

Inside this issue

P.2 CHAIRMAN'S
COMMENT

P.3 ACFA AGM &
CONFERENCE

P.4 RAINFALL

P.5 SUGAR FARMERS
RECRUITED FOR CLIMATE
CHAMPION PROGRAM

P.6 INDUSTRY NEWS

P.7 SRDC REGIONAL EXPO

P.8 BIOCHAR BASICS

P.10 DEFEATING THE
AUTUMN PREDICTABILITY
BARRIER

P.11 MARKET OVERVIEW

P.12 REGIONAL REPORTS



ACFA Annual General Meeting and Conference

Maryborough seed cane one year on



Andrew Dougall explains the innovative
Maryborough seed cane system

The ACFA board meeting AGM and Annual conference were held in Hervey bay on 23 and 24 March.

The speakers at the conference included David Brown, CEO of Burnett Mary Region Group; Denis Heron, Water Reuse Manager for Wide Bay Water and Dr Lukas Van Zwieten, Senior Research Scientist Climate in Primary Industries NSW DPI.

Innovation Tour

Following the conference, a tour through the district included visiting the Maryborough tissue culture cane seedling distribution system, the tissue culture seeding propagation plot at Island Plantation and then a visit to the Wide Bay timber plantation which uses treated water from the Wide Bay sewage plant. The conference tour by Andrew Dougall, senior extension officer for Maryborough Cane Productivity Services was most informative.



Clarry Zunker, Mel Harris, Lindsay Zunker
ACFA AGM and Conference

Cont. page 3



Ross Walker
Chairman

Queensland Competition Authority Reviews Irrigation Water Prices

The Queensland Premier and Treasurer have directed the Queensland Competition Authority (QCA) to recommend irrigation prices to apply to a range of SunWater, water supply schemes from 1 July 2011 to 30 June 2016. A final report is due 30 April 2011.

QCA has stated that it intends to consult with consumers and has invited stakeholders to register their interest in participating in local stakeholder meetings.

Information and Issues papers are available from QCA on 07 3222 0574 or water.submission@qca.org.au.

The Premier and Treasurer have directed the QCA as follows:

For water supply schemes bulk water supply and channel prices/tariff structures are to be set to provide a revenue stream that allows SunWater to recover:

- a) Its efficient operational, maintenance and administrative costs.
- b) Its expenditure on renewing and rehabilitating existing assets, whether through a renewals annuity or a regulatory depreciation allowance.
- c) A rate of return on assets valued at 1 July 2011.
- d) After 1 July 2011, a return of, and on, prudent capital expenditure on existing assets or for constructing new assets.

The QCA must undertake an open consultation process with all relevant parties and consider submissions within the timetable for the delivery of the Final Report to Government. All reports and submissions must be made publicly available, including on the QCA's website.

The QCA must provide to the responsible Ministers and the Minister for Natural Resources, Mines and Energy and Minister for Trade:

- a) A Draft Report and draft irrigation prices by no later than 31 January 2011.
- b) A Final Report and recommended price paths by no later than 30 April 2011 for the five year period commencing 1 July 2011.

Sugar cane irrigators across Qld should be concerned. These directives are very clear and could lead to increased water prices in each scheme. ACFA will be involved in ensuring Government is responsible in its approach and that farmers' ability to pay must be taken into account. Water prices that make farmers unviable and unable to compete on the world stage will benefit no one.

Stakeholder meetings are proposed for May and will be advertised locally. I encourage all irrigators to be actively involved and make it known to local politicians that the stakes are high for rural areas.

2010 Crushing Season

Farmers have now had time to realistically assess the damage to cane crops. The reports I am getting suggest we have been fortunate and the damage could have been much greater.

Cane crops in the Proserpine region were hit the hardest but the crop is recovering quickly.

Some varieties have sustained more damage than others but the major varieties like Q208 have fared reasonable well.

There are areas where cane has been broken and the damage here will be the greatest.

In addition, the rainfall and associated flooding was below what might have been expected and this has reduced the damage and stress on the crop.

There has also been damage to Mackay sugar and Proserpine mills but it appears there will be no delays to the start of crushing.

I would estimate CCS levels for the 2010 season will be 0.5 - 0.75 of a unit lower than what would have been normally expected due to the severe lodging.

AGM and Conference

The ACFA board meeting AGM and Annual conference were held in Hervey Bay on March 23 – 24th. The speakers at the conference included David Brown, CEO of Burnett Mary Region Group, Denis Heron, Water Reuse Manager for Wide Bay Water and Dr Lukas Van Swieten, Senior Research Scientist from Climate in Primary Industries.

Ross Walker

ACFA Chairman



Installing the recycling infrastructure

Innovation in Effluent Re-use

Denis Heron, Water Reuse Manager, Wide Bay Water Corporation

Wide Bay Water Corporation recycles more than 90 percent of Hervey Bay's treated wastewater helping to preserve the pristine waters of the Great Sandy Strait.

The Corporation has six wastewater treatments plants and seven wastewater reuse reservoirs that hold approximately 1,800ML of treated wastewater. This water is recycled on to the Corporation's hardwood tree plantations which cover around 285 hectares. A further 75 hectares will be planted by June 2010. The water is also sold for use on cane farms, golf courses, turf farms, council parks and landscaping.

The recycling program was created because of a decision in the early 1990s to minimise the discharge of treated wastewater because of its high phosphorous and nitrogen content which can cause unwanted plant growth in marine environments. Conversely these same nutrients are beneficial to land-based agriculture.

The Corporation's seventh wastewater treatment plant is a new state-of-the-art facility at Nikenbah. The \$42million plant will be able to treat water from the equivalent of 10,000 houses providing additional capacity to keep pace with Hervey Bay's high population growth. The plant will use an innovative membrane bio-reactor (MBR) process which is a biological treatment that uses membrane filtration at the end of the process.

<http://www.widebaywater.qld.gov.au/residential/wastewater>

Opportunities for biochar in the Australian sugarcane industry

Lukas Van Zwieten, Principal Research Scientist

Steve Kimber, Environmental Chemist

Robert Quirk, Farmer, scientist

Presenting on Biochar, Dr Lukas Van Zwieten said that farmers want to increase soil carbon because of the productivity benefits, however there are barriers to carbon markets. These are the many variables involved such as management practices, soil types and climate.



ACFA Director John Blanckensee and Dr Lukas Van Swieten

There are issues with accountability, as accurate measurement is expensive and time consuming and there must be a guarantee that the carbon will stay put.

Dr Van Zwieten said that biochar provides an accountable, and therefore auditable, pathway of storing carbon in soil. He said that 75% of Australian soil contains less than 1% Carbon. A pyrolysis reactor could generate more than 1.3 MW of syngas energy per dry tonne of either trash or bagasse. Alternatively it could generate 0.5 MWH of electricity.

Biochar has a total carbon content of 41% from trash and 38% from bagasse. Research has shown biochar to raise N & P in soil from 19.4 to 29.6 mg/kg and 6.0 to 8.7 mg/kg respectively.

Dr Van Zwieten said that utilising some cane trash to produce biochar could result in a reduction of more than 400 thousand tonnes of CO2 equivalents/year per million tonnes of trash. The total potential economic value of this could be \$127M per year from existing waste, raising revenue from power, biochar and C sequestration.

Irrigation End-users	Approx Area (ha)
Golf Course/Airport Dual Pipe System	75
Turf Farms	120
Cane Farms - Harvey Bay	400
Cane Farms - Maryborough	600
Existing Tree Plantations	220
Trees to be planted next 3-5 yrs	260
Cassava Tree Plantation Scheme 5-10 years	668
Total	2,343

Sugar, Reef Rescue and Natural Resource Management in the Burnett Mary Region

**David Brown, Chief Executive Officer
Burnett Mary Regional Group**

The Burnett Mary Regional Group for Natural Resource Management Inc (BMRG) is the peak coordinating body for natural resource management in the Burnett Mary region.

BMRG is tasked with oversight of such natural resource and environmental management issues as water quality, salinity, and sustainability - sustainable development of the Burnett Mary region's land, vegetation, weeds and pest management, coastal and marine management and water resources.

BMRG was formed under the National Action Plan for Salinity and Water Quality and the Natural Heritage Trust programs.

The Burnett Mary Region covers approximately 56,000 square kilometres of land and includes another 40,000 square kilometres of marine area. BMRG has delivered \$21M under NHT2 funding & will deliver \$6M in 2009-2010. Under the 'Reef Rescue' program, BMRG funded an initial \$3.06 & will fund \$2M in 2009-2010.

Sponsor Presentation

Dr. Vladimir Matichenkov Ph.D. D.Sc. of Synergy fertilisers gave a presentation on 'Natural Silica for Sugarcane in Queensland'.

The ACFA thanks sponsors Synergy Fertilisers and the Burnett Mary Regional Group

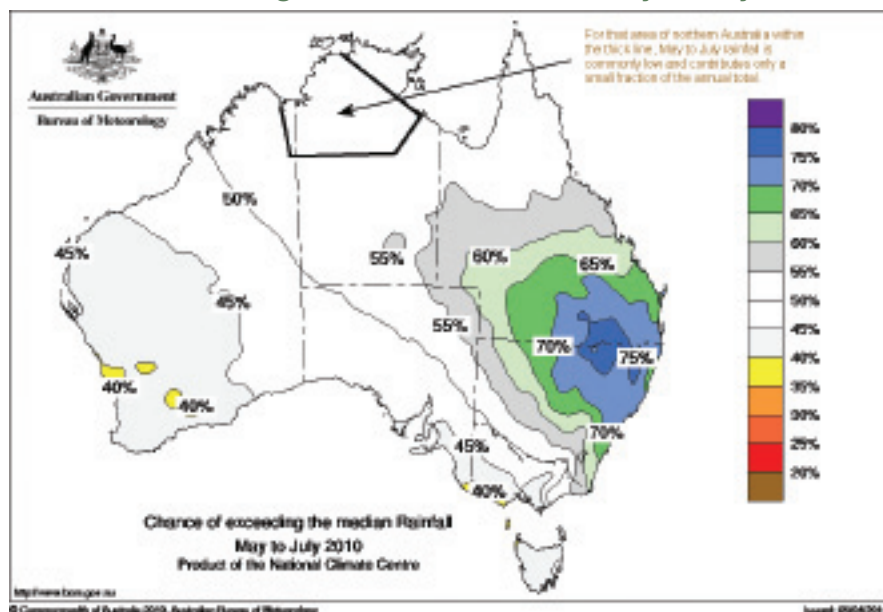
synergy
FERTILISER

Burnett Mary
REGIONAL GROUP
Practical Solutions for Natural Resource Management

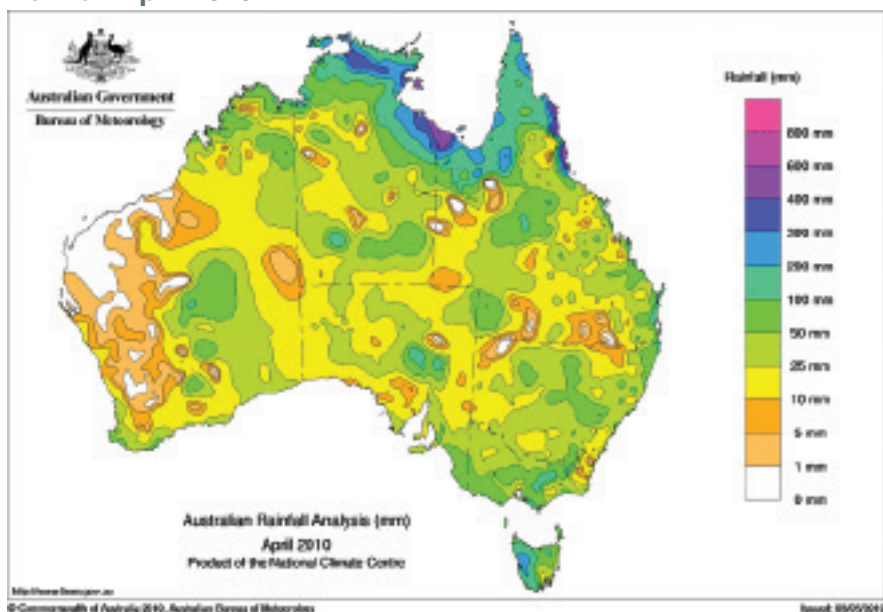


CARING
FOR
OUR
COUNTRY

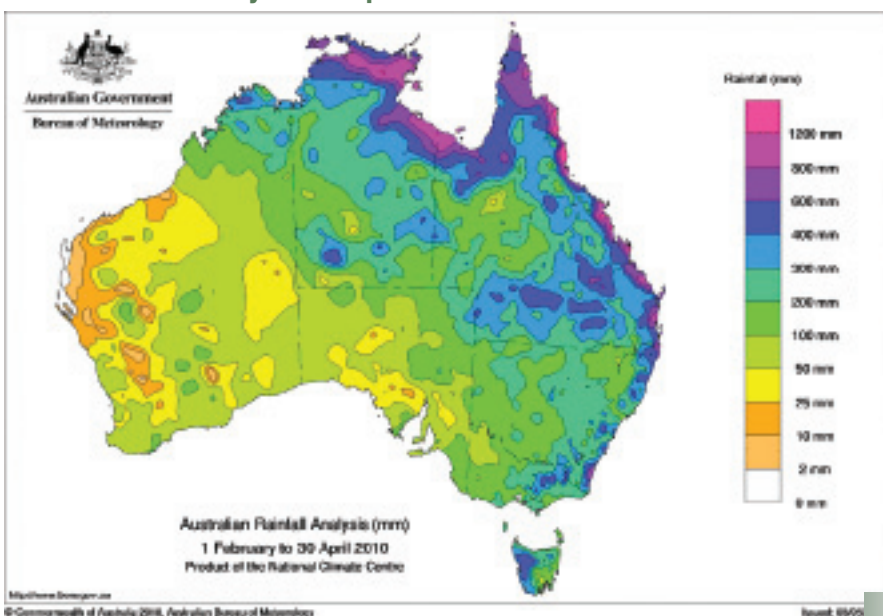
Chance of exceeding the median rainfall for May to July 2010



Rainfall April 2010



Rainfall 1 February to 30 April 2010



Sugar farmers recruited for Climate Champion program

Two sugar cane farmers have been chosen to represent their industry in a national program to help other farmers manage Australia's increasingly variable climate.

Robert Quirk, of Tweed River, and Michael Waring, of Ingham, are participants in the Climate Champion program, which was initiated by the Managing Climate Variability Research and Development Corporation and in partnership with the Sugar Research and Development Corporation (SRDC), Grains Research & Development Corporation, Meat & Livestock Australia, Dairy Australia and Rural Industries Research and Development Corporation.

Mr Quirk and Mr Waring, who are sponsored by SRDC, are among 34 farmers from around Australia that have been selected for the program and were recognised for their interest in climate and weather and improving productivity on their farms. The farmers come from a wide background and represent most of Australia's agricultural commodities including grains, livestock, wool, sugar, dairy, horticulture, grapes and wine, farm forestry and honey.

"We hope that by being part of the Climate Champion program we will help raise awareness and discussion within farming communities about new innovations for managing variable climatic conditions such as extreme heat and low rainfall," Mr Quirk says.

"Ian McClelland, from the Birchip cropping group, will chair the group and Brisbane-based science communication firm Econnect will be the project coordinators, while Col Creighton who a lot of you would know is also helping keep us on the right track."

Participants of the Climate Champion program met for the first time on 29 March 2010 for a two-day workshop in Canberra.

"We developed a plan that will direct our way forward and it was decided that we will be known as members of the Climate Champion program," Mr Quirk said.

"All members have offered to host research that may help to reduce the effects of climate change."

Mr Quirk will be doing a report on the Climate Champion program in this and other media on a regular basis.

Participants of the Climate Champion Program will have direct access to the latest climate research findings, the opportunity to run trials on their own farms, contribute to the development of new climate management tools and technologies and pass on their

experiences with the changes they've made to their own farming systems.

The Climate Champion Program is aimed at getting research information out to farmers on new technologies and practices for dealing with climate variability and climate change. They will share the latest research findings with other farmers through various networks such as field days and farmer group meetings. Participants of the Climate Champion Program will also feed information back to researchers about what farmers need to better understand and manage climate on their properties.

Chair of the Managing Climate Variability program, Ian McClelland, says the strategy reflects that most farmers gain new knowledge and adopt new practices through interaction with their peers.

"Farmer's value the knowledge and experience of other farmers more than from anyone else, including advice provided by agricultural consultants and researchers," Mr McClelland says.



Industry news

Bligh Govt adds more Reef Regulation

High impact earthworks that damage wetlands will require development approval in a Bligh Government move to further protect the iconic Great Barrier Reef.

On 2 May 2010 Climate Change and Sustainability Minister Kate Jones released a Temporary State Planning Policy effective immediately, which makes proposed earthworks activities in Reef catchment wetlands assessable under planning and development laws.

Affected activities include draining, filling, levelling and the construction of channels and diversion banks in the wetlands from Bundaberg to the Wet Tropics. Ms Jones said much of the wetlands area was already protected through national park or conservation park declarations but 46 per cent of the area was freehold.

She said the Temporary State Planning Policy: Protecting Wetlands of High Ecological Significance in Great Barrier Reef Catchments would be out for public feedback until 30 June, 2010.

This issue has not been part of the Reef Protection Package negotiation with industry and it has not been mentioned. In 2009 ACFA was informed that DERM was looking at further regulating wetlands. ACFA immediately raised the matter with DERM and requested that we be included in any policy discussion with stakeholders. To date ACFA has not been contacted. ACFA is very concerned over the lack of engagement and will be following this closely.

Far North Queensland sugar cane milling joint venture

The Maryborough Sugar Factory Limited ("MSF") is pleased to announce it has today signed a binding agreement with Bundaberg Sugar Ltd ("BSL") to establish a 50/50 joint-venture of the northern sugar cane milling operations of both parties.

The key terms of the joint venture are:

- An unincorporated joint-venture will be formed comprising the operation of the Mulgrave, South Johnstone, Babinda and Tableland mills and associated milling assets including contracts, cane rail networks, easements, leases and licences, with an effective date of 1 December 2010.
- On execution of the final joint venture documentation, MSF will pay BSL a nonrefundable amount of \$20 million and will have an entitlement to 50% of the future sugar production of the joint venture from the effective date and a call option to acquire the remaining 50% of the joint venture. This payment will be funded from MSF's current cash reserves.
- A jointly owned management company comprising senior managers of both parties will conduct the activities of the joint venture.
- From the effective date, each party will be entitled to 50% of the combined mills' raw sugar production. Presently, BSL markets its northern raw sugar through Queensland Sugar Limited, whilst MSF

markets its raw sugar directly to overseas customers.

- The joint-venture costs and capital requirements will be shared equally.
- MSF will have a call option to acquire BSL's mills and all of the assets BSL is contributing to the joint-venture, exercisable from 1 December 2010 until 29 February 2012 for additional consideration of \$50 million.
- Each party will have pre-emptive rights over the other party's mill(s) and joint-venture interest.
- If MSF has not exercised its call option to acquire BSL's mills and BSL's jointventure interest and by 1 December 2013 neither party has exited the joint venture, then either party may request the joint venture to conduct either an IPO or trade sale of the combined joint-venture assets and operations.
- MSF will have a first right of refusal and call option to acquire BSL's farm assets located in the region comprising approximately 1800 hectares of land exercisable from 1 December 2010 until 29 February 2012 if MSF has first exercised its call option to acquire BSL's mills and BSL's joint-venture interest. The purchase price for the farms will be the fair market value as determined by an independent valuer.
- If MSF terminates the current agreement to form the joint venture or the final joint venture documentation is not executed by MSF by 23 June 2010 (subject to being extended in certain circumstances), a non-refundable break fee of \$5 million is payable to BSL in certain circumstances.
- Execution of final joint venture documentation and payment by MSF of the \$20 million are conditional on FIRB and ACCC approval.

Further information:

Mike Barry, CEO

The Maryborough Sugar Factory Ltd

Mobile: 0401 896 999





Australian Government
Sugar Research and Development Corporation



SRDC Regional Expo



Creative solutions for the future of sugarcane

EVENT INVITATION

Northern NSW

Tuesday 18 May 2010

10:30am to 12:30pm
(followed by lunch)

Venue:
Wardell Recreation Club
75 Pine Street
Wardell NSW

Cost: Free

RSVP

admin@srdc.gov.au

Phone: (07) 3210 0495

SRDC
www.srdc.gov.au

Sugarcane growers are invited to come along to a living, breathing, regionally relevant account of the Sugar Research and Development Corporation's project highlights, at a regional expo.

If you attend one industry workshop this season make it the SRDC regional expo.

SRDC Acting Executive Director Annette Sugden said she is looking forward to visiting the region to demonstrate how research and development is making a difference.

"At SRDC we're all about innovation, creativity and enthusiasm. That's why we've adopted the theme for this year's expos as *Creative solutions for the future of sugarcane*", Ms Sugden said.

"The expo is an opportunity to find out how SRDC has invested your levies, hear results from some innovative R&D projects, and a chance to network with other industry members", Ms Sugden said.

During the expo top researchers will highlight some of the work that is being carried out across the industry to improve profitability, sustainability and capacity.

Industry identities and researchers who will present at the expo include:

Dr Bernard Schroeder from BSES Bundaberg will provide a background to the Six Easy Steps program and how being on the front foot with such a management package has helped the QLD industry prepare for regulatory requirements.

Trent Stainlay from Tully Cane Productivity Services will demonstrate new harvest planning tools that are being used by growers in the Tully mill area to more effectively plan their harvest schedules to maximize CCS levels.

Bryan Granshaw from the Burdekin will discuss a new prototype positioning system to assist haul-out operators consistently and accurately position their vehicle relative to the harvester.

Martin Inderbitzin from NSW Sugar Co-operative will update you on new local research efforts to improve whole-cane bin weights using a modified shredder design.

Geoff Kent from Queensland University of Technology in Brisbane will discuss the results of a recent project with NSW Sugar Cooperative which assessed the financial impacts of processing whole crop (cane with trash) through a mill.

The SRDC expo is free with morning tea and lunch provided however registration is essential for catering purposes. Call Kara Billsborough at SRDC ph: 07 32100495.

Investing in Sugarcane Industry Innovation

Biochar basics

Abigail Jenkins Soil Advisory Officer Natural Resource Advisory Services, Wollongbar

Carolyn Jenkinson Project Officer, Sustainable Agriculture Conservation Management, Gosford.

What is Biochar?

Biochar is an extremely complex stable form of carbon produced by the controlled heating of plant and/or animal material (biomass feed stock) at high temperatures (350 - 600°C) in a low oxygen environment. The technique of heating in a low oxygen environment is called pyrolysis.

Biochar's complex chemical structure is defined by the feedstock it is made from and the temperature conditions used in its manufacture.

Biochar is a form of charcoal but is different in that biochar is produced in controlled conditions so that most of the carbon is converted to usable products. Charcoal usually has a total carbon content of over 75% whilst biochar often has much less total carbon (often 40-75%) but it has a higher mineral content, containing minerals such as Calcium (Ca), Potassium (K), Phosphorus (P) and Nitrogen (N).

Are all biochars the same?

No two biochars are the same. The characteristic of any biochar is a function of the material from which it is made and the temperature conditions used to ~, make it. The range of biochars available could be considerable, representing the wide range of feedstock, temperature, residence times and heating rates used in their creation.

Biochar made from material such as animal manure or broiler litter will have a greater nutrient content than a biochar made from carbon rich materials such as municipal green waste or tree

prunings. Biochars produced at high temperatures such as 600°C have greater porosity and higher adsorptive qualities compared to biochar produced at 400°C. However, while most of the carbon from a feed stock pyrolysed at high temperatures is converted to energy, more carbon is recovered in lower temperature pyrolysis.

As the characteristics of biochar vary widely it is difficult to state categorically what benefits biochar can provide beyond the addition of carbon to the soil and alternative waste management. The creation of biochar may generate energy and mitigate climate change while some biochars may be useful as soil nutrient amendments.

What are the benefits to agriculture?

Many of the benefits attributed to the application of biochar to the soil are related directly to the resulting increase in carbon.

Biochar applications have been shown to increase crop (biomass) production and applications to soil have been shown to:

- improve nutrient storage, CEC
- increase soil carbon content
- increase Water Holding Capacity
- increase soil pH
- decrease Aluminium toxicity
- decrease tensile strength
- change microbiology of the soil
- decrease greenhouse gases emissions from the
- soil (N₂O and CH₄)
- improve soil conditions for earthworm populations
- improve fertiliser use efficiency.



Biochar made from papermill residues.



Biochar made from green waste.

Feedstock	Poultry litter	Green waste	Paper-mill
N(%)	2.2	0.25	0.44
P(%)	2.4	0.049	0.11
K(%)	2.1	0.0072	0.047
Lime equivalency (CaCO ₃ (%))	14	0.90	7.50
Total C (%)	35	66	37

Table 1 Basic chemical characteristics of three biochars produced at 450°C



Large scale biochar production plant at Somersby.

However in other research it has been found to have no influence on the above aspects, the results being highly dependent on the type of biochar as well as crop, soil type and climatic conditions. It appears that where positive effects occur the biggest impacts are on highly degraded sites that are nutrient poor and/or acidic.

To maximise the benefit of an addition of biochar to the soil it is important to know why it is being added. As seen previously, biochar made from animal wastes can have nutrient values that enable it to be used as a nutrient source for plants as well as a carbon source. Biochar made from carbon rich materials is primarily useful for increasing soil carbon levels but supplies little in the way of plant available nutrients.

However it is important to remember that use of this technology is new to modern agriculture and experts state that there is "no rapid screening technique currently available that provides the means for biochar products to be compared or matched to a particular use." (anzbiochar.org/index.html) Biochar and climate change The benefits of biochar in mitigating climate change may be substantial but more research and appropriate legislation are needed to accompany its use.

Predicted benefits	Implications
Increased biomass production	<ul style="list-style-type: none"> • Greater atmospheric C uptake, • Carbon sequestration through greater biomass production, • Potentially reduced soil emissions of non- CO₂ Green house gases, • Reduced requirement for N fertilisers.
Increased soil C	<ul style="list-style-type: none"> • C sequestration
Waste reuse	<ul style="list-style-type: none"> • Reduced methane production from landfill
Renewable energy production	<ul style="list-style-type: none"> • Offset of fossil fuels

The production of biochar can provide a net storage of carbon providing the process is well engineered. In this situation the storage of carbon (or carbon dioxide equivalents (CO₂e) is greater than the production of CO₂e for a full life cycle assessment. In contrast, carbon from crop and plant residues is generally released back into the atmosphere within 2 to 5 years.

During pyrolysis, stable carbon structures are formed, which are extremely resistant to microbial attack preventing carbon release back into the atmosphere. The stability of biochar depends on the type of biomass used, temperature and length of heating, surface to volume ratio of the particles, soil and climatic conditions.

Generation of renewable energy by pyrolysis also requires a well engineered facility. The high energy gases such as hydrogen (H₂) methane (CH₄) and carbon monoxide (CO) released can be either converted into thermal energy or electricity. The amount of energy released during the pyrolysis process is again highly dependant upon the biomass feed stock as well as the pyrolysis conditions.

Can I make my own biochar?

Biochar has been made in the shifting cultivation regions of South American and in Japan for centuries. However, to make a high quality uniform product and prevent the formation of toxic substances some time and investment in constructing a pyrolysis kiln/stove is required. The kiln must be designed so that the high energy gases (syngas, pyrolysis gas) and particulates which are produced during pyrolysis are disposed of safely. This gas may be used as an energy source but must be managed with care for human health and greenhouse gas emission reasons.

In the simplest kilns high energy gases are captured and burned (flared). This converts the methane back into CO₂ which is a far less damaging greenhouse gas. Low-tech "stoves" are used in many developing countries for cooking purposes, enabling the effective recycling of agricultural wastes such as rice husk into energy and biochar, which is then returned to the paddock.

Check for updates of this Primefact at:
www.dpi.nsw.gov.au/primefacts

Further reading:
anzbiochar.org/index.html
www.biochar-international.org/workgroups
www.bodgershovel.com/index.htm
<http://www.dpi.nsw.gov.au/research/topics/biochar>

Defeating the autumn predictability barrier

By Kara Billsborough

A breakthrough in technology is set to give canegrowers better tools to predict harvest rainfall patterns rather than relying solely on gut instinct.

A SRDC funded project led by James Cook University, has seen the arrival of superior forecasting software aimed at providing growers access to climate forecasts in March, to enhance their planning decisions for the July-November harvest period.

It is recognised that many traditional climate forecast systems have limited ability to predict rainfall spanning autumn, however, this new adapted technology is the first of its kind in Australia to meet the challenge of breaking through the autumn predictability barrier.

Traditional technology has only permitted the earliest weather predictions for the harvest period to be made in June, leaving growers with little over one month to organise harvesting contractors and mill operations. This lack of preparation time has forced many growers to make early, unreliable predictions on when to begin a harvest.

James Cook University researcher Yvette Everingham said, the software predicts climate conditions for the harvest period in pre-autumn, giving growers a substantially longer harvest preparation period than ever before.

"Normally growers would have to wait until after autumn before they could consult a climate forecast to assist with harvest planning. With this new software growers can start planning for the harvest earlier," Ms Everingham said.

During the three year project, researchers worked closely with growers and oceanographers from Florida State University (FSU) to test an existing climate forecasting model available in the United States. Firstly the U.S model was trialled in three sugarcane regions across Queensland and New South Wales and then a new model, tailored to the Australian industry, was developed.

The project involved testing by project coordinators including; Peter McGuire for the NSW region, Peter Lucy and Tom Harney for the Tully region, Andrew Wood and Mike Sefton for the Ingham region and Erich Hammer from Plane Creek also lent a helping hand.

In March 2007, the newly adapted model made history when it predicted a La Nina in the second half of the year.

When La Nina did occur, the ability of the model to predict future weather conditions was confirmed. For the first time, the Australian sugar industry had forewarning about the harvest climate conditions

before the autumn barrier.

Tully cane grower Tom Harney, chose to trial the adapted forecasting model and pay attention to the warning it gave. When the La Nina was predicted in 2007, he made the decision to harvest before the heavy flood rains were due, to avoid drowning his young cane.

"I'm glad I took part in this project, if I didn't react to the heavy rainfall and flooding predictions I could have lost a large proportion of my crop," he said.

Tom Harney is living proof of the effectiveness of this adapted model to forecast weather conditions months before the harvest period. Preliminary results of the new software indicate insight into future weather disasters or unexpected flood rain is possible.

Recommendations are for further investment in ensuring all local regions have representatives equipped with skills to educate growers on the benefits of the forecasting software.

This project has seen an enormous advancement in weather forecasting and shows a glimpse into the future of an improved Australian Sugarcane Industry.

The project was funded by SRDC with support from James Cook University, CANEGROWERS, BSES Limited, CSR and Florida State University. More information about this research is available from the SRDC website.

Contact: Yvette Everingham (JCU): yvette.everingham@jcu.edu.au; Peter Lucy (Tully) Peter_Lucy@canegrowers.com.au; Andrew Wood (Ingham) awood@csr.com.au; Peter McGuire (NSW) pmcguire@bses.org.au

May 2010 retreats to US 16 c/lb

The May 2010 contract opened the review period (1 March - 31 March 2010) at US 24.00 c/lb and remained on the defensive throughout the entire period, trading between US 24.00 - 16.17 c/lb.



The Australian dollar (AUD) traded between AUD/USD 0.8936 - 0.9252 during the review period (1 March - 31 March 2010) and closed at AUD/USD 0.9172. AUD strength remains primarily from its yield advantage versus the US Dollar. The AUD is also benefiting from solid Chinese growth which is continuing to underpin commodities.



The May 2010 contract followed a weaker London whites market which lost a staggering thirty-two percent of its value over the review period. The ICE No.11 May 2010 contract settled at US 16.59 c/lb at the end of the review period, a loss of US 7.41 c/lb.

The Centre South Brazilian 2010/11 harvest has commenced with approximately 6.8 mln Mt of cane crushed by 1 April 2010. Whilst the crush is travelling at a pace below forecast largely due to poor weather, it is expected that sixty percent of the sector will be in operation by the end of April 2010. As at 1 April 2010, 0.2 mln Mt of sugar had been produced versus 0.15 mln Mt last year. Analysts are forecasting that the total cane crop for 2010/11 will be in the order of 590mln Mt with total sugar production estimated at 34.1 mln Mt.

India's sugar production has exceeded most analysts forecasts for the 2009/10 season with total output at 16.7 mln Mt for the period ending 31 March 2010, up 22% versus last season. Current estimates indicate that total output for the current cop will be 17.8mln Mt to 18.0 mln Mt given crushing will end in Maharashtra around 15 May 2010. For the 2010/2011 season, production may be as high as 23.0 mln Mt.

Speculators have reacted quickly to the change in market fundamentals by trimming their net long futures positions over the review period. In early March 2010, speculators were holding a net long futures position of 130,000 contracts which has declined to 91,000 as at 23 March 2010.



Don Murday
Northern Region Director

Northern - Mossman

Due to the rain, the growing season has taken a disappointing turn, however the crop is expected to be 20% up on 2009.

Windy weather has rolled a lot of cane stool revealing much greater grub damage than estimated.

Mossman mill is expected to commence crushing on the scheduled date of Wednesday 16 June.

Farmers who require information on the reef regulations and associated training should contact me on 0418 774 499.

Don Murday
Northern Director



John Banckensee
Northern Region Director

Northern - Mulgrave, Babinda, Innisfail & Tully

March and April were a busy month for farmers in the far north. Numerous courses have been conducted in all cane growing areas, regarding the use of chemicals and fertilisers.

This is to comply with the Qld Government's Reef Protection Package which became law from 1 January 2010. By July 2010 – in the three regulated catchments – the person applying or directly supervising the use of Atrazine, Diruron, Ametryn and Hexazinone must hold the following qualifications.

RTC 3704A Prepare and apply chemicals.

RTC 3401 A Control weeds.

RTC 3705A Transport handle and store chemicals.

Chemcert re-accreditation workshops are still being conducted. For more information please contact me in 4061 2034.

Proposed mill mergers are back on the agenda with Maryborough Sugar and Bundaberg Sugar announcing a joint venture combining their northern milling assets with further options on Bundaberg Sugar's northern farms. A Maryborough Sugar announcement is published in this newsletter.

On the weather for March and April; cloudy days and continuous rain have slowed cane growth. This has resulted on lodged cane in most areas. So far, the north coast has escaped the flooding, experience in other areas of the state.

John Banckensee
Northern Director



**ACFA Director John
Banckensee, Frasercoast
Councillor & former
ACFA Director Linda Harris,
ACFA AGM and Conference**



Carol Mackee
Herbet Region Director

Herbert

At last there is some fine weather in the Herbert District. Conditions have been wet with only 27 days of fine weather since January. At the moment there is quite a bit of heat with the sunshine – “Excellent growing conditions”.

Some of the cane varieties are already showing signs of maturity and are starting to flower. It is to be hoped that we have ideal harvesting conditions and excellent returns after experiencing floods last year.

Attendance at the BSES workshops Six Easy Steps and the Chemical Accreditation courses have been strong. These courses will be ongoing.

The Directors of ACFA attended a board and Annual General Meeting at the Boat Club, Hervey Bay with growers attending from Mossman to Bundaberg. Those people who were not able to attend the annual meeting missed seeing Hervey Bay at its best. The accommodation was spot on and unfortunately, due to the weather conditions around the Mackay area we saw quite a few apologies. Our thoughts are with those growers who lost some of their crop from the winds and rain.

After the forum we went on a bus trip to look at farming ideas in and around Maryborough including the treatment of the effluent so that it no longer runs into the ocean. It was an excellent afternoon. There was plenty of time for questions and our guides did a magnificent job.

On April, 13th BSES held a field day in Ingham. There will also be a field day in Townsville this year with the dates set down for the 12th & 13th May.

Carol Mackee
Herbert Region Director



Margaret Menzel
Burdekin Director

Burdekin

Early planting is happening spasmodically across the district with sunshine and rain almost a daily double. The sugar prices have rallied somewhat over the past week but look to remain around the low \$400's for the immediate future. The \$Aus remains strong and the market expectations are for a general increase in sugar cane area planted.

The 2010 crop estimations continue to look positive, although the pattern of wet weather is a concern on the forecasts for the early part of the season. Discussions on the ACFA Cane Supply agreement are still pending, with some concern over the potential for an end of May start. As Sucrogen will benefit through additional cogeneration revenues, etc. from an early start, it is not unreasonable to argue for growers to share in those benefits to compensate for the negative financial results of an early start on their ccs. The Bright Foods offer is still in the throes of discussion and legal argument, with the outcome likely to cause considerably more conversation and wrangling yet. The delaying of CSA negotiations, which remain in the 'too hard basket', appears to hinge on the Sucrogen/Bright Foods issue being resolved. This has again placed the growers' interests at the end of the

queue and confirms the failure of the industry deregulation legislation to deliver in any shape or form, for growers. Another 'eleventh hour cloned CSA' is unsatisfactory and unacceptable to the district's growers.

The recent workshops held to offer information on improved fertilisation efficiency for growers have been well received and both the BSES and Synergy workshops have been well attended. Growers who are early planting should be soil testing their blocks prior to planting and recording and analysing their requirements for both nutrients and pre-emergent chemical usage. Difficulties or concerns by growers should be directed to the BSES, BPS or the relevant Reef Protection officers employed.

Elections of the various grower body representatives have taken place recently and I wish the successful candidates and outgoing representatives well in their endeavours for growers and for interests of the district.

Sucrogen advise that the maintenance scheduling at the mills is progressing well, with the capital works projects nearing completing in readiness for the season's commencement. Steam trials are likely to commence in mid-May.

The Queensland government has appointed the Qld Competition Authority (QCA) to review and advise government on water pricing. A draft report and draft pricing is due by no later than 31 Jan 2011. Additional information is available at: www.qca.org.au/water.Sun-Irrig-Price/index.php or on (07) 32220555.

Sucrogen pricing advice is as follows: "As you all will be aware, sugar prices have fallen sharply during the past two months. The May 2010 contract had fallen to about 16c/lb by the end of March, from a high of 29c/lb at the beginning of February.

While the weakness has been significant, it has not impacted on the 2012 futures contracts at the back of the futures curve, which are largely unchanged over the same period.

The large fall in 2010 prices has been attributed to a number of factors:

- The EU's announcement it intended to export an additional 500,000 tonnes of sugar;
- Estimates of India's 2009/10 production rising from about 15 million tonnes to more than 18 million tonnes quite late in the season as cane availability was significantly under estimated;
- The availability of sugar for export from Brazil's Centre South during the first quarter this year being greater than expected. While this was partly due to sugar destined for the domestic market being diverted to export, it seems largely the result of under estimating stocks at the start of the season. The result was an "additional" one million tonnes of sugar;

- Fund/speculative selling as long positions have been reduced. The addition of about five million tonnes of sugar largely resolved what was expected to be a period of production deficit.

The current market appears to be factoring in near-perfect weather for the 2010/11 Brazil Centre South season and a return to "normal" monsoon weather patterns ahead of India's 2010/11 season. With global pipeline sugar stocks at very low levels, weather disruptions have the potential to have a significant impact. Prices of about 16c/lb are close to full marginal cost of production in Brazil and, if maintained, could have a negative impact on the Brazilian industry's ability to expand in 2011/12.

The recent fall in the market has caused uncertainty for many growers regarding the strategy they should adopt for their forward pricing. However, critical considerations when deciding at what level to forward price will remain your cost of production, the minimum price you need to be profitable and debt funding requirements.

Sucrogen's pricing website allows you to place orders (for the 2011 and 2012 seasons) and have them sitting in the market pending a possible price spike. If, over time, such orders are not filled, there remains plenty of time to adjust or cancel any orders if required."

BPS Levy

BPS have advised that the grower membership fee for the 2010 season has been set at 6.5 cents per tonne +GST. Approximately 98% of Burdekin growers are members of BPS.

Nominations are currently being called

for three grower directors of Burdekin Productivity Services, closing at 5pm on Monday, 10th May, 2010. Growers are encouraged to consider nominating to represent the interests of the district's growers and the industry.

Approved Plots - Inductions

BPS advise that "contractors and growers who collect cane from the plots are advised that this year a short onsite OHS induction will be given by the site supervisor and are required to wear enclosed footwear when visiting the plot. All machinery that enters the paddocks on the plots, such as tipper bins and harvesters are required to have a fire extinguisher fitted."

Approved Plots - Seed Cane Orders

"Orders for approved seed cane supplies have closed as at the end of March. However, those growers who are still seeking quantities of approved seed should contact their BPS staff member for any remaining unallocated cane. Regular use of approved seed is an insurance against endemic diseases such as Leaf Scald, RSD and Chlorotic Streak, and will assist in managing Smut. The cost involved with purchasing a tonne of approved seed is offset by the proceeds of the extra cane that growers send to the mill and is also tax deductible."

Approved Plots - Opening Times

Growers are advised that Approved Seed Plots are now opened and that when visiting the plots to collect cane, all machinery must be clean and free of potential disease carrying substances such as old plant material and dirt. "Field staff will inspect and sterilize equipment prior to collecting cane, and have the right to refuse entry if equipment is not clean. Hygiene is of the utmost importance, and growers and contractors should take all necessary precautions to ensure the plots remain free of disease. Contact your field officer if there is any doubt as to what is required. Please contact your field officer to check when seed cane is available from each plot."

Sugarcane Smut Disease

"To date the majority of findings have been in the susceptible varieties Q117, TellusA, Q127, Q 189A and Q163. Growers are strongly encouraged not to plant these susceptible varieties in the coming season. Many of the infested blocks have been ploughed out which has considerably reduced the level of known infested crops remaining in the 2010 crop. However, new infestations will be found as activities increase during the early planting and as the crop continues to mature."

Q183 A Intermediate Resistant

"In August 2009, BSES released information that the smut resistance rating of Q183A has been upgraded from intermediate susceptible to intermediate. Field observations of Q183A in the Burdekin and in several regions with a higher level of smut infestation

pressure have shown that to date, this variety appears to be more tolerant to smut than at first expected. It remains a very strong variety."

No Varieties are immune to Smut

"Smut resistant varieties may occasionally show low levels of smut but should not suffer yield losses similar to susceptible varieties. BPS and BSES recommend that growers spread the balance of their crop across a number of varieties to reduce too heavy a reliance on any one variety."

RSD Surveys

"RSD surveys have been completed on all approved plots with no RSD infections being found on any plot sites. BPS wishes to advise growers that field staff will also be conducting general RSD surveys in the Pioneer and Invicta mill areas this year. Older ratoons are more likely to have the disease present and are therefore the target of the sampling program. Field staff will contact growers who have been selected for the survey prior to the survey commencing. Growers in the survey will be notified of the results."

Plant Source Inspections

"Growers are encouraged to have BPS field staff conduct a plant source inspection on planting material in order to assist with the management of poor strikes and disease control. We ask that as much notice as possible be given to field staff to ensure that the inspection is done prior to the material being required. Three days notice should ensure that inspections are conducted in time."

Margaret Menzel

Burdekin Director & Jnr Vice-Chairwoman,



Ross Walker
Central Qld Director

Central Queensland

New Opportunity for Mackay Sugar Investment Shareholders.

Investment Shareholders of Mackay Sugar recently had the opportunity to apply for B Class Investment Shares. Eligible shareholders could apply on the basis of one B Class share for every 8 Investment Shares held at an issue price of 80 cents per B Class Investment Share.

The Mackay Sugar Board is issuing up to the 25 million B Class Investment Shares carrying an 8 percent fully franked dividend on the amount paid up at the beginning of each 6 month period for a period of 3 years.

Farmers can take up their entitlement in full, take up only a part of their entitlement or do nothing and allow that entitlement to lapse. Farmers also have the option to apply for Additional or Top Up shares.

The Mackay Sugar Annual Productivity Awards were on Saturday April 17th at the Ooralea Racetrack.

ACFA General Manager Stephen Ryan & I attended a Reef Protection Stakeholder Advisory Committee meeting in Brisbane with Minister Jones on April 30th. Further details on reef regulations are to be finalised and I will report on those when completed.

ACFA members in Proserpine Mill area recently met and appointed ACFA as Bargaining Representative in relation to the Cane Supply Contract. Negotiation meetings between ACFA reps and Proserpine mill are ongoing.

John Camilleri has retired from the ACFA board. John has taken on more farming area and wants to focus more time on his new venture. I'd like to thank John for his contribution and wish him well.

Ross Walker
Central Region Director



John Camilleri

**Michael Brown Aon
Bundaberg and ACFA
Chairman Ross Walker**

**ACFA Annual General
Meeting and Conference**





Mike Hetherington
Southern Director

Southern Qld

Some areas have begun watering; other areas have begun to drag tractors through to open the ground. The wet was what we needed and has been received thankfully.

The Paradise dam overflow has been the most photographed event in a long time. Controversy still follows the fish-way, turtle kills etc.

Peanuts have started to come off. No doubt the recent storm activity has growers jittery about whether to pull 'em up or wait. Soybean is showing browning off so the headers will be gathering.

The coal ship grounding off Gladstone should be followed closely and an account of damage and cost extracted from the Queensland government. This is in our Region and farmers will need to ensure damage done is attributed to those who cause it and that it does not set off a chain reaction of environmental panic.

Overall, the reduction of pressure caused by the good rainfall is making the southern end look good.

And thank you again all those who made the Conference. Your participation has reminded people in related industries and services that ACFA members are a thinking and proactive group of people who don't just wait for someone else to fix their problems. It was a damn good show.

Cheers,

Mike Hetherington
Southern Region Director.



Denis Heron
Wide Bay Water,
ACFA Director **Michael**
Hetherington,
Kerry Hetherington
*ACFA Annual General
Meeting and Conference*



Robert Quirk
NSW Director

NSW 2010 season outlook

At the outset I would like to thank Andrew Tickle (the Secretary of the NSW Cane Growers Council) for putting together such a comprehensive report for the last issue of "The Australian Cane Farmer" as an update on the NSW sugar cane industry. Andrew offered to do the report as I was travelling on an SRDC Capacity building project in the USA, Mexico and Columbia during March, I will report more fully on that project in a later issue of this magazine.

NSW has had one of our better growing seasons in later years, and although the crops are not records, the tons per hectare will be up there with some of our better ones. Unfortunately we have lost like other industries to many hectares to life style and other uses.

Condong has an estimate of 530,000 tons with a start date of 21st of June.

Broadwater's estimate is 650,000 tons and a start date of the 29th Harwood's estimate is 630,000 tons and a start date of the end of June tentatively.

The soy bean crop on all three rivers at this stage look like giving growers a good return as well as a cheap source of Nitrogen for the coming plant crop, harvest of these crops should start about the end of April.

Sugar Cane Smut

Smut is in NSW, it has been found in some Q205 blocks, the local pest boards are keeping a close eye on the situation, with any variety with a rating of 8-9 taken of the approved planting list for this year and into the future, we are trying to retain some of our more productive varieties that fall into the 7 category as long as possible.

We are hoping that by taking these, what may appear to be drastic steps early and because of our lower temperatures, we will not loose productivity.

Update on the co-generation plants.

Most readers of this column would have seen the Land-line program on the 15th of March relating to the co-generation plants at Condong and Broadwater mills and the problems we are having in relations to the renewable energy certificates and state Government regulations.

On the surface, little has happened since the program went to air, although behind the scene Chris Connors, our CEO, continues to make progress on our behalf to keep the plants operating.

The sugar community globally is in fact a very small world. During my visit to Columbia last month, I had lunch with the executives of Cenicana (the BSES of Columbia) and over lunch the first question I was asked was do you know what is happening at Broadwater mill with the co-generation plant. I don't think there are too many secrets in the sugar world!

Robert Quirk
NSW Director

Sugar industry award

From 1 January 2010, the Sugar Industry Award has been under the jurisdiction of Fair Work Australia.

For information contact Fair Work Australian on 1300 799 675 or www.fwa.gov.au

Alternatively farmers may contact ACFA.

38. Wages

The following wages apply to field, experiment stations and cane tester employees classified under clause 37—Classifications:

Classification	Minimum weekly wage \$	Minimum hourly wage \$
Cultivation/Cane Production		
CPT (Inductee/Trainee)	549.40	14.46
CP1 (Level 1)	592.60	15.59
CP2 (Level 2)	613.90	16.16
Cane Haulage		
CHAUT (Inductee/Trainee)	578.00	15.21
CHAU1 (Level 1)	592.60	15.59
CHAU2 (Level 2)	613.90	16.16
Cane Harvesting		
CHART (Inductee/Trainee)	592.60	15.59
CHAR1 (Level 1)	613.90	16.16
CHAR2 (Level 2)	637.60	16.78
Cane Testers		
CT1 (Level 1)	545.50	14.36
CT2 (Level 2)	580.50	15.28
CT3 (Level 3)	613.90	16.16
CT4 (Level 4)	653.50	17.20

Source: www.fwa.gov.au

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Leading farmers into the future

ACFA SERVICES

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Representation: ACFA has a proven record of fighting for farmers where others have either given up or not begun.

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Insurance: General insurance - ACFA insurance is the market leader. It has the largest share of cane farm general insurance in Queensland and Australia:

- Crop insurance
- Life insurance and personal accident insurance - ACFA insurance provides life and personal accident insurance via AON and Australian Casualty and Life.
- Financial planning - ACFA members have access to AON financial planners.

Pays: For a fee, ACFA members have access to an automated pays service.

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Editor-in-chief: Stephen Ryan

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