on it. Where the information relates to a particular financial product, you should obtain and consider the relevant Product Disclosure Statement before making any decision to acquire that financial product. Please feel free to contact your nearest Aon branch for further information and assistance.

What's going on in the sugar regions?

Southern Regional Report

Since the last edition of this magazine Maryborough has received about 150mm of rain in some areas. The rain has been enough not to water during the last 2-3 weeks. In the Childers and Bundaberg areas there have been a lot of irrigators going.

In Maryborough a couple of farmers are getting ready to plant potatoes and some are getting ready to plant cane.

The Maryborough sugar factory should crush one million tonnes this year if everything goes according to plan.

Graham Parker
ACFA Southern Queensland Director

Herbert Regional Report

Negotiations with the mill have commenced for the 2006 contract. A number of our members are attending a workshop on negotiating in Brisbane in April to increase our skills.

Wild pigs are causing significant amounts of trouble in some parts of the Herbert region.

The rain to date has been very patchy with some areas along the coast receiving very heavy falls in the Dalrymple Area we have measured 7.5 inches for February and 7 inches so far for March.

Dawn Brown
ACFA Herbert Director

Mossman Regional Report

A \$199,000 Sugar Industry Innovation Fund grant will be used by Mossman Agricultural Services to establish cocoa in the region.

It is proposed the money be used to subsidize up to 50 % of the

development costs for individual growers.

Interested farmers should register with MAS as soon as possible as this funding will be limited to approximately the first 20 ha.

Mulgrave Mill was also a beneficiary of the State Government funding; receiving \$187 000 to launch the first stage of an innovative water management system which will eventually eliminate water discharge.

Following a second presentation by Lyndal Hugo of AEMS the Mossman industry decided to proceed with their farm management system. Again interested farmers should contact MAS to register interest in this exciting project.

Heavy rains have been experienced throughout the northern region with 1625mm recorded this year to date.

Don Murday
ACFA Northern Director

New South Wales Regional Report

Good rains in March have made the crop continue to grow well into the autumn months.

The rains did not cause any major damage with only localised flooding in some areas.

The crop will be a record crop for the New South Wales industry with milling capacity about to become a major issue.

Work at the co-generation sites is well underway and in front of schedule. Another change in the industry is the new spread of hours for the harvesting sector with the range of hours being 5.30 am through to approximately 7.30 pm.

This will enable a more economical use of the bin fleet within the cooperative.

Wayne Rodgers
ACFA New South Wales Director

Burdekin Regional Report

Recently the Burdekin has had four inches of rain and the crop is looking all the better for it. Late ratoons are still backward, but the balance of the crop is coming on quite well.

Adrian Ivory
Burdekin Regional Director

Central Region Report

Congratulations to Paul Mackay who has been elected the new Director following the retirement of Kevin Jones.

It is encouraging to see a young farmer prepared to take on this position and augers well for the future of the organisation.

The crop is looking good although dam levels are low.

The Mackay Region Advisory Group meetings held in early March were well attended and explained the plan for the central region.

Regional Community Projects funding was recently announced, Proserpine Mill was successful receiving up to \$12 million to help construct a furfural plant and the Progressive Harvesting Co-op Limited in the Plane Creek area will receive up to \$50,016.

Mackay Sugar's Co-gen Project was unsuccessful.

Ross Walker
ACFA Chairman

Innisfail Regional Report

Rain has persisted with minor flooding in the majority of the wet tropics including Tully, Innisfail and Babinda since Cyclone Larry struck in late March.

Continued on next page

Regional Reports

Continued from previous page

Paddocks and fields are still waterlogged and in the Tully area the crop is down 10 per cent on last seasons figures. It is worth noting that in the 24 hours to 9am on Monday April 10 Tully received 340ml of rain.

Mourilyan Mill has sustained major damage and will not crush in 2006; instead cane will be transferred to South Johnstone and Babinda factories. Crop estimates for the area are much lower than the 2.6 million tonnes crushed last year and are currently sitting at around 1.4 to 1.7 million tonnes.

In the major impact zone crop estimates have fallen between 30 and 40 per cent of what was harvested the previous year.

It appears as though the more recent varieties and higher performance varieties have sustained the most damage at this stage with Q187 snapping off in many cases and Q186 rolling out of the ground on a number of occasions. Q200 has also recorded significant damage.

Crushing is expected to begin in late May with all of the mills in the area processing by around June 20 or 21.

John Blanckensee
ACFA Northern Queensland Director

ACFA welcomes new director

ACFA welcomed newly-elected Central District Director Paul McKay to the national board after farewelling outgoing director Kevin Jones.

Kevin served ACFA for many years and I thank him sincerely for his efforts and wish him and his family the very best for the future.

All farmers in the central district are no doubt aware of the McKay family and their long association with the local sugar industry.

Paul is a fourth-generation cane farmer and his family have been farming in the area for 118 years.

At 34 years-old, Paul will bring a youthful and optimistic perspective to the organisation and to an industry that is still recovering from many years of turmoil.

Paul has said that he is looking for a challenge and believes that 'with good guidance and good leadership we can make the industry more successful and have people more interested in joining it rather than leaving it'.

Your local ACFA

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ACFA services

Publications:

The Australian CaneFarmer - Every month.

Australian Sugarcane - the leading R&D publication - Bimonthly Representation: ACFA has a proven record of fighting for growers where others have either given up or not begun.

Branch Network & Local Representation: Make use of your local ACFA branch, call your local director or visit <www.acfa.com.au>.

Corporate services: World sugar news Market information Politics Local sugar related news Wage & industrial relations information Environmental matters Water issues.

Industry surveillance: ACFA is constantly monitoring matters relevant to canefarmers.

Insurance: General insurance - ACFA insurance is the market leader. It has the largest share of cane farm general insurance in Qld & Australia:

- Crop insurance
- Life insurance & personal accident insurance - ACFA insurance provides life & personal accident insurance via AON and Australian Casualty & Life.
- Financial planning - ACFA members have access to AON financial planners.

Pays: For a low fee, ACFA members have access to an automated pays service.

Articles in The Australian CaneFarmer do not necessarily represent the policies or views of The Australian Cane Farmers Association.

Editor-in-chief: Stephen Ryan Contributors: Paul Walker.

Printed by Brougham Press Ph: (03) 9729 4488.

The Australian
Cane Farmer is
proudly
supported by:

AON



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Leading farmers into the future

the Australian Cane Farmer



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Notice of Annual General Meeting & Conference 2006

Members of Australian Cane Farmers Association Limited (ACFA) are invited to attend the 2006 Annual General Meeting, which will be held at Ballina Island Motor Inn, NSW.

Commencing at 10.00 am - Tuesday 16th May 2005.

(Registration & Morning Tea - 9:30am.)

Business

Items of business will include consideration of the financial statements; board remuneration, members' and contributor levy amounts.

Any other business that may be properly brought before an annual general meeting will be special business and will require 48 hours prior notification to the company.

Members of ACFA are advised that you must be a Member of the Company in order to be entitled to vote at the AGM.

Members of ACFA are advised that a member who is entitled to attend and cast a vote at this meeting may appoint a person as the member's proxy to attend and vote for the member at the meeting. Each member may appoint one proxy. A proxy must be a member of the company.

Conference

The AGM will be followed by ACFA's 2006 Conference which be followed by a light Lunch.

Topics include:

- Cyclone Larry presentation
- Agronomic Issues
- Crop Insurance
- Additional Topic TBA

Please contact the ACFA offices by Wednesday 10th May on 1800 500 025 to register for, the AGM /Conference.