



# The Australian Cane Farmer

Leading farmers into the future

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## Farmers to face greater run-off regulations to protect reef

Cane farmers across Queensland are bracing themselves for tougher environmental regulations after Queensland Premier Anna Bligh said the sugar industry wasn't doing enough to reduce nutrient runoff from crops

Mrs Bligh delivered the news to farmers at the Reef Summit held at Parliament House in Brisbane recently.

Recent environmental reports claim that nutrient runoff from agricultural crops is causing extensive damage to the Great Barrier Reef and if action isn't taken to reduce this runoff, the reef will sustain even more damage.

Mrs Bligh acknowledged the voluntary efforts of farmers to reduce nutrient runoff but said she couldn't allow farmers to continue to self regulate.

There are people who will have a great deal of difficulty with that but I need to put it in context," she said.

"Can I honestly sit here with my responsibilities as the Premier of Queensland and say [after] five years of voluntary effort, science is telling me it doesn't work and then take no further action?"

But Mrs Bligh's statements angered farm lobby groups who accused the Government of taking a heavy-handed approach.

"The last thing that will get the best outcome for the reef is to have a series of blunt instruments or regulatory tools imposed on both not only the agricultural industry but the development industry," Agforce President John Cotter said.

However, Federal Environment Minister Peter Garrett supported Mrs Bligh's position and committed \$23 million to reduce agriculture's effect on the reef.

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# Chairman's Comment

## Regulating farmers the wrong approach



The Queensland Government's proposed regulatory focus as the basis of the new reef plan is the wrong approach.

The State Government would be well advised to adopt the philosophy of the Commonwealth Government's 200 million dollar reef rescue program that encourages Best Management Practice (BMP) by incentive. This should only be delivered under a crystal clear, unambiguous voluntary system.

The Commonwealth program has been jointly developed by all involved sectors, is founded on good will and there is a strong commitment to best practice through a voluntary approach.

The 'big stick' approach will create all manner of problems and will not be effective.

The Queensland Government must also be careful to quote the scientific reports in a qualified and non-emotive manner.

The reports state that suspended sediment and nutrients were generally considered low and, in recent years, reduced sediments are flowing into the ocean.

Agricultural industries have situated along the Queensland coast for over 140 years and in the last 20 years agricultural practices have improved greatly.

Premier Anna Bligh's attacks on farmers will diminish their reasons to continue investing in BMP. The Premier should rather follow the advice of the Reef Summit to invest in incentive-directed BMP to deliver the fastest results.

All of us, not just farmers, have some effect on their environment. Much of the reporting is inconclusive with future effects and change based on modelling.

Compared with the enormity of the reef, evidence is scant and money spent on gathering facts would be beneficial.

The intergovernmental panel on climate change claims global warming is the biggest threat moving forward.

Decreasing CO2 emissions which cause global warming would be the sensible path of progress.

The sugar cane industry, given the right policy settings, could produce clean renewable energies like electricity and ethanol which will reduce greenhouse gas emissions and this will have a positive effect on the Great Barrier Reef.

Continued over page...

## Sugarcane Smut found in the Burdekin

Sugarcane fungal disease, smut, has been identified in two blocks of variety Q117 in the Burdekin district.

BSES Senior Extension Officer, Bill Webb, identified the smut infection while undertaking general extension activities in the Jarvisfield area which supplies Kalamia Mill.

BSES Chief Executive Officer, Eoin Wallis, said "Bill has previously worked in the Ord sugar industry and is an expert at identifying possible infection sites.

"Using his own initiative, Bill investigated the blocks of Q117 which displayed the typical signs of smut infection."

"Although disappointing for industry, this news was not unexpected and BSES has been helping the Burdekin area actively prepare for smut since June 2006."

"The impact of smut in the Burdekin area will not be as great as it could have been if the industry were unprepared – as 60-70% of the Burdekin cane supply in 2009 is rated intermediate or resistant for smut."

"In fact, it is the highly productive varieties such as Q208A and KQ228A in the Burdekin which contain the best resistance to smut. These varieties are well proven and well established in the region."

The Burdekin district produces 8 million tonnes of cane annually and is the last major cane area in Queensland to confirm the presence of sugarcane smut.

Mr Wallis said the Burdekin Industry smut response plan has been activated, with survey walks scheduled for tomorrow.

"It is not expected to have an impact on overall crop yield given the variety mix in the Burdekin," Mr Wallis said.

"Harvesting will continue as usual and growers are asked to inspect ratoons of susceptible varieties such as Q117, Q127 and TellusA for the characteristic black smut whips."



## Chairman's comment

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If further cost increases are thrust on to the industry then more and more farmers will leave. This will place further strain on those remaining and future viability will be threatened. The sugarcane industry must not miss such an important opportunity to contribute to an Australian 'green energy' revolution.

With such an emotive icon as the Great Barrier Reef, there are a lot of sensationalist claims tossed about by different groups with scant regard for the facts.

With the Queensland state election not far off we will no doubt see further actions to secure support and votes.

I trust the propaganda does not misrepresent fact and that farmers are not made scapegoats for those pushing their particular agendas.



# Sugarcane Smut found in Tully

The vigilance of a Tully sugarcane grower from the Murray district is being acknowledged, after reporting suspicions of sugarcane smut disease on his farm.

BSES Limited Extension Officer, Danielle Skocaj, confirmed Tully as the latest site of the wind borne fungal disease sugarcane smut after inspecting the suspect plant.

BSES Chief Executive Officer, Eoin Wallis, said the infected stools were found in a fifth ratoon field of the smut-susceptible sugarcane variety Q174A cut during the first round of the 2008 harvest.

"The local smut response plan has been activated and industry is working closely to communicate outcomes to growers.

The work by BSES and growers to prepare for smut after it was found in Childers in 2006, should limit the impact of the disease on the district," Mr Wallis said.

"The infected stool was sampled and documented before being destroyed.

Surveys of smut susceptible varieties in close proximity to the infected area will commence in coming days."

"Being a wind borne fungal disease, there is a high chance it will spread around the Tully mill area, especially as both Innisfail to the North and Ingham to the South are already infected." he said.

Mr Wallis said 43% of sugarcane varieties harvested in Tully in 2008 were rated intermediate to resistant for the disease.

Q200A is the most popular resistant variety in the Tully district and a number of new smut intermediate to resistant varieties, including Q208A, KQ228A and Q237A, have been released by BSES in recent years in preparation for the arrival of smut.

"Planting resistant varieties remains the key control strategy and 2009 planting records show Tully growers are being proactive about minimising losses from smut."

Growers are asked to inspect blocks of susceptible varieties harvested early in the crushing, especially Q117, Q166A, Q174A, Q186A and Q187A and report any suspicious symptoms to BSES Limited or Tully Cane Productivity Services Limited so the impact of the disease in the district can be minimised.



## Reef regulations

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"We will provide grants to accelerate and expand efforts to improve agricultural land-management practices and build upon partnerships with land managers to assist them to make changes," he said.

"We will also invest in research and development to improve our understanding of the link between land-management practices and their environmental impacts."

Mr Garrett says the amount of chemicals in agricultural run-off must be reduced by 25 per cent by 2013.



## QUEENSLAND SUGAR

### DECLARATION OF ELECTION RESULTS FOR THE POSITIONS OF ELECTED HOLDER TO BE GROWER REPRESENTATIVE MEMBERS FOR THE VARIOUS MILL AREAS IN QUEENSLAND - QUEENSLAND SUGAR LIMITED

Nominations were called for Elected Holder / Grower Representative Members in the various Mill Areas. Elections were only required in three areas. The number of nominees matched the number of positions available in the other areas, and no election was necessary in those areas.

Elected Holders for a three year term, effective midnight 22 September 2008, are as follows:

Name	Entitled Number per Area	Relevant Mill Areas
Donald Andrew Watson	one (1)	Mossman
Maryann Salvetti	one (1)	Tableland
Robert John Rossi	one (1)	Mulgrave
Joseph Marano Barry Raymond Stubbs	two (2)	Northern - Babinda & South Johnstone
Thomas Francis Harney	one (1)	Tully
Michael Domenico Pisano Vincent Anthony Russo	two (2)	Herbert River - Victoria & Macknade
Carmel Anne Ahern Kent George Fowler David Bruno Lando Panikos Romanos Spyrou	four (4)	Burdekin - Inkerman, Pioneer, Invicta & Kalamia
Peter Eric Quod	one (1)	Proserpine
Edward David Bussey Brett Anthony Leach Francis Anthony Perna Anthony Douglas Ross	four (4)	Central (Mackay) – Farleigh, Marian, Pleystowe & Racecourse
Kevin Joseph Borg	one (1)	Plane Creek
Kelvin Arthur Griffin Jay Wesley Hubert	two (2)	Southern –Bingera & Millaquin
Joseph John Russo	one (1)	Isis
Jeffrey Charles Schmidt	one (1)	Maryborough
Richard John Skopp	one (1)	Rocky Point

D.M. Munro  
Company Secretary  
22 September 2008

# Front foot thinking to tackle climate change

Notice that when it does rain it pours these days? Worried about the increasing risk of pests and diseases? Keep hearing that you should reduce your onfarm emissions?

It might be nothing. Or you might be experiencing the effects of climate change.

If you are already thinking about how you can tackle any long term significant change in your region's 'average weather' you are in the best position to profit. If you aren't already thinking about it, it's not too late to start.

Tully grower George Henry said that for him, the town's golden gumboot serves as a constant reminder for the need to modify farming practices to suit the weather conditions.

"The difficulty I have with climate change is separating the fact from fiction.

Modelling is only as good as the input assumptions but it is a start," George said.

SRDC is investing in a number of research projects to help the cane industry understand and prepare for climate change and climate variability.

In 2007, CSIRO used the Maryborough region as a case study to demonstrate the impacts of increased temperatures and decreased rainfall on crop production.

Their findings were published in an SRDC report 'Climate Change and the Australian sugarcane industry: Impacts, adaptation and R&D opportunities'.

This report has set the direction for R&D to support the industry's response to climate change.

The best potential outcome for the region in 2030 is projected to be an increase in yield of around 7%, while the worst may be a reduction of around 4%.

Fast track another generation to 2070 and the figures are much more alarming. At best the potential increase could be around 8%.

At worst, potential reductions in yield may be up to 47%.

As SRDC Investment Manager Diana Maldonado explains, there are things growers can do now to prepare and profit.

"Climate change brings with it opportunities and SRDC is investing in research to help position the industry to take advantage of them and contribute to saving the planet," she said.

"There are gains to be made especially around biofuels and green energy.

"For example the Plane Creek Productivity Services are assessing the potential for sweet sorghum to supplement cane for ethanol production, and an SRI (QUT) team is working on increasing energy output from bagasse by reducing moisture content. This will increase the electricity generation from the same volume of bagasse."

SRDC has also joined forces with other rural research and development corporations (RDCs) to shape government policy around climate change.

SRDC is a partner to the National Climate Change Research Strategy for Primary Industries (CCRSPI) a nationally coordinated effort to help primary industries tackle climate change.

## Chopper design a cut above the rest

When sugarcane stalks are cut into billets during harvest some juice is squeezed out. Lost juice equals lost sugar.

The sugar industry has been looking for ways to improve the way cane is cut to stop this juice loss.

Finally researchers from Townsville and New South Wales think that they are onto something.

A team from James Cook University and the NSW Sugar Milling Cooperative has been working on a project supported by the Sugar Research and Development Corporation to develop a single-drum chopper system that can be retro-fitted to cane harvesters.

SRDC Investment Manager Bianca Boseley said that current chopper systems lose as much as eight percent of juice in-field, and that recovering this juice would mean more money for growers.

"The design boasts the ability to change the length of billets at the flick of a switch," Ms Boseley said.

"Conventional cane harvesters are basically a fixed billet length machine and can only vary billet length by changing the speed at which cane is fed into the chopper relative to the chopper speed.

This can lead to an inefficient chopping action and therefore increased sugar loss."

"Dull blades also contribute to juice losses. By borrowing self-sharpening technology used in forage harvesters, the blades in the new design remain sharp, improving their

cutting ability and reducing the down-time needed to replace dull blades," she said.

As well as offering some potential savings in lost juice, this chopper system could also help growers save money in regions moving to whole of crop harvesting.

Mills accept transport bins up to a certain weight limit. With whole of crop harvesting cane leaves and trash are included so, although the bin is full, its weight is usually well under the accepted limit.

"By cutting the cane into smaller pieces, you can fit more in the bins which means fewer trips are needed to transport the crop from the harvester to the rail/road transport bins and also fewer trips are needed to the mill.

The savings in time and fuel in doing this would be significant.

"In the laboratory the test rig showed lots of promise; however it still needs to be tested in the field.

"It would be great to see a commercial partner like an engineering firm put their hand up to work with the research team to test the design and determine how much juice can be saved," she said.

Should this technology prove successful at reducing sugar losses it would create a huge demand within the industry.

## Burdekin takes steps to better nutrient practices

BSES Limited continued its Six Easy Steps best practice nutrient management workshops in the Burdekin recently with well attended meetings at Home Hill, Millaroo and Clare.

Marian Davis, BSES extension officer said the course would equip cane growers with the skills and knowledge to maximise crop growth and minimise nutrient losses.

"Growers will be able to produce a nutrient management plan for their own property

that takes into account soil types, landscape and all nutrient sources," Ms Davis said.

"The aim of the workshops is to provide growers with information on soils and nutrients so that they can farm more profitably and sustainably.

"By knowing and applying the latest in nutrient recommendations growers can be confident they are applying sufficient nutrients for crop growth without adversely impacting on the environment."



# Selecting the right CANE

Key performance data on sugarcane varieties and their disease resistance can now be obtained at the click of a mouse.

BSES Limited has launched a version of QCANESelect™, a web-based, variety information tool to allow growers to use the new resource as early as possible.

Burdekin based QCANESelect™ team leader, Dave Millard, says tailored sugarcane variety information is now provided faster and more efficiently through the BSES website.

"It's really a 'one-stop-variety-information-shop'.

"The BSES based decision-support tool provides a host of material on vital cane production issues. These include variety information and recommendations for particular areas to help manage pest and disease risks while maximising productivity, plus regional reports on variety performance," he said.

Mr Millard explained that funding for the QCANESelect™ tool has been provided by BSES, the Sugar Research and Development Corporation and the Queensland Department of Primary

Industries and Fisheries.

"Development of the whole QCANESelect™ package will continue up to the official release in early 2009, however, the early release of variety information and block recommendation components provides immediate benefits to growers."

"I encourage BSES service-fee payers to access QCANESelect™ through the BSES website [www.bses.org.au](http://www.bses.org.au) and explore what is available to them. Growers who have a BSES website username and password can access this on-line resource using the same login details," said Mr Millard.

BSES Chief Executive Officer Eoin Wallis said QCANESelect™ marks another key step in the sugar industry's long-standing position as a first-class leader in technology adoption and productivity improvement.

Growers without BSES website login details should contact their local BSES office; non service-fee payers can access the resource on a fee-for-service basis.

## \$15 million for biofuels research

The Minister for Resources and Energy, Martin Ferguson AM MP, has launched the Australian Government's \$15 million Second Generation Biofuels Research and Development Program.

Businesses and institutions researching second generation biofuels are now able to apply for grants of between \$1 million and \$5 million. Second generation biofuels use fuel stocks such as biomass and algae (rather than grain or other livestock feed) and will allow the industry to move beyond the 'food versus fuel' debate.

Speaking at Flinders University in Adelaide, Minister Ferguson said: "The Australian Government is committed to developing low emission technologies and alternative fuel supplies.

"This funding will importantly provide a boost to the biofuels industry and assist in the research and development of the next generation of biofuel technologies, which have the potential to be a cleaner burning alternative to petroleum products with lower CO2 emissions.



## \$15 million for biofuels research

"The Gen 2 program is part of the Australian Government's broader commitments under the \$500 million Renewable Energy Fund and will match industry funding dollar for dollar."

Research funded through Gen 2 will be directed towards the development of sustainable biofuels technology which uses low-cost, non-food materials. This may include use of algae to produce biodiesel or cellulose to produce ethanol.

Minister Ferguson said: "The food versus fuel debate has been well documented and it is essential that grant funding reaches projects which are sustainable."

"We must ensure that biofuel development

does not compete with the traditional agricultural industry for land and resources, raising the price of groceries and livestock feeds.

"Developing commercially-viable and effective second generation technology will increase the sustainability of biofuel use."

The Gen 2 Program will support projects which promote cooperation between businesses, industry and research institutions to encourage increased knowledge sharing and skills development.

The Program will take applications until 30 January 2009. Program information, funding guidelines, and applications are available at [www.ret.gov.au](http://www.ret.gov.au).

## Sugar cane of the future helps protect the reef

Queensland-based scientists are researching new and improved sugarcane varieties that require less fertiliser, thus reducing the nutrient run off into the ocean and impact on the natural environment such as The Great Barrier Reef.

The Co-operative Research Centre for Sugar Industry Innovation through Biotechnology (CRC SIIB) aims to discover smarter sugarcane that will ultimately reduce the sugarcane industry's footprint on the environment.

CRC SIIB Project Leader Dr Susanne Schmidt said smarter sugarcane crops will rely more on nature and less on intervention, in which new sugarcane varieties will use resources more efficiently to drive productivity.

"Recent CRC SIIB research has shown that there is a genetic basis for improving the use of nitrogen by sugarcane. We think that more nitrogen efficient sugarcane varieties can be bred," Dr Schmidt said.

"Our theory is that through understanding how sugarcane acquires and uses nitrogen, we can use biotechnology to develop and breed varieties that need less nitrogen fertiliser to make the same amount of sugar

and biomass."

One million tonnes of nitrogen fertiliser are manufactured around the world each year — nearly the same amount as is produced naturally by nitrogen fixing bacteria.

The doubling of reactive nitrogen to the planet is of great concern as it interferes with the global carbon cycle with yet unknown consequences. One anticipated outcome is even more rapid increases in atmospheric CO<sub>2</sub> levels.

Dr Schmidt said that many people ask why and how nitrogen is so easily lost from a cropping system.

"It is a little like a good versus bad bacteria scenario. When a lot of nitrogen fertiliser is applied to soil, we upset the balance of soil bacterial population which plays a vital role in the earth's nitrogen cycle," she said.

Continued over page...

# Sugar cane from future helps reef

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"These bacteria convert the fertiliser into nitrogen compounds that are easily lost from soil. When the compounds come into contact with either rain or irrigation the nitrogen is washed into our waterways resulting in lower water quality. Bad bacteria also turn fertiliser nitrogen into greenhouse gases which contribute to global warming."

"Our research has shown that different types of sugarcane differ in their ability to 'mine' the soil for nitrogen and efficiently store and use it for growth. I have no doubt that efficient sugarcane varieties in combination with improved farm management will result in a more sustainable sugarcane production."

CRC SIIB research is an integral part of

targeted research and development by the Australian sugarcane industry to work with State and Federal Governments towards a successful Reef Rescue Plan and preservation of the Great Barrier Reef.

The CRC SIIB acknowledges the ongoing support and input into this project by BSES Limited, CSIRO and the University of Queensland.

The CRC SIIB is an alliance of Australia's top sugarcane biotechnology expertise.

The collaboration and expertise in this CRC is unparalleled through the combination of research institutions including four Universities, sugar industry research organisations, Federal and Queensland State Governments, and commercial partners. This CRC has a bold goal - to add new value to Australian sugarcane.

## Healthy sweeteners from cane

Australian scientists have embarked on a project to develop low calorie, alternative sweeteners from sugar.

Using purified sucrose from sugar cane, they hope to develop products that will appeal to health conscious consumers, and help address the growing prevalence of obesity and diabetes in western societies.

The project is being driven by the Cooperative Research Centre for Sugar Industry Innovation through Biotechnology with CSIRO Plant Industry, CSIRO Entomology and the University of Queensland.

Project Leader, Dr Anne Rae, a CSIRO plant scientist, said sucrose – or ordinary table sugar – dominated the world sweetener market.

Sucrose occurs naturally in every fruit and

vegetable, but sugar cane is one of the most efficient producers.

"The status of sugar cane as a low-priced commodity has stimulated exploration into other ways the industry can convert sucrose into high value products," Dr Rae said.

"Sugar cane is also a source of ethanol as an alternative fuel; however our research focus is on using natural enzymes to create other sweeteners from sucrose.

"The objective is to create technologies that can be used by the sugar industry at the processing level to develop alternative sweeteners with consumer benefits."

The research will be presented at a major scientific conference starting in Canberra on

## Healthy, alternative sweeteners from cane

Monday.

Global leaders in biological science will attend the ComBio 2008 conference to report on latest research into the molecular and genetic causes of a range of human conditions, including diabetes and cardiovascular disease.

The four-day conference will also address the booming field of plant science.

ComBio 2008 is a joint meeting of the Australian Society for Biochemistry and Molecular Biology, the Australia and New Zealand Society for Cell and Developmental Biology and the Australian Society of Plant

Scientists.

Dr Rae said European scientists had also been working on developing alternative sweeteners, but Australia could emerge as a key player in efforts to develop alternative products.

"We are in the early, evaluation phase of the research," she added.

"Naturally, candidate enzymes could be pretty hot property considering the high demand for sweeteners in food and drinks, and other goods including toothpaste and drug formulations."

## Queensland scientists breeding for Hi-Energy Canes

Queensland based scientists are currently researching the use of sugarcane to assist with addressing the world's increasing demands for renewable energy.

The Cooperative Research Centre for Sugar Industry Innovation through Biotechnology (CRC SIIB) and the BSES Limited/CSIRO Joint Venture has announced that some of their latest plant breeding efforts could lead to the development of a special breed of 'Hi-Energy Canes' with the capacity to incorporate advances in biomass and bioenergy production.

CRC SIIB Senior Plant Breeder Dr Philip Jackson said that 'Hi-Energy Canes' could provide exciting new options for the Australian sugarcane industry, which up until now, has largely selected commercial cane varieties based on sugar content.

"We are seeing a big growth in interest around the world in the energy potential of sugarcane fibre, or the renewable energy potential of bagasse and fermentation of the plant's cellulose," Dr Jackson said.

"In the not-so-distant future, some

sugarcane varieties with high cane yields and high fibre, which in the past would have been discarded, could become very profitable."

Industry and energy specialists alike believe that within ten years sugarcane fibre will attract a high value due to; energy prices, especially liquid transport fuels, are elevating due to global supply-demand pressures; renewable sources of fuel or electricity are attracting a premium because of less impact on greenhouse gases compared with fossil fuels; and research and development across the globe continues to highlight how to reduce the cost of producing liquid biofuels from fibre.

The CRC SIIB, in its recent analysis of the energy potential of sugarcane, found that sugarcane is an environmentally sustainable and economically viable alternative to crops being assessed in the USA for biomass and bioenergy.  
Continued over page...

# Queensland Scientists breeding for Hi-Energy Canes

...From previous page

The CRC SIIB research is taking this information to the next level, combining traditional plant breeding with sophisticated DNA analysis to develop new high performing 'energy' canes.

To date, scientists working on this project have combined the best of Australia's current commercial canes with the untapped genes of some wild relatives of sugarcane in China.

Initial crosses were made by the CRC

SIIB in China between 2003 and 2005 and half of the seed was imported into Australia (following strict quarantine procedures). The resultant cane is being evaluated in the Burdekin and Herbert, north Queensland, with some new crosses showing high biomass and fibre, but lower commercial cane sugar (CCS) than commercial varieties.

Most recently, some of the new varieties bred from the wild relatives have been crossed with current high-value, smut resistant, Australian varieties. It is hoped that offspring from these crosses could be commercially valuable for production of both sugar and energy.

## Draft Productivity Commission report on drought released

The Productivity Commission recently released a draft report outlining an economic assessment of drought support measures in Australia.

The draft report will be available for further public submissions until Friday 19 December 2008 before a final report is provided to the Government in February 2009.

The final Productivity Commission report will be the last of three commissioned by the Government in April this year as part of a national review of drought support.

The acting Minister for Agriculture, Fisheries and Forestry, Martin Ferguson AM MP, thanked the Productivity Commission for its comprehensive draft report.

"This is part of a three-stage process which began in February with the unanimous agreement of the states and

territories in Cairns," Minister Ferguson said.

"While discussions over future drought policy continue, we have guaranteed that the rules will not change for anyone currently receiving assistance.

"The final Productivity Commission report will be considered, along with the CSIRO / Bureau of Meteorology climate assessment, and the report on the social impact of drought.

"Minister Burke will then build on the most practical suggestions to ensure the drought support system better prepares farmers for the future.

"The Rudd Government looks forward to continuing to work with farmers to deliver an improved drought policy during 2009."

Submissions on the draft Productivity Commission report can be emailed to [droughtreview@pc.gov.au](mailto:droughtreview@pc.gov.au)



## Common substantial risk for employers...avoid it with just a short letter, a few simple words

Just a quick reminder that if your employment contracts don't contain an effective termination clause...one that sets out the period of notice your workers are entitled to receive...your workers will be entitled to "reasonable notice"...which can be much longer than you might consider necessary or desirable...

If you already have an effective termination clause in your contracts, the risk for you is that you inadvertently vary the worker's contract...creating a new one, such that the original termination clause no longer applies.

The most common situation for this to occur is when you promote a worker.

If the promotion is significant, it creates a new contract (even though often no one signs anything), and it will not contain an effective termination clause unless you make sure it does...

The good news...the problem and cost of you getting stuck with a notice period you didn't plan for is easily avoided...

Whenever a worker receives a promotion, include a term in the letter confirming the promotion that says:

"We confirm your promotion to the position of Foreman, which results in an increase in your salary of \$\_\_\_\_\_. This is a variation to your Employment Agreement, and in all other respects that Agreement continues to apply."

I trust this has been informative and useful... If you have any questions, please do not hesitate to contact us...

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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.

## Summer rotations reduce cane crop fertiliser use

With the help of BSES Limited, Mackay cane growers are exploring options for profitable and effective summer crop rotations aimed at reducing fertiliser use by improving soil nutrient levels.

Joe Muscat, BSES best management practice officer says a recent rotation cropping field day brought together growers and advisors to exchange information on crops such as corn, soybeans and Sunhemp.

"Mackay district cane growers are actively working to reduce unnecessary fertiliser applications for the good of both the

environment and individual farm profitability," Mr Muscat said.

"One of the key strategies for achieving this is to fix nitrogen in the soil using legume crops such as soybeans between cane crops."

Research by the Sugar Yield Decline Joint Venture (SYDJV) over the last decade has proved the benefits of well-managed legume crops and moving away from the long term monoculture of sugarcane.

# Wet finish to harvest

By Yvette Everingham, James Cook University, October 3 2008.

The monthly average SOI for September was 14 compared to 8 for August.

Therefore, the SOI phase for September came out as "Consistently Positive" (see Figure 1).

The positive SOI phase at the end of September will increase the chance of receiving above median rainfall for the next few months in most sugarcane growing regions along the eastern coast of Australia (Figure 2).

With a wet start to the harvest for many sugarcane growing regions, the current outlook is not good news.

On the bright side, if the SOI goes to a falling pattern at the end of October, this will reduce the risk of high rainfall towards the end of the crush.

We will have to wait and see though whether the SOI will maintain its consistently positive status or fall during October.

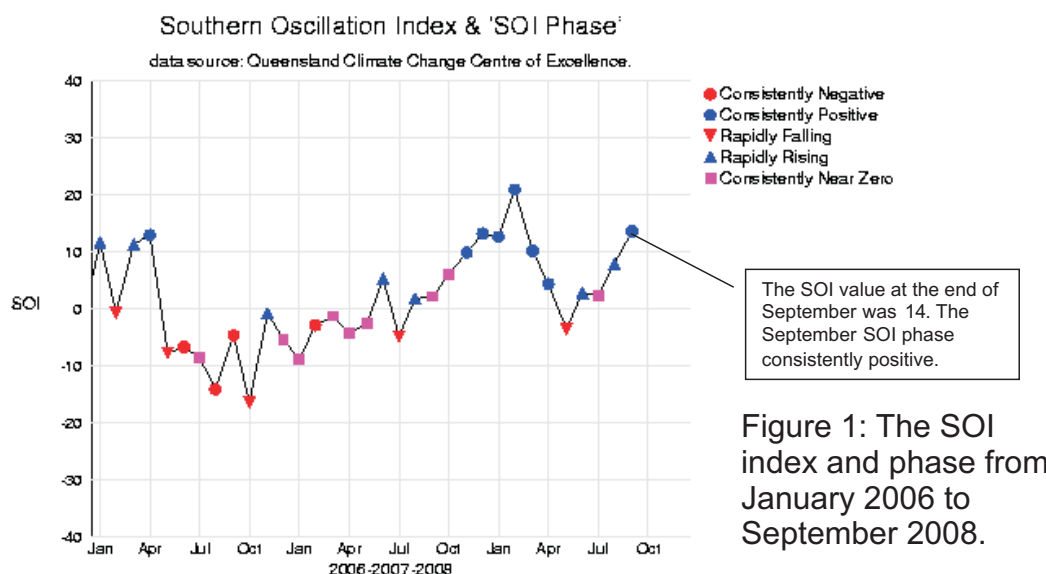
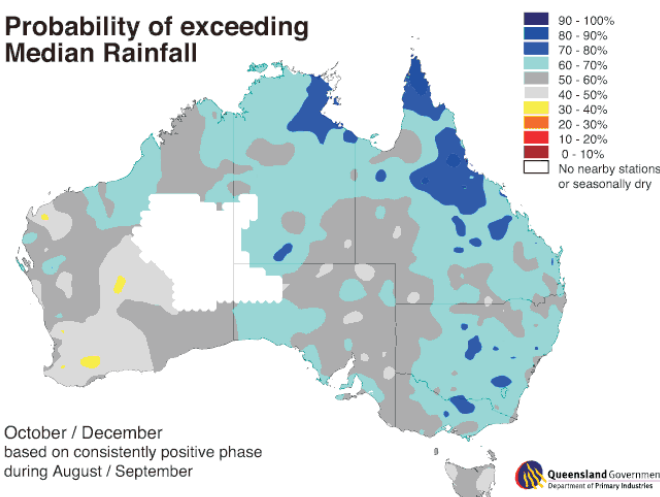


Figure 1: The SOI index and phase from January 2006 to September 2008.

Figure 2: The chance of receiving above median rainfall for October to December based on a consistently positive SOI phase at the end of September. The normal chance of reaching median rainfall is 50% and is represented by

## Probability of exceeding Median Rainfall



the grey shading in the map. Regions shaded in blue have a higher chance of exceeding median October to December rainfall totals.

# Global uncertainty weighs on sugar and the Australian dollar

The ICE No.11 raw sugar futures contract continues to experience volatile trading conditions as the global financial crisis deepens. A mixture of supportive fundamental news and global uncertainty makes short term price forecasting difficult in the current environment.

The October 2008 contract opened the review period (7th August) at the period high of US 14.19 c/lb. Over the balance of August the price traded within a range of US 12.67 c/lb to US 14.19 c/lb. Over the month of September the October 2008 contract settled within a range of US 11.65 c/lb to US 13.05 c/lb, expiring on 30th September at US 12.36 c/lb. This expiry was the second largest ever with around 850,000mt of raw sugar delivered by Cargill. The raw sugar delivered was predominantly Brazils along with around 70,000mt of Argentines. The prompt March 2009 contract settled at US 13.93 c/lb at the time of writing (2nd October).

The financial crisis deepened during the period with the news Lehman Brothers had filed Chapter 11 bankruptcy and Merrill Lynch was being bought by Bank of America. This followed shortly behind the injection of funds by the US Treasury into Fannie Mae and Freddie Mac, the two largest mortgage providers in the US. Over the past week central banks across Europe have injecting funds or taken control of banks under pressure.

On the sugar fundamental front there has been a series of news that should provide support for the medium term, notwithstanding the impact of outside events. These have included:

- hurricane damage to crops in Cuba and the USA

- Czarnikow are now forecasting a 3.3 million tonne global deficit for 2008/09 compared with a surplus of 9.4 million tonnes for 2007/08. In its latest review,

Czarnikow have forecast production to drop to 164.1 million tonnes, the lowest since 2005/06. The key reductions are in India (down 5 million tonnes) and the European Union (down 3 million tonnes).

- UNICA revised down their estimate for the CS Brazil 2008/09 crop. They are expecting to harvest 487.5 million tonnes of cane to produce 26.5 million tonnes of sugar and 23.86 billion litres of ethanol. There is a small reduction in forecast cane, lower sugar production and an increase in ethanol production.

- India's sugar exports from the 2008/09 crop year are likely to fall below earlier forecasts of 1 million tonnes as output is forecast to fall to approximately 20 million tonnes from 26.3 million tonnes in 2007/08.

The October 2008 contract traded for the majority of September at more than US 1.50 c/lb discount to the March 2009 contract.

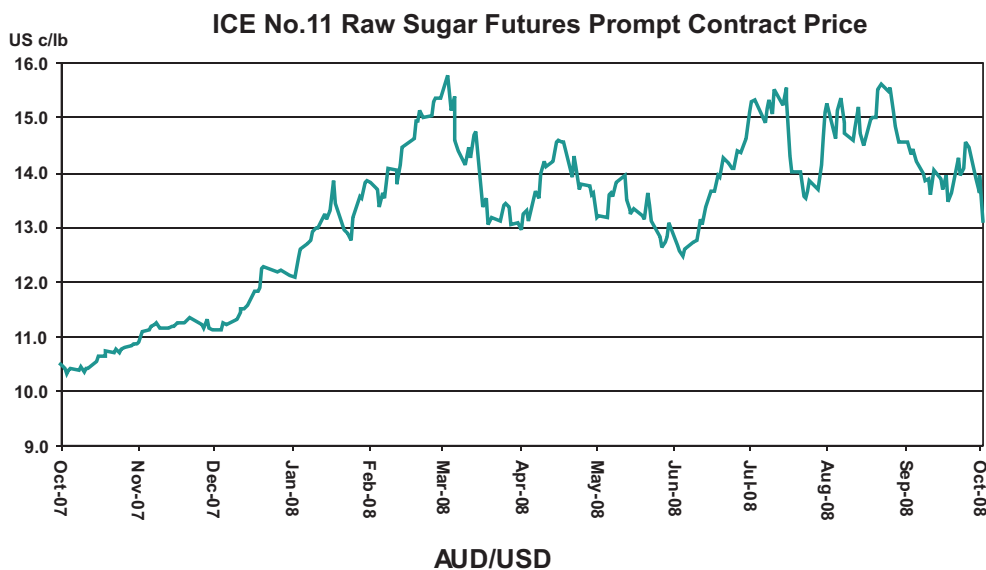
Also during the period the Malaysian government concluded a 3 year, 2.7 million tonnes long term contract at approximately USD386 per tonne.

The suppliers that secured varying portions of the contract include Queensland Sugar Limited, Noble, Dreyfus, Sucden and Cargill.

The USTR released its figures, and Australia has received the WTO minimum of 87,402 tonnes raw value of the 2008-2009 raw sugar quota.

On a positive note for returns from sugar exports, the AUD has come under pressure as concerns over a global recession heightened (potentially leading to a demand slowdown for resources) and the RBA lowered interest rates with more cuts expected over the next twelve months.

# Global uncertainty weighs on sugar and the Australian dollar



## Regional Reports

### Innisfail Report

Unseasonable rain early in September slowed crushing and farming throughout the whole district.

CCS levels are still high which is a bonus.

At the time of writing, Babinda's current CCS is 12.8, Johnston's CCS is 12.94 and the Tablelands' is 14.08 for the season.

Mulgrave's CCS is 14.07 and Tully's is just over 13.15. CCS are expected to drop but

that will depend upon storm cycles which are due to start.

Most planting is finished for the 2008 season. Farmers are concentrating on the rationing cycle for the 2008 season.

Smut was confirmed in Mulgrave and Babinda areas. Spores have been caught in the Innisfail area, the Cowley area but there has been no positive sightings of smut as yet. Tully appears at this stage to be smut free.



# Regional Reports

John Blanckensee  
Innisfail Director

## Herbert Report

The best performing varieties at the present time are Q200 with an average CCS of 15.34, Q156 with an average CCS of 13.99, Q186 with an average CCS of 13.98, Q204 with an average CCS of 13.95.

The first storm of the season produced quite a bit of rain in some areas. The storms have started early this year. There have been a few scattered showers as well with the incoming southerly winds, but so far the scattered showers have not hindered harvesting.

Burning off of our mountain ranges has produced quite an amount of smoke haze in the area. Unfortunately the burning off of these areas seems to be untimely as birds have been hatching their young and anyone who is asthmatic or has lung trouble suffers as a consequence of this burning off.

It seems environmentalists can do whatever they like while farmers who need to burn cane are environmental vandals.

Carol Mackee  
Herbert Director

## Burdekin Report

During the past month I have attended meetings with the Federal Primary Industry and Forestry Minister, the Hon Tony Burke in Ingham to discuss sugar industry issues, including exorbitant fertiliser prices and other rises in input costs, insufficient flow on returns for farmers reflecting real cane values and the inability of farmers to secure effective contracts since deregulation, especially in proprietary mill areas.

The Minister gave those present a good hearing and conceded there were

anomalies in the system and that he 'was very determined' that farmers share in the value-adding in the industry.

The Minister was left in no doubt as to the seriousness of farmers' positions when producer after producer in a range of primary industries declared that this was their last year of production and that they had not/would not be planting/harvesting further crops, etc.

I have continued to pursue opportunities to provide cheaper fertiliser to growers and a sample of the product will be available in the Herbert and Burdekin within a week for farmers to see. It is important for farmers to continue to inform Federal and State politicians of the difficulties that the increases in input costs are causing so that they receive a clear picture of each farmer's position.

Issues regarding the burning of agricultural residues remains topical in the district and we are presently awaiting a reply from the Minister regarding the planned meeting in the Burdekin.

Negotiation meetings promised by CSR in June (for early September) have yet to eventuate, as a result no compensation has been received by farmers for the devastating effect of past season's poor milling performances. This situation only confirms the inadequacies of the present negotiating system available to farmers in securing appropriate mill supply agreements and therefore compensation, in such situations. Local farmer groups have supported an Industry Code which was presented to the Federal Minister for Agriculture recently, calling for a mandatory arbitration system to be introduced in line with basic rights being sought for workers.

Representing ACFA at a Natural Resources conference in Townsville, it was heartening to hear Dr John Williams, NSW Dept of Natural Resources, argue that the time for farmers carrying the burden of

## Regional Reports

environmental change had to come to an end in Australia and the costs had to be passed on.

He stated that other country's environmental expectations were paid for by the consumer and passed on to the farmers who were expected to meet those standards.

Dr Williams remarked that it was pointless asking our fishermen to meet environmental criteria and quality standards and then bypassing their product in favour of an imported product that did not meet those environmental or quality standards, simply because the imported product was cheaper.

He stated there was a cost in meeting Australian standards and that the burden of cost should not fall on primary producers alone.

New cane varieties - Q 208 and KQ228 are performing well with CCS and rakes of Q200 harvested from strip trials have performed at about half a unit over Q208.

The Reef Rescue Package funding will be open to growers later in the year, with forms now available. Funding will be available to assist farmers to move into practices that should minimise nutrient and pesticide runoff onto the reef.

Evan Shannon, BSES and Trevor Berryman are representing the Burdekin on the local area implementation policy which will cover a 5 year plan.

For further information phone BSES on: 47838600.

Mark Day, Executive General Manager, CSR Sugar Mills stated that "The Burdekin's crushing season passed the halfway mark during the week ending 27th September. This milestone was achieved later than originally anticipated, mainly due to the impacts of the Pioneer Mill incident

and in-season rain. We are optimistic the second half of the season can be finalised considerably faster."

CSR have made a plea for people to always be mindful of cane trains operating in the region and to take care around them after a number of incidents in which people have endangered their own lives or the lives of loco crews this season by not staying a safe distance from cane railway lines or failing to give way to cane trains.

"Please always give way to approaching cane trains at railway crossings and keep well clear of cane railway tracks. Given they are hauling hundreds of tonnes of cane, cane trains cannot stop like cars. They can take several hundred metres to stop safely. Therefore, even if a driver sees someone or something on a railway line ahead, they cannot always stop in time."

Margaret Menzel  
Burdekin Director

### Central Region Report

WEEK ENDING: 01/11/08	MACKAY SUGAR	PROSERPINE	CSR PLANE CREEK
CCS for the week	14.54	15.07	14.56
CCS season to date	14.42	14.48	14.41
TONNES crushed for week	46,789	102,527	65,363
TONNES crushed to date	5,221,633	1,607,869	1,099,662
SEASON estimate/tonnes	5.23 million	1.73 million	1.25 million
% HARVEST to date	100	93	88
HIGHEST CCS varieties	Q208, Q209, Q207, Q200	Q208, Q170, Q197, Q157	Q208, Q135, Q185, Q209

Harvesting conditions have been excellent and mills performance has been good. CCS levels are starting to fall.

Planting is now finished and there appears to have been a large area planted. The plant and ratoon crops are looking good at this time.

Mackay Sugar has finished crushing and is in the process of planning for the permanent closure of Pleystowe Mill. I watched the last bin tipped at Pleystowe and it was quite sad as my family have been suppliers for many

## Regional Reports

generations. The mill commenced crushing in 1869.

Plane Creek finished crushing on November 11 and Proserpine Mill finished on November 12.  
Mackay Sugar and Proserpine Cooperative are continuing merger talks.

Both Boards have considered a Report from the Working Committee which confirms a merger will deliver significant value to all sectors of the industry.

Key recommendations are the adoption of the Mackay Sugar cane payment system and Proserpine changing from a Co-operative to a Company.

Both businesses are in different development cycles and valuing the businesses is proving difficult.

Achieving a successful merger by the end of the year as suggested is not possible.

However, both Boards are committed to a merger proposal to take to members as soon as possible.

Ross Walker  
Central Region Director

### Southern Region Report

Progressive drying out of the district has allowed harvesting to hit top gear and the landscape is clearing fast.

It is a case of no news is good news as everyone is so busy no one has had time for the usual bit of gossip.

Some fertiliser blends have been held down in price. Roundup has come back to where it may be an option to reviving old cultivators and going back to mechanical weed control.

A recent article in a corporate magazine

from the grain industry showed just how many farmers were considering cultivation as an option to herbicide.

Burning or bailing trash blankets, then immediately discing, ripping and rowworking or bedforming then planting the rotation crop is the standard system here.

After rotation crop there is zonal tillage for cane planting.

Zero till is an enviable goal and while it is widely discussed and trialled, I think farmers in this region will hold the cultivator card as a last play for some time yet.

I recently received a photo on my mobile phone of a billboard in central Brisbane that said 'Sugar Powering you home'.

The photo was sent to me by an acquaintance with no direct interest in sugar.

We need more people to be aware of our industry's benefits.

Mike Hetherington  
Southern Region Director

### New South Wales Report

The weather has been fine with virtually no stops for harvesting and planting is now underway in all three mill areas.

Condong co-generation plant has past its 30 day reliability trial and at time of going to print Broadwater was well into its 30 day reliability trial.

Finish dates for Harwood are at this stage the middle of November and both Broadwater and Condong are due to finish in the middle of December.

Wayne Rodgers  
New South Wales Director

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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.

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Make use of your local ACFA branch, call your local director or visit <www.acfa.com.au>.

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