

the Australian Cane Farmer

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Doha must continue: Lamy

Issues settled in nine days of talks among ministers should be preserved and work in the Doha Round should continue despite the ministers' talks collapsing, WTO members said on 30 July 2008.

They were speaking on the record, in a formal meeting of the Trade Negotiations Committee, the forum for the full membership to oversee the negotiations.

The focus was on the talks among ministers, which broke down on 29 July when a small group of them could not agree on details of a new "special safeguard mechanism" for developing countries.

The members were echoing WTO Director-General Pascal Lamy's opening comments in the meeting.

He spoke of "a collective responsibility" to reflect on next steps. The progress made in agriculture, non-agricultural market access and other subjects should be preserved, Mr Lamy said.

"This represents thousands of hours of negotiation and serious political investment by all the members of the WTO. This should not be wasted."

Mr Lamy also suggested members allow time for "the dust ... to settle a bit before we can have a clear idea of those next steps".

The formal Trade Negotiations Meeting brings to a close the talks among ministers.

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Breaking News

Mackay Sugar recently announced that Playstowe Mill will close its doors after the 2008 season.

The closure has been attributed the declining crop produced by Mackay Sugar farmers.

The mill was the oldest still operating in sugar.



Leading farmers into the future

Research, Development and Extension: Push or Pull?

Sugar industry R&D is once more a focus of attention.

Although ever quietly bubbling along, R&D comes to the fore in times of victory or despair.

Ten years of droughts, floods, cane grubs, orange rust, sugarcane smut and variable productivity, in the face of lacklustre prices have people asking; “what more can be done” and “what more could have or should have been done?”

While it seems that there are no singular solutions in the wind we all hope that as each year passed, we must be closer to something REALLY BIG!

For now, what to do with R&D. Do we need it?

Absolutely!

What is the cost of doing

nothing?

It is the cost of standing still while others move forward. Just because others have caught up (often with our technology) should not suggest that we retire from the event!

OK, so we need R and D; but here is the problem for researchers, policy makers and the funders – we the farmers.

With our finite resources, how much do we invest, on what and toward which goals?

To be plain there aren't currently many viable options.

Yes we need better varieties –yesterday.

Varieties that perform across all growing environments, however we need to look at

other options as well.

We can consider R&D as technology. Technology can help us cut costs – small yet important gains. But at current prices gains are more than offset by damaging cost increases.

Technology that finds efficiencies in current practice is called process innovation.

Technology has always been a combination of the professional combined with the on-farm genius which together has provided us with so many of our iconic leaps of progress.

This is the nexus we need to re-tap!

Then there's the issue of Best Management Practice (BMP); what is it and if it is so good, why is it that, according to our researchers, our sugarcane farmers aren't employing more of it?

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Research, Development and Extension: Push or Pull?

If BMP was a 'Best Managed Profitability' which was significantly rewarding, there would surely be a stampede of adopters.

Perhaps it's just a communication gap?

Technology that finds new products from sugarcane or other uses for existing products is product innovation.

For example, changing the sugarcane plant to product valuable chemicals such as pharmaceuticals, nutraceuticals, plastics etc.

Genetic engineering can help here too as long as we don't market sugar from it, although there are signs of acceptance permeating internationally.

In a recent paper, SRDC Executive Director Dr Frikkie Botha put the case for a Biomass driven economy.

He makes the point that the world economy is dominated by fossil energy which is not renewable and, of course, will run out.

Furthermore fossil energy is generally unpopular and oil, in particular, is subject to sudden and unpredictable price fluctuations and is controlled by a cartel.

Dr Botha reminds us that sugarcane is an exceptional producer of biomass and would be the crop of choice in a biomass economy – along with Switch Grass and Napier Grass.

Dr Botha states the from an 'energy cane' perspective we currently only utilise around 25% of the energy contained in our crop. It is

here that SRDC is giving strong signals of direction.

In a recent media statement Dr Botha and SRDC chairman Ian Knop extended this view to the globe "putting the call out to scientists from across the world for new industry R&D ideas."

Dr Botha says that "Business as usual is not an option for us."

"We really need to come to the table with some really innovative new approaches if we want a viable and sustainable industry."

He is right!

SRDC states its focus as:

- New cane varieties and ways to rapidly and reliably propagate new varieties.
- Enhanced nitrogen use efficiency
- Precision agriculture.
- Participation in the green energy economy through biomass utilisation and product diversification.
- Improvements to profitability and a high return rather than projects which target incremental gain.
- Targeting options for reducing production costs and improving the utilisation of capital for cane farming, harvesting and milling.

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CSR project to increase fuel ethanol production

CSR Limited (CSR) recently announced a \$17.8 million project to significantly increase its fuel ethanol production capacity to 60 million litres per annum.

With demand for fuel ethanol continuing to increase in Australia, the project enables CSR to increase its production of the renewable fuel to meet this growth.

Currently, CSR produces up to 38 million litres of fuel ethanol and up to 22 million litres of industrial/beverage grade ethanol at its Sarina distillery each year.

CSR will now upgrade the distillery by installing a molecular sieve dehydration unit to convert all its production to 60 million litres of fuel grade ethanol.

The additional production is already in strong demand by Australian oil companies for blending into fuel.

CSR will continue to service industrial and

beverage customers through its additional sources of ethanol, including imports.

"This is a logical extension and important part of our strategy to further increase recurring earnings in our Sugar business and improve our renewable energy capability," said Jerry Maycock, Managing Director of CSR.

"CSR has long experience in producing renewable fuel ethanol from molasses, a by-product of raw sugar production, and this project further enhances our ability to meet the exponential growth in the fuel ethanol market."

The project builds on CSR's previous successful step into the fuel market following its first major installation of fuel capability completed in 2006.

CSR is Australia's second largest producer of ethanol and is strongly positioned to develop its market position further.

Research, Development and Extension: Push or Pull?

...from page 3

- Develop and implement innovative approaches to increase the adoption of improved technologies and improve decision making by industry enterprises,
- Projects to reduce the risk of exotic biosecurity threats and improve the management of endemic pests
- SRDC will defer any call on water management until details of the Australian Government's Reef Rescue package have been announced.

While the stated focus is practical the most needed ingredient is the breakthrough.

ACFA encourages the SRDC to doggedly consult stakeholders until we have a clear picture of the needs of all industry sectors to increase profitability.

Clear goals are needed; it should not be left to the researchers alone.

The marketing maxim is also true for RD&E. A chain must be pulled through – it cannot be pushed. The industry must lead.

CSR project to increase fuel ethanol production

"Demand for fuel ethanol continues to grow strongly, particularly as awareness of its greenhouse gas abatement qualities increases," said Ian Glasson CEO of CSR Sugar.

"The nature of CSR's ethanol process means that every litre of CSR ethanol produces less than half the CO2 emissions of petrol, with no impact on food prices," he said.

Project construction is expected to commence in November 2008 with completion scheduled by June 2009.

CSR Ethanol has been producing ethanol since the early 1900s and CSR ethanol has been used for a number of years in Ethanol blended fuels.

Demand for ethanol blended fuel has increased by 500 per cent in the last 3 years

with CSR now supplying over 250 petrol stations in Australia.

Over 800 petrol stations throughout Australia now supply ethanol blended fuel.

E10 is a fuel utilising a mix of 10% ethanol 90% petrol while E85 utilises 85% ethanol and 15% petrol.

According to the Federal Chamber of Automotive Industries (FCAI), most new Australian made cars are suitable for E10 fuel and the vast majority of new imported car models sold in Australia today are also compatible with E5 or E10 ethanol blended fuels.

There is significant further potential for fuel ethanol with car companies increasingly looking to develop more energy efficient models including vehicles which run on E85.

ACFA General Manager Stephen Ryan and Federal Minister for Agriculture, Fisheries and Forestry, The Hon Tony Burke, MP. At the launch of the SRDC's Research and Development Plan, 2007-2012.

The R and D Plan presents a strategic view of the needs and opportunities for R&D and outlines an investment strategy to achieve outcomes that meet the expectations of industry and government.



Pleystowe Mill to Close

Mackay Sugar Limited (MSL) recently announced plans to mothball Pleystowe Mill (the oldest operating mill in Australia) for the 2009 season and close it permanently from 2010.

The poor crop now being harvested will mean MSL will struggle to turn a profit and increase the pressure to cut costs and find savings.

The full details of capital expenditure required as a result of closure and savings generated are yet to be announced.

There are economies of scale in milling and the three remaining two-million tonne factories resulting from the closure of Pleystowe Mill should be able to operate more efficiently.

The closure should come as no surprise to farmers as MSL's Board has communicated over a number of years about the ever pressing need to rationalise milling operations.

The Board has obviously assessed the closure outcome as positive for the company moving forward.

ACFA Chairman Ross Walker said Pleystowe Mill's was symptomatic of the challenges facing the sugar industry today.

"Pleystowe Mill's closure wasn't unexpected given the current state of the industry," said Mr Walker.

"The local industry is being challenged in many areas including low sugar prices, driven in part by the strong Australian dollar, rising input costs such as fertiliser and fuel, the impact of Smut and competition for cane land from many sources.

"As owners of MSL, farmers have to take a holistic approach and weigh up the pros and cons from both a milling and farming perspective."

Mr Walker said the mill's closure would result in a longer crushing season which could impact negatively on farmers.

"MSL have stated a season length of 23 weeks to harvest a crop size of approximately 5.8 million tonnes of cane," he said.

"It is important that season length does not extend beyond 23 weeks otherwise the gains will be lost due to resultant poor crops and low PRS.

"MSL need to realise the 23 week season is the maximum that farmers will tolerate, anything longer will be unacceptable to farmers."

It is understood that Pleystowe Mill will be closed independently of the outcome of merger talks with Proserpine Cooperative Mill.

Pleystowe Mill crushed its first cane on September 6, 1869 and held the record for Australia's oldest operational sugar mill.

Doha must continue: Lamy

...From front page

Lamy: Don't lose the benefits

In his opening report to the Trade Negotiations Committee, Mr Lamy summarized the account of the breakdown that he gave the previous day, and urged members to resolve together not to lose the potential benefits of what was almost agreed, even if it takes longer.

"You all know the value of what is on the table, not only in agriculture and NAMA [non-agricultural market access], but across the whole range of the agenda, whether in services, the fastest growing and most dynamic sector in most economies, or in trade facilitation," he said.

Members should consider how to overcome the obstacles, with new ideas and new solutions, he went on.

"Our immediate priority is to reaffirm our commitment to the multilateral trading system, which comes out dented this week," he said.

"All ministers present here over the last 10 days have underlined how vital this system is, in terms not just of trade but also of international stability."

One of the targets is how to do better next time. "I am convinced that there will be a next time, which is why I said yesterday that I was not throwing in the towel."

Members: Disappointed but determined
In their comments, members broadly shared

the view that the negotiations must continue, and that a lot was achieved in the nine days.

"We made enormous progress together," "we have been close to a deal," and "it would be a terrible setback to put the clock back" were typical comments.

Some went so far as to say that their own internal reforms will continue even without agreement: "We've told our farmers that interruption here does not mean reform is also interrupted," said one.

Members generally refrained from blaming anyone for the deadlock, apart from broad comments about "a coalition of the unwilling", or calls from some developing countries for developed countries to move further.

"The failure of one is the failure of all," was one comment.

Some highlighted issues that concerned them, and some called for an "early harvest" — to implement some actions that have already been agreed, such as duty-free quota-free market access for least-developed countries, aid for trade and the "enhanced integrated framework" of assistance to least-developed countries.

Some repeated their concern about the way the negotiations were organized, with the focus on breakthroughs in groups of members rather than the membership as a whole.

Others said the failure was not caused by the negotiating process but by the content of what was being negotiated.

Most speakers praised Mr Lamy and his fellow chairs for the huge efforts that they put into trying to broker a deal.

ACFA Conference Special Ethanol

Why it's healthy to establish a domestic ethanol industry

Dr Ray Kearney of the Department of Infectious Diseases and Immunology at the University of Sydney spoke at ACFA's annual conference in Cairns earlier this year.

His speech entitled "Health Impacts of Fossil Fuels" was amongst the most well received speeches at the conference.

This special report delves into the key points of his speech.

Much has been written about the impact of fossil fuels on our environment but little is said about the negative impact fossil fuel has on our health, not only as individuals, but of our hospitals and social welfare support networks.

Dr Kearney's speech blows the lid off this silent epidemic and the results of his research will shock you.

"There is no substitute for energy. The whole edifice of modern society is built upon it.... It is not "just another commodity" but the precondition of all commodities, a basic factor equal with air, water and earth."

Australia faces an immediate, clean, primary energy problem of the first order.

This is due to rising oil prices which are caused by rampant depletion of Saudi oil fields, a reduction of oil deliveries to Asia and

the peaking of crude oil production.

Dr Kearney believes we must become more efficient users of our fuels and begin to curtail their use.

In June, 2001, the National Industrial Chemicals Notification and Assessment Scheme (NICNAS), Australia's regulator of toxic chemicals, recommended in its Report that the national exposure standard for benzene, a known carcinogen, be cut by 90%.

The director of NICNAS, Dr. Margaret Hartley, stated: "There is no known safe threshold for the carcinogenic effects of benzene, but since the risk for leukaemia increases with exposure, it can be reduced by controlling exposure to the highest practicable standard."

Findings such as this become more disturbing when coupled with facts such as U.S Environment Protection Agency (EPA) claims gasoline is the largest source of man-made carcinogens and that in the USA, deaths from effects of air pollution exceed those of breast and prostate cancer combined and deaths from air pollution exceed those from traffic accidents.

Dr Kearney went on to say that simply using E5 and E10 at the pump wouldn't be enough.

"E5 and E10 are not 'clean alternative fuels,"

ACFA Conference Ethanol report

he said.

Dr Kearney quoted an article that appeared in New Scientist magazine on March 9, 2002 called big City Killer.

Up to a fifth of all lung cancer deaths in cities are caused by tiny particles of pollution, most of them from vehicle exhausts.

The researchers found that the long-term death rate from lung cancer rose by 8 per cent for every 10-microgram increase in the average concentration of PM2.5s per cubic metre.

The increased risk is comparable with the risks to long-term passive smokers.

Sydney Mills from Manildra Energy Australia echoed many of the sentiments expressed by Dr Kearney in his speech and chose to focus on Food vs Fuel debate that surrounds biofuels at the moment.

Mr Mills also focused on what Australian farmers could do to build an ethanol industry in Australia and gave a brief history of the biofuel.

Mr Mills is originally from Brazil and has a background in the Brazilian ethanol industry. He spelt out Brazil's 5 pillars strategy, the strategy he says worked in Brazil and is the key to building a domestic ethanol industry in Australia.

According to Mr Mills, the government, oil companies, car manufacturers, farmers and

educational institutions must be working together if a successful domestic ethanol industry is to be established here in Australia. Mr Mills Australia should establish a domestic ethanol industry because:

* Ethanol is a domestically produced renewable alternative fuel.

It 's a replacement for Australia's diminishing oil reserves it would provide a significant boost for economic and jobs growth in rural and regional Australia.

Ethanol will help Australia reduce its growing dependence on imported oil, and in doing so will increase national energy security while reducing our balance of payments deficit.

Five years ago this was 25 per cent and today it is 80 per cent.

Ethanol, unlike fossil fuels, can be produced sustainably and repeatedly from a wide range of renewable biomass resources, including starch and sugar crops such as Australian wheat and sugar cane.

Ethanol creates new markets for existing agricultural crops, and biomass residues that currently have little to no value.

Mr Mills talked up ethanol's environmental credentials stating that ethanol blend fuel has been used in countries such as the Brazil and United States for the past 32 years, and in some areas with bad air pollution problems

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ACFA Conference Ethanol report

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and that in these countries the use of oxygenated fuels such as ethanol is compulsory during certain times of the year.

Mr Mills also rebutted the arguments claiming ethanol was damaging to vehicles stating that in America, the major oil companies commend ethanol as a valuable cleaning agent that helps prevent problems.

Ethanol's major strength is that it is compatible with the existing petroleum distribution and retail structure and that petrol and ethanol/petrol blends are compatible and completely interchangeable.

The food v fuel debate whether we eat it or burn it has been on the bio-fuels menu in the world for the best part of last 30 years.

It must be said from the outset that the argument has no place in this country.

Ethanol production in Australia now and in the future will be relying on molasses, a sugar refining by-product, and grains such as wheat and sorghum as feedstock.

Any media drum-beating about Australian food prices going through the roof because of the production of bio-fuels should fall on deaf ears.

It's a non-event now, and is not likely to be cause for concern in the future.

Mr Mills said farmers must have a strong desire to establish an ethanol industry in Australia and the belief that they can do it if they are to succeed.

Short and Sweet

Sugar, Ethanol prices to rise
by Reuters

Average prices for sugar and ethanol will likely rise in 2008/09 compared with last season, but not more than 15 percent, Brazil's largest sugar and ethanol group, Cosan said.

"(World sugar) prices have to adjust as there was a shift in Brazil's production costs and the world market depends on Brazilian imports. It will have to pay for an expansion of Brazil's production," Financial Vice President Paulo Diniz said.

He said supply and demand on the international sugar market would likely be

more balanced this coming year as the world moves toward a deficit after two years of surpluses.

Cosan faced a 33 percent drop in sugar prices last season, while ethanol prices fell 20 percent compared with the previous year, considering average prices in exports and domestic sales.

The company posted a net loss of 47.8 million reais (\$30 million) in the 2008 fiscal year (May-April), after a profit of 357.3 million reais in 2007, due mainly to low prices, rising costs and the appreciation of the local currency against the U.S. dollar.

Sugar Up and Dollar Down - a recipe for higher returns

By Cally Wilson, Marketing Analyst, Queensland Sugar Limited

The ICE No.11 raw sugar futures contract experienced extremely volatile trading ranges throughout the month of July.

The October 2008 contract opened the month at US 12.04 c/lb, rallying strongly to close the first week at US 13.91 c/lb, an increase of US 1.87 c/lb.

Rumours of reduced output by key producers (namely India and CS Brazil) combined with crude oil rallying above US 140 /bl provided support for speculators to re-enter the market.

This was a short trading week due to the US Thanksgiving holiday.

The contract came under pressure early in the second week, settling at US 13.52 c/lb before rallying back to US 13.99 c/lb over the remainder of the week.

The market then consolidated within a range of US 13.30 - 14.00 c/lb, stuck within a technical triangle formation.

Despite chartists expectations that the market would break out of this pattern to the top-side, it broke through the bottom of the formation, falling US 1.07 c/lb in one night.

The market continued to fall over several days, reaching a low of US 11.73 c/lb before finding sufficient support to halt the decline.

Illustrating the volatility of the sugar market and it's ability to defy the generally weaker commodity trend (crude oil and nearly all

other commodities falling heavily) the sugar market recovered back to US 13.93 c/lb.

At the time of writing (7th August) the October 2008 contract was trading above US 14.00 c/lb.

The International Sugar Organisation (ISO) reported that industry expectations for India's 2007/08 sugar production have dropped to 26.5 million tonnes, Thailand is expecting a 5% drop in cane production while smaller producers such as Mexico, Russia, Pakistan and the US are also expecting decreases.

Datagro reduced its crop estimate for CS-Brazil down to 480 million tonnes of cane, a decrease of 15 million tonnes from a previous estimate.

The large fall is due to cane that will not be harvested this year. Originally 35 new mills were expected to be operating for this year, then that number declined to 31.

Of those 31 planned projects only 13 are working right now.

The AUD was equally volatile, trading to a post float high of AUD/USD 0.9849 and a low of AUD/USD 0.9364 during the month.

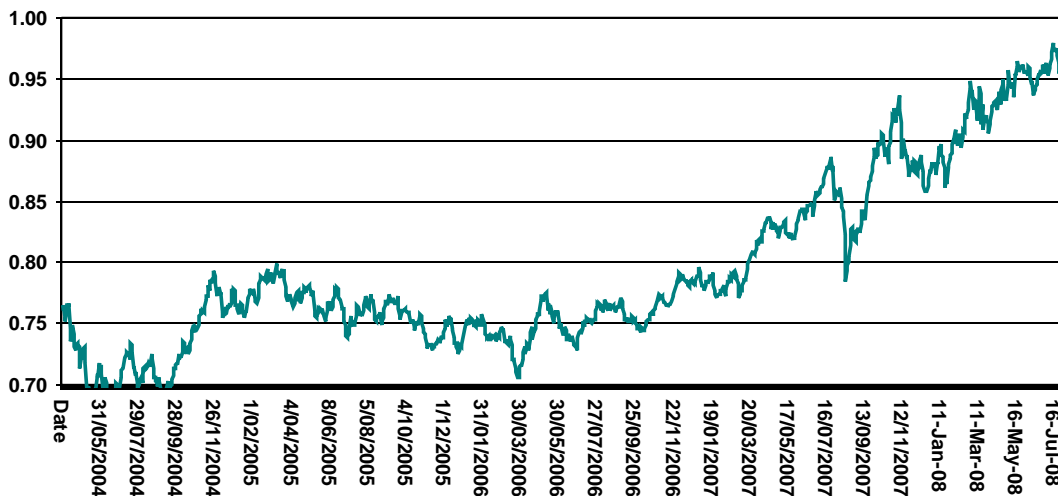
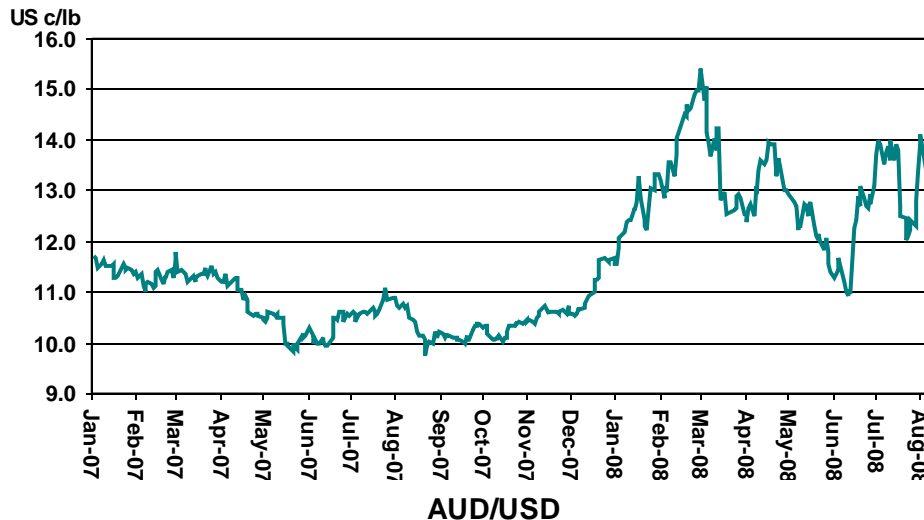
The AUD commenced the month towards the top of its range given a further deterioration in the US housing market.

Two of the largest US mortgage finance companies, Freddie Mac and Fannie Mae were reported to be experiencing difficulty which

Sugar Up and Dollar Down - a recipe for higher returns

By Cally Wilson, Marketing Analyst, Queensland Sugar Limited

ICE No.11 Raw Sugar Futures Prompt Contract Price



weighed on USD sentiment.

The USD began to recover by 23 July on comments from the US Federal Reserve Governor that policy reversal should start sooner rather than later.

The AUD continued to lose ground over the

remainder of the month following the release of softer than expected economic data.

Weakness in outside commodity markets continued to weigh on the AUD as crude oil slipped beneath USD 120/brl. At the time of writing the dollar was trading around AUD/USD 0.9100.

Important Changes You should Know About!

Article provided by McKays Consulting, a division of McKays Solicitors

The National Employment Standards...quick snapshot

Welcome to our McKays Consulting newsletter.

Changes to our industrial system are coming thick and fast, and some months you might receive more than one email newsletter from us, as we keep you informed of the changes.

On Monday 16 June the Federal Government released The National Employment Standards (NES).

You don't need to do anything right now to ensure you comply with the NES...because although they are a key element of the Rudd Government's new workplace relations system they won't come into effect until 1 January 2010.

The NES provide a safety net of minimum conditions relating to:

Maximum weekly hours of work

Requests for flexible working arrangements

Parental leave and related entitlements

Annual leave

Personal/Carer's leave and compassionate leave

Community service leave

Long service leave

Public holidays

Notice of termination and redundancy pay

Fair Work Information Statement

We'll provide more information about the Standards, and what you need to do, closer to their start date...

Australian Fair Pay Commission Wage Setting... quick snapshot

The Australian Fair Pay Commission (the AFPC) yesterday handed down its latest wage setting decision.

The new pay rates affect all employers that are constitutional corporations and it takes effect on the first pay period on or after the 1st of October 2008.

If you employ using a constitutional corporation you should ensure you are complying with the current minimum rates of pay as set out in the Australian Pay and Classification Scales (the Scales) and prepare to make any necessary adjustments when the new rates take effect.

The increase:

The new federal minimum wage rate will be \$14.31 per hour (it is currently \$13.74).

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Important Changes You should Know About!

Article provided by McKays Consulting, a division of McKays Solicitors

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The Scales will all be increased by \$21.66 per week or \$0.57 per hour.

For example, the current minimum pay scale for a Grade 3 employee under the NSW Clerical and Administrative Employees (NAPSA) is \$16.21 per hour.

This will increase to \$16.78 per hour.

Note:

This adjustment does not apply to employees with a disability or to whom a training arrangement applies or who are junior employees.

We trust you have found this useful, and if you do have any questions, please call us on...

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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.

Short and Sweet

Sugar rises as Brazil yields fall
by Ron Day, Bloomberg.

Sugar rose on speculation that a global surplus will shrink as yields fall in Brazil, the world's largest producer, and more cane is used to make a fuel additive instead of sweetener.

Output in Brazil's Center South region, the biggest cane- growing area, fell 11 percent this year through July 16 as heavy rains reduced sucrose levels and cut yields, according to Unica, the country's sugar-cane industry association.

Brazil used 60 percent of its harvest for

ethanol in the period, up from 56 percent a year earlier, Unica said.

"We're not going to have as much sugar as we thought," said Alexandre Oliveira, a trader at Newedge USA LLC in New York. "We're going to be crushing less in Brazil, and more is going to ethanol."

Brazil is seeking to reduce a 54-cent-a-gallon tariff the U.S. imposes on ethanol imports. Reducing the levy may boost demand for the fuel, which is made mostly from corn in the U.S.

A global sugar surplus will reach 3.29 million metric tons in the year ending Sept. 30, 2009, research firm Kingsman SA forecasts.

What's going on in the sugar regions?

Mossman Regional Report

It has been a slow start to the season due to the mill breakdown and two weeks of wet weather.

The last three weeks have seen ideal cutting conditions.

At the end of week six approximately 23 per cent of the crop was cut with an year-to-date CCS of 13.75.

Unfortunately the crop is only cutting at 93 per cent of the estimate which appears to be a trend through all northern mills.

The bagging of Daintree Gold sugar has commenced and Low GI is on schedule to begin production in late September.

Don Murday
ACFA Northern Director

Innisfail Regional Report

Wet weather was experienced throughout July and a major break down in Babinda slowed milling for about a week.

CCS returns are very promising with high readings being recorded in the wet tropics.

The nights have been cold with coastal areas plummeting to single figures.

The Tablelands recorded frost.

The Northern show circuit finished in July.

John Blanckensee
ACFA Northern Director

Herbert Regional Report

At the time of writing the Herbert region has currently crushed 1,075,848 tonnes of cane.

The average CCS to date is 13.63.

It is very satisfying to see the CCS remain up high in spite of the rain that stopped the Mills for several days.

The average CCS for last week was 13.92 with the highest variety Q200 averaging 14.64ccs and Q174 averaging 14.12ccs.

Ground conditions are still wet with harvester operators searching to cut firm, dry paddocks.

Planting has re commenced and growers are continuing to plant higher smut resistant varieties.

Grubs are still a concern and there is every indication of greyback grub build up.

Growers are advised to protect the more valuable ratoons.

Senator Bill Heffernan is at present conducting a Senate inquiry into the pricing of fertilizer.

There is no outcome from this inquiry as yet as the inquiry is still ongoing.

It remains to be seen if anything can be done to alleviate the suffering of farmers' when it comes to the outlandish charges that farmers' are forced to pay.

Carol Mackee
ACFA Herbert Director

What's going on in the sugar regions?

Burdekin Regional Report

At a meeting on 6th Aug in the Burdekin, CSR representatives announced that work on the Pioneer Mill clarifier has progressed and they are confident the mill will commence by month's end.

While CSR has agreed to some compensation (including a cash payment) and limited employment for harvesting contractors affected by the Pioneer clarifier collapse, they have still come to no agreement to compensate growers in the area for their considerable and ongoing losses, despite their June commitment for a speedy resolution.

CSR have agreed to pre-pay a portion of grower's and harvesting contractors expected crop harvest-to-date.

Needless to say, this does not compensate for the ongoing breakdowns in the Burdekin mills, nor the loss of production from breakdowns and extended seasons in previous years or the delays to the 2008 harvest.

Pre-deregulation, the Burdekin crop stood at approximately 9.4 million tonnes of cane, CSR's estimates place the crop around 7.5 million tonnes for 2008, a drop of approximately 2 million tonnes.

Deregulation has failed, in both the promises of a share in value-adding for Burdekin farmers and equity in the risk and responsibility involved in producing and processing the cane crop.

Clearly, deregulation has shifted all risk and

responsibility onto the shoulders of local farmers and allowed CSR to neglect adequate maintenance of its shareholder mills to the point where multiple mill breakdowns continue to occur with monotonous regularity and continue to impact negatively on productivity and viability of growers and contractors.

This impact spills out into the wider community.

The combined total of cane crushed in the Burdekin mills to date is 1.57 million tonnes with an average ccs of 14.

The seriousness to local growers cannot be understated.

As a result of CSR's failure to favourably consider grower demands for compensation for the 2007 and 2008 crop losses at this point, Max and I attended the CSR AGM to outline the seriousness of the situation in this district.

The shareholder response was as positive as the board's was negative.

While the Pioneer collapse was described as 'the non-recurring Pioneer issue'...the expected 14 week delay at Pioneer was not raised, instead a season extension of a few weeks was mentioned.

It is fortunate that a clarifier collapse at Invicta mill was also averted recently, requiring immediate repairs and debunking the 'non-recurring' status of serious mill breakdowns, despite being into the second year of CSR's 3 year increased maintenance program.

What's going on in the sugar regions?

We also called on CSR to convert their mills to production of ethanol from the sugar juice stream (and potentially bagasse into the future), in order to provide a considerably higher return for local growers.

CSR have recently announced an increase in its production of ethanol at Sarina, with no plans yet committed for the Burdekin.

I was able to ensure that ACFA will be represented at grower negotiations pending with CSR, in September.

BSES will include the issue of potential standover crops (what varieties, how to manage them etc) at CPI meetings to be held at a later date.

The issue of pre and post-harvest burning was raised in a letter from Minister Mulherin and industry groups met locally to discuss the issue.

It was agreed that while growers progressively continue to investigate the possibility into the future, it was not viable as an environmental or financial consideration at the present time, especially considering the inability of CSR mills to transport or process additional crop mass for the foreseeable future.

The Reef Rescue Package is presently under discussion and consideration is being given to the methods of implementation locally.

This is an incentives scheme, which in this first transition year of 5 years, will provide \$5-7 million across all primary industries including sugar in the Burdekin catchment

area.

The Lower Burdekin Sugar Working Group, 'uploads' information and data on Incentives requirements to the Regional Coordinating Committee, a wider body encompassing all primary industries in the Burdekin catchment.

Work continues on the PMSI project, the joint DPI&F / BPS venture, funded under the Blueprint for the Bush, which seeks to improve the productivity, profitability and sustainability of Burdekin sugar farmers as well as looking to the continuing and current environmental footprint issue.

Seconded to DPI&F, Avril Robinson, is the working officer for this project.

BPS remains a major partner in the BPS001 SRDC-funded project which looks at Precision Agriculture outcomes in the Burdekin, Herbert and Mackay regions.

This is the first of a four year project, with data-collection by project leader Dr Ross Coventry, the priority this year.

BPS continues to match a 5% discount (making 10% in total) to growers wishing to purchase GPS and other PA equipment.

Funding for this venture comes through savings accumulated from previous RCP funding.

Margaret Menzel
ACFA Burdekin Director

What's going on in the sugar regions?

Central Regional Report

For the week ending August 2, 2008.

The CCS for the week was 14.16 for Mackay Sugar with Proserpine recording 14.03 and Plane Creek, 14.17.

Mackay Sugar had the highest CCS to date with 13.92 with Proserpine and Plane Creek following on 13.89 and 13.71 respectively.

Mackay Sugar crushed 242,535 tonnes of cane for the week while Proserpine crushed 51,630 and Plane Creek crushed 30,357.

260,718 tonnes of cane have been crushed in Plane Creek mill so far while 321,925 was crushed in Proserpine and 1.477 million has been crushed throughout Mackay Sugar's mills.

Proserpine Mill has processed 19 per cent of its crop to date, Plane Creek has processed 21 per cent of its crop and Mackay Sugar has processed 27 per cent.

In Mackay Sugar's factories Q209, Q208 and Q157 were the best performing varieties.

Q157 also performed well at Proserpine Mill with Q170, Q185 and Q190.

Q135, Q185, Q205 and Q209 were the best performers at Plane Creek.

Harvesting was severely interrupted due to widespread rain across the entire district with most areas receiving in excess of 100mm. CCS levels however are continuing to rise.

Mackay Sugar and Proserpine Cooperative are continuing merger talks which has the potential to benefit both regions.

Mackay Sugar has unveiled an improved farmer pricing scheme.

The "grower long term banded sugar pricing pool" will offer more options and flexibility and farmers need to return the forms by August 29.

Mackay Sugar has also announced Pleystowe Mill will be mothballed for 2009 and be closed the following year.

Plans to upgrade the remaining 3 mill are yet to be released.

Mackay Area Productivity Services (MAPS) is spearheading an initiative to make it easier for farmers to get into a soyabean rotation by providing a coordination service making it easier to obtain inputs, get planting and harvesting contractors and obtain agronomic advice and services.

MAPS is prepared to construct a silo and drying facility provided there is sufficient commitment from farmers.

I urge all farmers to attend a meeting on August 21 at 5.30pm at the Bakers Creek community Hall to further this initiative.

Ross Walker
ACFA Central Region Director

Southern Regional Report

Harvest delays due to rain have been the most obvious topic.

What's going on in the sugar regions?

A light aircraft flight over the Maryborough and Isis areas certainly exposed the extent of water logging.

When the ground looks wet from 2,500 ft, it makes you think about alternatives for harvesting.

CCS levels have been passable but the out of sequence cutting of blocks has forced sugar to be sacrificed to keep the mills going.

Cane planting incentive schemes and long term pricing are being offered to growers to counter the effects of costs and sugar price.

And possibly the more aggressive selling by grain merchants and peanut processors.

Radio advertising for peanut farming is something new on the radio.

New Regional Councils seem to have rate rises set firmly in local policy and it seems to be a matter of going head to head with these new governing bodies to keep some sensibility in their wonderful new world of local government.

10% rate rise is very considerate apparently, compared to what it might have been !

Finally, in our region pump price of petrol has fallen.

Mike Hetherington
ACFA Southern Region Director

New South Wales Report

Harvest continues on all three mill sites.

Condong Mill is still in whole crop and going quite satisfactorily.

Broadwater Mill had a serious issue with the stack used for the old boilers having to be replaced due to excessive wear.

The cooperative was lucky to be able to purchase the stack from the Ord River Mill and only lost one weeks crushing as a result.

Broadwater is at the moment crushing between 50-60% burnt cane mainly from the upriver area to help with the milling of the frosted cane last year.

Harwood mill is consistently on burnt cane and is running exceptionally well.

Statistics as follows:

Broadwater
Tonnes to Date 153,659
Pol to Date 9.77

Harwood
Tonnes to Date 152,980
Pol to Date 11.87

Condong
Tonnes to Date 104,896
Pol to Date 9.99

Wayne Rodgers
ACFA New South Wales Director

The Australian
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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.

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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:

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