Australian Cane Farmers

The Australian Cane Farmer

Leading farmers into the future

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Essential Growth on hold while BSES held out to dry

In March 2011, The Australian Sugar Industry Alliance (ASA) which represents part of the Qld industry, released a key directions statement Achieving Efficient, Effective and Sustainable Research in the Australian Sugar Industry, and formed a Reform Project Group (RPG) to steer the next phase of reform. ACFA is not a member of ASA and although we have been consulted throughout the review, we were not part of the RPG.

ASA then contracted a Reform Project Leader (RPL), Dr Sandra Welsman, to undertake further consultation, with industry groups, to investigate multiple issues, and to develop a Sugar RD&E reform package to meet a range of requirements, including potential equal funding by growers and millers.

The report, released on 28 October 2011, seeks to find efficiencies; yet apart from some structural changes, it appears to be a 'trim and fit' exercise to appease some millers who have not understood the value of extension. It intends to cut costs, funnelling R&D into a pre-determined price. Yet this is the reverse of a proper strategic process.

The report recommends severing 'reactive' one on one extension from BSES while packaging free information and training to agribusiness and consultants, in order to take up that role.

ACFA Chairman Don Murday argues that the Australian Sugar Industry is at a crucial decision point for the future of its Research Development and Extension (RD&E).

'BSES, our valued RD&E organisation is in limbo while the Australian Sugar Industry Alliance (ASA) asserts its belief that a change to a centralised model will overcome the industries R&D challenges.'

'The Australian Sugar Milling Council (ASMC) and the Queensland Canegrowers Organisation (QCGO) jointly announced their plan to restructure RD&E in the name of efficiency.

'But the plan risks demising our RD&E structures and it fails to adequately address the future RD&E requirements of the industry.'

Mr Murday said that the proposal is designed to fit RD&E to a pre-determined budget which is short-sighted and sub-optimal, falling far short of industry needs.

'ASA appears to be viewing RD&E as a cost rather than an investment in the highest quantity and quality of raw material for sugar mills.

'There is a return on investment here that is not being considered.

'What we urgently need is in an investment in RD&E that will take the industry forward.

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Don Murdy
Chairman

Chairman's Comment Sugar Year Book - Nov 2011

For many farmers the 2010 season was the most difficult and disappointing in memory. Difficult, because of the constantly wet and challenging conditions. Disappointing because of the deterioration of what was to be a good crop at a high price, descending into a malaise of poor CCS, bogged-out paddocks and stand-over cane; capped-off by a pool price disaster which was further eclipsed by a blatant eleventh hour re-adjustment of income, by sugar mills.

The unrelenting wet season culminated in tropical cyclone Yasi which wrecked the Tully, Innisfail and Babinda areas. Events like these frequently remind us and should remind politicians and other related parties, that the main reason we have a sugar industry over such a large part of coastal Qld is that it is the most suitable crop.

The 2011 season has been a knock-on from 2010 but not yet the end game, which is several years away. It has also been a story of salvage and re-establishment. The super-wet spring and summer of 2010-11 and the lack of subsequent sunshine has caused the wet-tropics to record a drastically reduced crush. Standover crops usually disappoint and 2011 was no surprise. With the exception of the Tableland mill, CCS and tonnes have been dismal. Some paddocks have cut as low as five tonnes per acre with the average rounding out at sixteen to eighteen tonnes per acre. That is the salvage part: now comes re-establishment.

The annual planting program is crucial for maintaining production and productivity. After the disappointing 2010 where the planting program was incomplete and substantial parts were washed out or waterlogged, the 2011 season has been pivotal for re-establishing the industry over the next several years. Planting programs have generally gone well; with the exception of NSW which has been dogged by continual wet weather and the Innisfail Babinda region which was traveling well until the region received up to a metre of rainfall in the week starting 16 October. This damaged plant crops with washouts from 10% in some paddocks and up to 75% damage along river flats in the hardest hit regions.

In most regions, ratoons are coming away well and have rebounded from last season.

QSL Review

In March 2011, QSL announced that it would establish a sugar industry working group to conduct an industry-wide review, in order to reconsider pricing and risk options for all industry members following the disastrous 2010 season.

There are three main areas of recommendations in the draft report.

i. Improve industry education and communication so there is greater understanding of risks and product options and greater transparency.

ii. Change pricing and pooling system to reduce risks and to limit costs of adverse events from spilling over from one pool to another.

iii. Introduce Delivery Forecast System to improve certainty around crop size and sugar production/delivery.

ACFA looks forward to the timely and full implementation of the recommendations.

ACCC Review of the 2010 Pooling Arrangements

The ACCC has completed its investigation into the 2010 pooling matter and will take no further action. This is disappointing but unsurprising. It does nothing to remedy the damage to farmers caused by the mills; however we are confident that the changes that QSL has committed to will prevent a repeat.

Research Development and Extension

BSES levy

A decline in the Australian sugarcane crush has seen RD&E organisations struggling to balance their budgets with industry owned research provider BSES particularly affected. In 2010 the industry agreed to a funding plan for BSES where mills contribute an additional 5¢/t for 2010 and 5¢/t for 2011 and farmers contribute an additional 20¢/t in 2011. The farmer component of 20¢/t in 2011 represents 10¢/t for 2010 and 10¢/t for 2011. It was be paid as 20¢/t in one year because the decision was made late in 2010 which would have required a voluntary contribution for 2010 which was impractical to collect in arrears.

Environment

Reef Regulations

DERM has been busy approving ERMPs and is now entering a phase of review of the strict requirements. Annual reports have been rescheduled for the end of March 2012.

Mill mud

Farmers who use mill mud will not have to account for its nitrogen and phosphorus content in calculating their optimum amount of fertiliser in this financial year - that is, until 30 June 2012.

However, they may voluntarily take mill mud nutrients into account.

The Department of Environment and Resource Management (DERM) has granted this 12-month deferral on the basis that each mill in the regulated regions develops an effective mill mud strategy to reduce the risk of crop over-fertilisation impacting on Great Barrier Reef water quality.

Carbon tax

In July 2011, the Australian Government announced its intention to introduce a carbon tax. The announcement included a $1.7 billion Land Based Sector Package. This package is aimed to support farmers to take climate change action, and includes the following initiatives:

A $1.7 billion Land Based Sector Package has also been announced. This package will support farmers to take climate change action.

The carbon tax will result in increased and embedded costs in the sugar production value chain, resulting in a decrease in the profits of cane farming businesses which have been under extreme pressure over the past decade.

ACFA acknowledges that the Australian Government has proposed measures to mitigate the cost of the carbon tax on farm businesses; however we do not believe that these measures are adequate.

Furthermore, ACFA would welcome clarification and simplification of the proposed Fuel Tax Legislation amendment.

The carbon tax legislation was passed by the Australian Senate on 8 November 2011.

Disaster relief assistance

The Qld Government through QRAA has provided schemes for assistance for farmers affected by the floods of late 2010 and early 2011 and cyclone Yasi.

On 18 August 2011 Premier Anna Bligh extended the deadline for flood and cyclone assistance for primary producers, small businesses and not-for-profit organisations until 31st January 2012.

To date more than $159 million has been approved for 12,417 primary producers, businesses and not-for-profit organisations across Queensland in the form of grants and loans to assist in recovery.

The flood assistance package was due to finish on the 30 September and the Cyclone Yasi package on the 31 October, both will now be extended to 31 January 2012.

Both Category C and D assistance under Natural Disaster Relief and Recovery Arrangements (NDRRA) will be extended.

Category C assistance consists of grants up to $25,000 for small business and primary producers in the effected local government areas.

Category D assistance includes special concessional loans of up to $650,000 for eligible businesses, primary producers and not-for-profit organisations suffering extreme damage, with a grant component of up to $50,000.

MIS Forestry

Plantation forestries that were decimated in Cyclone Yasi have been bulldozed and the properties are in the process of being sold or leased with an opportunity to be returned to sugarcane cultivation.

Queensland Competition Authority Review of Irrigation Prices for SunWater Schemes: 2011-2016

The Queensland Premier and Treasurer 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 was due by 30 April 2011. The Qld Government has extended the review with a draft Report and Draft Prices due by 31 October 2011; and a Final Report and recommended prices by 30 April 2012.

ACFA said that sugar cane irrigators across Qld should be concerned; that the directives are very clear and could lead to increased water prices in each scheme. ACFA said that a farmer's ability to pay must be taken into account and that water prices that make farmers unviable and unable to compete on the world stage will benefit no-one.

Government proposes to protect key food producing land

In 2010, the Queensland Government announced a move to give greater protection to the state's most important food growing land from incompatible development such as mining, urban and other development. On 25 October 2011, the Queensland Government introduced the Strategic Cropping Land Bill 2011 into Parliament and intends to enact the legislation in early 2012.

The Productivity Commission Inquiry into Rural Research and Development

ACFA General Manager Stephen Ryan attended a public hearing of the Productivity Commission's Inquiry into Rural Research and Development. ACFA submitted that the RDC model is working well and the original intent of matched Government funding should be maintained or increased but not reduced. ACFA urged the Productivity Commission to think of the longer term and of the impact that the industry's restructure of milling research has had on industry capacity.

The final report was released on 15 June 2011.

Amongst other things, this inquiry examined the:

- rationale for Commonwealth Government investment in rural research and development
- appropriateness of current funding levels and arrangements - particularly levy arrangements, and matching Commonwealth contributions
- extent to which Rural Research and Development Corporation (RRDC) funded projects provide for an appropriate balance between industry-specific and broader community benefits
- effectiveness of the RRDC model in enhancing the competitiveness and productivity of Australia's rural industries
- scope for improvements to the RRDC model - and any alternative models that could deliver better outcomes.

Industry rationalisation

Industry rationalisation saw a lot of activity in 2010-11 with probably more sales proposals and rumours in one year than in the history of the industry.

On 22 December 2010, CSR Limited announced that it had completed the sale of Sucrogen to Wilmar International for a total payment of $A1.843 billion.

The underlying enterprise value of Sucrogen remains at A$1.75 billion with the increase accounted for in the Purchase Price Adjustment to reflect CSR's funding of Sucrogen since 1 April 2010.

The transaction marked the end of CSR's 155 year history in the sugar industry.

Maryborough Sugar Factory raised $50 million to buy out Bundaberg's northern sugar mills.

The board of the Tully Sugar mill recommended its shareholders sell to US based Bunge Limited for $41 per share, valuing the company at $126.7 million but China's COFO prevailed.

Subsequently, Wilmar owned Sucrogen and Cofco owned Tully sugar have battled it out for ownership of Proserpine Sugar Milling Co-operative. On 9 December, members and creditors voted to sell to Sucrogen.

All of this will change our industry in ways not fully foreseen and farmer groups will need to be keenly attentive to these developments and to developing good working relationships with the new owners.

Trade

The EU has announced a plan to abolish European Union sugar production limits. This would lead to a modest increase in output and softer EU beet sugar prices, but the EU would still remain a net importer for three years or longer.

The latest reform plan announced on Oct. 12 would end the EU's system of national sugar production quotas and minimum beet prices from 2015.

The move is designed to boost production and avoid a repeat of the current sugar shortage on the European market, while allowing an increase in EU sugar exports, which are currently capped at 1.35 million tonnes a year under world trade rules.

Conclusion

Despite a lacklustre 2011 season, the positive price outlook for the next several years augers well for the Australian sugar industry, providing we can increase our crop area and tonnage, and get some relief from unseasonable weather. We hope that the predicted decline of the La Niña will allow this. The unprecedented international interest in Australian sugar milling assets is further proof of a positive future for the Australian industry. We should maximise this value by building up the industry through increased production and investing strategically in research development and extension.

On behalf of the Board of Australian Canefarmers, I thank you for your continuing support and wish you all a safe and happy festive season and the very best for 2012.

Don Murdy
Chairman

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'In a time of high sugar prices we have a tremendous opportunity to rebuild sugarcane production and productivity to peak levels.

'This is not the time to distract the industry with high risk experiments.'

The proposal recommends merging BSES, SRDC and milling research into a proposed Sugar Research Australia (SRA). It recommends separating farm-based extension from R&D, relying on agribusiness and consultants to provide the service.

ACFA believes that the proposed severance of the researcher–farmer – researcher linkage which informs R&D will not serve the best interest of the industry. The linkage works best when maintained within a discreet entity such as BSES. When the linkage is 'farmed-out', the system becomes totally reliant on personalities and relationships or otherwise it is 'flying blind'. This is not an optimal solution for building an industry.

'The proposal has already had a major negative effect on the morale of BSES staff. This issue is another major and divisive one which must be resolved quickly for confidence to be restored in our RD&E facilities.'

Mr Murday cautioned that once lost to the industry, research and extension staff would not return.

'ACFA would like to know why ASA isn't focusing on maximising profit in the value chain, rather than focusing on cost-cutting and whether ASA is aware of the total cost of merging three entities to the satisfaction of the Australian Government.'

Mr Murday urged stakeholders to fully consider the impacts of the proposal.

'Once we lose valuable research and extension staff, they will be forever lost to the industry.

'Much of the problem with funding RD&E is its unit cost. ASA's attempt to seek efficiencies is fair enough. However, if there was an equal emphasis on production and productivity we might better address our unit cost issues by focusing on getting the industry up to an average production of 35 million tonnes, rather than accepting decline and forcing RD&E to fit.

'We need an intact BSES to provide integrated services to farmers and to provide training and career paths for researchers and extension officers.'

Mr Murday said that ASA has seriously misread the mood and needs of canefarmers who view industry-owned and delivered extension as essential to lead the sugarcane sector.

'The industry has invested in RD&E for over 100 years in a model that is the envy of the world. That which is now being proposed is not supported'

Important issues are not being addressed

ACFA would like to know how ASA can make assurances that it is capable and qualified to address the RD&E needs of the industry when;

- There has been little consultation with grass-roots growers;
- Research priorities are incomplete;
- There is not yet a clear and comprehensive explanation as to how adequate RD&E can be delivered under the proposed cuts; or what that level should be.
- There is no clear company structure being proposed;
- There is no conclusive policy as to whether industry bodies would seek corporate membership;
- There has been no research on whether agribusiness and consultants have the capacity or willingness to provide an adequate level of extension in all areas.
- There has been no research on whether farmers would be willing to use these extension services or could afford to use them to a level that will benefit the industry.
- There is no plan to train, foster and retain our 'brightest and best' research and extension people.

In reality, the industry is being asked to subscribe to a nebulous and unclear process with unclear objectives, based on faith in ASA to deliver.

Among others, some questions they should be asked are;

What are the RD&E objectives of the industry?

What is the appropriate amount of RD&E investment, in order to take the industry forward to meet those objectives?

What is the most profitable mix of investment and what is the subsequent benefit to the industry?

What is the feasibility of such a strategy?

What is the long-term cost to the industry from reducing RD&E?

Only then can we evaluate the cost of matching RD&E to the most profitable direction.

ASA's Key changes of the proposal

1. **The formation of a single industry-owned company and research body called Sugar Research Australia by mid 2013**
2. **Restructuring and streamlining of BSES during 2011 and 2012 to improve efficiency (providing a strong basis for transition into Sugar Research Australia)**
3. **Improved information access to growers and millers and others through professional extension, communication and advisory services**
4. **A transition program to strengthen the skill-set of the network of local sugar extension providers to provide one-on-one advice to cane producers.**

ACFA argues that changes in the name of efficiency must clearly outline how more can be achieved from less and this is not clear from ASA's plan. Cutting costs does not equal efficiency and as an industry we should be creating and comparing options to achieve efficiency from RD&E which may also include getting a better return from the current investment.

Early in 2012, ACFA is will propose an alternative plan to ASA's proposal.

EU to breach WTO sugar commitments – Again!

ASA says that there is strong market speculation that the European Commission (EC) is set to breach its WTO commitments on sugar export subsidies for the second time in two years.

The Australian Sugar industry Alliance (ASA) says in 2005 the WTO ruled that the European Union was in breach of its commitment to limit exports of subsidised sugar to 1.273 million tonnes. “The WTO EC Sugar dispute finding was simple and clear. It established that all EU sugar exports (quota and out-of-quota alike) are subsidised.

Profits on quota sugar produced for the internal EU market are used to cross-subsidise the production of out-of-quota sugar.”

“Despite this ruling, the EC is again preparing to announce its authorisation of exports in excess of its WTO commitments.”

Creating uncertainty, the EC’s lack of adherence to its WTO commitments through the management of its sugar regime continues to be an issue for the world sugar market.

“Countries such as Australia that rely on the world market for their income suffer from the inevitable reduction in prices flowing from the subsidised surplus production.”

In an effort to circumvent its international obligations, the EC has extended its 2010-11 marketing year by three months to 31 December 2011 to allow the export quota to be filled by 700,000 tonnes of 2011-12 season production. It also delayed the commencement of its 2011-12 marketing year and established an initial 650,000 tonne export quota.

Together these decisions authorised the export of the full amount (1.35 million tonnes) of the EC’s WTO sugar export commitment for the period 1 October 2011 to 30 September 2012.

“Now the EC is contemplating the announcement of an additional 700,000 tonnes of subsidised sugar. This will take the total amount of its exports in the 2011-12 (Oct-Sep) to 2.05 million tonnes, exceeding its WTO export commitment by more than 65%.”

“If this action is taken it will be the EC’s second breach of its international obligations in less than two years. In February 2010 the EC’s announcement of additional exports was the catalyst for the loss of market confidence and world sugar prices subsequently collapsed.” “It appears history is about to be repeated,”

It is important that the European Union’s international obligations are not be overridden by EC regulatory fiat.

Trans-Pacific Partnership Agreement

Background

Australia is currently engaged in negotiations to establish an ambitious Trans-Pacific Partnership Agreement (TPP). TPP negotiations commenced in March 2010 in Melbourne.

Current parties to the negotiations are:, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, the United States and Vietnam. The 9th Round of TPP negotiations was conducted in Lima, Peru, between 19 and 28 October.

Under the ASEAN Australia New Zealand Free Trade Agreement, the Australian sugar industry already has tariff free access to the Malaysian market.

Key Points

The proposed plurilateral Trans Pacific Partnership (TPP) free trade agreement is a significant strategic opportunity to shape emerging regional economic architecture.

Australian Government negotiators are making positive steps forward on agriculture market access issues and continue to seek improved opportunities for Australian agricultural exports, including sugar, to the markets of all Parties engaged in the present negotiations.

The Government's ambitious objectives for this agreement include eventual tariff-free trade between all TPP member Parties.

Both bilaterally and in the context of the TPP, Australia continues to press for increased sugar access to the United States although this remains a difficult issue for both countries.

The Australian Government says it will continue to work closely with industry throughout this process to expand the strong agricultural trading relationships Australia has with these countries.

ACFA Chairman Don Murday said that, “TheTPP is an opportunity for a 21st century trade agreement to include sugar.

“The current Australia/Us trade agreement is the only such agreement entered into by Australia and the US which totally excludes sugar.”

ACFA becomes a member of Bonsucro

On 19th of July 2011, the board of Australian Cane Farmers unanimously decided to apply for membership of Bonsucro.

The ACFA believes that membership is beneficial to ACFA and its members as the world's major sugar buyers and users are now members. ACFA's membership in Bonsucro provides opportunities for ACFA members but does not obligate them to seek membership or accreditation.

ACFA's Membership was approved on 31 August 2011

Bonsucro AGM and Conference 2011 – Brisbane

Field Trip – Mackay

Delegates learnt more about the Australian sugarcane industry, sustainable farming practices and made good contacts and developed relationships.

Denise Knight, Director of the Sustainable Agriculture at The Coca-Cola Company and Bonsucro Board Director explained The Coca-Cola Company's commitment to sustainability. The company's partnership with Project Catalyst, intersects with key components of their long-term Sustainable Community strategy (water, sustainable agriculture, sugar cane and community partnership are all key focus areas). Coca-Cola is investing in Project Catalyst to reduce the environmental footprint of sugar, one of the key ingredients in its range of beverages, while at the same time contributing to replenish goals set under the company's water commitments. The partnership and active membership of Bonsucro shows leadership through innovation in the key environmental impact area of sustainable agriculture.

Davi Alencar de Araújo, Raízen's Corporate HSSE and Certifications Manager presented a positive case for ethanol and accompanying focus on the sustainability activities of Raízen – the joint venture with Shell and Cosan, the World's largest sugarcane producer.

Project Catalyst – Field Trip

Delegates were given a rare opportunity to see at first hand the Australian Sugarcane Industry and through the Project Catalyst programme had direct interaction with farmers

Project Catalyst is a partnership which seeks to;

- Reduce the environmental impact that sugar cane production has on fresh water river systems and the Great Barrier Reef.
- Increase farm economic returns via adoption of precision agriculture farming systems.
- Enhance regional community viability via supporting more sustainable and resilient rural communities.

The project is 'grower led' and involves a group of innovative farmers that are developing, testing and extending management practices that improve the quality of the water leaving the farm gate, improve farm economic viability and enhance rural regional community sustainability and resilience.

The BSES research station provided the international delegates with an overview of the history, future operations of the research stations and what key Research and Development activities are undertaken and are aligned to sustainable practices.

Quotes from delegates:

"Absolutely great experience, inspirational and very engaging"

"The field trips to the farms provided the perfect opportunity to ask questions and get to know the farmers in a comfortable atmosphere"

"Understanding the challengers & issues that growers currently experience & how far they are down the sustainability journey was beneficial"

"Very beneficial, especially seeing their willingness to change, adapt and adopt for long term sustainability"

Robert Quirk, Don Murday & Stephen Ryan at the Bonsucro Conference Brisbane 14 November 2011.

Brisbane Conference

GLOBAL INNOVATION SEMINAR - launched the Grower's Network

Bonsucro launched a new global network which hopes to create connections and build stronger bonds across the sugar cane industry in an attempt to close the innovation gap. The network will create a forum for farmers and millers to learn from each other to solve common problems.

The forum and platform will be used to validate new innovations as well as build capacity amongst farmers to achieve the standard and go beyond. The network will be able to help take Project Catalyst to other parts of the world and bring other innovations of the world to Project Catalyst.The network will involve farmers from almost all the sugar producing continents.

The Bonsucro Conference was attended by 90 People.

What is Bonsucro?

Bonsucro is a multi-stakeholder association established to reduce the environmental and social impacts of sugarcane, by designing a Standard and programme to transform the sugarcane industry. It is an industry initiative that has worked to bring together all stakeholders, and develop a means of achieving its objectives within the sugarcane business.

The Standard corresponds to the objectives of Bonsucro which is to provide a mechanism for achieving sustainable production from sugarcane (all products) in respect of economic, social and environmental dimensions.

The Bonsucro Standard incorporates a set of Principles, Criteria, Indicators and Verifiers which will be used to certify sugar producers who comply and to guide companies in the sugar and ethanol value chain who wish to procure sustainable feedstock/ supplies, and also the financial sector who wish to make more sustainable investments.

The Standard is based on a set of metric measurements which allows for aggregation, and a clearer demonstration of impact. The unit of certification will be the sugar mill and audits will be based on assessments of the mill and cane supply area. Accredited auditors will be required to conduct evaluations.

Bonsucro List of Members

Tate & Lyle
ACFA
Addax Bioenergy Management
Adecoagro - 2 mills
Armajaro Trading Ltd
Azocaña
Azunosa
Bacardi
Banah International Group
Bayer Crop Science
BP
Braskem
British Sugar
Cadbury
Cargill
CEVASA
Cevital
Coca-Cola
Copersucar
ED & F Man
EID Parry
ETH Bioenergia
Ferrero
Green Energy
Grupo São Martinho -2 mills
Grupo USJ (Cargill joint V)
IFC
Neltec
New South Wales Sugar Milling Coop
North Sea Petroleum
Pepsico
Petrobras
Procaña
Rabobank
Ragus Sugar Ltd
Raizen (former Cosan)
Reef Catchments
Renuka
Shell
Solidaridad
Sucre-Ethique
Suiker Unie
Syngenta
Toyota Tsusho Corp
Unica
Unilever
Union de Cañeros Guabira
United Molasses
Usina Azucarera Sao Manoel
Usina Santa Adélia
Usina São Luiz
WWF
Zilor Energia e Alimentos - 3 mills

Effective 1/11/2011

Proserpine creditors approve sale of mill to Sucrogen

Sucrogen, the Australian-based sugar subsidiary of Singapore-listed Wilmar International Limited, is the new owner of Proserpine Sugar Mill after a majority of Proserpine creditors, by number and value, voted on 9 December to approve Sucrogen's purchase of the mill.

Sucrogen CEO Ian Glasson said the creditors' vote paved the way for the sale transaction to be completed immediately. "The positive result means creditors will be paid, in full, before Christmas," Mr Glasson said.

Sucrogen's offer comprised a headline price of A$120 million, plus a working capital adjustment, normal settlement adjustments, as well as absorption of the mill's normal operating costs and certain critical capital expenditure incurred from 31 October 2011.

"The transition to Sucrogen management and leadership will begin immediately and we will hit the ground running next week and do our best to ensure the mill is ready for the start of 2012 season, despite the lengthy delays." Mr Glasson said Wilmar had expressed a strong interest in working with growers to help expand Proserpine's sugar industry.

"We look forward to a long and productive relationship with local growers, Proserpine Sugar Mill employees and the whole Proserpine community." Tully Sugar accepted the Proserpine creditors' decision to support Sucrogen's offer to purchase its mill and expressed its sincere gratitude to growers who had supported Tully and shared its vision over recent months, Tully CEO John King said.

"Tully Sugar, while disappointed with the decision and the process, accepts the decision and congratulates Sucrogen on achieving the required 50% support from creditors," said Mr King. "The positive legacy from Tully's involvement resulted in an additional approximate $9 million for

Proserpine growers compared to the distribution they would have received under the original Sucrogen offer put to a meeting of members in August. "The Proserpine industry and community can now put the difficulties of the past twelve months behind them and move ahead with some certainty.

"I think we can all agree that it has been a hard-fought and at times a challenging past few months with two bidders who see great potential for the Proserpine mill competing for its ownership.

"Tully/COFCO has been fortunate enough to meet many wonderful people throughout these past few months and we want to take this opportunity to offer our heartfelt thanks and sincere gratitude to those people who urged us to enter the race and encouraged us to stay the distance despite the process - they are the reason we continued.

"We want to see a positive long term outcome for the Proserpine mill and wish growers and the community all the very best for the future and urge the industry and community to unite behind Sucrogen for the future benefit of everyone. "Tully/COFCO is strongly committed to the Australian sugar industry and we will actively seek new opportunities to participate in continuing industry consolidation," said Mr King.

Proserpine Mill History

The Proserpine region was first settled by Europeans in 1861 and the Proserpine Central Sugar Mill was established in 1897. The Mill was subscribed by the Government and built under the Sugar Works Guarantee Act 1893. A large debt and lack of throughput meant that the Mill very quickly got into financial difficulty and in 1900 management of the Mill was handed to the Government.

The Government took ownership of the Mill in 1904 under its Bureau of Central Sugar Mills which continued until 1931 when the Proserpine Co-operative Sugar Milling Association was formed and the growers resumed control of the Mill.

In its first season in 1897 the Mill processed 10,919 tons of cane in 99 days from 39 suppliers. In 2007 the Mill processed 1.76 million tonnes of cane in 121 days from 250 suppliers and produced 247,521 tonnes of IPS sugar.

Projects under development include a 5,000 tonnes per annum furfural plant a 50,000 tonnes per annum soil conditioner manufacturing facility.

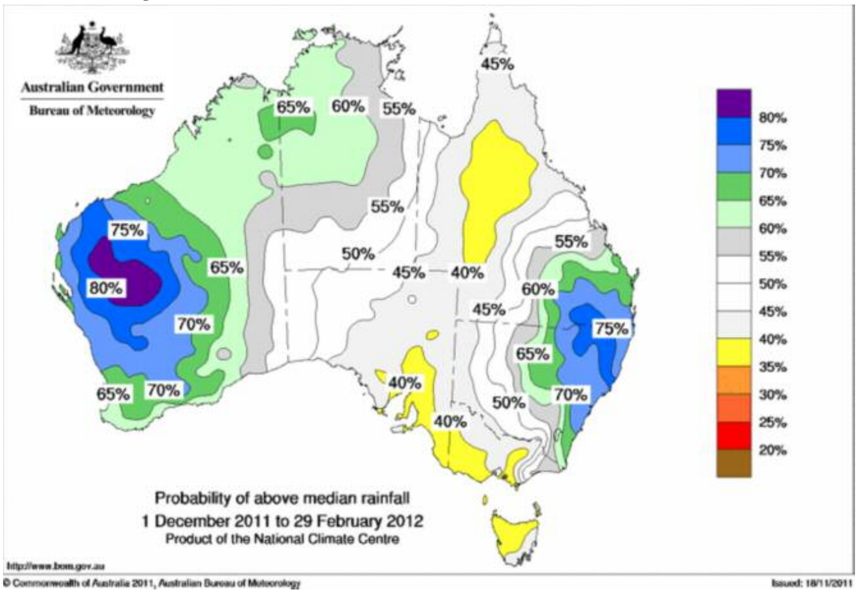
Background to the sale

On 3 June 2011 Sucrogen announced its agreement with Proserpine Co-operative Sugar Milling Association Limited (PCSMA) to purchase the business assets of PCSMA, on a debt and cash-free basis, for A$115 million. Subject to approval by PCSMA members, the Australian Competition and Consumer Commission (ACCC) and the satisfaction of other customary conditions precedent, the purchase of Proserpine would increase Sucrogen's throughput capacity to around 17 million tonnes of cane, and raw sugar production by about 10 per cent, to 2.2 million tonnes.

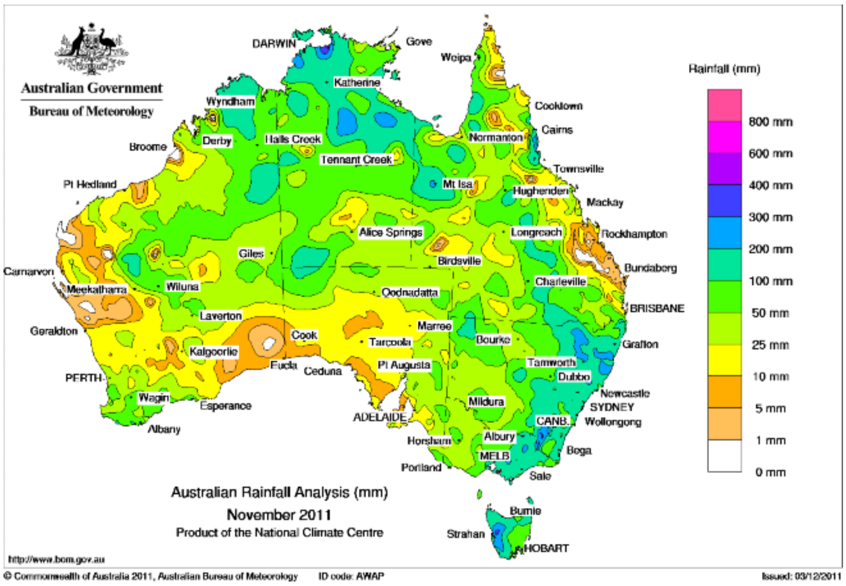
On 31 August and 28 October, Proserpine members twice voted down the sale proposal, while Tully Sugar attempted to formally engage with the Proserpine Mill Board. On 6 November 2011, the Board of Proserpine place the cooperative onto voluntary administration.

On 16 November 2011 Sucrogen entered an agreement with Proserpine Administrators to purchase the assets of the mill. On 9 December 2011, a meeting of members and creditors voted to accept Sucrogen's offer. **prosugar.com.au**

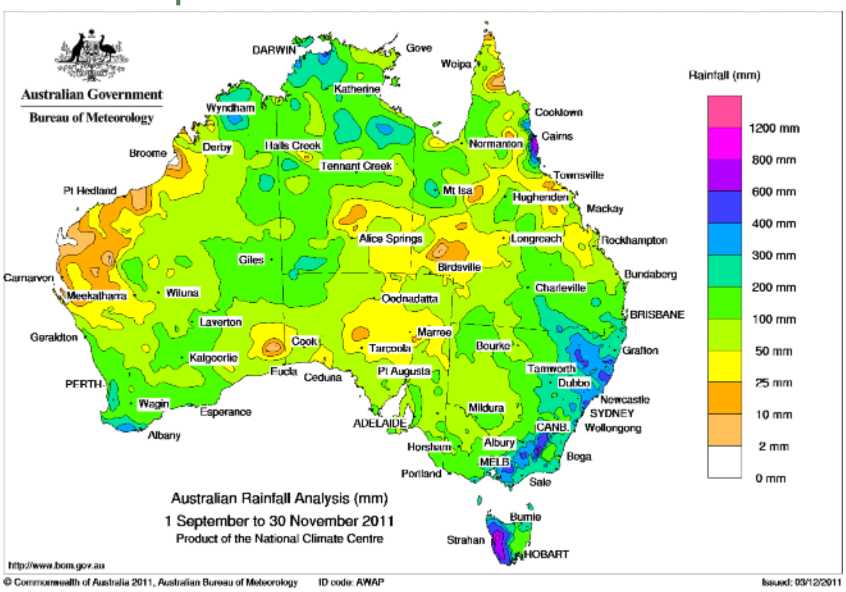
Probability of above median rainfall for 1 Dec to 29 Feb 2012



Rainfall November 2011



Rainfall 1 September 2011 to 30 November 2011



A message from SRDC

Annette Sugden
SRDC Executive Director

This month SRDC Executive Director Annette Sugden shares her observations and experiences.

If you want to contact Annette call SRDC on phone 07 3210 0495 or asugden@srdc.gov.au

Grower Group Innovation Projects have been an important part of SRDC's research program for the past decade. This program provides a critical link between researchers and growers to support application of research outcomes, promote best management practices and build capacity through hands-on involvement in research and development.

The NSW sugar industry will host a Grower Innovation Virtual Expo (GIVE) in Yamba from 12th to 14th March. During this expo many SRDC funded grower groups will present highlights from projects and outline the positive impacts these have had on farm businesses in their region.

GIVE is a grower focused forum that brings growers together to hear about the latest outcomes from research. This expo will include research presentations and field trips and winners of SRDC's Grower Innovation Awards will be announced. I encourage everyone in the sugarcane industry to register for this event via the NSW Sugar website www.nswsugar.com.au

Research, Development and Extension (RD&E) Plan 2012-2017

Since October, SRDC has facilitated focus group meetings across the industry to gather information for our next Research, Development and Extension Plan 2012-2017

This five year plan will set the framework for SRDC's operations and identify the RD&E priorities needing future project investment. When developing this plan, SRDC needs to meet the requirements of the Primary Industries and Energy Research and Development Act 1989 under which we operate.

Although the time frame is tight, SRDC needs to provide the Minister for Agriculture, Fisheries and Forestry with SRDC's draft five year plan no later than 30 April 2012. If you wish to provide input into this plan or share your thoughts on research areas you think SRDC should focus on, please contact Senior Investment Manager Dr Peter Twine or your Investment Manager Bianca Cairns in the southern region or Ben Baldwin in the northern region by 1 February 2012.

Update on research project selection

SRDC does not undertake research. Instead, it invests in four types of projects – including research projects, Capacity Building Projects, Scholarships and Grower Group Innovation Projects.

This year we received a very strong field of applications for funding and while we will not be able to fund them all, it certainly shows that there is no shortage of innovative ideas in this industry. Recently, funding for five Capacity Building Projects, two Scholarships and six Grower Group Innovation Projects were approved to commence in 2012. It is expected selection of other research projects will be finalised in early 2012 ready for projects to commence in 2012-2013.

Annual Report 2010-2011

The SRDC Annual Report 2010-2011 has been tabled in Parliament and is available in hard copy or in electronic format from our website. This edition of the Annual Report profiles the people in our industry. It includes photos of industry members and stories about research projects involving the growing and milling sectors.

Recommendations for future RD&E

I recently attended a meeting held by the Department of Agriculture, Fisheries and Forestry in Brisbane. This meeting sought opinions on the recommendations raised by the Productivity Commission and Rural Research and Development Council in relation to future funding of research and development and structures.

While the Productivity Commission's proposal to cut government matching funding for research and development by half has been overridden, other recommendations including establishment of a new Research and Development Corporation to deal with cross sector research are still under consideration. The Department has conducted workshops across Australia and will consolidate responses and present these to the Minister early in 2012.

Looking back on 2011

This year has been a memorable and difficult year for many in the Australian sugarcane industry. I would like to thank the SRDC team - Peter Twine, Carolyn Martin, Bianca Cairns, Ben Baldwin, Kara Billsborough, Chris Ipson, Karen Rowan, Diana Saunders and Kathy Mitchell for a very strong effort this year. This team has shown just how well people can work under very trying conditions and tight deadlines. It has been an impressive effort – particularly given the impacts of this year's very adverse weather conditions.

We hope that 2012 provides a more positive and lucrative year for all. On behalf of the SRDC team and Board, I wish you a very Merry Christmas and a blessed and peaceful New Year.

SRDC offers TRAIL Blazers scholarship for an established leader

So you've reached the top of your game, you have your own office, and an impressive title on your business card. Although many leaders are the face of their industry or business they never stop learning – about how to become a better leader.

SRDC is offering a scholarship for an established leader to attend a Training Rural Australians In Leadership (TRAIL) Blazers course in Canberra from 23rd to 31st March 2012. Facilitated by the Australian Rural Leadership Foundation (ARLF) this course is designed for experienced leaders who currently hold a senior position in the sugarcane industry.

The program aims to build the capacity of rural leaders, expand their leadership frameworks, establish new relationships and networks, and develop a fresh perspective on how to resolve complex issues for rural Australia.

To apply contact Bianca Cairns at SRDC on ph: 07 3210 0495

SRDC grower group project - Evaluates alternative irrigation methods for a greener future

The Mulgrave Area Farm Integrated Action group (MAFIA) has been leading an SRDC funded grower group project in the Burdekin to assist growers to tackle water issues head-on. As well as seeking a long-term improvement in water quality and groundwater management, this SRDC funded project has been shedding some light on the best options for irrigation in the future.

SRDC funded research reports released

MAF002 - Evaluating alternative irrigation for a greener future

The Mulgrave Area Farmer Integrated Action (MAFIA) grower group investigated alternative irrigation systems by comparing them with conventional furrow irrigation and drip flow irrigation systems. Overall the results of the trial sites indicated that it was indeed possible to grow large sugarcane crops under the lateral move and drip irrigation systems, and that these crops could be subsequently harvested green. It was shown that the lateral move and drip systems also provided opportunity for improved water use efficiency over the furrow irrigation system and that the subsequent flow on benefit from this was reduced loss of nutrients via deep drainage and irrigation runoff.

The economic evaluation from the trial sites, showed furrow and lateral move irrigation systems cost significantly less than the drip system. However, it should be pointed out that this economic study looked at the adoption of a new irrigation system versus an existing furrow irrigation system. If the analysis was to examine a greenfield investment comparison, then the economic results would change because of the extra capital investment required to establish a furrow irrigation system. In this analysis, environmental benefits resulting from improved water, nutrient and pesticide use are not accounted for in dollar terms, but if included would recognise the value of more efficient farming systems.

BSS340 - Biosecurity Capacity Building through the ISSCT workshop

Dr Nader Sallam, an entomologist with BSES Ltd, received funding through an SRDC Capacity Building Project, to attended the 8th ISSCT Entomology Workshop in Mauritius in early 2011. The final report is comprehensive and demonstrates the new knowledge gained by Dr Sallam from the workshop and the professional networks created from subsequent visits to Mauritius and Reunion will benefit the industry.

BSS341 - Sugar industry research and extension tour of southern region

Industry representatives from the Tully and Herbert region completed a capacity building project funded by SRDC with support from the milling sector and grower groups. During this project the group attended the ASSCT Conference in Mackay to hear the latest outcomes from RD&E projects. The second component of the tour included meeting staff from Mackay Sugar and a tour of the terminal and refinery, as well as visiting the Sarina ethanol plant, Townsville bulk sugar terminal and other agricultural operations.

QUT037 - Assessing the impact of processing the whole crop on factory performance and operations

This project was conducted by Queensland University of Technology to support the NSW Sugar Milling Co-operative to assess the impact of processing the whole crop through the factory. During the 2009 and 2010 crushing seasons, experiments were conducted at Broadwater and Condong factories to measure the impact of processing high-trash cane supplies through the factory. District-wide experiments where all harvesters supplied cane with a particular trash content were conducted.

The results obtained from the experiments showed that trash reduced bin weights and cane rate through the factory. For the first time, experimental results showed that pol losses in bagasse, mud and molasses all increased with trash and overall pol recovery (percentage of pol in cane that was converted to pol in sugar) reduced by 1.1 units for every one unit increase in cane fibre content. Whole crop harvesting was found to increase cane fibre content by 5.6 units (from 15.8% to 21.4%). In addition to the reduction in pol recovery, sugar quality in terms of filtering and colour were both negatively affected. Contact Geoff Kent g.kent@qut.edu.au or SRDC reports@srdc.gov.au.

SRDC seminar - Cutting greenhouse gases and saving on fertiliser costs - 13 February 2012

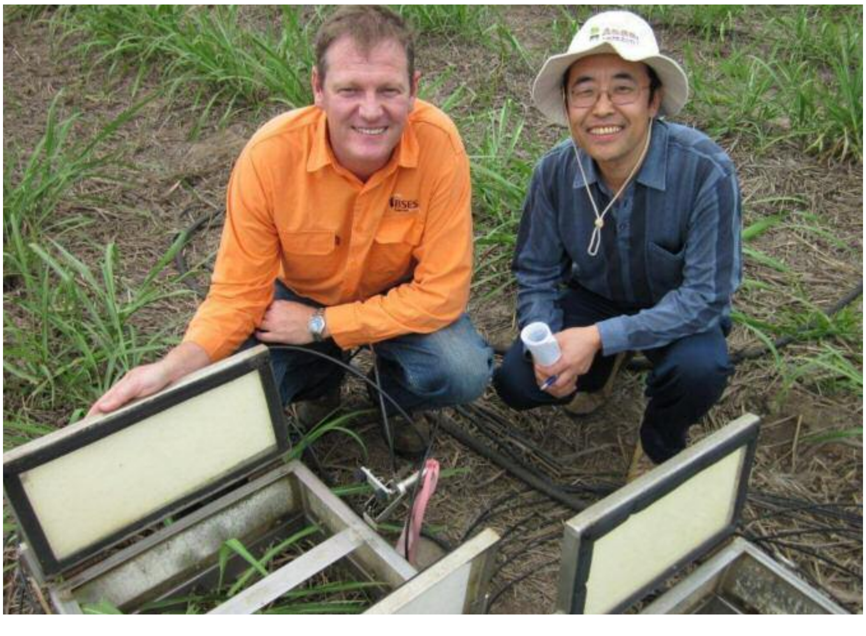
A new research project based in Mackay has been investigating ways for cane growers to cut nitrogen fertiliser bills and greenhouse gas emissions. BSES Senior Research Agronomist Barry Salter says the research aims to identify ways to reduce emissions without impacting on farm productivity. “In most cases decreasing N2O emissions means improving nitrogen use efficiency and decreasing nitrogen application rates – this a win-win solution," Mr Salter said.

The research is funded by the Grains Research and Development Corporation and the Commonwealth Department of Agriculture Fisheries and Forestry and conducted by Queensland’s Department of Environment and Resource Management and BSES Ltd.

DERM Principal Scientist Dr Weijin Wang said the research will measure factors such as the use of soybean crops as a nitrogen fixing rotation, the incorporation of soybean crop trash in the soil, differing rates of fertiliser applied to cane crops, and the use of nitrification inhibitors in fertiliser.

“If we can find ways to decrease N2O emissions and nitrogen loss through the use of a nitrification inhibitor, then it will improve nitrogen use efficiency and that’s a bonus for growers,” Dr Wang said.

During an SRDC seminar on Monday 13th February, Dr Wang and Mr Salter will present preliminary findings from their research at the Queensland University of Technology in Brisbane from 11:00am. To register for this event contact Kara Billsborough from SRDC on ph: 07 3210 0495.



Joint RDC publication - Managing Sugarcane Farm Safety Guide

The Managing Sugarcane Farm Safety Guide was produced by the Rural Research and Development Corporations under the Farming, Fishing Health and Safety partnership. This guide provides growers and their families with the information they need to secure the safety of their enterprise and their workforce. This guide represents best practice for occupational health and safety on cane farms and includes information on the responsibilities of employers, risk identification and management as well as farm planning.

Churchill Fellowships Open

Applications are now open for 2012 Churchill Fellowships through the Winston Churchill Memorial Trust. The fellowships allow Australians to study abroad and undertake projects to build an individuals capacity and ability to make a contribution to Australian society. Applications close 29 February 2012.

www.churchilltrust.com.au

Peter Kenny Medal established to recognise biosecurity achievements

Biosecurity Queensland has established the Inaugural Peter Kenny Medal to recognise an individual or organisation who has made an outstanding contribution to the state's biosecurity efforts in the areas of:

- community engagement
- education
- creating best practice
- outstanding research or science.

The panel will judge entrants on their written submissions, focusing particularly on how the person or organisation has improved biosecurity in Queensland. The judging panel will include the Minister, a representative from the Kenny family and representatives from the Biosecurity Queensland Ministerial Advisory Council. To apply complete the online form by 20th January 2012.

More funding for plant biosecurity

The Plant Biosecurity Cooperative Research Centre (PBCRC) will receive an additional $29.7 million to undertake vital research focused on tackling pest and plant incursions in Australia. Dr Simon McKirdy of PBCRC said growth in global trade, travel and tourism means Australia's plant industries face ever-increasing biosecurity threats from devastating exotic plant pests. "This additional funding will allow us to develop and deploy the knowledge and tools needed to help safeguard Australia's $14 billion plant industry exports," Dr McKirdy said. "It will also assist us to investigate ways to protect food security and the sustainability of our regional communities. Contact Dr Simon McKirdy on 02 62012412 or www.crcplantbiosecurity.com.au

Filling the Research Gap

The first competitive grants round under the $201 million Filling the Research Gap program is now open. The program is a key part of the Carbon Farming Futures Fund and will develop new low-cost abatement options for farmers to reduce greenhouse gas emissions, sequester carbon, and enhance sustainable agricultural practices. Research will develop new abatement methodologies that farmers can use to participate in the Carbon Farming Initiative Voluntary Carbon Offsets Scheme. This scheme allows participating land managers to earn additional income from reducing emissions and storing carbon in the landscape. Research could include waste management strategies, new fertiliser technologies and management strategies to reduce soil nitrous oxide emissions, and new crop species to build soil carbon. To apply for funding view the Filling the Research Gap program guidelines from the Department of Agriculture, Fisheries and Forestry website www.daff.gov.au

SRDC Events Diary

Monday 12 Mar - Wednesday 14 Mar. Grower Innovation Virtual Expo (GIVE) conference and field trip.
Yamba NSW

Tuesday 1 May - Friday 4 May - ASSCT conference.
Palm Cove QLD

Thursday 24 May - Friday 25 May - BSES field day.
Mackay

ERMP annual reports due 31 March 2012

The Department of Environment and Resource Management (DERM) will be issuing annual report forms in January 2012 to landholders with an environmental risk management plan (ERMP) accredited on or before 30 September 2011.

Landholders with an ERMP accredited after 30 September 2011 will not be required to submit an annual report in 2012, but will need to do so in subsequent years.

The annual report form will ask landholders to provide information to DERM about implementation of their ERMP up to the end of the 2011 calendar year.

For convenience, the report forms are already filled out with landholders' property and contact information as well as the actions proposed in the ERMP action plan. Landholders will need to update this information and submit their annual report back to DERM by 31 March 2012.

DERM recognises the hardship faced by many landholders affected by severe weather events in 2011 and this will be taken in account when reviewing the annual reports.

For more information about annual reporting, contact your local DERM office:

DERM office:

Cairns

William McCormack Place
Level 3, 5b Sheridan St
Cairns QLD 4870
Phone: (07) 4222 5458

Townsville

State Government Building
187–209 Stanley Street
Townsville QLD 4810
Phone: (07) 4799 7552

Mackay

22–30 Wood Street
Mackay QLD 4740
Phone: (07) 4999 6865

Or visit

www.reefwisefarming.qld.gov.au

Chemical regulator suspends Diuron to protect waterways

Date: 28 November 2011

The Australian Pesticides and Veterinary Medicines Authority (APVMA) has today suspended the use of diuron in high risk situations to protect aquatic ecosystems.

Diuron is used for the control of both broadleaf and grass weeds in agriculture. It is also used to control weeds and algae in and around water bodies. The suspension affects approximately two thirds of the 101 diuron products currently registered.

The suspension addresses a major concern, which is the risk of diuron runoff into waterways. This includes uses that have high application rates or are applied on tropical crops during the wet season.

APVMA Pesticides Program Manager, Dr Raj Bhula, said new information received is being assessed, including monitoring results from Reef Rescue initiatives.

"The APVMA is yet to make a final decision on diuron, further regulatory action is likely" Dr Bhula said.

The suspension – effective from 28 November 2011 to 31 March 2012 – prohibits diuron use:

- on tropical crops (sugarcane, tea, bananas, pineapples, coffee and paw paw) during the defined no-spray period
- in irrigation channels, drains, industrial and non-agricultural situations until 31 March 2012.

New use instructions are being issued for the suspension period, including additional restrictions designed to minimise run-off.

Possession and use in certain situations can continue provided diuron products carry the new instructions for use. Product registrants are requested to inform all parts of their supply chains to ensure that all products contain the new instructions prior to sale.

Australian Government Grants

Caring for our Country: Approved grants 2011-12

Details on projects funded through Caring for our Country in 2011-12 are available below. Regional base level, open call and Landcare projects are included in the business plan listings.

The Australian Government has approved:

$48.1 million (GST inclusive) for 159 competitive open call projects to improve, protect and better manage our natural and productive landscapes, including 64 Landcare projects.

$66.4 million (GST exclusive) in base level funding for 22 regional natural resource management (NRM) organisations to protect the Australian landscape and help ensure our farmlands remain productive into the future. An additional $38 million (GST exclusive) has been provided to support Reef Rescue projects.

Caring for our Country is the Government's flagship initiative in natural resource management. Over the first five years from 2008-2013 it will provide more than $2 billion in funding.

Caring for our Country investment helps regional organisations, industry associations, community groups including Indigenous groups and landholders to protect and conserve Australia's natural resources including our farming lands, coasts, rivers and wetlands, plants and wildlife.

The Australian Government received 584 applications for the open call component of the Caring for our Country business plan 2011-12.

The initiative coordinates projects across the country to achieve national targets which are backed by an annual business plan to focus investment and deliver maximum results.

http://www.nrm.gov.au/funding/approved/2011-12/index.htm

Biodiversity Fund

What is the Biodiversity Fund?

The Biodiversity Fund will invest around $946m over the next six years to help land managers store carbon, enhance biodiversity and build greater environmental resilience across the Australian landscape.

To do this, it will fund eligible land managers for activities which restore, manage and better protect biodiversity on public and private land. It will also provide support to land managers who wish to take advantage of emerging opportunities in the new carbon market. The Biodiversity Fund will provide support to establishing new carbon stores or better managing carbon stores of existing native habitat.

The Biodiversity Fund will invest in three main areas:

Biodiverse plantings

Funding will help land managers expand native habitat on their property through planting mixed vegetation species appropriate to the region. This will help build landscape resilience and connectivity.

Protecting and enhancing existing native vegetation

Funding will support land managers to protect, manage and enhance existing native vegetation in high conservation areas on their land for its carbon storage and biodiversity benefits.

Managing threats to biodiversity

Funding will control the threat of invasive pests and weeds in a connected landscape.

What type of projects can get funding from the Biodiversity Fund?

The Biodiversity Fund will support projects that, for example:

- establish new biodiverse plantings of mixed species that establish and re-connect well functioning native ecosystems
- revegetate the landscape to improve connections between remnant native vegetation across public and private lands, particularly in the fragmented rural, coast and peri-urban landscapes of south eastern and south western Australia and Tasmania
- restore native habitats in largely intact landscapes in northern Australia and/or on the rangelands, as well as those in peri-urban and coastal catchments in any part of Australia
- enhance the condition of native vegetation adjacent to existing key assets such as World Heritage Areas, Ramsar sites or protected areas in the National Reserve System
- establish and restore native wetland and waterway habitats, particularly on already cleared lands or lands predominately occupied by non-native vegetation
- reduce the impacts of invasive species across connected landscapes.

http://www.environment.gov.au/cleanenergyfuture/biodiversity-fund/index.html

Carbon Farming Futures

Applications for the Filling the Research Gap program are now open. To view the guidelines, apply for funding, or to find out more, visit the Filling the Research Gap webpage, email FTRG or call 1800 108 760.

Key messages

- Farmers will not be required to pay for on-farm emissions
- Farmers will be able to earn income from reducing their emissions or storing carbon in the landscape
- The Land Sector Package will help farmers reduce their emissions

The Australian Government's Securing a Clean Energy Future plan, released in July 2011, has been developed by the Australian Government to reduce greenhouse gas emissions to an acceptable level and drive investment in renewable energy. The Plan contains four elements – carbon price, innovation in renewable energy, energy efficiency and action on the land (Land Sector Package). Further details on the plan can be found on the Clean Energy Future website.

The Plan's $1.7 billion Land Sector Package is about creating new opportunities for land managers to enhance productivity, gain economic benefits and help the environment by reducing greenhouse gas emissions. Actions to reduce greenhouse gas emissions or increase carbon storage can also increase the land sector's resilience to climate change, protect Australia's natural environment and improve long term farm productivity.

Direct emissions from agriculture are excluded indefinitely from liability under the carbon price mechanism. However, the land sector currently represents 24 percent of Australia's total greenhouse gas emissions with methane and nitrous oxide emissions, accounting for around 58 and 76 percent of agriculture's emissions respectively. These emissions represent an opportunity for agriculture to play an important role in mitigating the impact of climate change.

The Carbon Farming Futures program will provide $429 million to ensure that advances in emissions reduction technologies and techniques will continue the evolution of management practices in the land sector towards emissions reduction and improved productivity. These advances will allow farmers and other landholders to benefit from the economic opportunities of the Carbon Farming Initiative (CFI) while assisting Australia in achieving its long term emission reduction targets.

The Department of Agriculture, Fisheries and Forestry is responsible for delivering three components of the Carbon Farming Futures program:

- Filling the Research Gap - $201 million to fund research into new technologies and practices for land managers to reduce emissions and store soil carbon. Also includes a national survey to identify common practice.
- Action on the Ground - $99 million to assist industry and farming groups test and apply research outcomes in real farming situations.
- Extension and Outreach - $64 million to provide information, support and an extension network to assist farmers to participate in the Carbon Farming Initiative.

The Government's plan for a clean energy future will transform the way Australians care for and manage our natural resources. Land sector measures will provide additional opportunities for stakeholders to engage in projects that reduce or store carbon in the landscape, as well as to improve biodiversity and other environmental outcomes in their regions.

Over $1.7 billion of carbon revenues will be invested in the land sector in the next six years through funding programs – most of which are ongoing. The land sector measures are:

- Carbon Farming Futures ($429 million over six years) – Funding measures to help farmers and other landholders to benefit from carbon farming. Comprises five elements
  - Filling the Research Gap ($201 million over six years) to fund research into new technologies and practices for land managers to reduce emissions and store soil carbon. National survey to identify common practice. Commences in 2011/12.
  - Converting research into methodologies ($20 million over six years) to convert research into estimation methodologies for use in the CFI. Commences in 2012/13.
  - Action on the Ground ($99 million over six years) to assist industry and farming groups test and apply research outcomes in real farming situations.
  - Refundable Tax Offset (RTO) (over three years) to provide 15% RTOs for new eligible conservation tillage equipment installed between 1 July 2012 and 30 June 2015.
  - Extension and Outreach ($64 million over six years) to provide information, support and an extension network to help farmers take action on the land.
- Biodiversity Fund ($946 million over six years) - Support for projects that establish, restore, protect or manage biodiverse carbon stores. Commences in 2011/12.
- Indigenous Carbon Farming Fund ($22 million over five years) - support Indigenous participation in the Carbon Farming Initiative. Commences 1 July 2012.
- Regional Natural Resource Management Planning for Climate Change Fund ($44 million over five years) - Support for regional natural resource management (NRM) organisations to incorporate climate change mitigation and adaptation components into existing regional NRM plans. Commences 1 July 2012.
- Carbon Farming Skills ($4 million over five years) - Funding available for training and accreditation of carbon brokers and aggregators so landholders have access to credible, high quality advice and carbon services. Commences 1 July 2012.
- Carbon Farming Initiative Non-Kyoto Carbon Fund ($250 million over six years) - Government purchase of land sector abatement that is not counted towards Australia's emissions targets under current accounting rules. Commences 1 July 2013.
- Land Sector Carbon and Biodiversity Board - Establishment of a permanent, expert board to provide advice on implementation of the measures.

http://www.daff.gov.au/climatechange/carbonfarmingfutures

QSL News

QSL Announces New Independent Chairman


Alan Winney


Mike Carroll


Neil Taylor


Greg Beashel

Queensland Sugar Limited (QSL) Chairman Alan Winney announced that "Mr Mike Carroll has been appointed as the new Chairman of the QSL Board, and that he will take up this position with effect from 1st January 2012." Mr Winney will retire from his current role at the completion of his three year term on 31 December 2011.

In congratulating Mr Carroll on his appointment Mr Winney said "I have known Mike Carroll for 15 years and am confident that his appointment will reinforce the commercial focus and drive that has seen QSL achieve premium pricing for Australian sugar on the world stage, whilst at the same time increasing the QSL share of the Asian sugar market. Thanks to the combined decision of growers and millers three years ago to move QSL to a more commercial structure, with an independent board, QSL is today a renewed world-class commodity company well suited to Mr Carroll's skills and experience."

"Mr Carroll comes from a family that has been involved in agriculture for over 130 years and he has a strong personal commitment to Australian agriculture. He has spent more than 25 years in agribusiness in executive and non-executive roles. He established and headed the National Australia Bank's (NAB) agribusiness division, following senior management roles in marketing, and NAB's internal investment banking and corporate advisory services. Since leaving NAB he has worked with government, major banks and institutional investors and successful family-owned agribusinesses. Before joining NAB, Mr Carroll worked for a number of companies in agricultural research and product development."

Mr Carroll's more recent career as a Non-Executive Director also has a strong agribusiness focus, with current directorships including Meat and Livestock Australia Ltd, Warrnambool Cheese & Butter, Sunny Queen and Rural Finance Corporation. He is also a director of the Australian Farm Institute.

Mr Winney also advised that current QSL Non-Executive Director, and Chairman of the Board Audit & Risk Committee, Mr Guy Cowan has been reappointed for a further three-year term (2012-14). "I congratulate Guy on his reappointment and am confident he will continue to contribute strongly on the strategic direction and on governance matters, as he has in recent years. QSL only has a small Board and the continuity that Guy's reappointment delivers is very important as the industry continues to rapidly change with mill consolidation and international investment in the vibrant sugar sector." Mr Winney said. The other two Non-Executive Directors on the QSL Board, Ms Nicole Birrell and Mr Mark Sage, have terms that run through until December 2012.

Neil Taylor leaves QSL and long-term manager Greg Beashel take up the role

QSL Chief Executive Officer Neil Taylor finished on November 16, 2011. Neil has taken the position of CEO Greyhound Australia.

Greg Beashel has been appointed as the Acting Chief Executive Officer of QSL.

Mr Beashel, was QSL's General Manager Operations, "We are fortunate to have someone of Greg's calibre available and willing to step up to this role," said Mr Winney. "Greg has extensive industry knowledge, having worked in the sugar industry for 19 years, and is experienced in the marketing and pricing side of the business as well as in operations and refining," he said.

As General Manager Operations Greg was responsible for managing and optimising QSL's supply chain performance. He has led a number of key capital expansion projects for QSL, including replacement of the Townsville terminal conveyors, the Bundaberg port expansion, and the current Lucinda recovery works and terminal shed roof replacement projects.

Mr Beashel has been with QSL since 2000, prior to which he had seven years with CSR based in Perth, Melbourne, Sydney and Brisbane in a variety of jobs ranging from a shift work production role at a sugar refinery in Perth to a marketing role with CSR's export marketing group in Sydney. This has provided him with extensive experience in refining and a strong understanding of customer perspectives and requirements.

Mr Beashel is a graduate of the AGSM MBA Executive program, his undergraduate degree is in Chemical Engineering (Hons) from the University of New South Wales. He has been involved in tertiary teaching on a part time basis since 1992, including the AGSM MBA Executive program lecturing in Operations Management, Data Analysis, Economics and Marketing.

Progress being made on Pooling and Pricing review

We have recently passed some key milestones in our work implementing the recommendations of the Pooling and Pricing Review. It is timely to give you an update on how this work is progressing, particularly in the changes being implemented to the pricing and pooling system.

The recommendations included:

- Introduce a "QSL Managed" pool which requires forward volume commitments and which QSL prices.
- Introduce a pool that specifically manages "Production Risk" which has no volume commitments and which QSL prices but without the ability to forward sell undelivered sugar.
- Change the upcoming season forward pricing limit.
- Introduce a simplified "shared pool" model with improved reporting to Mills and Growers for pool operating costs.

Through a series of meetings with millers and growers, it has been agreed that one pricing declaration date of 28 February will be made, with committed sugar for the upcoming season limited to 65 per cent of a suppliers' estimate at that date.

QSL is also in the process of developing new and detailed Product Description Documents for new Pooling products. These will be distributed to industry over the next month for review. It is important that these documents are clearly understood by all participants as they will clearly outlay the risks and rewards of both the pricing products and the system itself. These will be re-issued every season to take account of relevant market information and any changes planned to the system.

QSL will be providing more detailed information on all of the changes as this work continues, and will be visiting each region in the New Year to hold workshops on the detail around the proposed changes.

If you have any questions in the meantime please contact either your local mill, ACFA or QSL directly via info@qsl.com.au.

Historic plan to develop Agriculture in North Queensland

Joint Statement: Premier and Minister for Reconstruction, The Honourable Anna Bligh Agriculture, Food and Regional Economies, The Honourable Tim Mulherin. 15/12/2011

The Gillard and Bligh Governments will invest $10 million in an historic plan that marks a significant step forward in realising the potential of new irrigated agriculture in the Flinders and Gilbert catchments in north Queensland.

Federal Minister for Regional Australia Simon Crean joined Queensland Premier Anna Bligh and Queensland Minister for Agriculture Tim Mulherin in Richmond to announce the North Queensland Irrigated Agriculture Strategy (NQIAS).

The $10 million investment includes:

- **$6.8 million** from the Federal Government, (including $800,000 from CSIRO), for CSIRO to conduct a comprehensive assessment of surface water storage options in the Flinders and Gilbert River catchments, and identify new irrigated agriculture techniques that could be extended right across northern Australia;
- **$3 million** from the Queensland Government to undertake on-farm demonstration projects and systems analysis to develop practical farming approaches; and
- **$200,000** in shared funding for a feasibility study to develop a meat processing facility in north Queensland.

Deputy Prime Minister Wayne Swan said the investment builds on the existing commitment of the Gillard Government to developing northern Australia.

"The Gillard Government committed $6 million to the Northern Australia Sustainable Futures (NASF) program at the 2010 election," Mr Swan said.

"This additional commitment from the Commonwealth will build on the work already underway and drive the development of agriculture, not only in north Queensland, but right across northern Australia," Swan said.

Ms Bligh said the private sector would be able to use the government-funded irrigation trials as a benchmark to support their own investment. "The desire to expand agriculture has been around for over twelve years, and there has been tremendous work done into building a case for investment," Ms Bligh said. "Funding a living, breathing on-farm trial will give investors confidence in the region to support long-term, sustainable agribusiness. "It's a win-win-win for Queensland - sustainable land use, increased agricultural production and a jobs boost and economic activity in an important part of our state."

Mr Crean said the strategy opens the door for new diversified and sustainable agricultural development in the catchments and will provide investment confidence in new agricultural-based businesses. "There is widespread support, from local communities and the Commonwealth and Queensland Governments to expand beef production and build processing capacity in this region," Mr Crean said.

"Today's Northern Australia Ministerial Forum (NAMF) in Mount Isa discussed the progress of the northern beef strategy, which is studying how to generate higher returns for producers and diversify the industry.

"One of the first tasks at the inaugural NAMF meeting in Darwin last year was to commission work looking at mosaic agriculture - this strategy is a further commitment to build on that decision.

"It is an important step in realising the potential of land and water resources and opening up the north to new opportunities in the beef industry and for agriculture more broadly, in Queensland and across northern Australia.

"We have established a Government framework and provided a commitment of new resources to this project, built on strong stakeholder engagement."

Mr Mulherin said the rivers of northern Queensland are iconic and have high environmental, cultural and economic values.

"As part of the water and soil assessments in the Flinders and Gilbert catchments, the CSIRO will specifically examine how much water can be taken, from where and when, as well as storage options," Mr Mulherin said.

"The strategy also addresses key 'next steps' that have been identified by the Mount Isa to Townsville Economic Development Zone (MITEZ) planning group to grow irrigated agriculture and to intensify beef production in north Queensland.

"All stakeholders, including MITEZ and the Flinders, Richmond, McKinlay and Etheridge Shire Councils have a vital role to play in the implementation of the strategy."

This strategy will be overseen by a board of management co-chaired by the Department of Regional Australia, Regional Development and Local Government and the Queensland Department of Employment, Economic Development and Innovation.

Carbon Farming Futures

The Carbon Farming Futures program is part of the Land Sector Package under the Australian Governments' clean energy future plan. The Carbon Farming Futures program will deliver $429 million over six years to help farmers and land managers benefit from carbon farming.

Together with the Carbon Farming Initiative (CFI), this program will provide new economic opportunities for farmers and land managers who take steps to lower greenhouse gas emissions and store carbon in the landscape.

Farmers will be able to access direct support through the Carbon Farming Futures program to demonstrate new and innovative practices that can reduce emissions and store carbon while improving the sustainability and productivity of their business.

Carbon Farming

The CFI is a carbon offsets scheme that will enable farmers and other land managers to access carbon markets. Farmers and land managers will be able to generate carbon credits for taking action to reduce emissions and store carbon. These credits can be sold to other businesses and individuals wanting to offset their carbon pollution.

The Carbon Farming Futures program complements the CFI by funding research, development and on-ground demonstration of innovative ways of reducing emissions and storing carbon while improving farm sustainability. The program will also support extension and outreach activities to help farmers and land managers benefit from carbon farming.

Extending the benefits of carbon farming

The Carbon Farming Futures program has four components, which will be delivered by the Department of Agriculture, Fisheries and Forestry and the Department of Climate Change and Energy Efficiency.

Filling the Research Gap ($201 million)

The government will invest in new and innovative ways for Australian land managers to reduce emissions or store carbon. This will include funding to engage scientists and independent experts to investigate ways of improving soil carbon.

The fund will target emerging technologies and innovative management practices by engaging more scientists and independent experts to improve soil carbon, reduce emissions from livestock and crops, and enhance sustainable agriculture practices.

Surveys of common practice in agricultural industries across different regions will be undertaken to help identify activities that go beyond common practice and could be eligible for credits under the CFI, and to target research to where it will be most effective.

Converting research into methodologies ($20 million)

This research will be converted into estimation methodologies for use in the CFI. This will include the development of practical, low cost estimation and reporting tools for farmers and land managers that store or reduce carbon across various landscapes and production zones.

Action on the Ground ($99 million)

New research findings will be tested and demonstrated on-farm, ensuring that laboratory results can be replicated in real farming situations. Regional land managers and research, industry and farming organisations will be able to access grants to implement innovative management practices to reduce emissions and store carbon, including demonstrating new ways of increasing soil carbon.

This measure includes support for conservation tillage farming. Farmers will be able to claim a 15 per cent refundable tax offset for new eligible conservation tillage equipment installed and ready for use between 1 July 2012 and 30 June 2015. Participants in the scheme will have to assist in soil carbon research.

Extension and Outreach ($64 million)

The program will enable information and support to be provided directly to land managers to help them integrate emissions abatement and carbon management into land and farm planning. The program will fund additional extension officers. Funding will also be available for a range of extension and outreach activities, including workshops and field days, to be delivered through existing extension networks across Australia.

For further information go to the Clean Energy Future website at www.cleanenergyfuture.gov.au or call 1800 057 590.

For specific information on the Carbon Farming Futures go to the Department of Agriculture, Fisheries and Forestry website at www.daff.gov.au

Harmonisation of WHS laws in Australia – a brief introduction

Currently all states, territories and the Commonwealth are responsible for making and enforcing their own health and safety laws. Although these laws draw on a similar approach for regulating workplaces, there are differences in the application and detail of the laws. Inconsistent laws:

- cause confusion for businesses and inequitable safety standards across jurisdictions and industry sectors
- lead to duplication and inefficiencies for governments when providing policy, regulatory and support services.

In response to industry calls for greater national consistency, the Commonwealth, states and territories have agreed to implement nationally harmonised WHS legislation to commence on 1 January 2012. The harmonisation model will be one where the Commonwealth and all states and territories will be responsible for making and enforcing the model laws. Harmonisation aims to:

- develop uniform, equitable and effective safety standards and protections for all Australian workers
- address the compliance and regulatory burdens for employers with operations in more than one jurisdiction
- create efficiencies for governments in the provision of OHS regulatory and support services
- achieve significant and continual reductions in the incidence of death, injury and disease in the workplace.

A national model Act has been developed and includes the following key elements:

- a primary duty of care requiring persons conducting a business or undertaking to ensure, so far as is reasonably practicable, the health and safety of workers and others who may be affected by the carrying out of work
- duties of care for upstream parties such as designers, manufacturers, importers, suppliers and installers
- a requirement that officers of corporations and unincorporated bodies exercise due diligence to ensure compliance
- reporting requirements for notifiable incidents such as the serious illness, injury or death of persons and dangerous incidents arising out of the business or undertaking
- authorisations such as licences, permits and registrations (e.g. for persons engaged in high risk work or users of certain plant or substances)
- provision for worker consultation, participation and representation at the workplace
- provision for the resolution of health and safety issues
- protection against discrimination for those who exercise or perform, or seek to exercise or perform, powers, functions or rights under the Act
- an entry permit scheme that allows union officials to inquire into suspected contraventions affecting workers who are members, or eligible to be members, of the relevant union and to consult and advise such workers about health and safety matters
- compliance and enforcement measures and sanctions, including enforceable undertakings
- regulation-making powers and administrative processes, such as the review of decisions.

While the Act is largely similar to the current Queensland Workplace Health and Safety Act 1995, there are a number of important differences:

- Business operators must do what is **reasonably practicable** to eliminate or minimise risk to health and safety.
- Company directors will have a positive and proactive duty to exercise **due diligence**. This represents a shift away from attributed liability (i.e. being held liable for contraventions by the company) and requires directors to:
  - acquire and keep up-to-date knowledge of health and safety matters
  - gain an understanding of hazards and risks associated with the company's operations
  - ensure appropriate resources are available for use to eliminate or minimise risks from work carried out
  - ensure appropriate processes for obtaining information about incidents, hazards and risks, and responding to them

  - ensure processes for complying with duties are implemented, e.g. reporting, consultation arrangements, training and instruction
  - verify the provision and use of resources for the matters listed above.
- Workers must exercise **reasonable care** that their acts or omissions do not adversely affect the health and safety of all persons at a workplace.
- There will be no requirement for business operators to appoint workplace health and safety officers (WHSOs). However, as it is a requirement for business operators, including company directors, to be familiar with the risks and hazards associated with their operations, and to provide appropriate control measures to ensure a safe working environment, businesses are encouraged to have access to trained safety personnel.
- Health and safety representatives HSRs) will represent defined work groups at a workplace. These will need to be negotiated with the business operator.
- Health and safety issues are to be resolved in accordance with an agreed procedure. Where there is no agreed procedure at a workplace, the national model laws set out a default procedure.
- HSRs will be able to issue provisional improvement notices and can direct workers to cease work after consultation and an attempt to resolve an issue, or without consultation, if there is an immediate and imminent threat to health and safety.

National model regulations and priority codes of practice are currently being developed. While these are largely consistent with Queensland provisions, there are some additional areas of regulation, such as fatigue, emergency procedures, work at heights, surfaces and floors, movement around workplaces, and remote and isolated work. While most of the remaining regulations are essentially similar to current Queensland regulations, there will be some altered provisions for construction work.

It is proposed that the regulations and codes of practice will be available for public consultation from late 2010 to early 2011. Further information can be obtained from www.worksafe.qld.gov.au.

Forklift licensing in the rural industry

The current exemption that applies to high risk work (HRW) licensing for the rural industry, including forklifts, ceases on 1 January 2012 with the commencement of the Work Health and Safety Act 2011.

This means that anyone carrying out high risk work in the rural industry, such as operating a forklift, must hold a high risk work licence from 1 January 2012.

This fact sheet focuses on forklifts as the main piece of high risk plant used in the rural industry. Tractors and other items of plant are often modified to operate in a similar way to a forklift, therefore a HRW licence will be required to operate these too.

What types of licence are relevant to the rural industry?

A licence to operate plant or machinery is called a high risk work (HRW) licence. There is a different class of HRW licence for various types of plant and machinery.

The definitions and examples on page 2 and three will help you determine if your machinery (modified or otherwise) is classed as a forklift requiring a high risk work licence for operation.

Any modifications undertaken need to comply with the specified design criteria for tractor construction and the end product should meet or exceed the design criteria.

In the current Workplace Health and Safety Regulation 2008, **Forklift truck** means a powered industrial truck equipped with lifting media made up of a ***mast*** and an ***elevating load carriage*** to which is attached a pair of ***fork arms*** or other arms that can be raised 900 mm or more above the ground but does not include a pedestrian-operated truck or a pallet truck.

A piece of plant fitted with fork arms does not automatically require a forklift licence for operation. A **mast** and an **elevating load carriage** are essential elements of the definition; thus, where fork arms are fitted onto a boom (as in the case of a multi-purpose non-slewing mobile crane or tool carrier depicted on page 2), a forklift licence would not be required.

Work health and safety legislation places a duty of care for health and safety on the employer (as a person conducting a business or undertaking) to ensure that workers are provided with adequate information, instruction, training and supervision to enable work to be performed in a manner that is safe and without risks to health. This applies whether or not the worker is required to hold a licence to operate a piece of plant.

Mossman region

Gerard Puglisi
Northern Region Director

The 2011 crush is over for another year, for the Northern Mills a least. Although Mossman finished in early October our neighbours were not quite so lucky. Mulgrave had to wait a little longer to complete the 2011 crush due to heavy rain with the finish line insight, putting a hold on field activates for a few days.

Mossman Mill's final figures are now in. The 2011 season started on the 15th of June and finished on Friday the 7th October. It was a short 16.3 week season with the mill crushing 411,012 tonnes of cane with an average yield for the region of 57t/ha and a mill average CCS of 13.81. The mill averaged just over 25,000 tonnes of cane per week, which is quite low compared to previous years. Mossman Mill produced just over 57,000 tonnes of sugar and had 462 hours lost time.

With the early finish most farmers have now completed their fertiliser programs and are over half way through their spraying programs. The recent restriction put on the use of Diuron which came into effect on the 5th December will be yet another hurdle the sugar industry will have to overcome. Please contact your local chemical dealer for more information on these restrictions.

At the moment the crop in the Mossman region is looking very good and if weather conditions are favourable the signs are there for a bumper 2012 crop. A heavy down pour with over 320mm of rain falling in three days in late October did do some damage to areas of plant cane in the region. The 2012 season will also be boosted by a group of farmers who have actively sort more ex-cane land to return into production for next year's harvest.

As we come to the end of other year we can only hope that the industry has had enough misfortune and we are due for some good luck. The future is looking a little brighter than it has for a while. With a reasonable sugar price expected and if weather conditions remain favourable, growers can expect a better return next year then they have had in the last two years.

I would like to take this opportunity to thank all the growers who have supported me over this year in my endeavours to further represent the industry. I wish to advise members that I was successful in being elected as the QSL Grower Representative for the Mossman Mill area. Unfortunately I was unsuccessful in being elected to the BSES Board and I stress that the current board must endeavour to keep BSES at the forefront of RD & E.

On behalf of my family and myself, I would like to wish everyone a Merry Christmas and a happy and safe New Year.

Gerard Puglisi

Northern Director

Tableland, Babinda, Innisfail, Tully

John Blanckensee
Northern Region Director

The 2011 crush has proven to be another disastrous crush for the district. Cropping has been poor with paddocks cutting as low as five tonnes per acre with the average rounding out at sixteen to eighteen tonnes per acre. This is a direct result of the poor growing conditions of 2010, with the added effects of cyclone Yasi. The Mulgrave and tableland regions have fared a lot better with the tablelands showing little downside compared to their coastal cousins.

Replanting of cane has finished as farmers took advantage of a dry September and first half of October. With above average day-time temperatures the paddocks were showing the effects of the dry. That was until the region received up to a metre of rainfall in the week starting 16 October, damaging plant crops with washouts from 10% in some paddocks and up to 75% damage along river flats in the hardest hit regions.

Ratoons are coming away well and are showing good recovery from the wet and wild spring and summer of 2010-11. Plantation forestries that were decimated in Cyclone Yasi have been bulldozed and the properties are in the process of being sold or leased with an opportunity to be returned to sugarcane cultivation.

South Johnstone crushed 678,965 tonnes at 11.33 CCS.

Tully Sugar crushed 1.158 million tonnes at 11.97 CCS

Tableland mill crushed 644,879 tonnes at 14.5 CCS.

John Blanckensee

Independent Director

Herbert region

Carol Mackee
Herbet Region Director

The end of the year is here and what a year it has been, definitely one, which we are glad to see behind us. Torrential rains, cyclone Yasi, five floods and a mediocre crop which produced 2,920,488 tonnes in the district which is one million tonnes of cane down from 2010. The average CCS for the season was 12.87, notably lower than the region's 10year average of 13.7

The wet season seems to have come early this year but the rainfall has been scattered with some areas receiving 48mm of rain while other areas missed out. However it looks like it has now evened out, with rain falling over all areas including the dry Townsville area.

Some of the crocodiles in the area have already nested and our crocodiles are full of eggs but have not laid as yet, so the wet season is definitely here.

With humid conditions and heavy showers and thunderstorms the cane is powering out of the ground. Some of the plant cane already has a foot of cane on it, but unfortunately the feral pigs have already found the stalks and are into it with a vengeance. Farmers are patrolling their farms trying to minimize the damage; but it is a never ending battle to control these pests, as well as the rats that also do a lot of damage.

As the year comes to a close we wish to all a better 2012. Have a Merry Christmas, a Happy New Year and we will all look forward to a profitable year ahead.

Take care on the roads and stay safe.

Carol Mackee

Herbert Region Director

Photos: Carol & Lex Mackee

Burdekin region

Margaret Menzel
Burdekin Director

It seems that year on year, the state's and district's canefarmers continue to face extraordinary obstacles to reasonably operate their cane farming enterprises.

Within the past year these include government obstructionism and excessive charges for services (often poorly delivered) and fees that are seemingly increased to cover shortfalls in budgetary management.

At present the district is enduring yet another series of mill performance problems, growers have felt considerable stress as the weather threatened to yet again shorten the cruch.

At the week ending 11 December 2011, the Burdekin has crushed 9,308,554 97 tonnes, at a weekly CCS of 12.28 and a seasonal CCS of 13.64. The estimate standing 9.55mt should soon be achieved, if the weather holds.

After representations and discussion with Sucrogen , agreement was reached for trucks from Tully region to be used for the remainder of the season to transport cane between mills to achieve a greater level of harvest equity for growers. The trucks have transported to Pioneer mill from Inkerman and have the capacity to shift up to 1,000 tonnes per day.

Discussions with Sucrogen on these and other issues confronting growers, contractors and the district generally are ongoing and will continue to be represented diligently. Issues that we all recognise, have and are, causing significant difficulty for all industry participants, in particular, the farming sector, (who cannot pass any additional costs on), as well as harvest contractors and local businesses.

The decision by Sucrogen to look at ccs relativity and compensation, with regard to standover cane, has been a point of contention, as well as purity issues with standover cane, early and late season cane and it is important that a more reasonable outlook is achieved for growers, in this regard. Other issues of concern are also under review, including ongoing performance problems with milling and longer than 'BSES recommended season length', are further issues which must also be resolved in order to prevent this scenario happening repeatedly. These issues continue to be under discussion.

The Australian Cane Farmers Association fielded an excellent and committed team of four candidates at the recent Queensland Sugar Limited (QSL), grower representative elections for the Burdekin. Max Menzel was successful from a field of nine nominees and will represent the interests of Burdekin growers for the next three years in that capacity.

Max has requested that his thanks be expressed for the grower support he has received to represent the Burdekin district.

Sucrogen has issued notice to all Burdekin growers outlining the results of the recent QSL pooling and pricing review and the changes affecting growers from 2012 onwards. Recommendations adopted will include: 'changes to the QSL annual declaration date and modifications to certain pools'.

As the changes will affect all growers, Sucrogen will conduct meetings throughout the districts to enable growers to understand the implications of the changes for them. Meetings will be held early in 2012 at times to be advised.

On 5th October, I met with Julian Connellan regarding the nitrogen application rate trials being conducted locally.

"Since the introduction of the Reef Protection Act in October 2009, growers and other industry stakeholders have raised concerns about the regulated method for determining N application rates to sugarcane. In particular, concerns have been expressed about its potential to negatively impact profitability and/or supply security of sugarcane in the Burdekin district. As a result, BSES Limited has been contracted by the Queensland Department of Environment and Resource Management (DERM) to undertake a series of trials over the next 2.5 years across the Burdekin district. These trials will assess the adequacy of the regulated method for determining nitrogen application rates on various soil types.

The trials are being overseen by a technical management group (BSES, DERM, Sucrogen and Department of Employment, Economic Development and Innovation (DEEDI)) and an industry reference group.

To date replicated nitrogen strip trials have been established on ten, carefully selected, sugarcane plant blocks on commercial properties in the BRIA and Delta areas. In 2012, three additional sites will be established, one in the BRIA and two in the Kalamia mill area.

Sites have been mapped using electrical resistivity measurements (Veris 3100) and the soils analysed for their nutrient status to a depth of 1 metre in 20 cm increments. Each trial contains three randomised replicates of three or four N rates (dependant on block size). The treatments include:

Treatment 1: The regulated N application rate for the particular soil type

Treatment 2: A lower N application rate than treatment 1

Treatment 3: An N application rate comparable to that traditionally used by the grower; and

Treatment 4: A higher N rate than treatment 3.

The following will be monitored throughout the duration of the project:

- General plant growth and pest pressure.
- Plant nutrient status via leaf analyses.
- Sugarcane biomass accumulation.
- Irrigation water quality.
- Soil moisture status (at selected sites).
- Soil nitrate values to depth.
- N losses via denitrification (at selected sites).
- Sugarcane yield, commercial cane sugar (CCS) content and calculated sugar yield."

A highlight of last month was the Hand Cane Cutting Championships which were held in Home Hill for the first time on 23rd October. The day proved to be a resounding success and follows on the highly successful events held for many years by Paul and Shirley Donnelly from Dalbeg. The Australian Cane Farmers Association was happy to provide sponsorship for the 55 years and over event and congratulate the winners and all competitors, in what is a spectacular event and a testimony to the courage and determination of our forbears in the sugar industry. Coordinator for the day, Tonia Rossato provided results and times for the events as follows:

35 - 55 year heat
1st Tony Felesina 16:35
2nd Paul Felesina 16:57

Under 35 heat
1st Mark Vass 21:24
2nd Michael Woods 22:40
3rd Patrick Putman 24:50

55 years and over
1st Paul Donnelly 21:10
2nd Alex Bojack 27:09
3rd Laurence Zumaran 26:39

The results for the open final are as follows:
1st Paul Donnelly 16:38:10
2nd Tony Felesina 19:26:34
3rd Michael Woods 23:08:08

Cut Top & Load Relay winners were:
Paul Felesina, Tony Felesina, Paul Donnelly and Michael Woods.

In addition to fortnightly representative meetings with Sucrogen, I met with Annette Sugden (CEO) and Ian Causley (Board Chairman) of the Sugar Research and Development Corporation in Ayr and assisted with grower appointments locally on 2nd and 3rd November.

I wish industry participants a safe and successful conclusion to the 2011 season, with the continuing co-operation of all involved and a blessed and happy Christmas and New Year with your loved ones.

Regards,

Margaret Menzel
Burdekin Director

Central region

Steve Fordyce
Central Region

The Mackay sugar crushing season finished about the 15th October. A crop of 4.162 million tonnes of cane was crushed at 13.25 CCS. The crop and quality was well down due to the ongoing effects of last year's continuous wet weather and the resultant standover crop. Sugar content never got up at all due to the percentage of standover and the quality of the crop not holding up in the end. The years when cane is left to standover, have often led to poor harvests in the following year. A similar result occurred after the 1998 wet.

Proserpine crushed 1.467 million tonnes at 13.34 CCS. Plane Creek crushed 1,067,474 tonnes from an estimated 1.15 million tonnes at a CCS of 13.51.

The Mackay Sugar Cogeneration Project is progressing well and within budget. The commissioning will commence in late 2012. An opportunity was extended, after crushing had finished, to take part in tours of the progress of the installation.

During the last week of crushing there were some rainfall events about the district. The falls were varying from less than 5 mm to over 100mm. Irrigation is in full swing; first in areas which missed out on rain and gradually elsewhere now. The larger falls were south of Sarina and interfered with the cane harvest.

In the Mackay Area, where the harvest finished early, the ratoons for next year look very good. Further falls however are needed to bring about a good crop for next year. The plant cane crops in general are not as forward as growers would like and the quality of planting material has been sub-standard. In particular Q 208 was heavily arrowed and side-shot due to the conditions of last year's growing season.

Mackay Sugar has announced it is developing a cane expansion initiative aimed at increasing the area of land under cane by 5,000 hectares before the end of 2016. It is a scheme which aims to have the mills operating at an effective capacity. There is an offer for a guaranteed price of $500 sugar for cane from an area which has not produced for more than two years.

Reef Rescue is set to open to stage three. Graziers and farmers in the Whitsunday – Mackay Region have received $6,660,466 in Reef Rescue incentives to assist improved land management practices. More than 380 individual projects have now been undertaken impacting on 56,462 hectares of land.

Steve Fordyce

Central Region

Mike Hetherington
Southern Director

Southern region

The Maryborough farmers have had and are having a better run this year, but there have been some very unusual rainfall events as well as clear skies and good growing conditions. As a result, some plant cane blocks have been lost due to the timing of these rainfall events. Harvesting has been either good or stopped rather than the continuous nibbling of last year.

Maryborough Sugar Factory is putting in the effort to regain tonnage. Advertising campaigns have been seen all around the district and MSF is keen to support any new growers. With Maryborough canefarmers being all road-transport, the Carbon tax has not been made welcome. The feeling is that it must raise the cost of production, no matter how you look at it. The notion of moving to a new low-carbon footprint for transport is quite a challenge and the model proposed is simply shifting costs.

Maryborough Sugar crushed 669,630 tonnes for a CCS of 13.04.

ISIS has had similar rainfall events, but as usual, less in total and so less in lost time. Some Mill mechanical problems in the final days had harvesting crews mounting up and dismounting but as the weather held until the finish of harvesting, this was only an inconvenience. Shareholders have been assured by Chairman of the Board, Peter Russo, that no buyout plans have been offered to the ISIS Central Mill; and should this situation arise, the Board, having retained legal Counsel to advise them, will handle it appropriately.

ISIS Cane Services continues to expand its cane plantations and this of course promotes mill viability. Farmers' operations are unaffected by the ICS operations, so it is hoped that this effort will works toward a more secure future.

ISIS central hosted suppliers and invited guests on a Mill tour, followed by a rib-fillet BBQ. Local service clubs, Rotary and Lions, catered and ISIS has been generous in assisting these Service Clubs to finance some of their projects. The 300 plus satisfied guests must be proof of the good intentions!

Isis Mill crushed 1,223,135 tonnes for a CCS of 13.40.

Bundaberg farmers had a little bit of a bumpy ride with Millaquin mill taking some time to settle all the upgrades into smooth operation. Bingera Mill held the end up though and all-in-all, a decreasing tonnage saw the Bundy Sugar Mills finish a little earlier than farmers and millers would have preferred. Bundaberg Sugar crushed 1.395 million tonnes at a CCS of 13.88.

Good planting conditions have seen excellent strikes and next year already has much greater potential. Warmer conditions have seen ratoons get away at last. The dull days earlier and the occasional severe frosts kept soil temperatures down under the trash blankets. Bundy Sugar is still acquiring land and is also looking for contractors to work it. Perhaps a consideration for some farmers with spare capacity!

Productivity Boards and Extension Services are much in discussion across the region. This could be a reflection of possible changes at state level R.D. & E. As at the end of harvest 2011, these proposals have to be sold to farmers who, after all, are the financial backbone of their local Productivity Board.

Small farmers are also of interest. Many people enjoy growing sugarcane as a "lifestyle thing", outside of their regular work – policemen, engineers mine workers, on long roster cycles, to name a few. These farmers are as committed to good farming as the twenty thousand tonne property. And it's making them a few bob. The industry should recognise these operations and assist them in grouping up for training and extension as they make a valuable contribution to the sugar industry.

With the QSL review becoming available for discussion, all farmers will be looking to the future to see how, where and when to best secure a price for their sugar.

Rocky Point crushed 267,669 tonnes for a CCS of 13.03.

Michael Hetherington

Southern Region Director

NSW region

Robert Quirk
NSW Director

NSW

Another tough year in NSW. I do hope I will be in a position to pass on some positive news in 2012, as NSW starts it recovery from some of the worst weather conditions for cane growing, in a life time.

Condong finished the crush in early October despite only crushing five days a week and in the last few weeks moving to a four and a half day week (maintenance on Monday morning).

At this stage, the prospects for the 2012 season are good for an average crop – weather permitting. We have had the biggest planting program this year in many years, with it all showing excellent prospects for the 2012 harvest.

This follows a year when some growers planted in 2010 and lost cane twice.

The NSW sugar milling co-op provided loans of $1,000 per hectare(at a very competitive interest rate) to members across the three rivers as an incentive to plant as much cane as possible. While some did not choose to take this loan up, many did, and we thank the Co-op for this initiative.

At Condong, the 2011 crop was the smallest crop for over 60 years, at 312,000 tonnes of cane.

Broadwater

At the time of writing, Broadwater was still harvesting and due to finish mid-December – weather permitting. Feedback from the Broadwater growers is that they will be choosing to leave some cane for three year old rather than to harvest and loose the stools by harvesting in wet conditions.

Broadwater has also had a very large plant this year, trying to make up for the lack of planting under the wet conditions last year.

The harvest this year, while not their biggest, has been OK for most growers. Next year is when they will have the reduced crop, which could be similar to the harvest that the Tweed produced this year, The impact of this on growers and the mill will be enormous as it will be around 30% of their record harvest of 1.2million tonnes.

Harwood

Harwood was also still harvesting, at the time of writing and due to finish around the same time as the Richmond. They will also have a reasonable crop this year but will have the same problems as the Richmond next year.

I believe that Harwood may also be considering a shorter harvesting week for 2012.The growers will have a tough time for the next several years as they try to get their production back on track.

ACFA director Robert Quirk at a recent Climate Champion forum

The growers on the Clarence, many of whom were unable to plant at all last year, have planted a double amount; that is, the area they did not plant last year plus this year's plant – a very significant financial burden.

The chair of the co-op, Ian Causley made mention at the Co-op's AGM that those who are planting into wider rows with beds (dual-row on 1.9 – 2m) have had less damage that those on the conventional 1.5m spacing.

The future for NSW is still good as we recover from the worst set of weather conditions for cane growing, ever experienced in this state.

On the up side we will have 5 new varieties for release next year.

We are working with our mills on continuous improvement as well as with the transport system and in the field.

The age of growers is still a concern as always; although leasing, corporate farming and share farming may be an answer to this.

I do wish all growers a Merry Christmas and a year ahead that is well on the road to the recovery of the NSW Industry.

Robert Quirk

NSW Director

Talking with Peter Baron the executive director of The International Sugar Organization, about the progress of Bonsucro and how the company has developed in the last few years, including where our support is coming from.

On the city tour with researcher and government official from Kenya Robert

Robert Quirk having tea with Chinese researchers in India.

YOUR LOCAL ACFA DIRECTORS

North Queensland Representatives:

Don Murday
Home Phone: (07) 4098 1635
Mobile: 0418 774 499
Email: mangopk@bigpond.net.au

Gerard Puglisi
Phone: 0428 988 136
Email: gtpuglisifarming@bigpond.com

Herbert Representative:

Carol Mackee
Home Phone: (07) 4777 4957
Email: cjmackee@activ8.net.au

Burdekin Representative:

Margaret Menzel
Home Phone: (07) 4783 4776
Mobile: 0407 779 700
Email: mailsack@bigpond.com

Central Region Representative:

Steve Fordyce
Phone: (07) 4954 3650
Mobile: 0408 883 987
Email: stevefordyce@bigpond.com

Southern Queensland Representative:

Michael Hetherington
Home Phone: (07) 4126 9118
Email: hethostiny@optusnet.com.au

New South Wales Representative:

Robert Quirk
Home Phone: (02) 6677 7227
Mobile: 0413 677 727
Email: rgquirk@bigpond.com

Independent director:

John Blanckensee
Home Phone: (07) 4061 2034
Mobile: 0407 162 823
Email: jblancke@bigpond.net.au

AUSTRALIAN CANE FARMERS BRISBANE OFFICE

GPO Box 608,
Brisbane Qld 4001
Telephone: 07 3303 2020
Freecall: 1800 500 025
Facsimile: 07 3303 2024
Email: info@acfa.com.au
Web: www.acfa.com.au

Australian Cane Farmers

Leading farmers into the future

ACFA SERVICES

Publications: The Australian CaneFarmer - published eleven months per year. Australian Sugarcane - the leading R&D publication - Bimonthly.

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

Branch Network & Local Representation: Make use of your local ACFA branch, call your local director or visit www.acfa.com.au

Corporate services: World sugar news; Market information; Political and Local sugar related news; Wage and industrial relations information; Environmental matters; Water issues.

Industry surveillance: ACFA is constantly monitoring matters relevant to canefarmers.

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