

# the Australian Cane Farmer

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## Smut: A central issue

Minister for Primary Industries and Fisheries, Tim Mulherin, confirmed Mackay farmers' worst fears when he announced that sugarcane disease Smut had been found in the region.

Mr Mulherin made the announcement after scientific tests confirmed that the fungus found on a Farleigh sugar cane farm was Smut.

ACFA Chairman Ross Walker expressed the disappointment of sugar cane farmers across the central district but said that no one should be surprised that Smut had traveled north.

"This announcement is a terrible blow for farmers in the central district," said Mr Walker.

"Mr Mulherin's announcement marks a disappointing end to what was a relatively good year for the sugar industry in the Mackay area," said Mr Walker.

The Minister's announcement follows news that Smut was discovered in Childers in June this year.

"The DPI, BSES, MAPS and the local Smut Committee have plans in place to deal with the outbreak," said Mr Walker.

The central region will harvest 10 million tonnes of cane this season and future production will now be increasingly predicated on smut resistant varieties replacing current varieties.

"Farmers should rest assured that ACFA is working closely with the Minister and the DPI to ensure that farmers concerns are addressed.

A local committee is putting the finishing touches to a plan that will ensure smut resistant varieties are distributed as quickly as possible and that the economic damage is limited as far as is humanly possible.

In addition a national working party chaired by Dr Watson is investigating a way forward for economic recovery and will file an interim report in December.

The east coast of Australia was the last major sugar growing area in the world to be smut-free.

December 2006  
Volume 6, Issue 8

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1. Smut found in Mackay
2. Sugar levy scrapped
3. Drought assistance extended

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### Breaking News

Smut appears to have spread rapidly around the central district with two cases discovered in the Habana and Victoria Plains areas.

A suspected sighting near Sarina would bring that number to three.

Tests are still being carried out on the specimen found near Sarina but if confirmed it would mean smut is well and truly spreading unchecked throughout the central district.



Leading farmers into the future

### Smut find no surprise for Central District farmers



By ACFA.  
Chairman  
Ross Walker.

Farmers throughout Australia are no doubt aware of the announcement made by the Minister for Primary Industries and Fisheries, Tim Mulherin that smut has been discovered in the Mackay and most recently in the Southern Plane Creek areas.

This comes as a blow to the entire Central District that was, up until now, enjoying a relatively good season.

This news is of no real surprise as it was only a matter of time before the inevitable occurred. Smut has not been eradicated previously and should serve as a warning to farmers in all regions.

Farmers across the entire eastern seaboard, if they haven't already, should start preparing for the arrival of smut.

Smut resistant varieties will become extremely sought after and distribution to all farmers will be a key component of local plans. It is important that farmers now listen to and act upon the forthcoming advice from the BSES.

Minister for Primary Industries and Fisheries Mr Mulherin has indicated that the State Government's major focus will shift away from containing the disease and will instead shift towards the economic recovery of the industry.

An independent economist Dr David Watson has been selected to chair a team established to assess the impacts of the spread of sugarcane smut on the industry and identify measures to manage the problem and facilitate economic recovery. The team will provide an interim response by December 18, 2006, and a final report by February 18, 2007 to Mr Mulherin and the Minister for State Development and Trade, John Mickel.

The Queensland Government will honour its commitment to pay \$2000 per hectare to those Bundaberg-Isis farmers who were offered this payment for voluntary removal of their infested crops.

They are also acknowledging that farmers can choose instead to retain and harvest the crop. The farmers involved must weigh up the options and make their decision.

ACFA will continue to work closely with the Department of Primary Industries, the BSES, local Productivity Boards and other stakeholders to ensure farmers are kept informed of the latest developments and plans to minimise the economic loss.

The crushing season is drawing to a close with many areas finished. Farmers have been calling for much improved performances from CSR and Bundaberg Sugar Companies.

Both CSR and Bundaberg Sugar are guilty of poor crushing performances this season and farmers stand to lose financially again next year if milling operations are not improved. Poor ratoons in the coming season are a legacy of millers refusal to invest appropriately.

CCS and tonnage losses are large and Supply Contracts will have to be more encompassing to ensure performance issues do not impact on farmers viability.

The entire local community are the losers.

Future Supply Contracts also need to ensure farmers have the support of millers to facilitate producer pricing. Pricing options for farmers are essential going forward.

In other news the recently announced 0.25 per cent interest rate rise by the Reserve Bank will have a negative impact on farmers' returns.

Market commentators are split on whether there will be further rate rises.

The rise will only serve to strengthen the Australian dollar and forecasts of a world sugar surplus in the year ahead will also negatively impact on returns.

However, futures prices remain profitable for the industry.

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### Sugar levy scrapped

The domestic sugar levy, which was originally introduced on 1 January 2003 to partly fund the Sugar Industry Reform Programme, was abolished, effective from midnight on Thursday, 30 November 2006.

The Government said the removal of the 3 cents per kilogram levy is an important cost reduction for sugar users such as Australia's food manufacturing and beverage industries.

The levy was introduced at a time when sugar prices were low, to fund an exit and restructuring package for growers. The marked improvement in world sugar prices since 2003 has meant that input costs have risen for users.

The abolition of the levy will offset some part of this.

1 December 2006 is the first opportunity for early removal after the Government amends the

necessary regulations.

The levy was originally scheduled to expire on 31 December 2007.

The early removal of the sugar levy will result in a substantial saving for both businesses and consumers of around \$28 million in forgone revenue.

The Government expects any reductions in business costs resulting from removal of the levy to be passed through to consumers in the form of lower prices.

The 2002 industry package was subsequently broadened to create the \$444.4 million 2004 Sugar Industry Reform Programme, but the levy, introduced in January 2003, was not increased or extended to fund this package.

The levy has raised approximately \$80 million to date, with most of the funding for the 2004 sugar package having come from consolidated revenue.

The removal of the levy will not

affect the Australian Government's commitment to the reform programme.

The Government will continue to fund the Programme and work with all sectors of the sugar industry to ensure a viable and sustainable sugar industry into the future.

The Government expects any reductions in business costs resulting from removal of the levy to be passed through to consumers in the form of lower prices.

ACFA General Manager, Stephen Ryan said, "Follow-through is a necessary part of policy, often left unattended."

"Throughout the major reforms of the Australian sugar industry since 1989, the consumer, the promised beneficiary, has seen no benefit.

"Gains are simply transferred down the value chain to be contested by refiners and manufacturers.

"But once this action of economic injustice is performed no-one wants to know; and the consumer is none the wiser. Meanwhile the cost of luxury food items consistently ratchets upward - and it's not the sugar content."

### ACFA cautious over levy scrapping

The Federal Government's decision to scrap the sugar levy was met with caution by the Australian Cane Farmers Association.

ACFA Chairman Ross Walker said the Federal Government's decision to scrap the levy must not impact on the implementation of the sugar industry rescue package.

"This levy was put in place initially to fund the sugar industry rescue package that was announced by the Prime Minister in 2004," he said.

"That package continues to be accessed by cane farmers to this day and it is important that the decision to scrap the levy has no adverse impacts on cane farmers.

"The sugar industry is still suffering the ill-effects of drought, the corrupt world market and more recently the outbreak of the growth-stunting fungus smut."

Mr Walker also called on the Federal Government to review certain elements of the rescue package that had yet to be widely accessed by the industry.

"Some parts of the sugar package have very restrictive criteria and that has stopped farmers from accessing a large portion of the \$444 million," said Mr Walker.

"I urge the Federal Government to review the criteria for the more restrictive components of the package immediately so more farmers can benefit from the available funds."

## Smut response economically focused

An independent economist has been selected to chair a team established today to assess the impacts of the spread of sugarcane smut on the industry and identify measures to manage the problem and facilitate economic recovery.

Minister for Primary Industries and Fisheries Tim Mulherin said the State Government and industry had agreed that Dr David Watson would head the team which will provide an interim response by December 18, 2006, and a final report by February 18, 2007.

The decision followed scientific confirmation this morning that smut disease exists in six out of 10 blocks of sugarcane on a farm north of Mackay.

Mr Mulherin said that confirmation meant Queensland has a "multi point incursion" of smut, instead of having a single incursion, at Isis.

"What this means is we are no longer addressing the problem as a biosecurity eradication and containment program centred on the Bundaberg-Isis area.

"We now move to an economic recovery focus to deal with this established and widespread disease," Mr Mulherin said.

"However, it is important for the industry to know that the Queensland Government will honour its commitment to pay \$2000 per hectare to those Bundaberg-Isis growers who were offered this payment for voluntary removal of their infested crops.

"We will pay them if they choose to go down that path, but we are also acknowledging today that they can choose instead to retain and harvest the crop.

The growers involved must weigh up the options and make the decision."

A planned technical group meeting at Bundaberg on Monday will now look at the implications of the new strategic direction for the smut response for the local industry.

Dr Watson's team will include representatives of BSES Limited, the

Australian Sugar Milling Council and the Departments of Primary Industries and Fisheries, State Development and Trade, Premier and Cabinet, Treasury and a place on the team will be available to the Commonwealth Department of Agriculture, Fisheries and Forestry.

The team will report to Mr Mulherin and the Minister for State Development and Trade, John Mickel. Sugarcane smut is a highly infectious disease that can seriously reduce yields.

The fungus is harmless to humans and animals, so does not affect processed sugar.

However, with the move to an economic focus, farmers will be encouraged to speed up their transition to smut resistant cane varieties.

To assist farmers, surveillance will continue around the state because the early detection of smut in a region may influence the transition program.

## Don't self assess for drought assistance

The Government has reminded all drought-affected farmers and small businesses not to self-assess their eligibility for Exceptional Circumstances (EC) drought assistance.

Minister for Agriculture, Fisheries and Forestry, Peter McGauran, encouraged people to contact their local Centrelink office or call the Drought Assistance Hotline on 13 23 16 to discuss their eligibility.

"It is also important that farmers understand that the Government has extended drought assistance to all producers in EC-declared areas, irrespective of what they produce," Mr McGauran said.

"It doesn't matter whether you are a cropper, grazier,

irrigator, horticulturalist, intensive livestock producer, or in any other agricultural industry – you are now eligible to apply for drought assistance."

Mr McGauran said farmers and small businesses should discuss their individual circumstances with qualified assessors to make sure they received their full entitlements.

He reiterated that the Government's "drought bus" was currently visiting drought-affected areas in rural and regional Australia.

"I encourage farmers to check their local media or call the Drought Assistance Hotline to find out where the bus will be located," Mr McGauran concluded.



## Lion's share of E10 made available in Queensland

Queensland is partnering one of the world's largest corporations in an exciting new venture to introduce more Smart State motorists to the benefits of ethanol-blended fuel.

Premier Peter Beattie has announced another first for Queensland today with the State to get the lion's share in the initial phase of Shell Australia's new unleaded e10 fuel roll out.

"The industry is on the move and that means more jobs for Queenslanders and more choice at the petrol pump," Mr Beattie said.

"I want to thank Shell for choosing Queensland to kick start the roll out here - a signal to the rest of the country that my Government has got it right in investing in new fuels for the future,"

he said.

"With Queensland Government's assistance, Shell is upgrading its main terminal infrastructure in Brisbane so it can blend and distribute e10 onsite to be in a better position to meet rising market demand.

"To date we've agreed on grants totalling \$782,000 for Shell's site preparations (\$532,000), capital engineering works (\$200,000) and ethanol marketing efforts (\$50,000).

Shell will spend millions of dollars in the coming year on delivering ethanol to Australians and almost \$2 million of that is being spent in Queensland."

In the initial phase of the national roll out, Shell is planning to open 15 e10 sites in Brisbane and four in Canberra.

During 2007, as well as expanding the number of e10 sites in Queensland, Shell plans to make e10 available at sites across the eastern seaboard.

"Initiatives like Shell's show the Queensland Ethanol Industry Action Plan is delivering," Mr Beattie said.

"We're investing a total of \$7.3 million in biofuels of the future, with \$5.1 million to help convert service stations to new fuels and \$2.2 million to build consumer confidence.

"This grants scheme was another leader, providing real incentive for industry to get on board and promote alternative fuels, open up new markets for our primary producers and create jobs in the biofuels industry."

## Government payment for smut removal

The immediate destruction of the blocks of sugarcane infested with smut in the Bundaberg-Isis region will help ensure the disease is contained while farmers switch to smut resistant varieties, Minister for Primary Industries and Fisheries Tim Mulherin said.

According to a recent Smut Update issued by the BSES, the Queensland Government will honour its commitment to pay \$2,000 per hectare for the plough-out of infested blocks in the Bundaberg-Childers district, under the voluntary plough-out agreements with the affected property owners. However, with the change in focus from a detect-and-destroy program to industry management and economic recovery, growers may now choose to harvest the infested blocks instead of proceeding with plough-out.

Farmers who had started plough-out before Friday, 10 November, can now choose instead to harvest the rest of their blocks, but will only receive \$2,000 per hectare for the blocks that were ploughed-out prior to this date. Farmers, however, cannot now choose to plough-out some of their remaining infected blocks and not others.

If they choose to continue to destroy infected blocks after 10

November, then they must destroy all of the infected blocks identified on their property to receive the \$2000 per hectare payment.

No further voluntary destruction agreements will be established and there will be no extensions to existing agreements for any new detection of smut-infested blocks under the economic recovery approach now being adopted.

In line with existing regulations, machinery and plant movement controls between sugarcane Pest Quarantine Areas will continue, while additional controls implemented within the Bundaberg-Childers Pest Quarantine Area (PQA5) since the detection of the sugarcane smut outbreak will be revoked.

No quarantine or movement control measures will be applied within Mackay or other areas if smut was to be found elsewhere.

Surveillance around the state will continue because early detection of the disease will influence growers' decisions in relation to the introduction of smut-resistant cane varieties. This surveillance is being coordinated by BSES and is being undertaken by local productivity services groups. BSES Limited is accelerating its work on supplying smut-resistant cane varieties.

### Report shows sustainability sweeteners

The Government has released a report today that focuses on ways for the sugar industry to improve environmental, social and economic outcomes in its supply chain.

In launching Towards a Sustainable Sugar Supply in the Tweed Valley, Minister for Agriculture, Fisheries and Forestry Peter McGauran said the report followed extensive collaboration and consultation with the NSW sugar industry and supply chain partners.

"Australian farmers consistently strive to produce safe, nutritional food using sustainable production methods," Mr McGauran said.

"However, a difficult market

environment and changing consumer demands present many challenges for the industry, from growers to retailers."

The report traced three sugar industry products through the supply chain — direct-bagged 'home-brand' sugar for Woolworths, bulk sugar supplied to Nestle, and the power generated from the combustion of cane trash for Delta electricity.

"The report highlights that improved sustainability can come from closer collaboration among supply chain stakeholders," Mr McGauran said.

"Close collaboration can lead to many advantages, including developing new

partnerships, product innovation and product labelling."

The report was developed by the Bureau of Rural Sciences (BRS), the NSW Sugar Milling Cooperative and Manildra Harwood Sugars.

It is part of the Sugar Link project, which was established in 2004 by the Australian Department of Agriculture, Fisheries and Forestry and the NSW Sugar Milling Cooperative, and focused on the NSW sugar industry and its vision for becoming more sustainable.

Towards a Sustainable Sugar Supply Chain can be obtained online at [www.brs.gov.au](http://www.brs.gov.au)

### Sugar industry urged to continue reforms

Australia's sugar industry has been urged to push ahead with the reforms needed to secure its future.

Australian Minister for Agriculture, Fisheries and Forestry, Peter McGauran, told the Australian Sugar Milling Council in Canberra today that the outlook for the sugar industry had improved in recent years.

"This is the result of higher prices and the fundamental changes and reforms that have been made by growers, harvesters and millers," Mr McGauran said.

"Progress has been achieved with reform and restructure such as rationalising in mill and harvesting, and local level diversification.

"However, the sugar industry cannot stop there. There is a need for ongoing reform.

"I urge the industry not to lose the opportunity to secure a long-term future, and to continue to look for more innovative and efficient practices."

The Government has agreed to fund sugar reform on a

condition that the industry develops regional plans and shows a willingness to pursue structural reform.

"These regional plans are living documents and need to be improved as domestic and international settings evolve," Mr McGauran said.

"Benchmarking is another important step towards restructuring the Australian industry. This is necessary to compare our performance against our competitors.

"It is important for individual businesses to be able to assess their performance. Identifying the break-even cost of production is fundamental to this exercise for all businesses.

"The benchmarking study proposed by the Industry Oversight Group will go a long way towards this goal.

"I urge all members of the Milling Council to get behind the reform process and work with the Industry Oversight Group and other stakeholders to shore up the industry's future," Mr McGauran concluded.

## Drought assistance extended

The Government has announced additional drought assistance worth \$560 million to help struggling farmers through the worst drought on record.

A key aspect to the package is that income and business support and interest rate subsidies have been extended to all eligible farmers in 44 regions across the country, until at least March 31, 2008 - irrespective of what they produce.

Australian Minister for Agriculture, Fisheries and Forestry, Peter McGauran, said the extension applied to 35 current EC areas, and an additional nine regions where such assistance lapsed earlier this year, and recognised the drought's impact was cutting across all sectors of the farming community.

"I am currently in discussions with Western Australian Agriculture Minister, Kim Chance, to finalise an additional EC area in WA," Mr McGauran said.

"The situation farmers are facing is becoming more desperate by the day. The Government will stand by farmers until the drought breaks, and help them to recover when useful rain finally comes."

"The decision to provide a lengthy

extension to EC support will give producers greater security and peace of mind."

Mr McGauran said the new measures would potentially allow thousands more farmers across the country to access EC assistance, and followed the \$350 million extension to drought aid announced by the Prime Minister last week and the \$1.2 billion already provided over the past five years.

Among other measures announced were:

- Professional business and financial planning grants of up to \$5,000 to eligible farmers in areas that have been EC declared for more than 3 years;

- \$9 million for Rural Financial Counselling Services and family and emotional counselling;

- \$4 million for the Country Women's Association to provide emergency individual and community grants;

- Removal of the requirement that farmers applying for EC interest rate subsidies must have operated without government support for two of the past five years;

- Increasing the EC Interest Rate Subsidies from \$300,000 to \$500,000, subject to the applicant having

established their viability through an independent business assessment;

- Increasing the deposit cap on the Farm Management Deposits (FMD) Scheme to \$400,000, and increasing the non-primary production income test to \$65,000.

"By investing in this significant new package, the Government is responding quickly and decisively to help farmers through the increasingly severe drought," he said.

"It is also a further demonstration of the Government's commitment to our farming community and significantly adds to the \$1.2 billion in drought assistance and business, welfare assistance and support provided to more than 53,000 farm families during the current drought.

"I strongly encourage farmers not to self-assess but to contact Centrelink on the National Drought Helpline 13 23 16 as soon as possible to check their eligibility for EC assistance."

For EC interest rate subsidy information, producers should contact their State Rural Adjustment Authority.

Full details of the package are available on the Department's website: [www.daff.gov.au](http://www.daff.gov.au)

## Drought relief officer to manage assistance programs

Queensland farmers struggling through one of the worst droughts in history are set to receive a helping hand with the appointment of a full-time drought relief coordinator.

Minister for Employment and Industrial Relations John Mickel said the Queensland Farmers Federation had received \$111 600

from the Skilling Queenslanders for Work program's Drought Relief Initiative to appoint a dedicated project officer to manage drought assistance programs.

The Department of Employment and Industrial Relations and the former Department of Employment and Training have committed more than \$877 037 to drought relief

projects since 2003.

"Many parts of Queensland are suffering one of the most severe and extended droughts in living memory," Mr Mickel said.

"A significant portion of the state is drought declared and there are great concerns about the health of rural economies and labour markets in this environment.

### SRDC Update

#### Encouraging industry to innovate

One of the reasons the Mulgrave Integrated Group (MIG) is keen to investigate and implement a new farm management system themselves was to encourage others to give it a go.

MIG member Paul Hatch, like many others, has seen first hand that growers are more likely to pick up an idea if they can see another grower giving it a go.

As part of an SRDC funded Grower Group Innovation Project, (MIG) has been using preformed beds with soybeans and disc opening planters to reduce tillage, reduce costs and improve soil health.

"Although we're still not expecting to see our final results for another year, we've had some interesting results so far," Paul said.

"We had some growers who started running trials and things didn't look so good for them at the start and their initial reaction was to think it wouldn't work. Things did turn around though and now they can see that things are looking up.

"I think that because we've seen results, people are more willing to give it a go. We were really keen to give others the confidence that it can work," he said.

This GGIP is just one example of how SRDC invests in sugarcane industry innovation. To try to get to the bottom of what innovation means to the sugarcane industry, we approached industry members and researchers to get their views.

Anthony Girgenti, who is currently

undertaking research using data loggers on harvesters to provide improved information to growers as part of an SRDC Grower Group Innovation Project (GGIP), said that for him innovation is about coming up with an idea and then working out how to take it through to reality.

"I think that industry could really benefit by looking at the information and technology that is available to make better choices. Through the work I've been doing I've seen that growers are now in a better position to make a confident decision because they have more information," Anthony said.

Colin Mackenzie, who is also currently involved with a SRDC GGIP looking at bed forming using GPS guidance, said that amongst other things innovation was about looking for ways to do your job quicker and more efficiently.

"It's about not getting stuck in a rut. There are real advantages to industry by being innovative such as cost saving and being able to use processes that aren't as labour intensive," he said.

Amanda Gallo was successful in the recent round of Travel and Learning Opportunity Projects with a project which aims to build the capacity of Tableland canegrowers in preparing successful project submissions.

To Amanda, innovation was about applying technology and the latest R&D in daily activities wherever possible, thereby increasing an operation's effectiveness.

"The Australian sugar industry can benefit from innovation right across the board saving time, money and the

environment. Being innovative and promoting these initiatives can also help to raise the profile of the sugar industry in both urban and rural communities," she said.

Dr John Manners, Program Leader with CRC Sugar Industry Innovation through Biotechnology and CSIRO Plant Industry said he thought there were two main elements to innovation.

The first is about taking risks, and the second was about thinking laterally; trying something 'unusual' or 'out-of-the-box'.

"For a while now the sugarcane industry has seen a decline in the world price of sugar.

If your business is slowly eroding, you're on a road to nowhere unless you make changes to your efficiencies and/or products and the only way to improve it is to try something different.

You can't improve it by doing the same thing you've always done you need to be innovative to be competitive," he said.

#### From farm to world market - FNQ sugar women get the scoop

Not prepared to be the silent business partner, the women of the sugar industry in Babinda, Innisfail and Mareeba know their place in the value chain.

Their new found knowledge comes thanks to a series of three one-day workshops which sought to raise the level of understanding of around 60 female farm business partners about cane payment, marketing and pricing issues, and create greater interaction between male and female partners within farm businesses.



## SRDC Update

Mick Ward, Cane Production Superintendent with Bundaberg Sugar, said that the workshops were a great success, generating open and frank discussion, and giving participants an opportunity to ask those questions they may have been too afraid to ask previously.

"Presenters from Bundaberg Sugar, Queensland Sugar, SRDC, and BSES Limited, covered everything from the basics of sugarcane production to cane supply logistics, the marketing and pricing of raw sugar and everything in between," Mick said.

Jacqui Sacilotto, whose family owns a cane farm in Kennedy, said that the workshop left her feeling empowered with the knowledge she gained.

She said she felt as though she now was in a good position to make a greater contribution in other areas of farm management, besides the business areas.

"I realised that we aren't just cane farmers, we are actually part of a larger value chain that provides a world-class product," Jacqui said.

"There were heaps of questions that had been on my mind for a long time that have finally been answered," she said.

Tracy Henderson, SRDC Investment Manager, said that she was impressed with the level of enthusiasm participants brought with them and their keen desire to learn more about the industry and how it works.

"It was great to see some new relationships fostered and I'm sure the local industry will not only

benefit from this increased understanding but go on address bigger issues in the future," Tracy said.

The workshop was funded through an SRDC Travel and Learning Opportunity Project.

### Managing your most important asset your family's health

As you prepare to wish friends and loved ones a happy and healthy New Year take the time to stop and ask yourself what you'll do in 2007 to keep yourself and your own family healthy.

With such positive reactions to the Sustainable Farm Families Program conducted in the Herbert and Burdekin in 2006, SRDC is keen to encourage others to find out about the links between sugar farming family health, farm related accidents and farm sustainability.

Margaret Linton, who participated in the workshop in 2006 said it was a real eye-opener, easy to follow, really beneficial and she'd definitely recommend it to others.

"The thing that surprised me the most was that the research they spoke to us about found that people in rural areas aren't as healthy as people living in the city I really thought we'd be the healthier group," Margaret said.

"We talked a lot about different health issues and did a tour of a supermarket to learn more about nutrition and how to read labels on food."

"It was really good that the program focused on both partners it really was about the health of the whole family," she said.

The SFF Program takes participants through an intensive health evaluation, education and training process and identifies potential risks and attitudes to health, wellbeing and safety.

Participants from the 2006 program are reminded to continue thinking about their family's health as they prepare for the festive season and to keep they eyes out for information about follow-up sessions in February 2007.

SRDC is also gauging interest for future workshops in other regions and is encouraging people to register their interest as soon as possible.

The program is an initiative of Western District Health Service, Hamilton, Victoria and commenced in 2003 with a grant from the Rural Industries Research & Development Corporation's Joint Venture on Farm Health and Safety.

For more information, or to register your interest contact SRDC Investment Manager, Les Robertson via email [lrobertson@srcd.gov.au](mailto:lrobertson@srcd.gov.au) or telephone 07 3225 9442; or Susan Brumby at Western District Health Service on 03 5551 8450.

You can find more information about the program at [www.sustainablefarmfamilies.org.au](http://www.sustainablefarmfamilies.org.au)

### 2007 SRDC Regional Workshop Series

Mark the dates in your diary now and be sure to register your interest to attend.

Ayr	Tuesday 17 April
Ingham	Wednesday 18 April
Innisfail	Thursday 19 April
Tully	Friday 20 April
Ballina	Thursday 26 April
Mackay	Monday 30 April
Proserpine	Tuesday 1 May
Maryborough	Monday 14 May
Bundaberg	Tuesday 15 May
Kununura	Friday 18 May

### Negative SOI Conditions Continue

by Yvette Everingham (JCU)

#### SOI Phase: Rapidly Falling

The monthly average SOI for October was minus 16.4 (-16.4) compared to minus 4.62 (-4.62) in September. Therefore the SOI phase for October came out as "Rapidly Falling". Probabilities much less than 50% highlight that there is a moderately high chance of experiencing below median rainfall e.g. Tully, Ingham, Ayr, Mackay, Nambour.

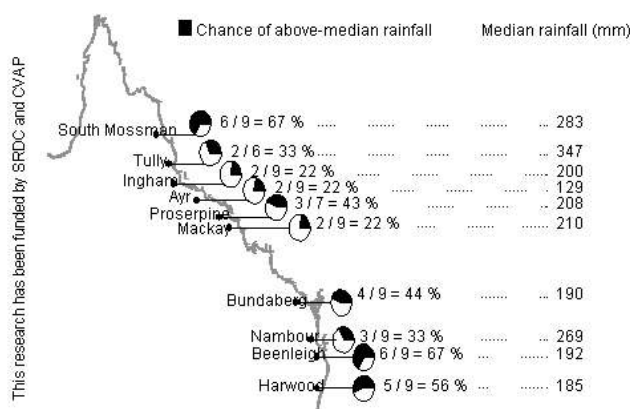
Chances close to 50% (say, between 40 and 60%) indicate that climate forecasting tools are unable to improve upon what you already know about above median rainfall.

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

Probabilities much greater than 50% highlight that there is a moderately high chance of experiencing above median rainfall e.g. South Mossman, Beenleigh.

End of September 2006 - 4.6 "Consistently Negative"  
End of October 2006 - 16.4 "Rapidly Falling"  
**RAINFALL OUTLOOK:**

Sugarcane Wheel Map: Nov-Dec



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

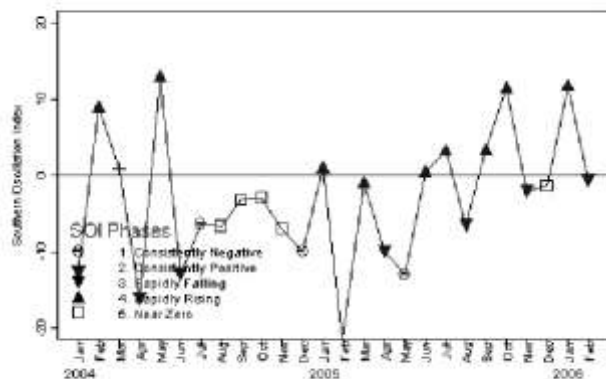


Table 1

	SOI VALUE	SOI PHASE
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	- 7.7	"Rapidly Falling"
End of June 2006	- 6.7	"Consistently Negative"
End of July 2006	- 8.6	"Near Zero"
End of August 2006	- 14.1	"Consistently Negative"

The SOI has maintained for the sixth consecutive month a negative state with the SOI falling last month to -16.4. Warm sea surface temperatures continue to be the dominant feature in the Pacific Ocean with most computer models predicting sustained warming over the coming six months. These conditions combine to reduce the chance of reaching median rainfall amounts. For example In Mackay, there is a 22% chance of exceeding 210mm of rainfall during Nov-Dec. Normally there is a 50% chance of exceeding median rainfall amounts. This of course does not mean for sure that rainfall will be below median. In the case of Mackay under the current climate conditions we would expect about 2 years out of 10 to result in above median rainfall. Whilst the odds favour below median rainfall, this could of course be one of the years when above median rainfall occurs. Another interesting feature to monitor as we head into summer is the MJO. The MJO is a low pressure system that moves from the Indian Ocean across to the Pacific. When the MJO is above Northern Australia this can influence the timing of rainfall. The MJO is next expected over northern Australia around mid-november.

#### 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.

## Sugar Prices volatile but range bound

### Compiled by Queensland Sugar Limited

The prompt New York No.11 raw sugar futures has been fairly volatile since our last report, closing at US 11.82c/lb at the time of writing.

The market lost value at the beginning of October following the expiry of the October 2006 futures contract.

Since the expiry, values for the March 2007 contract have fluctuated between US 11.00c/lb and 12.00c/lb, as a result of funds buying forward and heavy producer selling around US 12 c/lb bringing the price back down.

The October 2006 futures contract expired at US 10.85 c/lb, a discount of 0.90 c/lb to the March contract.

The October 2006 futures contract fell by over US 2.00c/lb, trading at 13 month lows in the lead up to expiry.

This was largely due to continued fund liquidations, and traders discussing a larger sugar surplus than previous expected.

A total of 1,129 million tonnes of raw sugar was delivered upon expiry to Cargill. This is the largest delivery ever recorded.

The majority of this tonnage is Brazilian origin (924,000 tonnes), with the remainder from Argentina, Guatemala, Nicaragua and Honduras.

The London No.5 white sugar futures market followed a similar trend to the raw sugar futures price.

The price moved between US365.00 and US404.00 over the month.

The start of the month saw the whites market rally forward and out perform the raws due to high demand of quality white sugar, particularly in the lead up to Ramadan.

But over the last week whites have struggled to follow the resilient raws resulting in a fall in price.

The London No. 5 December 2006 white sugar futures closed at US 402.00 per tonne at the time of writing.

Thailand is unlikely to start harvesting until mid to late December due to the worst flooding in last 11 years.

The flooding began in late August due to heavy rain from Typhoon Xangsane.

Thai weather authorities say they expect unusually heavy seasonal rains to wreak havoc in central and northern Thailand until the end of October.

Even though the weather outlook is grim for Thailand at the moment it is reported that the crop has not been adversely affected by the flooding.

In fact it is expected that the crop may increase from 59 million mt to 64-65 million mt of cane for the 2006-2007 season, as cane growth was strong before the wet weather and the rains have been increasing growth with minimal damage from the floods.

This means sugar production is expected to recover to over 4 million mt for the season.

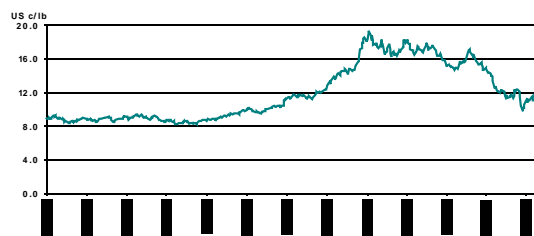
Premiums for Thai sugar remain steady as buyers hold off on stockpiling under expectations of a bumper crop for the season.

They are also waiting in anticipation of India coming into the market soon as an active supplier, albeit a lower grade white sugar.

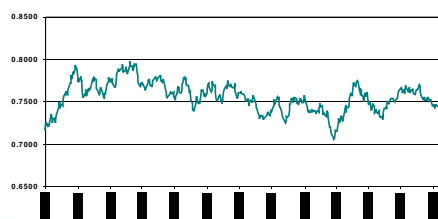
There are reports suggesting that the export ban could be lifted in November.

At the time of writing the AUD was trading at AUD/USD 0.7643.

NY11 Raw Sugar Futures Prompt Contract Price



AUD/USD Exchange Rate



## Qualifying period... Not a probationary period

Article provided by McKays Consulting, a division of McKays Solicitors

In this article we review two recent AIRC cases dealing with issues affecting nearly every business.

Most employers are familiar with how probationary periods work... but may not be familiar with the new WorkChoices "qualifying period."

Under WorkChoices, an employee cannot usually claim for unfair dismissal unless he/she has completed the "qualifying period of employment" of 6 months.

The AIRC has recently confirmed the difference between the qualifying period, and a probationary period, by rejecting an unfair dismissal claim brought within 6 months of commencement of employment.

### The facts

- On 11 April, 2006, GBF Underground Mining Co employed Mr JB;

- On 20 July, 2006 GBF terminated Mr JB's employment without warning;

- Mr JB's unsigned and undated AWA specified a probationary period of three months;

- Mr JB applied for unfair dismissal, saying that he had served out his probationary period and wasn't given a fair warning process before dismissal.

### The issues

GBF had more than 100 employees. Mr JB had served out his probationary period. Therefore Mr JB was eligible to apply for unfair

dismissal... unless prevented by the WorkChoices 6 month qualifying period.

### The decision

#### The Commission:

- Carefully explained the difference between a probationary period and the qualifying period as:

- A probationary period is the period set by the employer to assess the suitability for employment.

- The qualifying period states how long an employee must be employed before being able to lodge an unfair dismissal application.

- An employer and employee can agree on writing to reduce the qualifying period section 643(7) WRA, but that was not done here.

- Dismissed the application for unfair dismissal.

### Implications

- Under WorkChoices, a probationary period is different to the qualifying period.

- Take care that the wording of your probationary periods cannot be mistaken for an agreement to reduce the qualifying period.

- Give careful thought to the length of the probationary period. Sometimes it is reasonable to require a period longer than six months eg a senior management position where it will take some time to assess the management performance.

- Justin Bartle v GBF Underground Mining Company AIRC PR 964349

Termination for serious breach of email policy

The Full Bench of the AIRC recently upheld the termination of an of an employee with an otherwise unblemished long record of service, for email policy breach.

### The facts

- Mr MW was employed by Queensland Rail for 27 years.

- Apart from e-mail policy breaches, his performance record was very good.

- QR had clear and well explained policy against e-mail use and from time to time reminded employees of its policy.

- Since 1999, QR had electronic warnings on its computers about improper e-mail use.

- In 2003, Mr MW improperly saved 6 files. This was located by QR on audit in September 2005, but QR did not raise this with Mr MW until 5 months later.

- From November 2005 to January 2006, 9 improper emails were identified.

### The issues

- QR's policy and electronic warnings were clearly given.

- QR's policy was breached, as some of the e-mails and files had sexual content of varying seriousness.

*Continued next page...*



## Qualifying period... Not a probationary period

*Article provided by McKays Consulting, a division of McKays Solicitors*

...continued from previous page

- There was a delay of five months (after September 2005) before QR raised the issue with Mr MW.

- Was termination of employment a disproportionate response by QR?

The decision

Notwithstanding QR's delay after first discovering the breach, the Full Bench of the AIRC upheld the termination, emphasising:

- QR's repetitive warnings of the consequences of breaching its email policy; and

- The repetitive breaches of QR policy.

Implications

Employers should:

- Have clear e-mail policy, and explain the policy.

- Regularly remind about the consequences of breach of policy.

- Not delay before raising an email breach with an employee.

Nevertheless, delay may not be fatal to a decision to terminate employment.

- Carefully note the significance of repeated breach of policy, as

compared to a "one off" breach.

Queensland Rail v M. Wake AIRC (PR974391)

If you require assistance with:

- drafting probation periods;

- employee termination issues; or

- drafting or enforcing email and other workplace policy;

contact Scott McSwan or Karen Porter of McKays Consulting at [smcswan@mckayslaw.com](mailto:smcswan@mckayslaw.com), [kporter@mckayslaw.com](mailto:kporter@mckayslaw.com), or 49 630 888.

## Sweet innovation from Northern Sugar

Human dietary fibre and natural cane juices are new products to be extracted from sugar cane as a result of innovative technology adopted in far north Queensland, Minister for Primary Industries and Fisheries Tim Mulherin said.

Overseas markets, especially Japan, have already expressed a keen interest in the value-adding potential of sugar cane thanks to Australia's first commercialised cane separation facility opened today by the Minister at the Mossman Central Mill in far north Queensland.

Project developers Resis Australia have spent four years working with researchers and business to commercialise naturally healthy alternative products from sugarcane using energy efficient novel milling technology.

They have been assisted in the venture by leading manufacturers, researchers and technicians from Japan, Italy, Switzerland, USA and Germany.

In particular, Resis Australia's association with the Queensland/Japanese company, Kristevfourspace Ussy, has created new opportunities for the sale of high value sugarcane products to Japanese markets and processing of new human dietary fibre.

The company is confident its cane concentrate can become the new base of a range of fruit and health drinks as well as finding applications in the confectionary and quality sweetener markets.

A delicious syrup, marketed as Reef Gold™ Cane Syrup, is already finding markets in Okinawa in southern Japan, one of the oldest cane-growing regions in the world.

Mr Mulherin said the Department of Primary Industries and Fisheries had played an important role in this project, through the provision of technical support.

"Value-adding is an important way to build on the profitability of the cane industry and to enhance Queensland's reputation as the SmartState," Mr Mulherin said.

"The sugar industry is worth about \$1 billion to the Queensland economy so we have a solid foundation on which to take advantage of value-adding opportunities.

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

#### Mossman/Mulgrave Regional Report

With the disappointing harvest now behind us, the early finish by both Mossman and Mulgrave Mills means we can look forward to hopefully a much better crop in 2007.

Mossman's and Mulgrave's crops were down approximately 20% on original estimates and can be attributed to the appalling weather experienced post cyclone Larry.

Dry conditions since the completion of harvest has the ratoons looking very good with most growers in the Mossman district now finished their fertiliser programmes.

Mulgrave's Smut survey is under way and Mossman's is completed with thankfully no Smut detected.

The small number of resistant varieties to choose from and the diseases March north poses a real threat to our productivity.

Yearly smut surveys and a local smut plan, to be developed later this month will hopefully smooth out the transition to resistant varieties.

However I believe BSES must assist by making overseas varieties available to those prepared to trial them.

Have a very happy festive season.

Don Murday  
ACFA Northern Director

#### Innisfail Regional Report

Many farmers have been disappointed with the number of mill breaking downs this season. Farmers are becoming increasingly frustrated at with the conditions they face in this area such as; cyclone damaged crops and the inability of factories to crush crop in a timely manner.

This will affect next years production and we may face a possible stand over.

John Blanckensee  
ACFA Northern Director

#### Herbert Regional Report

Total tonnes crushed to date 4,091,361, the CCS for the week was 12.31 the CCS for the season stands at 12.73.

The estimate for the season is holding with the estimate this week at 100.9 per cent.

The crop forecast is still 4,840,000 mt.

Q200 is still holding up in the CCS stakes at 14.3 CCS with Q158 coming in at 131.1 CCS.

The Herbert river mills reached 4 million tonnes last week in spite of poor mill performance which has been par for the course this season.

As a consequence, harvesting may need to extend into Wednesday 20th December.

The weather has been unseasonably cool and fine except for the last couple of days with a build up of clouds making harvester operators nervous.

Dawn Brown  
ACFA Herbert Director

#### Burdekin Regional Report

CSR has appointed a person to handle their marketing of sugar.

It is important that farmers recognise that CSR will still be selling their sugar through QSL and intend to honour their contracts with them.

The marketing assistant will take up their position in January next year and will produce for farmers in March.

The harvest is continuing and the

second ratoons are late getting away.

Adrian Ivory  
Burdekin Regional Director

#### Central Regional Report

Crushing is finished in the Central District.

Proserpine is expected to cut out about two million tonnes.

Smut has been discovered in the district in Habana and Victoria Plains areas and it looks likely another outbreak will be confirmed near Sarina as well.

Paul McKay  
Central Director

#### Southern Region Report

The Bundaberg Isis district has had one of its driest springs for a long time compared to one of the wettest last year.

CCS was not as high as it could've been because dry conditions from February through to April and a wet winter triggered late growth.

Isis finished harvesting around the 26 of November and Bundaberg Mills about a week before.

Isis crushed about 1.23 million tonnes at 13.59 CCS and Bundaberg crushed around 2.1 million at 13.72 CCS.

Hoping for a wet and Merry Christmas period for you all.

Errol Zunker  
ACFA Southern Branch Secretary

#### New South Wales Regional Report

Weather conditions in NSW have hampered the planting in all mill areas especially the Harwood area which at time of report had not completed their planting.

The other two rivers have not been as

## Regional Reports

effected however the planting is about one month behind the desired time.

Harvest conditions have also been challenging due to weather but are continuing on with the hope of being completed by Christmas.

Mill Statistics as follows:-

Broadwater  
Cane crushed to date - 694,773  
CCS year to date - 11.03

Harwood  
Cane crushed to date - 584,192  
CCS year to date - 11.15

Condong  
Cane crushed to date - 452,413  
CCS year to date - 10.87

Wayne Rodgers  
ACFA New South Wales Director

## Gold Coast retailers driving ethanol fuel

Gold Coast petrol retailers are helping to fuel the growth of Queensland's ethanol industry, with four more stations now offering ethanol blends.

Minister for State Development John Mickel said motorists can now top-up their tanks with +e fuels at 11 service stations in the Gold Coast including BP Express (West Burleigh), Neumann (Nerang), Independent (St Clair's and Hope Island), Coles-Express (Surfers Paradise), Freedom Fuels (Coolangatta and Arundel) and Independent Fuel Supplies (West Burleigh, Nerang, Ashmore and Robina).

"Ethanol-blended fuels, known as +e fuels, are available at 170 service stations in Queensland. That's a 425% increase over the past two years," he said.

The +e team were to visit all Gold Coast retailers selling ethanol blended fuels throughout Indy week between October 19 and 22..

Mr Mickel said the increased uptake by Gold Coast service stations is a positive addition to the Queensland Government's +e campaign.

"Many of the major fuel companies are retailing ethanol fuel options at their service stations but it is the independent fuel retailers who have really embraced ethanol, with 54% selling ethanol blended fuels," .

"Queensland currently consumes approximately 4.25 billion litres of petrol annually. Replacing at least some of this consumption with domestically produced renewable alternatives is a smart way forward".

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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 farmers 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:

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Leading farmers into the future

# the Australian Cane Farmer

## Suspected smut found near Sarina

The central district's cane farmers are waiting anxiously today as they await confirmation of sugar cane smut in the Plane Creek area.

If confirmed, it would mean smut is continuing to spread throughout the central district after being discovered in Habana and Victoria Plains earlier this month.

Sugar cane smut initially arrived in Australia in 1998 and didn't spread to the eastern seaboard until the early 2000s.

According to a BSES media release, the farmer discovered the suspect plants himself in a crop of third-ratoon Q136.

BSES Limited is currently surveying the extent of the infection on the farm and surrounding farms, along with the identification of linkages via harvest contract, planting contract etc.

The surveillance on this farm and surrounding farms will be on-going for the rest of the week before a better summation of the infestation can be established.

ACFA Chairman Ross Walker expressed the disappointment farmers in the central district and urged them not to panic and to listen to forthcoming advice from the BSES.

"Farmers across the central district will be disheartened but not surprised by today's announcement," he said.

"It is important farmers prepare for smut on their own farm by maintaining surveillance on their own crops and building resistant plant stock.

"ACFA will continue working with the BSES to ensure farmers are kept up to speed on the situation."