

# the Australian Cane Farmer

mail: GPO Box 608  
Brisbane 4001  
phone: 1800 500 025  
fax: 07 3303 2024  
email: [info@acfa.com.au](mailto:info@acfa.com.au)  
Web: [www.acfa.com.au](http://www.acfa.com.au)

30th June 2006  
Volume 6, Issue 4

## Smut outbreak threatens industry



*Smut has the potential to cripple the industry should it spread unchecked.*

Sugar cane farmers from across Queensland are reeling following the announcement from Minister for Primary Industries, Tim Mulherin, that sugar cane disease 'smut' was discovered in Isis.

The Australian Cane Farmers Association Chairman, Ross Walker, expressed the shock and disappointment of sugar cane farmers across Queensland and New South Wales at the discovery and urged the industry to take action to minimise the effects of the 'fungus'.

"The Bureau of Sugar Experiment Stations have informed me they have an action

plan in place to deal with outbreaks such as this and I encourage farmers to act in accordance with their forthcoming directives," said Mr Walker.

"It is important that farmers do not panic as there is a chance the outbreak could be isolated and destroyed and should the disease spread to other areas, it may not arrive for a number of years."

"Smut has the potential to severely restrict the industry's output for several years and farmers could be forced to wear the resulting financial losses while smut-resistant varieties of sugar cane are phased in on the farm."

"In the meantime the industry must do all it can to eradicate the disease or contain it and/or minimise the transmission to other regions."

"Smut has the potential to cause major income loss to the industry and additional expenditure on containing this disease and planting resistant varieties will be required," said Mr Walker.

Farmers in all areas of eastern Australia need to reassess their planting varieties immediately and those with smut resistance should be propagated.

Smut produces masses of brown-black spores in a whip-like structure and any farmers who believe they have smut on their farm are advised to notify their local BSES as soon as possible.

### inside this issue:

1. Smut News
2. Ethanol Conference wrap-up
3. Billion dollar bush blueprint

### to subscribe to

The Australian Cane Farmer,  
phone 07 3229 4005, or  
email [info@acfa.com.au](mailto:info@acfa.com.au)

### Breaking News

Surveillance teams have inspected at least 50 properties in the Childers Pest Quarantine Area since an outbreak of Cane Smut three weeks ago.

20 properties are now quarantined.

Isis Mill is crushing and local cane farmers will know more after attending information meetings that were held in Childers and Bundaberg.



Leading farmers into the future

### ACFA takes up the fight for farmers ravaged by smut



By ACFA.  
Chairman  
Ross Walker.

**F**armers throughout the east coast are no doubt aware of the smut outbreak in Isis that is threatening to stall the sugar industry's recovery from droughts, cyclones and low world prices.

Minister for Primary Industries and Fisheries, Tim Mulherin, made the announcement in June following consultation with the BSES.

ACFA have been working closely with all parties to ensure that the concerns of cane farmers are addressed in a timely and appropriate manner by all levels of Government and we will continue our efforts until the threat is either stabilised or eradicated.

The Minister has so far called the spread of smut a 'controlled incursion' and said all the contaminated farms are connected through the use of machinery.

At this stage the threat appears to be confined to a small number of farms in the Childers area; however, there are a large number of farms in the surrounding buffer zone.

Unfortunately, Mr Mulherin has said

that he expects more contaminated farms to be discovered in the not too distant future.

All the industry can do now is try to contain the disease in the current area and stop the spread to other regions.

The work the BSES is doing now will allow farmers throughout the east coast to take preventive measures against smut impacting on their own farms.

By doing this farmers will minimise their losses and make the most of the current sugar price.

The entire cane industry must now live with the threat of smut and realise that eradication is increasingly unlikely.

It is important that farmers take steps towards integrating smut-resistant varieties on their farms this coming season and make a note of common machinery that enters their farms during the crush.

ACFA believes the recent speculation in the media regarding the amount financial compensation the industry will need is premature to say the least.

ACFA will concern itself in aiding farmers prepare for possible contamination and isolating the current outbreak before we begin counting the cost.

Recent media reports have quoted Mr Mulherin as saying the industry will

be compensated for loss under new Federal-State agreements.

The Emergency Plant Pest Response Deed will be activated with the industry paying 20 per cent, the Queensland Government paying 40 per cent and the Federal Government paying 40 per cent of the costs.

However, at this stage it is unclear what extraordinary expenses incurred in dealing with the outbreak will be compensated and to what extent.

ACFA will work with the Minister to work through compensation details.

The BSES and the Department of Primary Industries are doing all in their power to contain the outbreak and we are all waiting for future updates.

The Australian cane industry will be changed forever and all farmers would be well advised to plant some smut resistant varieties.

In other news ACFA held its Annual General Meeting in Ballina in New South Wales recently.

It was very pleasing to meet so many farmers with a genuine interest in the future of our industry.

ACFA's levy is now 7c plus GST per tonne and no farming business will pay more than \$1260 plus GST. per tonne.

|           |                                 |
|-----------|---------------------------------|
| Page 1    | Smut Outbreak                   |
| Page 2    | Chairman's Report               |
| Page 3    | Ethanol 2006 Wrap-up            |
| Page 4- 5 | Smut Guide and Ethanol 2006     |
| Page 6-7  | Ethanol 2006 and Bush Blueprint |
| Page 8-9  | R&D News                        |

|            |                      |
|------------|----------------------|
| Page 10    | Climate Update       |
| Page 11    | QSL Markets Report   |
| Page 12    | Farm Office          |
| Page 13    | Ethanol Technologies |
| Page 14-15 | Regional Reports     |
| Page 16    | Aon Insurance        |

### Ethanol 2006

Claims that Queensland is leading Australia in both production and use of ethanol were powered home at Ethanol 2006 Australia (EA06), a major conference and trade show in Brisbane that attracted over 500 delegates and 35 exhibitors.

The event, which buzzed with information about the latest international and domestic ethanol trends, focused on the national marketplace for ethanol and the business of refining and selling the renewable fuel.

In addition, EA06 highlighted current government policies and the future potential of Australia's growing biofuels industry.

BBI International, organiser of the world-famous International Fuel Ethanol Workshop and Expo, and the organizing committee brought together a strong contingent of international and Australian speakers.

Many delegates were already strong supporters of Australia's emerging ethanol industry, and this event gave them a chance to bolster their knowledge of the biofuel with enlightening international commentary.

The event, held May 8-11 at Brisbane's Hilton Hotel, was organised with a range of sessions to suit everyone.

The conference started with an 'Ethanol 101' seminar that gave participants a great overview and introduction to the industry.

Conference delegates then listened to a speech by Gerald Tumbleson, President of the US National Corn Growers Association, who discussed the benefits of majority grower-owned ethanol plants in America.



ACFA Northern Director Don Murday, ACFA Chairman Ross Walker and ACFA General Manager Stephen Ryan in front of the State Government's promotional vehicle.

"The most desirable model for ethanol production is one that at least keeps partial ownership of value-added processes in the hands of local citizens," Tumbleson said.

"Keeping more of the value of what is produced in a community within that area is the cornerstone of a stable, prosperous and sustainable society."

Tumbleson told attendees there are now 16 ethanol plants in operation in his home state of Minnesota, with a combined capacity to produce 2 billion litres per year.

"All of these plants have been built in the past 20 years," he said, adding that, over the last decade, the state has seen a 50 per cent increase in the amount of ethanol yielded from a bushel of corn.

Furthermore, corn producers today are reaping crop yields that are also 50 per cent higher than 20 years ago.

Thus a single hectare of corn that

produced less than 2,000 litres of ethanol annually 20 years ago, yields nearly 4,000 litres today.

This was welcome news for the large contingent of people from Australia's grain sector, including companies such as Agforce Grains, a member of the conference organizing committee.

"It is clear from the proceedings of the conference that an ethanol industry would be better for the economy, particularly rural economies, rather than fossil fuels...better for our health and better for the environment than fossil fuels, said Agforce Grains President Lyndon Pfeffer.

"While we will probably never rely completely on ethanol for our energy needs, there's a real chance to have an immediate and wide-ranging positive effect on the triple-bottom-line of all Australians through the incorporation of ethanol into fossil fuels we rely on more heavily by the day."

*Continued on page 5*



## The farmers guide to smut

### Background

Sugarcane smut was found in Australia for the first time in the Ord River district of Western Australia on 20 July 1998.

### What is sugarcane smut?

Smut is a disease of sugarcane that is caused by a fungus. Affected plants are easily identified by a black whip-like structure that forms at the top of a shoot or stalk. This whip is a mass of spores contained in a thin membrane that can easily rupture.

Spores are spread by wind and in soil. They can be carried to uninfected areas on clothes, vehicles or machinery.

### Why is it called smut?

If we look up smut in the dictionary it will say: a particle of soot; sooty matter; black or dirty mark; a smudge; a fungus disease of plants, esp. cereals, in which the affected parts are converted into a black powdery mass of spores, caused by fungi of the order Ustilaginales. (The Concise Macquarie Dictionary). If you read the What is sugarcane smut? question above, and look at the smut images below you can see why it ended up with this name. In some countries it is also known as "dread disease of sugarcane" or "trivial disease with exaggerated yield losses" because it can remain unnoticed for years then quickly devastate large areas of susceptible varieties (Comstock, JC and Lentini, RS).

### What does it do?

Infected plants are usually stunted and individual stalks are thin with a 'grassy' appearance. The disease causes yield losses of 30 per cent or more.



What can we do/what can I do? Farmers and all industry personnel are asked to be vigilant and to inspect for symptoms in their area and on their farms.

The disease is most easily detected in young plant or ratoon crops 3-6 months old.

If suspect plants are found immediately



notify your nearest BSES office. Do not remove samples - this could spread the spores on your farm.

### Contacts

Immediately contact your local BSES office or the SUGARCANE SMUT HOTLINE on 1800 303 310.

Urgent action is essential to contain any infection. Delays may result in widespread damage throughout the industry.

### Causal Agent

*Ustilago scitaminea* Sydow, a fungus which can be easily grown on artificial media.

### Symptoms

Smut is fortunately one of the easiest cane diseases to identify, which explains why it was among the first disease of sugarcane to be recognised. The apparently healthy spindle is transformed into a thin gradually tapering whip-like structure, anything from 10-15 cm to 1 m in length. The shorter whips are straight or slightly curved, the longer looped over. The whip is made up of a firm core of vascular bundles and other tissue surrounded by millions of chlamydospores enclosed, in the earlier stages, within a thin, silvery, membranous sheath.

This eventually ruptures to reveal a sooty mass of spores which over a period of up to three months disperse into the atmosphere, leaving the core still intact. Cluster stools made up of numerous small shoots showing a variable number of whips are produced in some varieties by early infection from diseased cane debris or by planting diseased setts.

### Economic importance

The death of the growing point of large numbers of individual stalks, plus the loss of cane in cluster stools can cause serious losses in growing crops and seriously interrupt the crop cycle by making ratoons unprofitable. *Information and pictures courtesy BSES website*

## Ethanol 2006

*Continued from page 3*

Ross Walker, the Australian Cane Farmers Association (ACFA) Chairman, said he was pleased with the outcome of EA06 calling it a great success.

"Cane farmers throughout Australia are firmly behind the establishment of a home-grown ethanol industry and the ACFA will continue to ensure their concerns are listened to as this vibrant new industry develops," he said.

### Leaders offer Ethanol Challenges

The state government of Queensland, the top sponsor of the conference, threw down the gauntlet, issuing a challenge to fuel companies, the automotive industry, gasoline retailers and motorists to climb aboard the burgeoning ethanol bandwagon in Australia.

Queensland Premier Peter Beattie addressed the crowd on the first day of the conference, introducing Queensland Deputy Premier Anna Bligh, who would unveil the next stage of the government's ethanol plan at AE06 a day later.

Bligh told conference delegates, "It's great to see so many of you here, from around the nation and around the world, and I understand you're here because you share a common vision. That vision is the same as the Queensland government's a vision for a new, viable, sustainable industry based on the production, distribution and use of ethanol-blended fuels."

Launching the latest phase of Queensland's ethanol revolution at the conference with a \$2.28 million marketing campaign, Bligh said the current state of the world oil market meant there was never a better time to look at alternative fuel sources.

She unveiled '+e', the new ethanol symbol which is being launched to brand E10 in Queensland.



*ACFA General Manager and Formula One legend Jack Brabham proudly supporting ethanol at Ethanol 2006.*

The government invited Australian car racing legend, Sir Jack Brabham, to help unveil the new '+e' symbol. The symbol will be used in a statewide marketing campaign that will be a key component of the government's \$7.3 million Ethanol Industry Action Plan.

"The marketing campaign will be identified by the bright citrus yellow '+e' symbol that will make it easier for motorists to identify fuels blended with ethanol," Brabham said, explaining that the campaign shows consumers that the state government is addressing their concerns and showing them ethanol-blended fuels are beneficial and allow them to make a more informed choice.

Bligh also told attendees that Queensland had taken the ethanol lead in Australia, with state now home to more than 131 stations offering E10 with 30 more coming on line later this year.

Part of the state's Ethanol Industry Action Plan includes funnelling \$4.8 million into a conversion initiative.

The government is also supporting the construction of ethanol plants, including one being developed in Mackay by BP and the Dalby Bio-Refinery in the southeast Queensland town of Dalby.

"Clearly, Queensland is leading the nation in the development of ethanol production, and also in the uptake by motorists," Bligh said.

"But today, I want to issue these challenges: a challenge to the petroleum industry to get on board and seize this opportunity to produce alternative fuels and lessen our dependence on traditional fossil fuels, a challenge to fuel retailers to embrace ethanol-blended fuels as the 'fuel of the future' and a challenge to motorists to increase Queensland's uptake."

*Continued page 6*



Deputy Premier of Queensland, Anna Bligh and ACFA Chairman Ross Walker stand beside one of the 'e' promotional vehicles that will be used to promote E10 in Queensland.

*Continued from page 5*

### Barriers Must Come Down

Bob Gordon, executive director of the Renewable Fuels Association of Australia, gave a national overview of the Australian industry.

He said that, last year, a Biofuels Taskforce determined that a major impediment to the growth of the Australian ethanol industry was market entry barriers presumably being caused by major oil companies.

In fact, he said the government's 'modest' target of 350 million litres per year by 2010 could not be met if these barriers remained.

"[Our Association] and its members look forward to working with the oil majors in bringing biofuels price relief to Australian consumers at a time of high fuel price stress and unusually high profits for the major oil companies," Gordon said.

He also said the event starkly

highlighted just how far Australia is lagging behind the rest of the world.

"While Queensland is acting as a rock of certainty and policy consistency in terms of support for new industry growth policy inconsistency continues at the federal level of government in Australia," he said.

"Here, the weight of influence of the fossil fuels sector is intense. What became at the conference was that regardless of what Australia does, or does not do, future ethanol use and growth around the world is inevitable and unstoppable."

Maxwell Shauck, Professor and Chairman of Baylor Institute for Air Sciences at Baylor University in the United States, said over 6,000 hours of flying has taken place on ethanol-blended aviation gasoline, commonly called avgas.

He said, "Twenty-two years of development, testing certifications and demonstrations have proved beyond any doubt that ethanol is not only a

viable replacement for aviation gasoline, but it is the only economically and technically feasible replacement that is also environmentally compatible."

Coleman Jones, biofuels implementation manager at General Motors Corp. talked up vehicle performance and driveability using various ethanol blends of E10, E20, E25 and E85 flexible fuel vehicles (FFV's).

He also talked about ethanol use in hydrogen fuel cells.

He said GM's advanced propulsion technology strategy aims to reduce emissions, increases vehicle economy and lower fuel consumption.

He also mentioned that Ford, DaimlerChrysler and Nissan now produce FFV's, as do Fiat, Volkswagen and Renault.

Jones stated unequivocally that GM is committed to promote the use of alternative fuels that make sense economically and environmentally, including biofuels and hydrogen.

The conference concluded with an all-day session on banking and financing which highlighted investment opportunities and project financing for lenders and project developers.

BBI Biofuels Australia Director Bill Elliott said the response to AE06 was overwhelming.

"BBI, together with the Queensland Government and agricultural groups, will make this conference an important annual ethanol event that all major stakeholders and ethanol proponents should attend."

*Article reproduced courtesy of Ethanol Producer Magazine*

*Article written by Tracey Hannaford  
Photographs reproduced courtesy of BBI International*



## Ethanol 2006 a success Beattie unveils his blueprint for the bush

Australia's most successful ethanol conference wound down in Brisbane recently and the message was clear: Australia must do more to establish a viable domestic ethanol industry.

The conference was held at the Hilton Hotel in Brisbane from May 8 to 11 and the 500 delegates who attended were treated to variety of local and international guest speakers who covered wide variety of topics.

The conference began with a seminar called 'Ethanol 101' that informed delegates as to how ethanol was produced, refined and used commercially and laid a very sound platform for the rest of the conference.

General Manager of the Australian Cane Farmers Association, Stephen Ryan, in conjunction with BBI International helped organise the conference while Chairman of the Australian Cane Farmers Association, Ross Walker, moderated one of the sessions.

Mr Walker said he was very pleased with Ethanol and said it had achieved its primary goal.

"This conference has already succeeded in its main goal of putting ethanol back in the public arena," said Mr Walker.

"Already a number of prominent politicians and broadcasters, including Alan Jones, are beginning to talk positively about ethanol again and hopefully, that will translate into more interest at the bowser," he said.

Mr Walker said that ACFA was proud to organise this event and would continue to champion the cause of ethanol.

"Ethanol has the potential to revitalise the cane industry and ACFA will do it's utmost to ensure farmers share in the profits," he said.

Premier Peter Beattie unveiled a ten-year blueprint to help support growth and development in rural and regional Queensland.

He said the visionary strategy had been developed in collaboration with one of the State's peak agricultural bodies, AgForce Queensland, and the Local Government Association of Queensland.

"Rural communities are the backbone of our great State," Mr Beattie said.

"The contribution of the rural economy is often undervalued and population decline seen as inevitable.

"However, the reality is that the rate of economic growth in rural Queensland is amazing and the population is set to grow in the long term.

"Approximately 660,000 people live in rural Queensland but just as importantly the industries that lie within these communities provide more than 65% of our exported goods and a whopping 80% of our export revenue.

"The continued prosperity of our rural communities is therefore critical to Queensland's continuing economic fortunes.

"Blueprint for the Bush and the related Rural Economic Development and Infrastructure Plan will provide the building blocks for continued prosperity for current and future generations of rural Queenslanders.

"These documents map out approximately \$36 billion of public and private investment already being undertaken or under active consideration in Queensland to sustain and grow rural communities.

"They include \$10 billion in energy

infrastructure, \$3 billion in regional and rural roads, \$2.5 billion in rail infrastructure, rolling stock and ports and \$900 million for social and community infrastructure.

"In addition there is \$990 million of new water projects under consideration to provide approximately 1.235 million megalitres of extra storage capacity and help address the vital issue of water security and supply.

"These allocations include and will be supplemented with billions of dollars in infrastructure and capital works to be unveiled in next week's State Budget.

Mr Beattie said Blueprint for the Bush detailed numerous business, industry and social infrastructure projects that will create jobs in the bush.

"In addition to the range of building and infrastructure projects another \$153.4 million for specific new Blueprint for the Bush initiatives has also been included.

"These are projects that have been sought by local communities and peak bodies in the development of Blueprint for the Bush over the past 18 months.

"For example they include \$47 million for natural resource management projects, \$15 million for community capacity building and \$15 million to strengthen rural non-government organisations."

The Minister for Communities Warren Pitt said Blueprint for the Bush would help maintain and improve the lifestyle, economic opportunities, environment and other aspects of rural Queensland that are valued by the people of the bush as well as those who live in urban areas.

### SRDC Update

#### New SRDC Projects for 2006-07

Executive Director Dr Russell Muchow has announced that SRDC will fund 20 new Research Projects to commence from July 2006, with total funding in 2006-07 of \$2.278m. SRDC has allocated a further \$0.7m to new projects in the CRC for Sugar Industry Innovation through Biotechnology in 2006-07. This is in addition to funding of \$0.2m for new Travel and Learning Opportunity Projects, \$0.45m for new Grower Group Innovation Projects and \$0.048m for new Scholarship Projects in 2006-07.

Dr Muchow also commented on the process for selection of research projects for funding.

"It is a competitive process that ensures that only high quality projects that are likely to return a significant benefit to industry are funded. Only projects that address targeted priority needs; have clearly identified outcomes to be achieved; and are supported by a sound research plan and value proposition are funded".

SRDC appoints industry and peer-based Working Parties to provide advice on all research projects proposals to the SRDC Board. This advice is invaluable to the SRDC Board in taking project funding decisions.

The new research projects approved are briefly described here for each of SRDC's four Programs. Only the primary Research Contact is listed, but all projects will involve extensive collaboration between industry and research partners.

The projects are currently being negotiated with research partners and are subject to Ministerial approval of SRDC's Annual Operational Plan.

#### Program A Value Chain Integration

Development of a real time information system for Clarence harvesters: Mr Peter Rose, Clarence Harvesting Cooperative

This project will utilise existing data to provide real time harvester information to growers, harvesters and millers to improve the communications across, and the efficiency of, the Harwood Mill value chain. This project builds on an SRDC Travel and Learning Opportunity Project in 2005-06 that enabled all Harwood harvesting stakeholders to work together to identify priorities for future improvements.

Defeating the Autumn Predictability Barrier: Dr Yvette Everingham, James Cook University

Stage 1 of this project will determine the skill of a long lead climate forecasting model in the Australian sugar industry, and assess industry demand for a forecasting model that can predict in February the probability of rain during the later half of the harvest season. If successful, the model will be applied in selected regions over a two year period to deliver information that improves decision making.

Implementing integrated harvesting-transport-milling logistics through adoption of optimized road transport scheduling: Mr Peter Downs, Maryborough Sugar Factory

This project seeks to build on previous work to improve efficiencies across the harvest-transport-milling interface in the Maryborough district. The project team will include on-the-ground stakeholders, in particular growers, harvesters, mill and community

representatives. A strong emphasis on the delivery of change will be necessary to achieve benefits.

Increasing in-mill NIR effectiveness and communicating data to all sectors for improved decision making in the sugarcane value chain: Dr Lisa McDonald, CSR Sugar

This project will utilise NIR data and productivity data to improve measurement and feedback systems in the Burdekin value chain, and provide market signals. Precision agriculture systems will be used to examine the causes of yield variability and assess possible solutions.

Development and implementation of harvest management planning tools for the maximization of CCS in Tully District: Mr Trent Stainlay, Tully Cane Productivity Services Ltd

This project will apply existing technologies (SugarMax and Harvest Max) to the Tully district to optimize harvest and transport operations to maximize CCS and yield. It will use social R&D support to address the social/people issues, and will build on experiences in implementing SugarMax in other regions.

Unifying the Innisfail Babinda cane supply chain: Mr Mick Ward, Bundaberg Sugar Ltd, and Regionalisation of the integration of harvesting and transport: Dr Andrew Higgins, CSIRO Sustainable Ecosystems

SRDC seeks to combine elements of two project proposals to enable both social and technical outcomes to be achieved by the one value chain project in the Innisfail-Babinda region. The project seeks to implement improved harvest and transport



## SRDC Update

operations in the Mourilyan, Innisfail, and Babinda mill areas. The aim of the project is to capture some of the \$0.91/t gains identified in previous studies as possible through improved harvest and transport operations.

### Program B Farming Systems

Whole-farm planning for management of varieties: Mr Barry Croft, BSES Ltd

The project will provide a web-based decision-support system to optimise returns from the choice and management of varieties. A grower consultative committee will provide input, and access to mill productivity data on approved varieties will be sought to complement trial data.

The reproductive biology of sugarcane: understanding to manage the safe release of genetically modified sugarcane: Dr Graham Bonnett, CSIRO Plant Industry

The project will assess the possibility of cross-pollination of GM cane with wild canes and grasses, and transfer of modified genes into other species. This information is required before approval could be obtained for commercial release of GM sugarcane.

Evaluation of clones for different row spacings: Dr Barry Salter, BSES Ltd

The project will address a demand from growers for information on the varieties that perform best under controlled traffic farming systems, and will indicate whether changes are needed to variety selection procedures for wider rows. An annual meeting of a grower-based reference panel and project researchers will ensure grower feedback.

Enhancing Trap Cropping Techniques for Greyback Canegrub in Rain-fed Cane: Mr Aaron Cauchi, Plane Creek Productivity Services

The project seeks to fill a gap in the management of greyback canegrub in rain-fed areas by investigating options for trap crops. The project will assess the economics of all options tested. Data suitable for use in MRLs and subsequent registration of herbicide desiccants for this purpose will be collected during the project.

Pilot Area Wide Natural Resource Management Group-Building grower capacity to understand and better manage ground water: Mr Vince Papale, Burdekin grower

Rapidly rising saline groundwater is a threat to much of the Burdekin River Irrigation Area (BRIA), which has been irrigated for cane production for only about 15 years. The project seeks to identify the relative contributions to groundwater from furrow irrigation, leaking supply channels and large tail-water recycle dams in the region.

Overhead Low Pressure Irrigation for a Greener Future in the Burdekin: MrChris Hesp, Burdekin grower

BRIA farms have been laser-levelled and slopes are very slight – the current farming system is designed for furrow irrigation in very long rows that do not allow retention of harvest residues. The project will investigate low-pressure overhead irrigation and drip irrigation through trickle tape, as potential solutions that (a) reduce the volume of water applied and hence contributions to groundwater and (b) allow green cane harvesting to be adopted without shortening row lengths.

Delivering web-based irrigation management: Mr Tony Linedale, BSES Ltd

Two previous projects produced a decision support framework for improved irrigation scheduling. The project will extend the irrigation scheduling improvements to most major irrigation regions (Burdekin, Mareeba, Central, Bundaberg and Maryborough), and will evaluate a commercial service for delivery of irrigation scheduling advice in selected areas.

### Program C Processing and Distribution Systems

Review of management of sugar impurities: Dr Les Edye

Various approaches have been used to manage impurities in raw sugar. With deregulation of sugar marketing arrangements, individual mills have greater responsibilities in this area. The project will undertake a review of recent R&D including student research. An industry workshop to discuss the findings from the review and agree on future pathways will also be supported by SRDC.

Single Drum Harvester Chopper Development: Dr Bruce Lamb, NSWSCMC

The project will evaluate a different harvester chopper arrangement that produces a cleaner cut (possibly reducing cane loss) and also allows shorter cane billet for better packing and hence higher transport bin weights.

Should you wish to discuss any aspect of this Update or require information please contact the SRDC Investment Managers.

### Lower Rainfall Odds for Northern Sugar Growing Districts

by Yvette Everingham (JCU) 5/6/2006

SOI Phase: Rapidly Falling

The monthly average SOI for May was minus 8 (-8) compared to plus 13 (+13) in April. Therefore the SOI phase for May came out as "Rapidly Falling".

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.

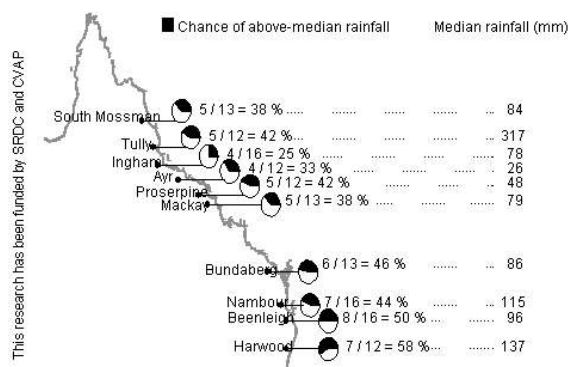
That is, with no knowledge of climate forecasts above median rainfall is expected 50% of the time e.g. Tully, Proserpine, Bundaberg, Nambour, Beenleigh, Harwood.

Probabilities much less than 50% highlight that there is a moderately high chance of experiencing below median rainfall e.g. South Mossman, Ingham, Ayr, Mackay, Plane Creek.

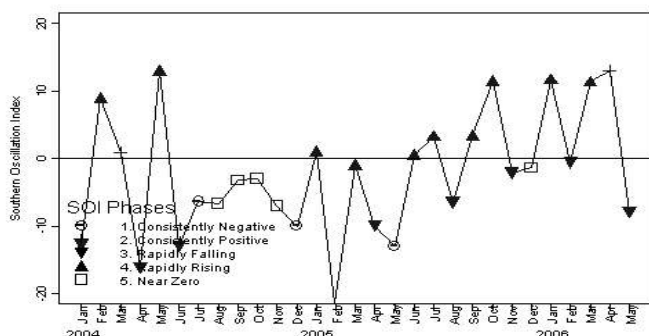
Probabilities much greater than 50% highlight that there is a moderately high chance of experiencing above median rainfall. No Locations in the wheel map satisfy this condition for June-July.

#### June-July Climate Outlook

Sugarcane Wheel Map: Jun-Jul



\* Chances are based on a Rapidly Falling SOI phase during May



|                       | SOI VALUE | SOI PHASE               |
|-----------------------|-----------|-------------------------|
| End of June 2005      | + 0.5     | "Rapidly Rising"        |
| End of July 2005      | + 3.3     | "Rapidly Rising"        |
| End of August 2005    | - 6.5     | "Rapidly Falling"       |
| End of September 2005 | + 3.4     | "Rapidly Rising"        |
| End of October 2005   | + 11.5    | "Rapidly Rising"        |
| End of November 2005  | - 2.2     | "Rapidly Falling"       |
| End of December 2005  | - 1.4     | "Near Zero"             |
| End of January 2006   | + 11.7    | "Rapidly Rising"        |
| End of February 2006  | - 0.6     | "Rapidly Falling"       |
| End of March 2006     | + 11.4    | "Rapidly Rising"        |
| End of April 2006     | + 13      | "Consistently Positive" |
| End of May 2006       | - 8       | "Rapidly Falling"       |

#### Latest Developments:

The climate patterns that have emerged this year have been very interesting to say the least. Over summer, a La Niña type pattern developed in the Pacific Ocean.

Typically these patterns emerge early in the harvest season following the autumn break, rather than at the end the harvest season

There are two very interesting developments that warrant further monitoring:

Firstly, the SOI has dropped sharply to minus 8 for the month of May, putting the SOI into a rapidly falling phase. This has reduced the odds of reaching median June-July rainfall for several sugar growing regions.

The cooler SSTs in the equatorial Pacific ocean that were present over summer, have dissipated. Now, there is some concern as warming trends in the equatorial Pacific have started to emerge, particularly beneath the ocean's surface. If the SOI maintains its deeply negative position, and further warming occurs in the equatorial Pacific, then future forecasts will favour a drier harvest season. Although many computer models are predicting sea temperatures to stabilise and stay close to average temperatures over the coming months, these models tend to gain more accuracy closer to spring. It is therefore very important to closely monitor the SOI and SSTs over the next few weeks.

*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.*

## NY11 Hit by Commodity Price Swings

### Compiled by Queensland Sugar Limited

Swings in commodities prices, particularly in the energy and metals sectors, have added additional volatility to the New York No.11 (NY11) raw sugar futures market over the course of the past month. Price levels were largely supported at the beginning of the month following record crude oil prices when concerns regarding supplies in Iran and Nigeria saw crude oil reach over USD 73.00 per barrel.

This strengthened bullish sentiment regarding ethanol. Also positive for the ethanol story was the announcement by US President George Bush that he will attempt to suspend the current USD 0.54 per gallon duty on ethanol imports.

This support was short-lived however, with supply concerns easing and oil prices dropping back below USD 69 per barrel. Energy and metal prices fluctuated during the first fortnight of May before experiencing sizable losses in a massive commodities sell-off by investors.

In total, prompt settlement prices have reduced by US 1 c/lb over the month. At the time of writing, the prompt July 2006 contract and the October 2006 contract had settled at US 16.42 and 16.68 c/lb respectively. The March 2007 contract continues to trade higher than any other position on the futures board and had settled at US 17.02c/lb at the time of writing.

The May 2006 futures position expired at US 17.13 c/lb on April 28. The volume of sugar delivered upon expiry took the market by surprise. Around 8,649 lots (circa 439,000 tonnes) of raw sugar futures contracts were delivered. Of this total, 93% comes from Centre South Brazil, 4% from Guatemala, 2% from El Salvador and 1% from North North-East Brazil.

There have been a number of revisions to production estimates during the month, which all largely reflect a less-tight supply and demand outlook than had previously been expected. London-based trade house/analyst Czarnikow Sugar has increased its forecast production for the 2005/06 (Sep-Aug) year, due to a sizeable recovery in India, and a strong tail in the Thai crop.

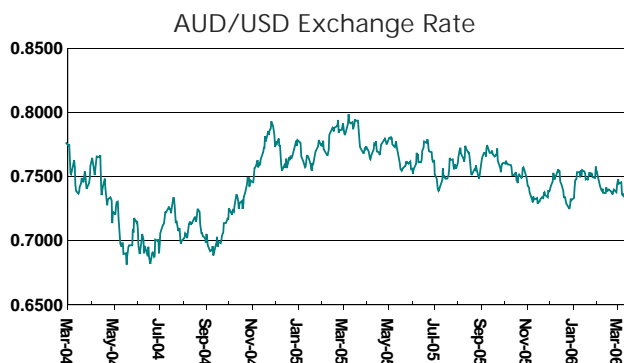
This is expected to reduce Czarnikow's anticipated deficit from 5.44 million mtrv to 3.4 million mtrv. The

International Sugar Organisation (ISO) has also reduced its forecast deficit for 2005/06 to 0.99 million tonnes, from a previous estimate of 2.225 million tonnes.

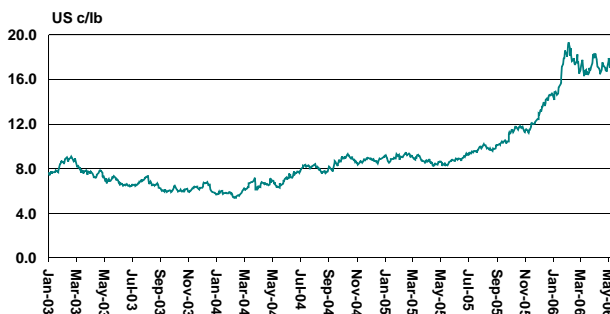
The Sao Paulo Sugarcane Agroindustry Union (UNICA) has increased its forecast Centre South Brazil production for this year's harvest (May-Dec). UNICA is expecting cane production to reach 375 million tonnes, compared to a previous estimate of 363 million tonnes.

Sugar production is expected to total 25.5 million tonnes, of which 17.5 million tonnes will be exported. Centre South Brazil produced a total of 22 million tonnes of sugar from 336 million tonnes of cane during the 2005 harvest.

At the time of writing the AUD was trading at AUD/USD 0.7567.



NY11 Raw Sugar Futures Prompt Contract Price





## Describing the Job

Article provided by McKays Consulting, a division of McKays Solicitors

Incredibly, most employers shy away from job descriptions!

First we have to dispel the myth that job descriptions lock employers into inflexibility and inability to vary the work duties for the employee.

Simply write into the job description,

*"The employer may vary the employee's work duties from time to time in accordance with the employer's requirements."*

Simple! Yet rarely done.

The truth is that a well-worded job description is about the most important part of a good employment contract.

Here the employer can state its expectations up front and the more detailed the better.

If the employee fails those expectations, the employer is well positioned to take disciplinary action for poor performance.

It is much harder to take disciplinary action if the expectations were not clarified from the start.

The upside is that your best employees will mentally store away those job expectations in their minds, and be striving to exceed them!

All these benefits are lost if the employer fails to take the time to write a detailed job description.

A job description should:

Be part of, or attached to the employment contract...

State clearly what duties you want the employee to carry out...

State clearly the standard by which the duties are to be done - be specific - give concrete examples where possible...

State any important limits of authority: eg not to incur expenses on company accounts above \$100...

Specify to whom the employee will report.

Place of Work

Sometimes you need to relocate an employee from one worksite to another. Some employers have been sued for this. You can reduce the risk of this by including a clause like:

*"You will be based at (street address) or at any other location that the employer may specify from time to time."*

Our next edition will have more helpful tips and alert you to the pitfalls in employment contracts.

At McKays our experience is that our client employers appreciate some certainty about their level of investment when we review their employment contracts.

We are always happy to work with you to assess your needs and give you a fixed price to review each different type of contract and advise you on any necessary changes.

When we help you set up standard contracts that you can reuse in the future you can also get a fixed price quote... and gain the peace of mind of knowing that when situations

really are the same you can confidently use your standard contract.

Some employees just use the standard contracts we have done for them to prepare the first draft, which they then choose to email to us for final review... and if you prefer we can do this under an annual retainer for no extra charge.

Employers Beware New Workplace Health and Safety Prohibition

On 1 April, 2005 the WorkCover legislation (the Workers' Compensation and Rehabilitation Act 2003) was amended to provide greater protections for employees who have a history of workplace injury.

A new section 572A has been inserted, and it is now an offence for an employer to:

Obtain or attempt to obtain a Workers' Compensation document about a worker;  
or

Use or attempt to use a Workers' Compensation document about the worker, for a purpose relating to the employment of a worker.

Please call us if you need further guidance on compliance with this new requirement.

*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](mailto:smcswan@mckayslaw.com)*

## EthTec AD

### What's going on in the sugar regions?

#### Innisfail Regional Report

Crushing is underway; however, since the cyclone crops have showed very little recovery due to persistent adverse weather conditions.

The Tully area has suffered between 5 and 10 per cent damage from the cyclone and Mulgrave has also suffered 5 to 10 per cent damage from poor weather since the cyclone.

In some cases, plant material is being sourced from other areas and there is a heightened potential for machinery damage due to debris lying in cane paddocks.

ACFA has submitted a report to General Cosgrove regarding the impact of Cyclone Larry on the crop.

John Blanckensee  
ACFA Northern Queensland Director

#### Mossman Regional Report

Cool dry conditions the past few weeks have finally allowed farmers to begin preparing fallow ground for planting.

The much improved outlook has everyone wishing to do more and we are faced with a much shortened planting window with fewer contractors.

Concerns about wet paddocks and an immature crop have moved the crushing start date out a week to June 26th.

Members are expressing concern over the deductions and deferments of 2005 revenues and eagerly await information from QSL.

The Mulgrave area started crushing last week.

Rain is hampering the harvest a little bit and hasn't forced anyone to stop harvesting as yet.

CCS and tonnage figures are currently unavailable at this point in time.

Don Murday  
ACFA Northern Director

#### Herbert Regional Report

The local branch held a meeting on Monday 22nd of May to hear a report about the ACFA Conference and AGM. It was a well attended meeting at which Ian Kemp took the Chair as our newly elected Chairman.

The weather has been bleak with paddocks still too wet for anyone to have started working up their soil.

Some of our members attended a Sustainable Farm Families workshop in Ingham on the 11th and 12th of May.

It was an excellent event made possible by SRDC, dealing with the health of many farming families.

All who attended found it very beneficial and I would like to see many more farmers attend similar workshops.

Dawn Brown  
ACFA Herbert Director

#### Burdekin Regional Report

Crushing was to start immediately after the Queen's Birthday weekend.

Planting is progressing light and soil has been planted and heavy soil, but the heaviest of soils is still wet, and there is threat of rain again.

Available labour is very short with much labour being taken by the mines.

Adrian Ivory  
Burdekin Regional Director

#### Central Region Report

In the Mackay area everyone is gearing up for planting thanks to perfectly

clear weather cool mornings and good moisture.

And with the 2006 crushing season underway its full steam ahead.

Crop size looks promising this year with rain last month in most areas ensuring continued growth.

Negotiations between ACFA and Mackay Sugar are high on the agenda.

ACFA reached the target 10 per cent or more of cane supply or which was needed to enable representation by ACFA on the committee for the 2007 Cane Supply Agreement.

I would like to wish all farmers a successful incident free harvest.

Paul McKay  
ACFA Central Director

#### Southern Regional Report

Twenty properties in the Isis-Bundaberg area have now been confirmed as having sugarcane smut.

One the two new quarantined properties is south of the Elliott River, and one is north (on the outskirts of Bundaberg city) – this brings the total to three infested properties in this area.

The focus continues to be on containing the current problem and developing a long-term solution. All activities – including quarantining properties or giving a grower the 'all clear' – is based on solid, scientific evidence.

The Board of BSES Limited recently approved additional expenditure of \$1.2 million to fast track the development of sugarcane varieties resistant to smut.

The BSES-CSIRO crop improvement program will receive an injection of about 1,000 highly smut-resistant clones drawn from a wide range of crosses of diverse genetic background for use in cross-pollination and for assessment in



## Regional Reports

all programs as potential new varieties.

The additional funds will be drawn from the BSES Strategic Investment Fund.

Surveillance teams are focusing efforts today on pre-harvest surveillance.

It is vital that harvesting continues, but also that response teams do their utmost to reduce the risk of cane smut being spread further, which is a likely outcome of an unmanaged harvest.

Movement restrictions and guidelines

For appliances (any vehicle, machinery or equipment) moving within Pest Quarantine Area 5 (PQA5) there are no movement restrictions from properties NOT subject to Quarantine directions.

Good farm hygiene practices are recommended.

For appliances moving across Pest Quarantine Area boundaries an Inspector's Approval is required.

For appliances moving into and out of land under Quarantine directions for sugarcane smut an Inspector's Approval is required.

The issuing of an Inspector's Approval is subject to the

appliance having been steam cleaned, using the cleaning checklist for movement of appliances from the Ord, under the supervision of an Inspector so as to be free of all visible soil and plant material.

More information on cleaning procedures is available on the DPI&F Sugarcane Smut page.

### New South Wales Regional Report

Weather conditions have continued to be good for the upcoming crop with expectations for a record this year.

Broadwater mill is crushing and Condong and Harwood have all commenced crushing.

The co-operative has selected a preferred tenderer for a supply of GPS equipment to be fitted to all harvesters in New South Wales. This system will also supply farmers with a GPS signal for no cost for anyone wishing to take up this technology.

Wayne Rodgers  
ACFA New South Wales Director

## Your local ACFA

### DIRECTORS:

North Queensland Representatives:

Don Murday - Home Phone (07) 4098 1635

Mobile 0418 774 499 Email: dodie@austarnet.com.au

John Blanckensee - Home Phone (07) 4061-2034

Mobile 0407 162 823 Email: carfarm@comnorth.com.au

Herbert Representative:

Dawn Brown - Home Phone (07) 4777-4105

Email: prosperity1@ozemail.com.au

Burdekin Representative:

Adrian Ivory - Home Phone: (07) 4783-2503

Mobile 0418 747 036 Email: adrianivory@bigpond.com

Central Queensland Representatives:

Paul McKay - Home Phone (07) 4959-2393

Ross Walker - Home Phone (07) 4954-3126

Mobile: 0429 615 711.

Email: walker@easynet.net.au

Southern Queensland Representative:

Graham Parker - Home Phone (07) 4129-7331

Mobile 0428 879 341 Email: gjparker80@bigpond.com

New South Wales Representative:

Wayne Rodgers - Home Phone (02) 6683-4852

Mobile 0414 834 430 Email: wvrodgers@optusnet.com.au

## 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**



**CN** | agribusiness



mail: GPO Box 608  
Brisbane 4001  
phone: 1800 500 025  
fax: 07 3303 2024  
email: [info@acfa.com.au](mailto:info@acfa.com.au)  
Web: [www.acfa.com.au](http://www.acfa.com.au)



Leading farmers into the future

**the Australian  
Cane Farmer**

AON Ad