

# the Australian Cane Farmer

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## QSL falls into Miller's hands

Queensland Sugar Limited (QSL) grower members have voted to remove farmers from the Board of the Company.

Ross Walker, Chairman of the Australian Cane Farmers Association, condemned the decision and said farmers were furious they would no-longer play a meaningful role in the company that was built on the back of 85 years of farmers' hard work.

"This proposal was purely and simply a smokescreen for a miller-takeover of QSL," said Mr Walker.

"By removing all of the farmers from QSL's Board, QSL has ensured farmers will no longer have a say in the policy or operation of a Company whose business is mostly for farmers."

Two-thirds of the sugar market by QSL is for farmers and 85 per cent of pricing is for farmers.

ACFA Chairman Ross Walker said the organisation was at a loss to explain how removing farmers from the Board of QSL was in the best interests of the industry and more importantly farmers.

The miller-lead proposal received the support of the QSL miller members that voted and 23 of 25 grower members in Brisbane.

The farmers' decision might seem odd; however, it has been revealed that 22 of QSL's 25 grower-members are either

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June/July 2008  
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### Breaking News

Negotiations for the Doha round of World Trade Organisation trade talks are continuing. WTO Director General Pascal Lamy said rising food and oil prices were providing an extra incentive for participating nations to succeed.



Leading farmers into the future

### Draft water amendments unacceptable to farmers



By ACFA.  
Chairman  
Ross Walker.

The Draft amendments to the Pioneer Valley water resource plan recently announced by the Minister for Natural Resources and Water are unacceptable to farmers.

Farmers to the east of the saltwater intrusion line face the real prospect of losing their allocation if the plan is implemented.

Farmers to the west of the saltwater intrusion line face greatly reduced allocations.

The losses to individuals in the industry and the entire community will be large and the plan needs major changes to address fully and justly the economic, environmental and social

issues involved.

The economic losses will be huge and there is no plan to compensate farmers which is totally unacceptable.

The inevitable result will be a huge drop in land values and the real possibility of land going out of sugar cane production.

Farmers facing similar situations in other regions of Australia are receiving compensation.

It is imperative farmers are able to access other sources of water if they are to remain viable.

The crushing season in the central district is producing higher than average CCS levels which is pleasing; however, tonnages are much lower than last year which will place a financial strain on all sectors in the industry.

Sugar prices have risen a little recently and some commentators are forecasting prices to continue in an upward trend.

Mackay Sugar Limited farmers will have access to an improved sugar pricing scheme and meetings will be held shortly.

The new scheme gives farmers more choices and it will be important farmers complete and return the forms they will receive.

The recently announced proposal to look at the possibilities of merging Mackay Sugar and Proserpine has a lot of merit and the potential to benefit both areas.

The amalgamation of milling companies is occurring in Northern Queensland and also makes sense in the central region.

The future has to be different from the past.

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### Grower-Directors remove themselves from QSL's board

*...from page 2*

Diversification will require large sums of capital and a merged entity will be better placed to meet the challenges of which there will be many.

I trust the joint position can be achieved where all parties will benefit.

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On 25 June 2008 QSL held a second General Meeting to put to members an amended proposal for restructure.

The previous proposal which ACFA voted against on 19 May sought to remove farmers from the board of QSL, an act which is unacceptable to the ACFA.

This proposal failed because the ACFA must agree to change the section of the QSL constitution which deals with 'Grower Members'.

The new proposal, although similar in intent to the first, relies on the 'Grower Members' of QSL voluntarily not exercising their 'right' to place 'Grower Directors' on the board of QSL. The 'Miller members' have also agreed not to place 'Miller Directors' on the board of QSL.

'Grower Members' and 'Miller Members' have a right and not an obligation to populate the board of QSL therefore they may leave this section in abeyance.

The constitutional amendments mostly relate to the selection and membership of 'Independent Directors' of the board of QSL.

These changes involve ordinary sections of the constitution of QSL which do not require the approval of the ACFA. Although the ACFA opposed and prevented the earlier more unfair changes, the ACFA was not able to prevent the latter ones.

Had not the ACFA stood up to intimidation from industry representatives, farmers would have been permanently removed from the board of QSL, a company whose business activities are predominately for farmers.

As it stands; with the vigorous support of the Canegrowers Organisation, farmers have voluntarily removed themselves from the board of QSL.

Should the farmer membership of QSL experience a change of heart, they may once again place 'Grower Directors' on the board of QSL.

This option has only been made possible because the ACFA stood up for farmers. But while ever the Canegrowers Organisation aligned majority of 'Grower Members' of QSL remains in place to exercise its bloc vote, a farmer presence on the board of QSL would appear unlikely.

Although farmer boards of sugar mills throughout Queensland have achieved better raw sugar returns - through superior marketing strategy - than proprietary mills; the Canegrowers Organisation, purportedly a farmers' organisation, does not think that farmers, even their own directors, are fit for the board of QSL, even as a minority.

## Crushing halted at Pioneer Mill following tank collapse



On June 20 one of the juice clarifier tanks at CSR's Pioneer sugar mill collapsed also damaging a second tank.

There were no serious injuries as a result of the incident.

Two employees were taken to hospital to be treated for shock, one other employee was treated for a minor burn to her foot.

The mill has been shut down and most employees have been sent home for the day other than a small clean up crew.

CSR is currently investigating the cause of the incident and has mobilised a team to restore production.

While it is too early to estimate when production can re-commence, CSR believes this incident will not have a material effect on earnings in its Sugar business.

The Pioneer Mill is one of 7 mills owned by CSR. CSR crushes approximately 14 million tonnes of sugar cane annually.

Of this total, approximately 8 million tonnes is crushed in the Burdekin region where Pioneer is one of four CSR Mills.

Pioneer typically crushes around 1.7 million tonnes of sugar cane annually.

CSR is working to restore production as soon



## Crushing halted at Pioneer Mill following tank collapse

as possible at Pioneer Mill.

In the interim, arrangements are being made to divert cane from this mill area to other CSR mills in the Burdekin.

The crushing season has commenced recently and is scheduled to run until November.

During this time CSR expect to restore production at Pioneer.

CSR and cane growers have continued their discussions in relation to the incident at Pioneer Mill where a clarification vessel collapsed at a meeting between a delegation of grower representatives and the Managing Director of CSR, Mr Jerry Maycock.

This follows meetings between cane growers and the CEO of CSR Sugar in the Burdekin.

“We share with growers the intense frustration that the temporary closure of the mill is causing in the region,” said Mr Maycock.

“However, CSR is doing everything we possibly can to try to minimise these impacts.”

CSR has announced that it will make cash advances available to Burdekin cane growers on a needs basis until crushing operations resume at the mill.

Meanwhile, cane from the Pioneer milling area is being transported to CSR’s three other Burdekin mills to be crushed until the Pioneer Mill is back on line. CSR is covering the

additional transport costs for this exercise.

“We are working around the clock to minimise the downtime and re-commence operations at the Pioneer mill as soon as possible,” said Mr Maycock.

All evacuation plans worked effectively and no one was seriously injured in the incident.

Work to dismantle the vessels is expected to commence tomorrow and CSR and loss adjusters have retained forensic engineers to investigate the cause of the collapse.

Until this investigation is complete, it is premature to speculate on the cause of the incident.

In the meantime, construction of a new clarification vessel to replace the two damaged vessels has already commenced and is being fast tracked to ensure the mill is operational again as soon as possible.

On current, preliminary estimates, the Pioneer mill is expected to be closed for up to 14 weeks and the overall Burdekin cane crushing season may be extended by 2-3 weeks, given reasonable weather conditions.

CSR and its insurers are working together on site to assess the likely cost, however the total gross costs of the incident are expected to be significant and CSR will be lodging a claim.

Based on current estimates CSR believes the incident will not have a material impact on its sugar earnings.

### QSL falls into Miller's hands

...from front page

Directors or members of the Queensland Cane Growers Organisation (Canegrowers).

These grower members used a bloc vote to remove grower-directors from the Board of QSL.

"Farmers across Queensland are up in arms about this decision and are outraged that the

killer blow wasn't delivered by millers but their fellow farmers," said Mr Walker.

The vote has destroyed the balance between millers and farmers within QSL and has left Queensland's cane farmers at the mercy of milling interests.

The decision is another step in diminishing farmers' control and influence in their industry.

### Cane's environmental credentials must be recognised

According to recent ABC news report by Rosemary Grant, the Federal Government's plans to reduce Australia's carbon pollution, including a carbon trading scheme that starts in 2010, has spared rural industries initially.

Farmers and the fishing industry will get fuel relief for the first three years, and the forestry industry has the opportunity to cash in massively, selling offsets to other polluting sectors but not having to account for logging.

And farmers will also be able to sell tree plantings as offsets to big polluters, but they won't have to pay for their farm emissions until 2015 at the earliest.

Executive director of the Australian Farm Institute, Mick Keogh said in the long run Australia's scheme will do little to fix the climate change challenges that are a key to survival for many rural communities, because Australia's total emissions are less than one per cent of the total.

Mr Keogh was quoted as saying, "In cold hard practical terms it really won't make any differences to changes in climate over the foreseeable future, the next 50 years or so."

Earlier this year, ACFA Chairman Ross Walker attended the Australian Society of Sugar Cane Technologists conference in Townsville where Mr Keogh spoke.

An interesting aspect of his speech was his observation that it is likely these policies in response to climate change will have more of an affect on our farms than climate change itself.

Mr Walker said it is important that the cane industry, along with other agricultural industries, is not a made a sacrificial lamb for achieving emission targets.

"It will be important the sugar cane industry is able to participate and be recognised for its greenhouse reduction contribution by being a renewable energy supply capable of generating electricity and biofuels such as ethanol," he said.

## Sugar Cane is Clean Green Renewable Technology

Recently a draft of the Garnaut Climate Change Review was released to a mixture of criticism and praise.

It would appear this report will be somewhat of a blueprint for the Rudd Government's war on climate change.

Given that some of Australia's agricultural industries are moderate emitters of greenhouse gases it appears that agriculture will be in the firing line in regards to any emissions trading scheme or carbon taxes that the Rudd Government will introduce.

And while we are prepared to play our part in a future dominated by climate change, Australian agriculture, particularly the cane industry, is well poised to play a positive role to help reduce greenhouse emissions.

It is no secret that fossil fuels are to blame for climate change and yet successive governments, both State and Federal, have been unwilling to help renewable energy, such as ethanol, gain a foothold in this country - until now.

The Rudd Government has the opportunity to utilise the valuable contribution the sugar industry has long made to climate enhancement.

It has the opportunity to increase demand for bagasse cogeneration and ethanol, particularly ethanol from cellulose.

While we continue to rely on coal-fired power

stations and oil, dreaming of cleaning-up these 'dirties' or waiting for future technologies, government's around the world are taking steps to reduce their reliance on fossil fuels by mandating renewable fuels such as ethanol.

Ethanol is now - it is a form of solar energy and the sugar cane plant is a bio-reactor.

By focusing on available technology, the sugar industry has the potential to play a significant and positive with climate change by providing a fuel extender and a valuable oxygenate.

But this policy the Rudd Government has yet to commit to.

As a super efficient c4 plant, Sugar cane is extremely effective at cleaning and purifying the air and is the most efficient converter of sunlight on the face of the earth.

These attributes combine make sugar cane a very attractive option for any government interested in securing environmentally friendly, renewable energy source.

Our industry has the will to make these changes happen, what we haven't had so far is a government committed to working with us to help us make these changes.

ACFA will continue to represent the sugar industry's environmental credentials to all levels of government and ensure they are made aware of the worthy contribution the cane industry makes to the environment.

## ELECTION OF ELECTED HOLDER TO BE GROWER REPRESENTATIVE MEMBERS - QUEENSLAND SUGAR LIMITED

Under the constitution of Queensland Sugar Limited, elections are held every three years for Elected Holders who are the Grower Representative Members of the Company.

NOMINATIONS ARE NOW CALLED FOR PERSONS WISHING TO SEEK ELECTION AS THE ELECTED HOLDER FOR THE VARIOUS MILL AREAS IN QUEENSLAND. NOMINATIONS MUST BE RECEIVED BY QUEENSLAND SUGAR LIMITED BY 5:00 PM THURSDAY 7 AUGUST 2008.

A Mill Area is the area comprising all sugar cane farms where the growers supply to a mill under agreement with the mill owner. Growers in each of these Mill Areas will elect one (1) Elected Holder.

\*Rocky Point

\*Plane Creek

\*Mulgrave

\*Maryborough

\*Proserpine

\*Mossman

\*Isis

\*Tully

\*Tableland

Where there are a group of mills in a region owned by the same mill owner and the growers supply the sugar cane to the mill owner to process the sugar cane at any one of those mills, the Mill Area is the area comprising all sugar farms supplying the mill owner for processing in the mills. Growers are entitled to elect the same number of Elected Holders as the number of mills owned by the mill owner in the region.

\* Growers in the Southern region in the area of the Bingera and Millaquin group of mills may elect two (2) Elected Holders for the area.

\* Growers in the Central region in the area of the Farleigh, Marian, Pleystowe and Racecourse group of mills may elect four (4) Elected Holders for the area.

\* Growers in the Burdekin region in the area of the Kalamia, Invicta, Pioneer and Inkerman group of mills may elect four (4) Elected Holders for the area.

\* Growers in the Herbert River region in the area of the Victoria and Macknade group of mills may elect two (2) Elected Holders for the area.

\* Growers in the Northern region in the area of the South Johnstone and Babinda group of mills may elect two (2) Elected Holders for the area.

To be eligible for nomination, a person must be a Grower - defined for these purposes as a person who supplies sugar cane under contract to a mill either alone or with others (but not a mill owner).

The rights of an Elected Holder as a member of the Company are as set out in the constitution or as otherwise set out as at law. Elected Holders have no direct role in the management of the Company or in the deliberations of the Board of Directors of the Company. As a member, the Elected Holder's rights are principally in relation to attending and voting on matters required to be put to a vote at a members' general meeting. There is no remuneration paid for the position of Elected Holder.

Growers eligible to be an Elected Holder for a Mill Area and wishing to nominate may collect a nomination form:

- \* by contacting Queensland Sugar Limited, GPO Box 891 BRISBANE QLD 4001; Telephone (07) 3004 4400; or email [qldsugar@qldsugar.com](mailto:qldsugar@qldsugar.com); or
- \* from any of the CANEGROWERS, ACFA or the mill offices in the relevant Mill Area.

A nomination form signed by the nominated person must be returned by post to be received by Queensland Sugar Limited no later than 5:00pm Thursday 7 August 2008, marked to the attention of:

Company Secretary  
Queensland Sugar Limited  
GPO Box 891  
BRISBANE QLD 4001

Voting papers for elections in each Mill Area will be available from 1 September 2008 at the locations set out above. Voting papers must be returned by post to be received by the Company at the above address no later than 5:00pm Thursday 18 September 2008.



## Sugar industry funding for travel, learning to broaden horizons

Over 80 members of the Australian sugarcane industry will have the chance to get off the farm, get away from the office, or hang up their lab coats thanks to more than \$70,000 in funding from the Sugar Research and Development Corporation.

As part of SRDC's Travel and Learning Opportunity projects the growers, millers and researchers will travel to other sugar producing regions and attend conferences to learn from their peers and share their ideas.

SRDC Executive Director Frikkie Botha said that the projects were about helping members of the sugarcane industry to think outside the square.

“This funding is all about allowing people to get out there and find out about the latest thinking in their field,” Dr Botha said.

“Cane growers will also look beyond the sugar industry to learn from other agricultural industries. Nine extension officers and growers from New South Wales, Bundaberg and far north Queensland will travel to the Darling Downs to investigate the development and management of herbicide resistance within the broad acre industries.

“This project will allow participants to use their findings to improve weed management in sugarcane production and to minimise development of herbicide resistance within improved sugarcane farming systems.

“We're also delighted to be able to help fund

one of the industry's innovative growers, Robert Quirk, to present papers at conferences in Egypt and China.

Not only will he be learning from his peers, he will also be showcasing the Australian sugarcane industry,” he said.

Harvesting operators are also set to benefit from the funding, with growers and engineers from the Herbert, Burdekin and NSW industries to workshop ideas and modifications to harvester designs to accommodate NSW whole of cane harvesting.

“We're also investing in the professional development of cane industry researchers.

These projects will allow researchers to participate in activities ranging from conferences about the impact of green cane harvesting on sugar processing to work placements that will enhance the industry's quarantine procedures.”

One ambitious project will bring together close to 40 extension officers and sugar services staff to identify regional extension requirements, barriers to adoption and develop strategies to improve extension service provision and industry adoption processes.

“Extension plays a vital role in translating research findings into on the ground improvements, making the success of this project important,” Dr Botha said. Travel and Learning Opportunity Projects

### Sugar industry funding for travel, learning to broaden horizons

account for about three per cent of the corporation's total R&D investment, and are helping to create a culture of innovation in the industry.

SRDC announces two calls for TLOP proposals each year.

More information about SRDC's investments in sugarcane research and development projects can be found at [www.srdc.gov.au](http://www.srdc.gov.au)

SRDC launches new Research and Development Plan

The Sugar Research and Development Corporation has celebrated the launch of its Research and Development Plan 2007-2012.

The plan was officially launched by the Minister for Agriculture, Fisheries and Forestry, Tony Burke at the Rocky Point Sugar Mill on June 11.

SRDC Chair Ian Knop said that SRDC's core business is to foster an innovative and sustainable Australian sugar industry through targeted investments in research and development.

"The R&D Plan provides the framework and sets the targets for research and development activities to help SRDC achieve its mission," he said.

Developed in consultation with stakeholders, the R&D Plan identifies opportunities for

research and development that will meet the needs of industry, government and the community.

"It is expected that SRDC's R&D investments over the next five years will become more regionally focused and will lead to improved farming and harvesting systems that increase revenue and reduce input costs at all levels of the value chain.

"It is expected that R&D will lead to the implementation of more productive and cost-effective transport, milling and marketing systems in harmony with the environment and societal expectations.

"Investments will ensure emerging technologies will be, or will be in the process of being, developed that accelerate the delivery of improved varieties for sugar production and other value-added products.

Emerging technologies that improve business performance across different sectors of the sugarcane industry will also be investigated," Mr Knop said.

The men and women of the Australian sugarcane industry are a critical element to achieving profitability and sustainability.

"Over the next five years SRDC's investments will continue to help industry people to develop a greater capacity to lead, and embrace change in order to deal with this changing environment."

For more information about SRDC, or to request a copy of the plan, visit [www.srdc.gov.au](http://www.srdc.gov.au)

## ISO estimate for 2007/08 at 168.44 million tonnes

*By Cally Wilson, Marketing Analyst, Queensland Sugar Limited*

The ICE No.11 July 2008 raw sugar futures contract price rallied during June.

The July 2008 contract started the month at US 10.02 c/lb and rose steadily throughout the month.

The price peaked at US 12.18 c/lb on the 23rd June.

Four major reasons have been given for the rally in prices: the poor start to the Centre South Brazilian cane harvest, the severe flooding in the US, the higher crude oil prices and increased speculator interest in commodities and sugar in particular.

The first three reasons are related to the ability of sugar cane to be used as either a substitute for gasoline or as a sweetener.

The flooding in the USA has impacted on expected production of corn in the USA.

As a result corn prices have increased rapidly, which is expected to impact on the quantity of ethanol made from corn in the USA, therefore giving greater opportunities for ethanol imports from Brazil.

When this is linked into the poorer than expected start to the crush in Brazil, market sentiment has changed from negative to being positive, which has started the recent rally.

The first US 0.5 c/lb of the rally was related to the USA flooding and Brazil start-up story.

However, the rally then went through key technical levels which attracted speculators into the market.

As the market price went through US 12.00 c/lb, some profit taking by speculators occurred which saw prices fall to the current level of US 11.48 c/lb (25th June).

The London No.5 (LDN5) white sugar August 2008 contract has also had a large price rise during the month.

The August 2008 contract started the month at USD 320 per tonne, and reached a high of USD 388.50 per tonne on 23rd June; an increase of USD 68.50 (equal to US 3.1 c/lb).

The raw/white differential also increased by around USD 20.00 per tonne over the month.

In essence, USD 45.00 per tonne of the increase in white sugar prices has been due to the rise in raw sugar prices but the additional USD 20.00 per tonne increase has been due to the higher cost of converting raw sugar to refined sugar (higher freight and energy costs), and the market price has had to increase to entice refiners to produce refined sugar.

UNICA has released its latest update on the harvest in the Centre South Brazil.

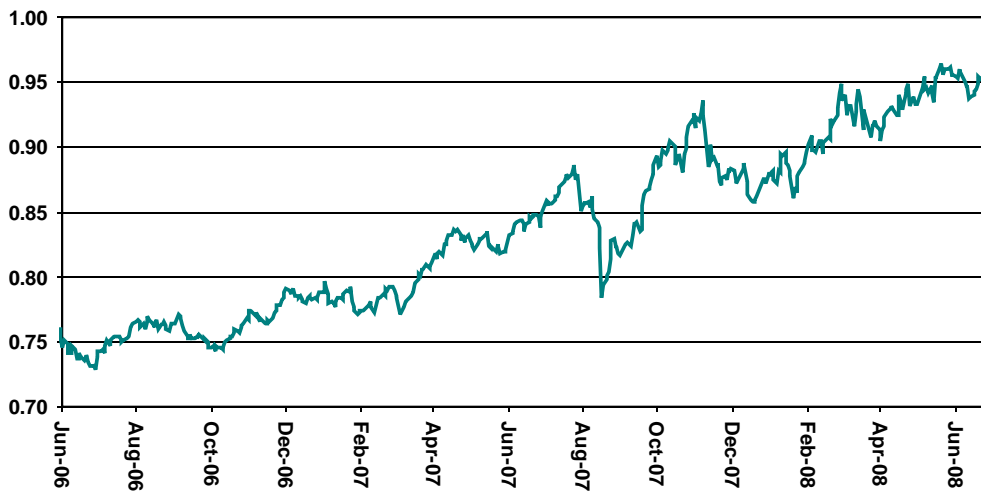
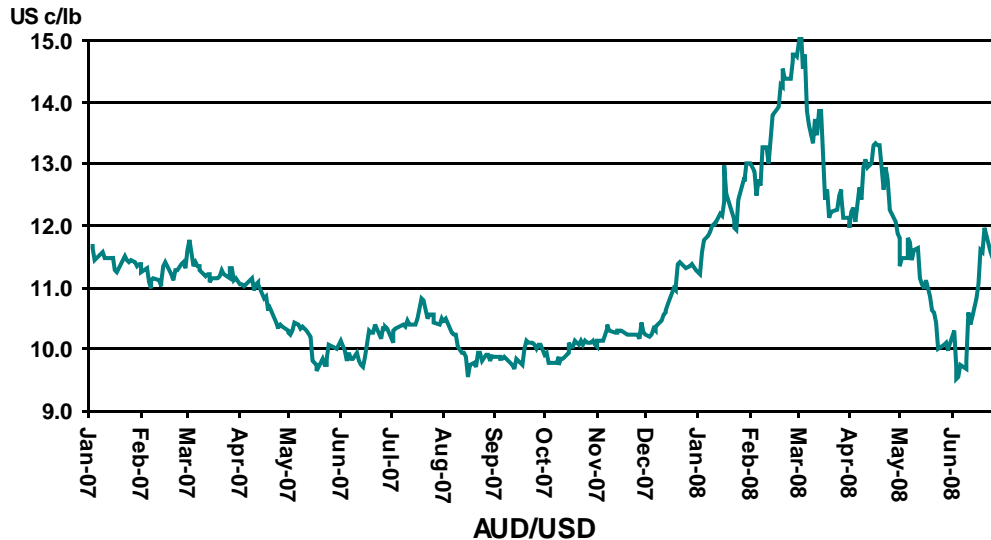
As at June 1, 75.7 million tonnes of cane has been harvested, producing 3.3 million tonnes of sugar and 3.2 billion litres of ethanol.

*Continued on page 12...*

ISO estimate for 2007/08 at 168.44 million tonnes

By Cally Wilson, Marketing Analyst, Queensland Sugar Limited

## ICE No.11 Raw Sugar Futures Prompt Contract Price



...from page 11

The sugar equivalent yield is 108.3 kg/tonne of cane with 60% of the cane being diverted to the production of ethanol. The rate of production in the second half of the period had improved but overall cane harvested is 5% ahead of the same period last year (total

crop for the year is expected to be up around 15%) and the sugar equivalent yield is down 6%.

The AUD traded between 0.935 0.963 against the USD during the review period. The AUD was trading at 0.957 against the USD at time of writing.



## How even accidentally paying your employees too little can have a huge effect on your cash flow...

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

Our advice to employers concerned about planning their employment arrangements is often to “keep it simple” – and to discuss with them the merits of a well-worded employment contract.

In our April and May “McKays Consulting” newsletters we answered some frequently asked questions about employment contracts, and listed some important issues that a contract should cover.

If you didn’t receive those, please email us and we will send them to you.

Get the remuneration right

Most employment disputes are about remuneration, and so it pays to take special care when setting remuneration in your employment contracts.

Workchoices employers will be aware of adjustments made to the minimum pay rates effective from 1 December 2006 and 1 October 2007.

A recent case of *Dekic v Xidis Pty Ltd* highlights for you the financial risk of not paying your employees their correct rate of pay.

This case involves an employer who did not ensure all of its employees were paid at or above the statutory minimum pay rates.

This resulted in three employees being underpaid a combined amount of just \$3,524 over a period of approximately twelve months...and the employer being fined a whopping \$25,000.

The employer's defence of ignorance fell on deaf ears.

Implications for employers

A finding similar to this would have a significant impact on the cash flow of most businesses...and clearly reduces the bottom line by at least \$25,000.

To put that in perspective, if your business operates on a gross profit margin of 20%, it's equivalent to you losing \$125,000 in sales/fees.

You need to be clear where to source information about statutory minimum rates of pay, and to ensure you pay to at least that level.

The Australian Fair Pay Commission will announce the 2008 adjustments to the minimum pay rates in July.

Notwithstanding that I will probably send you an email with details of any adjustments, can I suggest you should diarise to find out what the changes are...in early August.

I trust this update has been useful and

## How even accidentally paying your employees too little can have a huge effect on your cash flow...

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

informative. If you have any questions, please feel free to call us...

Scott McSwan on (07) 4963 0860 or [smcswan@mckayslaw.com](mailto:smcswan@mckayslaw.com) or  
Karen Porter on (07) 4963 0870 or [kporter@mckayslaw.com](mailto:kporter@mckayslaw.com) or  
Cyndel Da Rin Perette on (07) 4963 0878 or [cdarinperette@mckayslaw.com](mailto:cdarinperette@mckayslaw.com)

*This newsletter is for the general information of McKays' clients and associates.*

*The information contained in the newsletter should not be relied upon without first consulting us and obtaining specific advice.*

## Doha drags on

On the opening day of about a week of negotiations in Geneva, ministers said a Doha Round deal is badly needed because of economic uncertainties.

They promised to strive to settle their differences on blueprint agreements — “modalities” — in agriculture and industrial products, provided the outcome is balanced.

About 30 ministers spoke in a morning meeting of the WTO's full membership of 152.

More delegations will speak when this informal session of the Trade Negotiations

Committee continues.

Scheduled for the rest of the day were consultations in a wide range of different forms, including “Green Room” meetings of a representative group of about 40 ministers.

Several speakers picked up a number of themes introduced by Director-General Pascal Lamy at the start of the meeting.

He spoke of the difficult task ahead of them, the need to conclude the Doha Round in order to stimulate and stabilize the world economy, the need for WTO members to make an effort as a team to reach agreement.

“I can think of no stronger spur for our action than the threats which are facing the world economy across several fronts, including rises in food prices and energy prices and financial market turbulences,” he said.

There is widespread recognition that a balanced outcome of the Doha Round could in these circumstances provide a strong push to stimulate economic growth, providing better prospects for development and ensuring a stable and more predictable trading system.”

He compared the task to climbing a mountain.

“The only way to reach the top is understanding each others' interests and limitations.”

The formal meeting of the Trade Negotiations Committee, which would end the present phase of the talks, is scheduled for Saturday 26 July, but it could be postponed to allow all delegations to study “the final product”, he said.

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

### Innisfail Regional Report

Started the season under grey sky's and since cleared to fine cool weather. Crushing is proceeding steadily at factories along the coast with minimal stoppages.

Farmers do have major concerns regarding the excessively high input costs into the sugar industry and the low returns for sugar.

Our main concerns are fertiliser and fuel.

Farmers are assessing their viability in the sugar industry as forestry interests are still very active in acquiring new lands.

ACFA has negotiated a successful cane supply contract in the Bundaberg Sugar area and farmers are happy with the contract.

Since 2005 farmers are happy to have the option of negotiating a cane supply contract.

Another disappointing aspect of the industry has been the withdrawal of the cane stand from the Innisfail show.

This highlights the hardships the sugar industry currently faces.

John Blanckensee  
ACFA Northern Director

### Herbert Regional Report

Crushing started in the Herbert Region on the 16th June, 2008. Total tonnes crushed so far for the period ending 21st June is 105,662 tonnes with an average CCS of 13.09.

Top performing varieties are Q174 with 13.5ccs, Q200 and Q186 with 13.1ccs. At the moment crushing is at 96.6% of estimate. Crop forecast is 4,640,000 tonnes.

Planting has re-commenced and the trend continues to plant smut resistant varieties continuing on from last year. In 2007 over 51.8% of the area was planted with smut resistant varieties and the intermediate varieties planted area was 11.3% so practically 70% of the area now planted will be under non susceptible varieties.

Due to current levels of greyback grub damage growers are urged to control their ratoon crops from these pests to avoid a continuation of a build up of grub population.

Our Herbert Branch feels for the Pioneer farmers that have been left with the predicament of facing another lengthy crushing season.

Carol Mackee  
ACFA Herbert Director

### Burdekin Regional Report

After closure of Pioneer Mill caused by a collapse of equipment, a series of meetings have been held locally and with CSR executives in Sydney.

Local farmers, contractors and businesses have voiced their concerns both at the meetings and publicly and community concern is high for the safety and the capacity of the mills to crush the 2008 crop. The other three mills will be expected to crush the additional Pioneer cane until Pioneer Mill

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

is on line again (approximately 14 weeks) but confidence in the capacity of the other mills to handle the extra load is not high, given the performance of recent years.

A motion put to the grower meeting held on Tuesday, 24th June, 2008 demanded that both the 2007 and 2008 crop be included in compensation claims by growers and contractors.

The motion and detailed claims were unanimously supported by all growers present. Representatives of CSR, Ian Glasson, Mark Day and John Power noted the demands of the meeting and Ian Glasson agreed to return with an answer to the claims in the near future.

A call was made for the shareholder statement to be revised to now indicate that compensation claims will be met and therefore there will now be material losses incurred in the CSR sugar division.

Demolition and removal of the damaged equipment has started and construction of a new clarifier has been contracted. Transfer of burnt cane to the other three mills is underway and complete harvest of all standover cane, some of which has already been condemned.

Over 60 farmers attended an information night on 10 June given by Evan Shannon of BSES, Burdekin on how to produce a viable crop on less fertilizer. Evan's presentations on how to save money on nutrient inputs, at Pioneer and Kalamia AGM's created a great deal of interest. Early plant has finished with

most growers planting KQ228 and Q208. Due to the large tonnage of standover cane there will be a larger than usual late plant.

Farmers are being advised to try and avoid late planting Q208, with the preferred varieties for late plant being KQ228 (provided it is not overly dried out) and Q183.

The harvesting difficulties as a result of Pioneer Mill closure are going to disrupt grower irrigation schedules, resulting in some very dry cane for later in the year!

Surprisingly the ccs of KQ228 has been excellent so far, topping the ccs for last week at 14.33 (mill average being 13.63)...some good news.

BPS have continued RSD Elisa testing on mother plots ready for the planting of 2009 seed cane. Q200 is being planted onto all BPS managed plots for release in 2009.

All RSD commercial surveys are finished, results will be analyzed and every farmer contacted during the coming weeks. Headland smut surveys continue.

Aerial flights to ascertain pest damage have been conducted during the past month, with staff looking for signs of grubs, nematodes, water logging and pig damage.

Overall for this year the grub damage looks to be at a minimum in comparison to the last few years.

Obviously a lot of farmers have been using good controls, and the benefits are showing.



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

Pig damage is higher this year, with the main concentrations around the river and swamp bush areas. Burdekin Shire Council and BPS are targeting these areas and working collaboratively to help growers in this area of pest management.

BPS staff members visited Mackay Area Productivity Services last week to compare different practices and to see damage to cane produced by smut, and other diseases and pests that are not common here in the Burdekin, such as Pachymetra and Fiji leaf gall disease.

We also looked at the procedures for lab testing RSD and looked at the different symptoms of smut that are being expressed in Mackay at the moment, including how another productivity board operates, to see if we can better ourselves.

Mackay Area Productivity Services plan a similar trip to our facilities.

Seed cane plots will be operational again within the next couple of weeks.

Watering is currently being undertaken. All orders should be given a minimum of three days in advance to ensure plants are supplied when required.

Margaret Menzel  
ACFA Burdekin Director

### Central Regional Report

The 2008 crushing season got underway with Marian and Pleystowe Mills starting on June 23 and Farleigh and Racecourse Mills on June

25.

The Mackay Sugar weekly throughput for Week 1 was 187,729 which is less than budget due to a number of both factory and cane supply stoppages during the week.

Both factories and cane transport operations have now overcome 'start up' issues.

Sugar content is higher than expected at 13.72 units for the week.

The vote to change Mackay Sugar Co-operative to Mackay Sugar Limited has been successful.

The results of the count were 85% for and 15% against.

The hard work now begins for the board and management who must now use this endorsement for change given to them to improve profits for farming and milling sectors.

On July 8 a combined meeting of Mackay Sugar and Proserpine Co-operatives decided to investigate the merger of the two organisations.

The challenges facing the two organisations are similar but they compliment each other in many areas.

A merged group will promote income diversification and lower the cost base.

There maybe benefits in relation to crushing Mackay Sugar's northern cane and the planned closure of one of Mackay Sugar's

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

factories.

A working group of the two boards will undertake the investigation and provide a full report to the respective boards by mid-September.

Statistics for week ending July 20

Mackay Sugar

Tonnes crushed for the week:

Farleigh	69,851
Marian	91,222
Pleystowe	61,705
Racecourse	74,209
Mackay Sugar	296,986

o PRS for week: 13.87

o Total cane crushed to date: 1,099,154

o PRS to date: 13.91

2008 crop estimate: 6 million tonnes

Plane Creek crushed 68,352 tonnes of cane this week, bringing it to 209,123 tonnes for the season. The crop forecast is 1.25 million tonnes and the CCS for this week was 13.58 and 13.65 for the season.

For the week ending July 20 Proserpine Mill crushed 83,527 tonnes of cane for the week and 221,718 tonnes for the season. It's weekly CCS was 13.76 and 13.90 for the season so far.

Ross Walker  
ACFA Central Region Director

#### Southern Regional Report

Rain. A bit too much. All of a sudden the full tracks are being serviced for a start to the cane

harvest.

Up to 180 mm in the Burnett catchment caused planned harvest rosters to go out the window, but rain is when you get it. Mills are crushing by the end of June across the region.

Fertiliser bulk buying schemes are about and while a bit of competition would be welcome the old problem of quality is a worry.

Grain and oilseed in rotation is being planned by so many farmers and it is attracting interest from traditional grain merchants before a seed has hit the ground.

Sunwater is planning to change it's business method in the Bundaberg / Isis Irrigation Area.

If only Sunwater had to compete on the world market like us. Who knows what "models" will be put forward to probably make water more expensive.

Smut continues to spread in the area, some farmers are being hit harder than others, inexplicably.

Our plan is to plant out as much smut resistant plants as we can afford as it would seem utterly pointless spreading fertiliser ( at predicted prices) on cane that may have massive primary infection when it ratoons.

BSES predictions seem to be somewhere near right with respect to rate of spread.

Looking to a string of 15 CCS.

Mike Hetherington  
ACFA Southern Region Director

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

### New South Wales Report

Both Condong and Broadwater commenced crushing in early June and Harwood commenced mid to late June with only minimal weather delays so far.

Both Broadwater and Condong Sugar Mills are now on whole crop harvesting with the excess thrash and bagasse being stockpiled for the co-generation during the slack season. Meanwhile Harwood is still on a burnt cane supply.

Statistics as follows for week ended 20 July 2008:-

#### Broadwater

Tonnes crushed for week - 33,207

Tonnes crushed to date - 137,195  
POL to date - 9.74

#### Harwood

Tonnes crushed for week - 34,721  
Tonnes crushed to date - 129,269  
POL to date - 11.77

#### Condong

Tonnes crushed for week - 22,315  
Tonnes crushed to date - 93,676  
POL to date - 9.94

Wayne Rodgers  
ACFA New South Wales Director

## Short and Sweet

### US Farmers back Australian in push for soil-carbon trading

United States farm lobby groups say they'll join Australian farmers in pushing to get Kyoto Protocol rules changed to give them credit for storing carbon in soils.

Farmers in both countries are worried that if a new global deal on reducing greenhouse gas pollution is signed, they'll have to pay more for emitting carbon than they'll get for storing it.

David Miller, from the Iowa Farm Bureau Federation, says farmers are putting pressure on the US Government to lobby for soil carbon to be included.

"(We want) to get agriculture and forestry properly represented in the dynamics of how agriculture and forestry really fit into the overall greenhouse gas profiles and get credit for what we do," he said.

"The fact that Kyoto doesn't do it is something that can be corrected in Kyoto Two."

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## ACFA services

### Publications:

The Australian CaneFarmer - published eleven months per year.  
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](http://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.