



**JULY 2014**

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## Sugar Marketing: the fruits of deregulation as multinationals leave QSL

The deregulation of the Australian sugar industry has, as predicted, lead to market forces taking control.

Three out of four foreign-owned millers have now pulled out of Queensland Sugar Limited (QSL). It is no coincidence that they are all sugar traders. Wilmar withdrew on 3 April 2014, followed by MSF Sugar on 27 June and Tully Sugar on 30 June. Wilmar Sugar Australia is a subsidiary of Wilmar International, a public company listed on the Singapore stock exchange. MSF Sugar Limited is a subsidiary of Mitr Phol Sugar Corp Ltd of Thailand. Tully Sugar Limited is a wholly owned subsidiary of the state-owned Chinese agribusiness company COFCO.

On 24 June 2014 Qld Minister for Agriculture, Fisheries and Forestry, Hon Dr John McVeigh convened a meeting of stakeholders to "discuss more broadly the future of sugar marketing arrangements in Queensland and to explore what options are available to the industry which will deliver long-term favourable outcomes for all parties."

Subsequently, the Minister wrote to participants seeking expressions of interest to participate in "further discussions and investigate options for a marketing model that could be supported by the whole industry."

Two days later, MSF limited issued QSL with a notice of termination of their Raw Sugar Supply Agreement (RSSA) with QSL. ACFA, Canegrowers and QSL have redoubled their commitment to a 'choice' model. In contrast, a miller only model which exclusively packages-up growers into the supply chain of their miller is not a choice model. Under this scenario, millers are prohibiting choice and attempting to destroy QSL, which they have made their competitor.

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# Chairman's Comment

**During the past months much of our activity has been framed by the subject of raw sugar marketing.**



**Don Murdy**  
Chairman

In April 2014 Wilmar Sugar Australia announced its decision to exit the current sugar marketing arrangements with Queensland Sugar Limited (QSL) from the end of the 2016 season. Wilmar says it has 'A desire to achieve better commercial outcomes and greater transparency in partnership with its growers' and 'to create a genuine commercial partnership with growers, so it is important we jointly develop the new marketing model.' Yet farmers are pushing back and wary of the attention. After all, Wilmar did not exactly come to Australia bearing gifts – until now!

In June 2014, MSF Sugar and Tully Sugar both announced their withdrawal from QSL, just days into a Qld Government-led process which had the potential to resolve the issue.

Growers throughout the industry have overwhelmingly expressed a desire for a closer relationship with QSL, not their mill. They would like to deal directly with QSL with or without the permission of their sugar mill. By getting its hands on the physical sugar, the trader-owned mills can make money on their own terms. Wilmar is prepared to offer a premium to its growers to enter a joint venture in order to secure the growers' share of the sugar. There is more to this issue than short-term incentives, which can cloud the key elements.

In his 18 June media release, QSL's CEO Greg Beashel makes a valid argument. "At the heart of this issue are the principles of value, risk, trust and transparency. Price is one aspect of the value proposition and should not be considered in isolation. Pricing is one of the four pillars of our industry system, along with financing, marketing (selling) and bulk storage, handling and shipping."

"Wilmar is basically saying 'trust me' to growers and offering them no choice of marketer. The question remains, if Wilmar is confident of achieving higher prices, why doesn't it listen to its growers and provide them with the option of who markets their sugar – QSL or Wilmar?"

This is what ACFA has been arguing – the need for choice and a formal right to it! In order to achieve this, cane farmers must support and work to improve QSL, the company they already own and which has served them well.

As for any incentives to leave QSL for a rival, farmers need to be sure that the 'carrots' offered don't turn into 'sticks', in the longer-term.

There are many issues facing the viability of cane farmers as present and farmers need a transparent price delivery system that consistently serves their best interest, for the long-term.

Other millers are looking on closely to see how this one plays out and I hope that the industry does not create any precedents that will prove regrettable.

Multinationals like Wilmar, Mitr Phol and Cofco are sensitive about their Corporate Social Responsibility (CSR). They need to be mindful of how they treat Australia's cane farmers. When farmers say that they want choice and the right to deal through QSL, they mean it and if they are refused that right, how can they be confident about growing more cane for millers that aren't listening?

*I wish all members a safe and profitable crushing season for 2014.*

**Don Murday**  
Chairman

# General Manager's Comment

### Back to the future – timely lessons from the 1912 Royal Commission on the sugar industry.



**Stephen Ryan**  
ACFA General Manager

The first major review of the Australian sugar industry by the Commonwealth government was undertaken by a Royal Commission in 1912. The Royal Commission had a wide ranging brief which included, among other things, the requirement to inquire into and report on costs, profits, wages and prices in the Australian sugar industry.

The Queensland government promoted the development of the sugar industry in Queensland, advancing money for the erection of several mills. It also financed scientific research for both growers and millers. Other state legislation affecting the sugar industry in Queensland was directed toward improving the living conditions of farm employees.

In the absence of legislative guidelines, the distribution of proceeds to the various segments of the industry from the sale of sugar was determined in the large part on the **basis of direct negotiations between refiners and millers, and in turn, between millers and growers**. In such circumstances the Royal Commission considered that the distribution of proceeds among segments of the industry could be considered to be fair where there is strong competition, where there is potential for competition or from collective bargaining (Brown et al 1912). The Royal Commission observed:

*It would be futile to contend that the foregoing factors (competitive forces) are wholly inoperative in Australia with respect to the prices of sugar cane, raw sugar and refined sugar respectively. It would be no less futile to contend that their operation is reasonably effective as a means of securing an equitable distribution of the profits in the sugar industry*

*(Brown et al 1912)*

The Royal Commission found that the price for both refined and raw sugar was set by domestic refiners. The price for sugar cane, in turn, was set by the mill owners. The Royal Commission concluded:

*that, with respect to the general question of an equitable distribution of profits among the various branches of the Sugar Industry, neither the millers nor the refiners have cause for serious complaint...*

*But the growers as a class do not, in our opinion, receive their fair share of the profits of the industry as a whole (Brown et al 1912).*

The Royal Commission conceded that 'squeezing of the primary producer' has not reached the magnitude in the Australian sugar industry it has attained in some other countries.

*But we take it that Australian statesmanship should seek to **prevent** as well as to ameliorate – to deal with evils as they arise without waiting for them to reach a stage when any remedy must involve far-reaching social and industrial dislocation (Brown et al 1912).*



# GENERAL MANAGER'S COMMENT

Several remedies were considered in the course of the Royal Commission's investigation. These included, among other things, public control of raw sugar and sugar cane prices. It was recommended that the price for raw sugar was to be fixed on a sliding scale by the Inter-State Commission. The price for sugar cane would be set by a Board in each mill area on a basis which would allow mill owners fair manufacturing profits, proper maintenance and proper write-off for depreciation. Under the proposed arrangements the price for refined sugar would continue to be set in the marketplace 'by the refiner'. The objective of the recommendation was to secure a reasonable distribution of profits, not to prevent any segment of the industry from making reasonable profits (Brown et al 1912).

Elements of the package proposed by the Royal Commission were contained in a Bill designed to regulate the sugar industry in Queensland. The Bill was introduced and passed in the Queensland Legislative Assembly in 1913. However, it was allowed to lapse before reaching the Legislative council and was never enacted.

It would be several years before the matter was legislated under the *Regulation of Sugar Cane Prices Act 1915*, where the Central Sugar Cane Prices Board and Local Sugar Cane Prices Boards were constituted. (The Distribution of Proceeds and Vested Sugar Vol 1, ASC, July 1993)

It is clear that at present there is a risk of market power turning the clock back more than 100 years, in the favour of milling companies, where farmers have little practical ability to negotiate fair terms for their cane, which includes the right to price the portion of sugar in their cane which translates to their cane price, in the manner of their choosing.

## What's all the fuss about the Wilmar proposal?

Wilmar's proposed Joint Marketing Venture with its growers is a subject of much angst at present. This proposal has followed a previous proposal called 'Grower Choice' which ACFA and Canegrowers declined in 2013. Wilmar's fellow millers were not keen either.

Some stakeholders have been uncomfortable about the rejection of 'Grower Choice'. They wanted to be able to negotiate directly with Wilmar – fair enough. The ACFA has never attempted to stand between individual growers or grower groups and their miller. The ACFA rejected the Wilmar 'Grower Choice' model for a number of reasons such as;

- Growers throughout the industry have overwhelmingly expressed a desire for a closer relationship with QSL. They would like to deal directly with QSL with or without the permission of their sugar mill.

- In early 2013, at the time of Wilmar's proposal, the industry had not yet accepted and ratified the current Raw Sugar Supply Agreement (RSSA), which allows mills to buy-back their share (Economic Interest or EI) of sugar from QSL; yet Wilmar was proposing to leap to the next stage – a system where it could also buy-back the growers' share of the sugar in order to market it in competition with QSL. This represents around one million tonnes of sugar, a significant part of QSL's business.
- ACFA was concerned that Wilmar's proposal would compromise the competitiveness of QSL, our jointly owned marketing company.
- ACFA was concerned that by having Australian sugar pitted one against the other in our market of very few large and often State-endorsed buyers, value for farmers would eventually be destroyed and the QSL Qld brand damaged.
- ACFA was concerned that Wilmar was attempting to shift gears too quickly without allowing for the industry to absorb the changes that Wilmar had already instigated.

## How did it come to this?

The reason that the industry had progressed to mills marketing their share of the sugar, in competition with QSL, is that for the 2012 season, Wilmar had insisted that QSL allow them to do so under a loop-hole in the previous RSSA. When informed of this, the other millers and the grower groups were concerned because this fundamentally changed the way that Qld's sugar marketing worked.

Until then, ACFA, Canegrowers and most millers had been satisfied with the pooling arrangements in place since 2006, where individuals could price their share of the sugar but with all physical export sales conducted by QSL.

## What's in it for Wilmar, MSF & Tully?

When Wilmar (Sucrogen), Mittr Phol (MSF) & Cofco (Tully) bought into the Australian industry they bought into a century old convention of partnership between growers and millers. That partnership is based on the sharing of the value of the sugar produced by the mill, from the farmer's cane.

The partnership was put into effect through legislation in order to protect growers – the many weaker parties – from the market power of the miller, the singular and powerful.

This sharing was originally based on sugar only because it was the only part of the cane deemed of value, at the time. While the fibre (bagasse) was burned as fuel in inefficient boilers, the molasses was often dumped as a waste product. Over time, molasses became a valuable commodity for stock feed or ethanol and bagasse increased in value as a renewable fuel for the generation of 'green' electricity. Now Bagasse has a potential added value as a feedstock for the production of ethanol, and bio-engineered products from the fibre.

The sharing of value within the partnership is achieved by assaying the growers cane, in order to measure the sugar content that is deemed recoverable. It is then up to the mill to recover that sugar.

Because of the partnership, growers are not paid a fixed (farm gate) price. Rather, the partnership requires that the farmer is paid an instalment (delivery price) as a down-payment while the partnership sets about achieving the best price possible according to the risk policy of the industry's marketing company, currently QSL.

For over seventy-five years, there was one final pool price for each pool managed by QSL and its predecessors, QSC and the Sugar Board.

Since the Qld deregulation beginning in 2000, but more specifically since 2006, mills have used market power to enforce wording in Cane Supply Contracts, which gives a mill title over the cane from the point of delivery, and so the mill has title of the sugar.

Mills also gained a windfall through the Sugar Industry Act 1999 which defines a 'supplier, for sugar, means a person who, immediately before the sugar is manufactured, owns the sugar cane from which the sugar is manufactured' (schedule s.4).

From that time on, the partnership has referred to the sharing of sugar as a basis for calculating a grower's price only. **Growers have been removed from marketing decisions because they don't own the sugar.** This was a major outcome for mills under deregulation.

Since 2006, millers and growers have been able to price most of their respective 'share' of the sugar. Millers holding a real or physical share and growers holding a virtual share according to their contract and the permission of their mill; with each party then able to price their own 'economic interest' (EI). A grower's EI is the proportion of the sugar in a grower's cane, which relates the grower's individual sugar price to the price that a grower receives for cane. The industry

has mostly retained the conventional formula to calculate this value.

The time-honoured principle of partnership was never based on growers investing in milling assets; rather it was based on the growing sector's contribution to the whole. Historically, this is the basis of the partnership, which was instituted by legislation one hundred years ago.

The recently announced withdrawal from QSL by Wilmar, MSF and Tully has placed the 'partnership' under pressure. The intent of these traders to package up and remove growers from the Qld marketing system in which growers hold a stake, is asking growers to trust a sugar trader, which has an obvious vested interest. In doing so it is worth considering the intentions of these trader-millers.

Traders rely on securing the physical sugar, in order to leverage as much income from the product for themselves. Wilmar, Mittr Phol and Cofco are major sugar traders with ambitions to grow their trading books and take on the big global names of sugar trading. In order to do that they need control of the physical sugar and as much of it as possible.

These three are now asking their growers to leave the rest of the industry and a system which is the envy of the world and which traders have long looked to, in order to break it up for their own gain.

Wilmar's proposed joint venture with growers offers to share the gains from trading with growers 50/50. This is an ominous sign, which undermines the conventional share of sugar of approximately 2/3 to growers and 1/3 to millers (depending on the sugar content of a grower's cane).

Wilmar's information makes it very clear that the proposed Joint Marketing Company (JMC) will have no direct marketing responsibility. Marketing of JMC sugar will be outsourced to another Wilmar entity, Wilmar Sugar

# GENERAL MANAGER'S COMMENT

Trading (WST) under an exclusive fifteen-year service agreement. The terms of that agreement will not be determined as the result of a competitive market process.

Wilmar adds to these concerns when it describes the proposed 'Certification Audit' process to review the 'Accuracy of (Wilmar Sugar Australia) WSA's marketing outcomes for the season.'

However, WST will be doing the marketing, not WSA. There is no mention of an audit of WST in the document. There is no indication of any grower involvement in the audit process such as selecting the auditor and determining the scope of the audit, other than to receive a copy of the audit report.

Growers should not be persuaded, short-sightedly, along a path of no return. Make no mistake: if QSL is demised it will not be resurrected. This is what outside interests would like; for then they can own and control the physical sugar, the associated premiums and the arbitrage of futures positions.

By seeking to take their growers off into separate systems, Wilmar, Mitr Phol and Cofco have turned the clock back one hundred years. Any negotiated outcome for growers will only be as good as grower unity, a commodity that the trade has an interest in dividing. Qld's cane farmers are well on the way down the path of the dairy farmer vs the large multinational processor and this is not in their best interest.

Grower representatives who rejected Wilmar's 'Grower Choice' model in 2013, did so because it did not adequately acknowledge our century-long convention of income sharing between mills and growers and they believed that it compromised the competitiveness of QSL, our jointly owned marketing company.

ACFA suggests that rather than leave QSL for an unknown, they would do better to take the opportunity to support and improve QSL, the company they already own which has served them well.

## What are the risks?

What guarantee can a miller who leaves QSL give to its growers that they will be quarantined from;

- A repeat event of the production shock of 2010?
- A production or pricing disaster in their miller-trader's global book.

For example, if a miller-trader suffers a loss from its global trading book, how will Australian growers be assured that they will be quarantined from that loss? After all, they thought they were in 2010 yet the mills managed to force the loss onto farmers. If there is a dispute, who will ensure transparency and fair play? Who will hold the information and power?

## What does the ACFA want?

The ACFA does not wish to stand between individual growers or grower groups and their miller.

The ACFA wants QSL to be able to work on a level playing field, providing a long-term competitive marketing service for growers and millers.

The ACFA supports a grower choice model where:

- There would be a formal recognition of growers' economic interest clearly set out in cane supply agreements.
- Growers have the right to market and price their economic interest sugar via QSL or their mill.
- All sugar passes through QSL under the RSSA as per the current system.
- Mills may buy-back their own miller economic interest sugar from QSL.
- Mills may buy-back their grower/supplier's economic interest sugar or part thereof, from QSL, where a grower agrees.
- Mills are committed to QSL for a minimum of five years (a typical crop cycle).
- Mills may only withdraw from the RSSA where a majority of all growers/suppliers to that milling company agree by vote.
- QSL is allowed to work on a level playing field, providing a long-term competitive marketing service for growers and millers.

## Further actions

ACFA has met with Commonwealth Minister for Agriculture the Hon. Barnaby Joyce MP.

ACFA and Canegrowers have had several joint meetings with Qld Minister for Agriculture, Fisheries and Forestry, Hon Dr John McVeigh. ACFA and Canegrowers have also jointly met with Mr Rod Sims, the Chairman of the ACCC. Among other concerns, we are concerned that millers' actions may result in the destruction of QSL and therefore the impairment of competition for marketing services for growers. ACFA will continue to work with QSL, Canegrowers, other grower groups, millers and Government to resolve the issue.

**Stephen Ryan**  
General Manager



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## Deregulation and the ambitions of multinational sugar traders

Since 2006, amendments to the Sugar Industry Act have given the mills ownership of the sugar and international sugar traders now account for about 23 million tonnes of sugarcane crushed; which is all but about nine million tonnes of Australia's milling capacity. Sugar refining in Australia and New Zealand is approximately 62% foreign owned. This trend has been so comprehensive that there is frequent talk of when and where the next acquisition will be.

Foreign ownership is not necessarily a negative thing. What matters is the agenda of the purchaser. Along with any acquisition of a key stakeholder in an industry, other stakeholders want to know the intentions of the acquirer and more specifically for the longer term. What will the acquisition mean for participants and what level of confidence can stakeholders hold for a long-term investment in their own businesses, specifically cane farms?

The Wilmar Sugar Australia decision to exit the current sugar marketing arrangements with QSL take effect from the end of the 2016 season. Wilmar cites 'A desire to achieve better commercial outcomes and greater transparency in partnership with its growers', as the catalyst.

Wilmar says that its aim is 'to create a genuine commercial partnership with growers, so it is important we jointly develop the new marketing model'. Grower consultation has been ongoing across the Herbert, Burdekin, Proserpine and Plane Creek regions.

Wilmar Sugar Australia has presented a partnership proposal to grower representatives claiming it would enable growers to receive improved returns and have greater involvement in marketing and pricing decisions.

The partnership is based on a new joint marketing company (JMC) that will have equal numbers of board seats for growers and Wilmar. The board will appoint a CEO to oversee raw sugar marketing by Wilmar Sugar Trading (WST) as well as coordinate storage and handling, manage sugar pricing and pools, and administer grower payments.

Wilmar's objective is to leverage its position as an international sugar trader to achieve improved pricing outcomes and marketing premiums for growers. WST will develop a seasonal marketing plan in consultation with the JMC Board of directors, which will receive monthly reports on net regional premiums for every cargo of JMC sugar as well as other sales by WST to the same destinations. Executive General Manager — North Queensland, John Pratt, said the grower-elected JMC directors would have involvement in sugar marketing and pricing. 'Through the JMC, growers will see the actual market returns on sugar sales and be confident that these are passed through directly to them.'

'The JMC will offer growers a wider range of pricing and pooling options including accessing a pricing pool managed with the full price risk management expertise of WST.'

'The partnership will also provide a wider range of options for advance payments to growers, and greater security with cane payments made directly to growers from the JMC which will own the raw sugar.'

Wilmar is Australia's largest cane milling company. With an annual milling capacity of about 17 million metric tonnes (MT), Wilmar produces about two million MT of raw sugar. It exports mainly to Asia, a region with a large and growing sugar deficit and which is the primary market of QSL.

Wilmar's sugar refining business operates five refineries across Australia, New Zealand and Indonesia, with a combined annual production capacity of almost two million MT. Wilmar has operations in Australia, Brazil, China, India, Indonesia and Thailand as well as Europe and Africa. WST has grown rapidly to become one of the world's leading sugar traders, with over five million metric tonnes traded in 2013.

Immediately following Wilmar's announcement, Mackay Sugar confirmed that it will remain with Queensland Sugar Limited (QSL), regardless of Wilmar's decision to withdraw.

Mackay Sugar CEO Quinton Hildebrand said the outcome was unfortunate, yet stated Mackay Sugar did not share Wilmar's position. 'Mackay Sugar intends to remain with QSL and we will work with QSL, the other mill suppliers and growers to develop a suitable strategy that can be put in place from the 2017 season.'

Mackay Sugar will export 300,000 tonnes of raw sugar via QSL this season, with its economic interest sugar

of approximately 150,000 tonnes marketed via Queensland Commodity Services (QCS). Although marketed through QCS, the economic interest sugar is still part of QSL's Raw Sugar Supply Agreement and is passed through QSL's financing, pricing, logistics, and quality systems.

On 27 February 2014 Mackay Sugar announced a partnership with Copersucar, the global leader in sugar marketing and the world's largest sugar and ethanol exporter, for the joint marketing of raw sugar into the Asian markets.

Mackay Sugar's marketing body Queensland Commodity Services (QCS) will combine a portion of Mackay Sugar's raw sugar supply with Copersucar's supply to increase returns on the sugar sold to the Asian markets.

Up until now, Mackay Sugar's raw sugar has been exported exclusively through Queensland Sugar Limited (QSL); however, with QSL offering marketing rights to other industry players in 2013, Mackay Sugar has opted to export its economic interest sugar of approximately 150,000 tonnes from 2014 via QCS, leaving 300,000 tonnes of sugar to be exported via QSL.

Mackay Sugar Chief Executive Officer Quinton Hildebrand said that whilst Mackay Sugar remains a strong supporter of QSL, Mackay Sugar had to safeguard its export marketing and part of this need is to establish an alternative marketing channel outside of QSL.

Copersucar's footprint of 47 mills covers the length and breadth of the Brazilian cane growing regions, with the company marketing nine million tonnes of sugar annually and accounting for 11% of global sugar exports. The agreement between Mackay Sugar and Copersucar will be effective from the 2014 Season.

In other news, Cofco Corp, China's largest grain trader which owns Tully Sugar has agreed to pay \$1.5 billion for a majority stake in Noble Group's agricultural trading unit to increase food security for China.

Noble Agri was established in 1998 as the agricultural platform of Noble Group and is mainly involved in agricultural trading and processing business which it originates from low-cost producing regions such as South America, South Africa, East Europe, India, and Australia, to supply regions with high demand, such as Asia and Middle East ([www.thisisnoble.com](http://www.thisisnoble.com)).

In late February 2014 Cofco also bought a 51 percent stake in Dutch trader Nidera in order to gain access to South America's grain and oilseed markets. The acquisition valued Nidera at \$4 billion including debt.

Nidera is a major international agribusiness and trading company with an annual turnover in excess of USD 17 billion. Nidera was founded in Rotterdam (the Netherlands) in 1920, with its early activities focusing on grain and foodstuffs merchandising in the regions from which it took its acronym: Nederland, (East) Indies, Deutschland, England, Russia, and Argentina. Currently Nidera has domestic and

international operations in 18 major export and import countries and distributes its products to more than 60 countries in the world ([www.nidera.com](http://www.nidera.com)).

Year by year, the picture of strategic acquisition of Australian sugar assets comes into clearer focus – a strategy of ownership or control of commodities in the interest of food security and the securing of premiums for profit. As the global agribusiness juggernauts compete for growth and markets, **those making the acquisitions have a long-term view and therefore the farmers supplying them must also take a long-term view.**

Wilmar has announced its intention to introduce its own QSL-like structure. It is a direct challenge to QSL and signals a decision time for Qld cane farmers to decide whether they want to engage with and improve the QSL in which they already have a stake, or participate in the fragmenting of our joint marketing structure, which is the envy of the world. To compete with burgeoning global agribusinesses and maintain value in our traditional markets, it is arguably more vital than ever that farmers work together to organise themselves into a structure that best serves their long-term interests for sugar marketing and pricing. This will involve burying some hatchets. Qld produces a reliable high quality product, which significantly trumps the variable quality of the sugar traders. Our customers appreciate this and so prefer to deal with QSL.



**More information on Wilmar Sugar Australia can be found on the new Wilmar Sugar Mills website: <http://www.wilmarsugarmills.com>**



## Cane farmers betrayed by sugar traders say ACFA



Don Murday

ACFA Chairman

30 June 2104

30 June 2014

Australian Cane Farmers Association (ACFA) have today slammed the decision by a third sugar miller to withdraw from Queensland's industry-owned marketing body at the conclusion of the 2016 season.

COFCO-owned, Tully Sugar, follows Wilmar Sugar Australia and MSF Sugar Limited in announcing their resignation from Queensland Sugar Limited (QSL).

ACFA Chairman, Don Murday, conveyed his dismay earlier today.

"Queensland cane farmers have yet again been betrayed," Mr. Murday said.

"Only last week, the Hon. Minister John McVeigh MP hosted a meeting to kick start the process for developing a grower choice model which set out to achieve a model that is acceptable and profitable to all parties while keeping the Queensland brand intact.

"Instead, our 100 year-old brand and system that farmers trust and have confidence in is being ripped apart by sugar traders serving only their own interest," Mr. Murday said.

Mr. Murday continued to say that it is now imperative that Government intervene and insist on a marketing model that is mutually profitable for both millers and farmers.

"State and Federal Governments need to clearly understand that there is a heck of a lot more votes in 4,500 cane farmers than there are in three multi-national sugar traders," Mr. Murday continued.

ACFA applauded both Bundaberg Sugar and Mackay Sugar who have both re-affirmed their support for QSL.

Mr. Murday also noted that like MSF and Wilmar, COFCO has recently embarked on new joint ventures and business partnerships, seemingly as a part of an international strategy.

"Make no mistake, those who have resigned from QSL have done so with only their own corporate interests at heart.

"It's ironic that the deserters are so proud of their corporate social responsibility, however it's proving inconsistent with their treatment of Queensland cane farmers who have overwhelmingly expressed their desire to stay with QSL; the company they own and support," Mr. Murday concluded.

# Rep body calls for Government to intervene in sugar marketing dispute

27 June 2014

**Australian Cane Farmers Association (ACFA) has today called on Government to intervene and demand fair play in the future marketing of Queensland's raw sugar.**

Australian Cane Farmers Association (ACFA) has today called on Government to intervene and demand fair play in the future marketing of Queensland's raw sugar.

The call comes in the wake of MSF Sugar Limited giving their resignation to the industry-owned marketing body, Queensland Sugar Limited (QSL). The news follows on the heels of Wilmar Sugar Australia's announcement to resign from QSL in April.

ACFA Chairman, Don Murday says that this is not a time for Government to delay as swift, decisive action is needed to ensure cane farmers are given a choice as to where and how their share of sugar is marketed and priced.

"It is no secret that the international sugar trade which has invested in Australian sugar milling assets, along with our competitors have an interest in destroying QSL," Mr. Murday said.

"Enough is enough! Farmers have spoken and have made it crystal clear that they want to ensure that their industry-owned marketing body survives.

"Most of QSL's cash flow is destined for farmers' bank accounts so no one should claim that farmers have no say in QSL."

"Cane farmers tell us that QSL is important to them because they own a share of QSL and have a century of trust in this structure."

Mr. Murday continued to say that Queensland cane farmers are set to be yet another in a line of rural industries who will see its farmer's captive to more powerful interests unless Government acts now.

"Our current marketing model is the envy of the world, it would be total madness for the Australian Government to sit back and let foreign owned sugar trading companies destroy it," Mr. Murday continued.

In the deregulation of the sugar industry in 2006, millers gained the long coveted ownership of the sugar and the ACFA says it was only a matter of time for newer, more ambitious mill owners to seize control in a crude display of market power.

"Cane farmer's rights have now effectively been exported," says Mr. Murday.

The ACFA notes that the market power situation facing cane farmers today is similar to that of the early Queensland industry which lead to the Royal Commission of 1912 where the Commission observed:

But we take it that Australian statesmanship should seek to prevent as well as to ameliorate – to deal with evils as they arise without waiting for them to reach a stage when any remedy must involve far-reaching social and industrial dislocation (Brown et al 1912).

"The facts identified in 1912 ring just as true today and there is a clear role for responsible Government to prevent a disaster rather than to simply pick up the pieces," Mr. Murday concluded.

ACFA will continue to work with cane farmers and other industry bodies to ensure an appropriate outcome.



**ACFA Chariman Don Murday  
with CANEGROWERS Chairman  
Paul Schembri**

## Wilmar to growers “you have no rights”

27 MAY 2014

**After over 12 months of negotiations, Wilmar has finally come out and showed their true colours with a blatant statement in a press release that “growers do not have any legal or contractual rights”.**

CANEGROWERS and Australian Cane Farmers Association (ACFA) say it is exactly this mentality that has united them in the fight for the protection of grower interests against corporate entities which would strip them of it.

“If ever growers were looking for a rallying point, this is it,” says CANEGROWERS Chairman, Paul Schembri.

He says it has confirmed what CANEGROWERS and ACFA have known all along.

“While Wilmar was tying us up in supposedly good faith discussions, they were behind the scenes developing a far more sinister scenario for growers.”

The grower groups slammed accusations made by Wilmar that they had rejected models during negotiations which would have given growers what they are now fighting so strongly for.

“People try and rewrite the course of history to suit their argument, but the fact is CANEGROWERS and ACFA rejected Wilmar’s early proposals because they didn’t offer real choice and effectively stripped growers of their rights – a central tenant of every model and proposal put forward by Wilmar since,” says ACFA Chairman, Don Murday.

“Just because Wilmar called those early models ‘grower choice’ doesn’t mean that’s what they delivered. They should have been

called ‘Wilmar’s choice for growers’ because they served the best interests of Wilmar, but they certainly did not serve the best interests of the growers,” he says.

Mr Schembri says that this tactic appears to be one from a miller under pressure from a grower uprising – a tactic aimed at distracting from the rising tide of growers who are taking the fight public.

“ACFA and CANEGROWERS united position is a future where growers continue to have a real choice of how to market their two-third economic interest in the sugar,” he says.

The idea that growers have two-thirds interest in the sugar is not new. In fact, Wilmar itself has pushed the point when it suited them, the grower groups say.

“In 2010-11 Wilmar demanded that growers share two-thirds of the \$110M production losses that year, being their economic interest beyond the farm gate,” says Mr Schembri.

“But now they are changing their story to suit themselves and expecting growers to just roll over and let them have their cake and eat it too.”

Mr Murday says that the industry is deeply concerned about the broader competition implications of the proposal and says that the ACFA and CANEGROWERS has made a formal approach to the Australian Competition and Consumer Commission to flesh out these concerns. He says the growing grower backlash has escalated quickly.

“In seven days, over 2600 objections have been logged and hundreds more are coming in each day,” he says.





**Greg Beashel**

**By Greg Beashel,  
Chief Executive Officer  
Queensland Sugar Ltd**

Wednesday, 02 July 2014



# Wilmar ignores its growers in snub to grower choice talks

**Wilmar has shown a blatant disregard for its growers, the government and the sugar industry in rejecting Queensland Minister for Agriculture, John McVeigh's, invitation to take part in talks around a grower choice industry model, QSL CEO, Greg Beashel said today.**

"The Minister for Agriculture is doing all in his power to bring everyone to the table to have a fair and reasonable discussion to ensure a sustainable Queensland sugar industry for 2017 and beyond," Mr Beashel said.

"It's clear that Wilmar is not willing to compromise at all with their growers and is focused only on pursuing its own interests through a model that will remove local growers from the QSL system, sell sugar to its own clients through one of its own companies (Wilmar Sugar Trading), and expose growers to a different level of risk and profit transparency.

"This is particularly surprising, as the model we are considering is based on the model Wilmar proposed to the industry just last year.

"QSL believes an industry-agreed grower choice model would provide true competition, foster innovation and deliver the fairest outcome for all millers and growers. This would allow growers the opportunity to select either QSL or their mill to price and sell their sugar and provide growers with the confidence they need to continue to invest in the industry."

Mr Beashel said QSL remained very concerned for growers in Wilmar's mill areas, who continued to voice their objection to Wilmar's proposed marketing arrangements, which if implemented, would essentially strip them of their right of choice.

"Wilmar claims that it wants to 'create an open and constructive partnership' with growers, however these appear to be hollow words when they are not listening to their growers who are calling for choice as to who markets their sugar," Mr Beashel said.

"Wilmar is effectively refusing to deal with growers in any way that would result in competition of marketing services. The only reason they are able to do that (without growers switching to a mill owner who would deal with growers in a way which provided competition) is because they know they have market power and no competitors to provide milling services for most (if not all) growers who supply their mills.

"QSL shares the concerns of grower groups that Wilmar are misusing that market power to prevent competition in another market."

Mr Beashel refuted Wilmar's claim that the collaborative QSL industry model was 'outdated', saying he believed it was more relevant now than ever before.

"Now, more than ever, growers and millers need a transparent industry model that they can rely on to ensure fair distribution of value. The QSL model is very flexible allowing participants to make their own pricing decisions and even for mills to sell their own economic interest sugar.

"I also question how Wilmar can claim its model will provide more transparency, when it would make Wilmar both owner, seller and potentially a buyer for of the growers' economic interest sugar which has been clearly called out by grower organisations as creating major transparency and conflict of interest issues.

"QSL is owned by the Queensland sugar industry and has no other motivation than to generate value for its members with all returns given back to growers and millers. Wilmar is a global trading company whose focus is on generating profit for its shareholders."

Mr Beashel said Wilmar should examine its own claims about sugar pricing before it accused the industry of making false and misleading claims.

"Wilmar's recent pricing claims and comparisons were misleading, as they fail to consider a number of essential pricing elements including risk parameters and timelines applied to pricing decisions," Mr Beashel said.

"Anyone can use a pricing figure out of context. QSL offers a range of pricing options to growers and millers. Each participant receives a different price, depending on the pricing option they have opted for, which is based on the level of risk participants are willing to take and the time at which pricing is undertaken on the futures market."

"If Wilmar wants to be assured of cane supply into the long-term future then it needs to start listening to the biggest investor in the sugar industry, the farmers who supply them cane, and start respecting their needs, as both rely on each other for survival."

Mr Beashel said he looked forward to working with the industry and the Government to come to an agreed solution to secure a sustainable future for the Queensland sugar industry.

**SAY NO  
TO  
WILMAR**

The '**Say No to Wilmar**' campaign has been launched in response to Wilmar giving notice to leave QSL at the conclusion of the 2016 season.

Through this campaign an online petition has been started to allow cane farmers to show their support for being given the **choice** to market through their industry-owned body, Queensland Sugar Limited (QSL).

**To sign the petition, please visit:**  
<http://www.ipetitions.com/petition/saynotowilmar>

## Are you receiving ACFA's weekly E-News?

Keep up to date with sugar industry news by subscribing to our **free** E-News.



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## 26 June 2014

QSL CEO Greg Beashel said an official signing ceremony was held this week which sealed the deal for QSL to supply 1.164 million tonnes of raw sugar to Korea's three refineries over the 2015 and 2016 seasons.

“We were pleased to welcome representatives from these world-class businesses who are important customers of Australia,” Mr Beashel said.

“Our 40 year partnership is built on the principles of trust, respect and a two-way creation of value. This is at the core of QSL’s producer-seller approach which is about building sustainable relationships with customers.

“We pride ourselves on providing quality sugar that is best suited to each customer’s operations and delivering the sugar when the customer wants it, on-time and in-full.”

Mr Beashel said QSL and Korea's history dates back to 1974 when Australia replaced Taiwan as the major supplier of raw sugar into Korea and QSL signed its first long-term contract.

“Long-term contracts are a key feature of our ongoing partnership which has seen more than 22 million tonnes of sugar exchanged between Australia and Korea,” Mr Beashel said.

“We look forward to continuing to build on our partnership with CJ Cheiljedang Corporation, Samyang Corporation and TS Corporation into the future.”

Mr Danny Yoon, General Manager from CJ Cheiljedang Corporation said during his recent visit to Queensland that the company had a long history of working with QSL.

“We have enjoyed visiting Australia and meeting the people behind the product including the farmers who grow the cane, millers who process it into sugar and the QSL team that markets the sugar,” Mr Yoon said.

“We appreciate the support from the Australian sugar industry and value the producer-end-user model partnership that we have with QSL.”

An official signing ceremony was held at the QSL Brisbane office this week followed by a dinner with representatives from the Queensland sugar industry.



## ACFA Director Finalist in Premier's Sustainability Awards

ACFA Director and Next Gen Officer, Gerard Puglisi, was named a finalist in the Queensland Premier's Sustainability Awards in the Rural category earlier in the year.

Gerard was made a finalist due to his active role in shaping the future of the sugarcane industry in Far North Queensland for more than a decade.

Gerard is producing cocoa in areas on his property that are not productive or profitable for sugarcane. While making sustainable use of his land he is reducing his risk and evening out the uncertainties of producing a single commodity.

Mr Puglisi has also started the 'Generation Next' program—to share his knowledge and entice young farmers into a career in sustainable agriculture.



Gerard Puglisi and wife Terese

## ACFA echoes call for reduced electricity prices

14 MAY 2014

The Australian Cane Farmers Association (ACFA) have today confirmed their support for CANEGROWERS' campaign to reduce electricity tariffs by 33% for all irrigators.

ACFA Chairman, Don Murday, said that his organisation had met with Queensland State Minister for Energy & Water Supply, Honorable Mark McArdle, and had discussed the importance of reducing electricity costs for irrigators.

"The ACFA Board have met with the Minister and confirmed to him that we are fully supportive of CANEGROWERS' campaign," Mr Murday said.

"In the sugar industry alone, we have seen a huge production decline in irrigation areas; we cannot allow these excessively high prices to continue to cripple irrigators like they have been.

"We are calling on the Queensland Government to back the proposal in the interests of achieving their goal of doubling agricultural production by 2040," Mr Murday continued.

The campaign has been submitted to Premier Campbell Newman ahead of the State's budget release on Tuesday 3rd June.



## Cane farmer wins National Carbon Cocky (Farmer) of the Year award

**New South Wales cane farmer and Australian Cane Farmers Association Director (ACFA), Robert Quirk, has taken out the prestigious National Carbon Cocky of the Year award at the National Carbon Farming Conference and Expo in Canberra recently.**

Through Robert's commitment to education and sharing the knowledge that he has developed over years of work and research and through the enormous time and effort he has invested, Robert is helping to ensure that his industry, both in Australia and across the globe, remains sustainable.

"It is a huge honour in being awarded National Carbon Cocky of the Year; it's fantastic to be recognised on such a renowned forum," says Robert.

"I am very appreciative for this recognition, especially amongst so many respected and deserving candidates."

Robert is nothing short of a practise-change pioneer and his outstanding contribution to the sugar industry is undeniable. He has dedicated his farm to understanding, implementing and achieving results in the management of land based carbon storage and carbon emission reductions.

"Researchers said that it would be difficult to increase soil carbon in sugarcane soils and suggested that it was only possible to slow the reduction, however we have been able to dispel this theory.

"We've managed to effectively increase carbon levels in our soils, increase productivity, reduce emissions, decrease fertiliser use, and improve water quality and soil health.



**Robert Quirk wins National Carbon Cocky of the Year**

"It is so important that, we as cane farmers, take control of our environmental footprint which is a big part of ensuring our industry remains sustainable," says Robert.

As well as sitting on the Board of ACFA, Robert is also a Director of Bonsucro, the global sugar production standard, is Chairman of Tweed Canegrowers and has worked on numerous committees, grower boards, catchment groups, local government and climate farmer groups.

**Robert also took out the Earth Systems National Carbon Cocky Award**

For Outstanding Leadership for demonstrating a learning attitude and sharing his knowledge of sustainable farming practices and increased land based carbon storage.

Robert expressed his sincere thanks to 3D-AG for sponsoring National Carbon Cocky of the Year award and Earth Systems for sponsoring the National Carbon Cocky award for Outstanding Leadership.



## The Passing of Robert and Bob Rossi

**The Australian sugar industry is mourning the loss of two well-loved Mulgrave cane farmers, Robert Rossi and son, Bob.**

Robert Rossi, a first generation cane farmer who arrived in Australia from Italy in the 1920's, has been described as an 'innovator' and a 'visionary'.

As well as working hard to secure a successful cane farming and earth moving business, Robert was also involved in many off-farm roles. These included serving on the Mulgrave Shire Council, Mulgrave Mill Suppliers Committee, being a Director of Mulgrave Co-operative Mill and was also awarded an Order of Australia Medal in 1992.

Robert was 90 years old when he passed.

Robert's son Bob sadly passed away a few short weeks' after his father's death. He too has been remembered for his extensive involvement in both the sugar industry and in the wider community.

Like his father, Bob Rossi was a very active member of the Australian sugar industry, sitting on the Mulgrave Mill Suppliers Committee, CANEGROWERS Cairns Region Board and the CANEGROWERS Queensland Board, as well as various other leadership positions outside the industry.

Bob was 64 years old when he passed.

ACFA offer their deepest condolences to the Rossi family.



**Robert Rossi**



**Bob Rossi**



**Mac Hogarth**

## The passing of Mac Hogarth

**The Australian Society of Sugarcane Technologists recorded with sympathy the passing of Dr Mac Hogarth AM, a long standing Life Member of the Society.**

Mac had a long and outstanding involvement with the Australian sugar industry. Mac served most of his career with BSES with postings at the Mergina and Bundaberg Experiment Station as part of the Plant Breeding group, to his role as a Biotechnician at BSES in Brisbane. During his time in Brisbane, Mac was also part of the Executive management team until he retired in 2002.

Mac's major research contributions were in quantitative genetics, the establishment of databases to improve the efficiency of the plant breeding program, and the establishment of the biometrics unit in BSES.

After retirement, Mac became a Director of SRDC for six years. In 2010, he was asked to join a Scientific Advisory Group set up by the European Union to oversee projects funded by the EU in Developing Countries that sell sugar to the EU.

Mac had been actively involved in ASSCT for many years where he served terms as Secretary and Chairman of the Agricultural Section, Editor as well as serving a term as President. Mac was made a Life Member in 2003.

Along with ASSCT, Mac also contributed heavily to the International Society of Sugarcane Technologists (ISSCT) working as the Editor for many years. Mac was honoured to be made a Life Member in 2007.

Mac was made a Member of the Order of Australia in the Queen's Birthday Honours List in 2006.

The Board and staff of the Australian Cane Farmers Association would also like to express their deepest sympathy at the news of Mac's passing and note his outstanding contribution to the sugar industry.





# YOUNG FARMERS, RESEARCHERS & MILLERS, IT'S YOUR CHANCE TO...STEP UP!

Register your interest for *Step UP! 2015* today!

**As the next generation of the sugar industry you can lead the conversation about innovation, sustainability and profitability at the *Next Gen Step UP! 2015* conference.**

Join us to influence your industry's future and:

- discuss issues with national and international agri-business leaders;
- be inspired by innovative people in your industry;
- get invaluable advice from leaders in finance & accountancy;
- meet and network with others in the sugar industry;
- and
- of course, have fun in a beautiful tropical North Queensland location!

**StepUP!**

**Register by emailing  
[nextgenfarmers@gmail.com](mailto:nextgenfarmers@gmail.com)**



ACFA Board at the 2014 AGM

## ACFA welcome new Director

In March, Australian Canefarmers was pleased to announce the appointment of new Independent Director, Mick Camilleri.

Michael is a long time active member of ACFA from the Innisfail region. The Board are very happy to welcome Mick as a Director.



New ACFA Director Michael Camilleri

## ACFA's holds AGM in Kurrimine Beach

ACFA was pleased to host their Annual General Meeting at Kurrimine Beach on Monday 17th March.

The meeting saw ACFA's Chairman, Don Murday, deliver his Chairman's report, along with ACFA Director and Next Gen Officer, Gerard Puglisi who delivered the 2013 Next Gen report.

Following the official proceedings of the AGM, the group welcomed QSL Industry Relationship Manager, Carla Keith, who gave a market update and took questions from members.

ACFA General Manager, Stephen Ryan, also addressed the room, giving an overview of key issues and events which occurred in the sugar industry over the last twelve months. The group engaged in discussion around these topics.

After the meeting concluded, the group welcomed Jodie Kindlean from Aon Risk Services and caught up over afternoon tea.

The Board and staff of ACFA would like to extend their sincere thanks to the ACFA members who attended, as well as to Carla and Jodie who travelled to attend the meeting.





Delegates hearing about the dual herbicide sprayer



ACFA Burdekin Director Margaret Menzel, Ian Kemp and ACFA Herbert Director Carol Mackee



Responsible Economical Environmental Fertiliser Applicator

## ACFA at GIVE 2014

Australian Cane Farmers was very pleased to attend the Grower Innovation Virtual Expo (GIVE) 2014 on 18th & 19th March in Innisfail.

The two-day event kicked off with a casual BBQ at Innisfail Showgrounds where delegates registered, collected their conference bags and got to catch up and talk about the festivities in the days ahead.

Day One featured presentations from various grower groups from across the industry, which included:

**The Biochar Grower Group of Lannercost-** 'Assessing the impact of biochar in the Herbert cane industry'

**Driving Agricultural Goals Group (DAG)-** 'Developing prescription compost to suit specific soils in Maryborough district'

**Mt Catherine Cooperative-** 'Effective use of lower mill mud rates in the nutrition program'

**The United Soybean Growers Group-** 'Cross Regional Soybean Variety Trials'

**Advance Burdekin Collective Research Group-** 'Investigating the Role of Microbes, Carbon in Soil-Plant interaction in Burdekin Sugarcane soils'

**Farmacist-** 'Next step in Precision Agriculture'

Following the mornings presentations, participants split into groups and ventured off on field tours around the local area.



Included in the tour was a stop next to the South Johnstone Mill to learn about gabion baskets that local farmers are developing to slow water flow and prevent the erosion of infield gullies. Here we also heard from Bob Stewart from Terrain about re-vegetation projects in the area.

We also stopped by Gattera & Devaney's farm to have a look at their high clearance 3-wheel row crop sprayer, named Mantis, where the group heard details about the design and construction of this impressive machine thanks to support from Sugar Research Australia.

The tour also included a stop at the Cecchi's farm where they showed off their hooded sprayers and their 'Responsible Economical Environmental fertiliser applicator'. The fertiliser applicator was created by ACFA Director Michael Camilleri, a local cane farmer and engineer.

That evening, the event dinner was held at Brothers League Club where the delegates heard from 2012 Nuffield Scholar, Bryan Granshaw. Bryan intrigued the audience by sharing his learnings from his travels and studies through the Nuffield program. Bryan outlined the benefits the Nuffield program can have on the Australian sugar industry.

Day Two presentations again featured talks on projects from grower groups from all over the State, which included:

**Homebush Innovative Growers Group-** 'Using distribution of organic carbon as a basis for reducing nitrogen application rates'

**Precise Pivot Management Grower Group-** 'Maximising Centre Pivot Efficiencies'

**Hawkins Creek/ Lannercost/ Leach United Pig Management Group-** 'Integrated Feral Pig Management for the Herbert cane area'

**LUMPS Farming Group-** 'Improvement of internal soil drainage and yield on heavy clay soils in the Herbert'

**Plane Creek Sustainable Farmers Inc.-** 'Developing Extended fallow options for the Plane Creek district'

**Blackburn Harvesting Group-** 'Skip Row Configuration in Sugar Cane'

The day two field tour included a trip to the iconic Sugar Museum in Mourilyan. Here the group took some time to listen to a presentation on the history of the sugar industry and wandered through the important historic relics held here.

The group also stopped to hear cane farmer Adrian Daveniza speak about his farms dual herbicide sprayer without hoods.



**High clearance 3-wheel row crop sprayer called Mantis**

Adrian explained that the sprayer allows glyphosate applications in the inter-row using a twin tank sprayer and that they have developed the device in conjunction with QDAFF with the help of Allan Blair and Jack Robertson.

Also on the tour was a visit to a MSF-owned farm in Silkwood where Robert Brookes talked to the group about their trials with spraying residual herbicide directly onto the soil surface immediately after the cane is harvested, before the trash is placed.

A huge thank you must go to the Innisfail Growers Action group, organising committee and event sponsors for a spectacular few days.

## Industry News

### Few surprises for agriculture in economic update

17/12/13

Caring for our Country will be cut by \$6.7 million to pay for a pink batts Royal Commission, the Federal Government's Mid-Year Economic and Fiscal Outlook (MYEFO) revealed reported ABC Rural.

### Funding boost for on-farm water efficiency irrigators

17/12/13

The Newman Government will inject almost \$8 million into rural water use efficiency across Queensland, delivering on election commitments to grow agriculture as one of the four pillars of the Queensland economy said the Hon. Andrew Crips via media release.

### Sugar Research Australia researcher's service to plant pathology honoured by the Australasian Plant Pathology Society

18/12/13

Dr Robert Magarey, Principal Scientist, Sugar Research Australia (SRA) was awarded the prestigious Distinguished Service Award at the 19th Australasian Plant Pathology Society (APPS) Conference in Auckland.

### Cairns and Far North Queensland sugar mills set to share \$46m in investment

19/12/13

Three Far North sugar mills (South Johnstone, Mulgrave, Tableland) will reap the lion's share of a \$46 million investment next year reported The Cairns Post.

### Alleged water cheats 'locked down' as Burdekin irrigation runs low

06/01/14

Authorities were forced to take action against alleged water cheats as river levels in one of Australia's most abundant and reliable irrigation areas fall to perilous levels reported ABC Rural.

### El Nino possibly developing later this year

09/01/14

Farmers in Eastern Australia were told to prepare for less rain in the second half of the year with early climate models suggesting a return to the El Nino weather pattern reported ABC Rural.

### Sweet sailing at Bundaberg Port

13/01/14

The largest bulk sugar ship to dock in the Port of Bundaberg in southern Queensland since Cyclone Oswald dumped 900,000 cubic metres of sediment in the port waters had arrived reported ABC Rural.

### Marksmen in helicopters cull more than 30,000 feral pigs in north Queensland as rare turtles face extinction

15/01/14

Trained marksmen shot dead more than 30,000 feral pigs in north Queensland in the past two years after scientists warned they were wiping out endangered turtles and causing more than \$100 million in agricultural losses reported The Courier Mail.

### Cane farmers feel demonised by health lobby over sugar

16/01/14

Sugarcane farmers say the demonisation by health lobby groups of the product they grow is making them feel like drug dealers reported the Townsville Bulletin.

### Federal Government names ten-member advisory group

30/01/14

The line-up for the Federal Government's new agricultural advisory group was revealed reported ABC Rural.

### Farmers pack out rural crisis meetings in Queensland and New South Wales

03/02/14

Several hundred farmers attended rural crisis meetings and met with Federal Agriculture Minister Barnaby Joyce to push for more financial support as they battle crippling drought reported ABC News.

### Yellow Canopy Syndrome identified in the Mackay sugarcane region

07/02/14

Sugar Research Australia Limited (SRA) confirmed the presence of Yellow Canopy Syndrome, an undiagnosed condition affecting sugarcane crops, in the Mackay region.

### Banks not sold on ARDB

13/02/14

Debt-stressed farmers are pinning their hopes on proposals for the Reserve Bank of Australia (RBA) to offer a low interest alternative to the nation's deep-seated rural loan problems reported Queensland Country Life.

## **Environmental Defenders Office of North Queensland ready to start push for Great Barrier Reef's legal identity**

**16/02/14**

Conservation lawyers launched a campaign to give the Great Barrier Reef a legal identity reported The Cairns Post.

## **Mackay Sugar partners with global leader in sugar marketing**

**27/02/14**

Mackay Sugar announced it had reached agreement with the world's largest sugar and ethanol exporter Copersucar for the joint marketing of raw sugar into the Asian markets.

## **Record dry for Fraser Coast cane and cattle**

**27/02/14**

Cane farmers in the Maryborough region are expecting reduced yields this year as they struggle through the driest season on record.

## **Reef facts campaign launched**

**02/03/14**

A new Reef Facts campaign was launched to cut through the misinformation about the Great Barrier Reef and put the truth on the table the Hon. Andrew Powell said through a media release.

## **Farm income support on the way**

**06/03/14**

A permanent income support scheme to assist farmers experiencing financial hardship, not just during drought, will start on July 1 reported Queensland Country Life.

## **Sweet success for region's young achiever**

**13/03/14**

Young Next Gen cane farmer Josh Buchbach took out Young Achiever of the Year at the Annual Bundaberg Sugar Industry Productivity Achievement Awards for the 2013 Season reported The Observer.

## **MSF Sugar plans to expand**

**13/03/14**

MSF Sugar in the state's southern cane region applied to lease 10,000 hectares of state-owned land north of Maryborough to grow more cane, boost mill throughput, and create jobs reported ABC Rural.

## **Sugar Terminal posts small profit amid dumping fears**

**13/03/14**

Bulk sugar terminal operator Sugar Terminals reported a \$150,000 rise in half-year net profit to \$10.6 million amid concerns that Indian export subsidies will dump more sugar into a well-supplied market reported The Sydney Morning Herald.

## **Women gather for sweet meet**

**14/03/14**

The importance of "strength" was the focus of a Women in Sugar Australia conference which took place in Bundaberg reported ABC Rural.

## **Cargill & Copersucar reach agreement to combine global sugar trading activities in new joint venture**

**27/03/14**

Copersucar and Cargill announced an agreement to combine their global sugar trading activities into a new joint venture that will originate, commercialize and trade raw and white sugar. The joint venture, in which both Copersucar and Cargill will own a 50-percent stake, will have a global footprint.

## **\$2b private proposal to build one of Australia's biggest irrigation schemes in northern Queensland**

**27/03/14**

There are plans in Queensland to build one of the country's biggest irrigation schemes, as debate over whether northern Australia can become the nation's next great food bowl ramped up reported ABC News.

## **Tweed farmer Robert Quirk wins award for carbon work**

**31/03/14**

Tweed cane farmer Robert Quirk won the National Carbon Cocky (Farmer) of the Year award.

Mr Quirk won the award at the National Carbon Farming Conference and Expo in Canberra for his commitment to ensuring the cane farming industry remains sustainable reported My Daily News.

## **Growers mount fight of their lives to keep profits transparent**

**03/04/14**

CANEGROWERS and ACFA issued the strongest possible warning to the miller of close to half of Australia's sugar that it must consider the future viability of growers, as news that it plans to break away from QSL and set up its own marketing arm ripples across the industry.

## **Mackay Sugar to stay with QSL despite Wilmar's withdrawal**

**03/04/14**

Mackay Sugar has confirmed that it will remain with Queensland Sugar Limited (QSL) regardless of Wilmar's decision to withdraw from the raw sugar marketing body.



## **Mackay Sugar introduces Tablelands Cane Transport Action Plan**

**04/04/14**

Mackay Sugar introduced an action plan to address community concerns associated with the transportation of Tablelands cane to Mossman Mill, with the plan announced at several community group meetings held in Julatten and Mt Molloy.

## **Ita flattens north Qld cane fields**

**14/04/14**

Far north Queensland cane fields are as flat as pancakes and waterlogged thanks to Cyclone Ita reported the Brisbane Times.

## **Sugar research body invests nearly \$4 million to counter Yellow Canopy Syndrome**

**15/04/14**

The Board of Sugar Research Australia (SRA) has invested nearly \$4 million dollars from reserves to fund a three-year integrated research program as part of its ongoing resolve to identify and develop management strategies for Yellow Canopy Syndrome (YCS).

## **Sugar Research Australia launches R&D roadmap**

**29/04/14**

Sugar Research Australia announced at the Australian Society of Sugar Cane Technologist (ASSCT) Conference on the Gold Coast that its future research, development and extension (RD&E) investment program will concentrate on eight key focus areas.

## **Disasters claim sugar jobs**

**01/05/14**

A combination of the floods of last year and the subsequent drought has led to job losses at Bundaberg Sugar's operation reported The Queensland Times.

## **Australia forced to import Australian molasses**

**08/05/14**

A national shortage of molasses has forced livestock supplement companies to start importing Australian molasses back into the country reported ABC Rural.

## **Sugar research body invests over \$16 million in RD&E program for the year ahead**

**08/05/14**

Sugar Research Australia Ltd (SRA) has announced that it will invest over \$16 million in its research, development and extension (RD&E) program in the 2014-15 financial year.

## **NQ canegrowers want their power costs cut by a third**

**09/05/14**

North Queensland sugarcane growers, have called on the State Government to cut their power costs by more than a third, to save the industry reported ABC Rural.

## **Herbert sugar crop estimate the best in years**

**14/05/14**

The North Queensland sugar season will get underway in just a few weeks, and the crop estimates for the Herbert this year are the best in five years reported ABC Rural.

## **Ag holds its ground**

**13/05/14**

Agriculture held its ground in this year's tight federal budget, bolstered by a key Coalition election commitment to invest an additional \$100 million in research, development and extension (RD&E) reported Farm Online.

## **Fire damages Bundaberg sugar mill**

**14/05/14**

Scientific police say a sugar mill near Bundaberg suffered millions of dollars of damage in an overnight fire reported ABC Rural.

## **Ravensdown closes Queensland operation**

**15/05/14**

Ravensdown's exit of the Australian fertiliser market is complete after an announcement that its operation in Queensland will cease trading.

## **Wilmar provides formal notice to exit QSL**

**21/05/14**

Wilmar Sugar Australia provided QSL with formal notice that it will exit the voluntary marketing arrangements at the conclusion of the 2016 season.

## **'Say No to Wilmar' campaign launched**

**22/05/14**

Following Wilmar's decision to officially give notice to leave QSL at the conclusion of the 2016 season, a Facebook community and has been created.

The site encourages growers to read and sign the 'Say No To Wilmar' petition as well as read and sign a letter directly to Wilmar. #saynotowilmar is also being encouraged to be used on social media.

## **Robert Rossi: a life most remarkable**

**27/05/14**

"Robert Rossi was Gordonvale, Gordonvale was Robert Rossi", the words of former Cairns deputy mayor and councillor Jeff Pezzutti, of the enduring contribution of the civic leader and visionary, who died recently aged 90 reported ABC Rural.

## **Another Rossi death shocks sugar community**

**03/06/14**

The far north Queensland community is mourning the loss of another sugar industry stalwart, Bob Rossi junior, only weeks after the death of his father, Robert Rossi OAM reported ABC Rural.

## **Tully crush set to to beat record as North Queensland cane crushing season commences**

**02/06/14**

With the focus lately being firmly on the future of sugar marketing, you could be forgiven for forgetting the cane crushing season is upon us reported ABC Rural.

## **High power prices turning Qld irrigators off**

**02/06/14**

With Queensland irrigators facing a 15 per cent rise in power prices, some farmers are already opting out of watering their crops, because it's too expensive reported ABC Rural.

## **New international MOU to strengthen Australia's and Sri Lanka's sugarcane plant breeding**

**02/06/14**

Sugar Research Australia Ltd (SRA) and the Sugarcane Research Institute (SRI) of Sri Lanka have signed a ten-year memorandum of understanding (MOU) that will expand the potential of both countries' sugarcane plant breeding programs.

## **Drought loans finally available for Queensland**

**04/06/14**

The Federal Agriculture Minister says farmers in Queensland will be able to start applying for concessional drought loans as of today reported ABC Rural.

## **QSL secures \$500m contract with Korean customers**

**05/06/14**

Queensland Sugar Limited (QSL) has secured a \$500 million contract to supply 1.164 million tonnes of sugar to three of Korea's largest refiners - CJ Cheiljedang Corporation, Samyang Corporation and TS Corporation.

## **Rain halts start to northern sugar crush**

**10/06/14**

Unseasonal wet, cold weather has halted the start of the sugar crush in Queensland's north reported ABC Rural.

## **Reef Report Card 2012-2013**

**13/06/14**

Reef Plan released the 2012-2013 Reef report card reporting that 49% of sugarcane growers in the GBR catchment had adopted improved practises by June 2013.

## **Irrigation schemes vote for local management**

**16/06/14**

Irrigators in six of the eight SunWater channel irrigation schemes in Queensland, have voted to transfer to local management reported ABC Rural.

## **Drought crushes farmers**

**17/06/14**

A crippling drought means cane growers on the Fraser Coast will harvest only half of what they should this year reported Sunshine Coast Daily.

## **Rep body calls for Government to intervene in sugar marketing dispute**

**27/06/14**

ACFA called on Government to intervene and demand fair play in the future marketing of Queensland's raw sugar in the wake of MSF Sugar Limited giving their resignation to the industry-owned marketing body, Queensland Sugar Limited (QSL).

## **Cane farmers betrayed by sugar traders say ACFA**

**30/06/14**

ACFA slammed the decision by a third sugar miller (Tully Sugar) to withdraw from Queensland's industry-owned marketing body at the conclusion of the 2016 season.



**Greg Beashel**

**By Greg Beashel,  
Chief Executive Officer  
Queensland Sugar Ltd**



# The solution: Grower choice

Tuesday, 01 July 2014

**We are alarmed by the recent withdrawal of MSF and Tully from the collaborative industry sugar marketing arrangements and the impact this decision will have for their growers.**

The immediate impact is that MSF and Tully growers will not be able to access QSL forward pricing and pricing pools for the 2017 season. The decision is particularly concerning when the Minister for Agriculture, Hon Dr John McVeigh MP, only recently implored the industry to work together to agree on a grower choice model.

The industry is at a crossroads. With Wilmar, MSF and Tully all giving notice, the need for a new industry model is obvious. However, we need time, as an entire industry, to consider the implications of recent developments for risk, transparency, value and competition. QSL is urging Wilmar, MSF and Tully to return to the negotiating table as has been requested by Minister McVeigh.

Growers and a number of millers strongly support an industry-agreed approach to marketing that creates fair distribution of value, provides transparency and ensures profits are returned to growers and millers.

At QSL, we are strongly advocating for grower choice as we believe this is the solution to the industry impasse. It would provide competition, encourage innovation and provide the fairest outcome for all millers and growers. Without it, we face the inevitable negative consequences of a loss of grower confidence. Confidence needs to be restored by way of a genuine industry discussion.

With industry support, grower choice would provide QSL with a robust value proposition of an estimated 2 million tonnes of raw sugar to market. It would also provide growers with a choice as to who markets their sugar and would allow millers the ability to continue to access QSL's services including: financing, pricing, marketing and logistics.

Without support for grower choice, we could see the collapse of grower confidence in the Queensland sugar industry.

A profitable sugar industry for Australia relies on farmers investing in growing cane, just as much as it relies on millers investing in processing. To invest, growers need confidence in the transparency and security of their marketing, financing, pricing and logistics functions.

If millers want to be assured of cane supply in the future, they need to start listening to the farmers that supply them cane and start respecting their needs, as both rely on each other for survival.

As a servant of the industry in Queensland, our priority is to secure a sustainable future for the Queensland sugar industry.



# Considerations when comparing pricing

Tuesday, 01 July 2014

**Pricing is already a topic of discussion with Wilmar's recent pricing claims, and will no doubt become an integral part of industry discussions moving forward, particularly if a grower choice model is adopted.**

I would therefore like to take this opportunity to urge everyone to consider all elements involved in pricing when weighing up pricing options or comparing sugar prices. This involves carefully examining risk parameters and timelines applied to pricing decisions.

Sugar pricing is highly complex and there are a variety of options available in our system that results in a wide range of prices achieved by individual growers and millers. QSL offers a range of pricing options including QSL-managed pools, individual Forward Pricing or miller-managed pricing pools. If a pool doesn't exist, millers are welcome to discuss their needs with QSL and a pricing pool can be created.

When looking at pricing pools, an important element to consider is the risk parameters set around the pricing decisions to be undertaken. Each pricing pool that QSL operates has set risk parameters to provide growers and millers with a level of comfort as to what risk our pricing team will take when pricing their sugar. Each grower and miller has different risk appetites. Like superannuation funds, the higher the risk in sugar marketing pools, the greater the potential for higher returns. However, higher risk also means greater potential for loss when conditions are less favourable, as has also been seen with superannuation funds.

In addition to risk parameters placed around pricing, it's important to consider timing of pricing. Traditionally, QSL-managed pools have

been priced over a single season (12 month period). In recent years, QSL has introduced Forward Season pools which allow millers and growers the opportunity to participate in the market over a longer timeframe with pricing decisions made as far out as three years. QSL also provides growers and millers with the opportunity to conduct individual Forward Pricing.

I make these points around risk and timelines for pricing approaches because it's important that like-for-like comparisons are made when comparing prices as world prices for raw sugar fluctuate and can be highly-volatile depending on supply, demand, weather and a range of other market influences.

In the end, pricing is complex and it comes down to the level of risk an individual is willing to take. That is why QSL provides the wide range of pricing options that it does and transparently outlines the risk involved in each pricing option so growers and millers can make informed decisions.

We also transparently provide updates on how each of our pricing pools are tracking throughout the season so growers and millers can see how the pools are performing. At the end of the year, we publicly release our final pool prices (2013 due mid-July) and we outline our costs and earnings in the Annual Report.





**Neil-Fisher**

**By Neil Fisher,  
Chief Executive Officer  
Sugar Research  
Australia**

7 July 2014

## Sugar Research Australia Industry Update

### Growing the adoption of good R&D outcomes

Fundamental to obtaining the full value of the strategic investment SRA makes in R&D, is that the research findings are then adopted by our industry. As SRA reaches the end of its first year of operation, it has become apparent that although the Professional Extension and Communication (PEC) Unit—which was established to communicate R&D outcomes—has delivered on its original mandate, our services have not fully met industry's needs.

The SRA Board has taken this feedback seriously. It has asked the PEC unit to identify how it can work with others in the extension space to enhance adoption rates and ultimately improve the production, profitability and sustainability of our member's growing and milling businesses.

Conversation around this topic was kicked-off in early June, when the PEC unit led a one-day workshop to examine the current extension model and consider four key questions:

1. What is working in the current extension model?
2. What is not working in the current extension model?
3. What are the opportunities to improve the current extension model?
4. What are the threats to the current extension model?

The workshop involved industry participants from large and small producers; corporate and family farms; grower representative bodies; mills; large and small productivity boards; and private extension providers. The individuals were selected to represent the diversity of the SRA membership and for their insight and interest in extension. The feedback received during the workshop was wide-ranging, however broad agreement was reached on a number of items:

1. The PEC unit had delivered what was requested of it by the Welsman Model however the model was not meeting the needs of industry.
2. The role description of the Development Officers within the PEC unit should have a greater regional focus and a reduced discipline focus.
3. A structured approach to interaction between the PEC unit and productivity service groups is required in some regions.
4. The name of the PEC unit should be changed.
5. Any regionally-focused extension opportunities that are developed need to be matched by regional capacity.

A new extension model that addresses these findings is currently being developed and will shortly be presented to the SRA delegates to seek their input.

Any model that is developed must be owned and endorsed by our industry representative bodies and SRA members before any changes are implemented. It must be understood that SRA is only one of the many parties who need to be involved in driving greater adoption uptake.



I would like to reassure our members that SRA understands that maximising adoption of research findings is critical to achieving industry's goals and that this activity is one of our key focus areas as we head into our second year of operation.

## Showcasing SRA on the world stage

As host of the G20 in November, Australia agreed to support the Meeting of the G20 Agricultural Chief Scientists (MACS), an initiative endorsed by G20 leaders. The meeting was held in late June in Brisbane and Paul Wright AM, SRA's Chairman, I and researchers from SRA and CSIRO, proudly represented the Australian sugar RD&E industry.

The meeting which was coordinated by the Department of Agriculture attracted chief scientists, research officials and representatives from international research organisations, and other Australian Research and Development Corporations and industry-owned companies.

The meeting has a series of aims including identifying global research priorities and targets, facilitating collaboration between public and private sector organisations to drive productivity gains and tracking the progress of established goals over time.

The event, which showcased Australia's agricultural achievements, was an excellent opportunity for SRA to promote our world-class plant technology research and explain how the industry-owned company model is at the forefront of creating sustainable agricultural industries.

## Sugar research body launches future RD&E roadmap

Sugar Research Australia has announced at the Australian Society of Sugar Cane Technologist (ASSCT) Conference on the Gold Coast that its future research, development and extension (RD&E) investment program will concentrate on eight key focus areas.

Launching SRA's inaugural 2013/14-2017/18 Strategic Plan, Mr Paul Wright AM, Chairman, SRA said the priorities were commonly agreed upon by SRA Members, industry representative bodies, levy payers and the research community during an extensive consultation program in late 2013.

"Our Members and levy payers have asked SRA to provide RD&E solutions that help improve production on the farm and at the mill, and which can accelerate the transfer of this knowledge into practice. They also want efficiencies achieved through stronger collaborations with industry and other research organisations," Mr Wright said.

"The plan which has been built from this feedback provides the road map for SRA's direction and details how our organisation will respond to these needs."

The research investment program is committed to:

- Developing a comprehensive and more efficient variety breeding, selection and release program using leading edge biotechnology and other technologies.
- Improving environmentally-responsive soil health and nutrient management knowledge and tools.
- Minimising the economic impacts of pests, diseases and weeds with environmentally -aware management strategies.
- Optimising farming systems and production techniques.
- Improving mill capital use, operating efficiencies and sugar quality.
- Developing economically-feasible alternative products and uses for sugarcane.

The need to have the knowledge that is produced from these research programs delivered to the farm and the mill, was also strongly expressed during the consultation process.

"Research will no longer be done in isolation. Knowledge transfer mechanisms and communication channels will be put in place to ensure information is shared and is provided in a way that can be easily adopted," advised Mr Wright.



Furthermore the plan outlines a range of activities that aim to build the skills shortage in the sugar industry.

“The sugar industry like many other agricultural industries competes for skills. In delivering on the key focus areas in the plan the sugar industry will remain competitive, profitable and sustainable.

“This in turn will make it a more attractive career option thereby addressing the final priority that was identified during the consultation process—industry capability,” he said.

Throughout the life of the plan, SRA will regularly engage with its Members, industry representative bodies and levy payers to ensure that the key focus areas are still current.

“As an industry-owned company, SRA needs to respond to industry priorities with good science and it is good practice to touch base over time to confirm that challenges and opportunities haven’t changed.

“A perfect example of responding to industry’s needs is the recent decision by the SRA Board to invest nearly \$4 million from reserves in a three-year yellow canopy research program,” concluded Mr Wright.

**The SRA 2013/14-2017/18 Strategic Plan is available for download on the SRA website**

[http://www.sugarresearch.com.au/page/About\\_SRA/Corporate\\_publications/](http://www.sugarresearch.com.au/page/About_SRA/Corporate_publications/)



## Sugar research body invests nearly \$4 million to counter Yellow Canopy Syndrome

The Board of Sugar Research Australia (SRA) has invested nearly \$4 million dollars from reserves to fund a three-year integrated research program as part of its ongoing resolve to identify and develop management strategies for Yellow Canopy Syndrome (YCS).

Mr Paul Wright AM, Chairman, SRA said that the amount of investment reflects the level of concern SRA Members and levy payers have expressed about YCS.

“YCS exists in cane-growing communities that produce over eighty per cent of Australia’s sugar. The SRA Board toured affected farms in the north in early April and witnessed first-hand the impact of YCS,” Mr Wright said.

“As an industry-owned company, SRA has a responsibility to not only understand the challenges our Members and levy payers face, but to respond to these industry priorities with good science. What the SRA Board saw affirmed our decision that using reserves to fund further YCS research was a solid investment decision.”

The program includes two new research projects and a three-year extension of the current ‘Solving the Sugarcane Yellow Canopy Syndrome’ research project which received almost \$1 million from the Department of Agriculture, Fisheries and Forestry, the Sugar Research Development Corporation and BSES (now SRA) in June 2013.

Professor John Lovett, Chairman of the Plant Biosecurity Cooperative Research Centre who leads the independent YCS Scientific Reference Panel, said that the research conducted to date had gathered a wealth of data about the effects of the condition. This was helping to narrow down the large number of possible causes of YCS.

“Armed with this array of informative data the three-year program will shift its direction from monitoring the effects to focus on the possible causes of YCS and how these might best be addressed,” said Professor Lovett.

“We expect the two new projects to provide complementary information and results that will build upon our existing knowledge and possibly steer our research direction into new avenues as we progress.”

The first new project will be undertaken by the University of Western Sydney over a period of two years and will compare the health of the soil that healthy and YCS-affected plants grow in, in an attempt to identify if differences exist. This knowledge may lead to the identification of soil health management strategies that growers can put into place to manage YCS.



### YSRA research technicians monitoring YCS in young cane

The second new project will be conducted by SRA over one year and through a range of biochemical and physiological approaches seeks to understand how YCS affects the internal behaviour of the sugarcane plant.

“If we understand what is happening inside the plant, we believe we can shed some new light on the biological factors that cause or drive the development of YCS.

“In this project the SRA research team will collaborate on the collection of data and the complex analysis of results with world-renowned experts from institutes in Australia, Canada, Germany, the United States of America and South Africa,” confirmed Professor Lovett.

“YCS is a complex condition and understanding it requires a comprehensive and robust research approach.

“The independent Scientific Reference Panel will closely monitor the investment program over the three-year period to ensure that the research effort remains focused and outcomes are communicated to SRA Members and levy payers.

“SRA Members and levy payers can be assured that through this investment their industry-owned company is committed to solving the YCS puzzle,” concluded Mr Wright.

### Further information:

The Scientific Reference Panel, an independent group of expert plant scientists, was appointed as part of the ‘Solving the Sugarcane Yellow Canopy Syndrome’ research project. Led by Professor John Lovett, the Panel is responsible for providing supporting scientific opinion about the direction of the current and future project, and scientific support.

For further information about the panel and its members visit the Sugar Research Australia website [http://www.sugarresearch.com.au/page/Your\\_SRA\\_at\\_work/Industry\\_issues/Yellow\\_Canopy\\_Syndrome/Scientific\\_Reference\\_Panel/](http://www.sugarresearch.com.au/page/Your_SRA_at_work/Industry_issues/Yellow_Canopy_Syndrome/Scientific_Reference_Panel/)

Professor Lovett is foundation Chairman of the Board of the Cooperative Research Centre for National Plant Biosecurity Ltd (CRC NPB Ltd), former Chairman of the Board of Agrifood Awareness Australia Ltd, and former Chairman of the Board of the Cooperative Research Centre for Greenhouse Accounting. He is the nominee of AusBiotech Ltd to the Australian Capital Territory Gene Technology Advisory Committee. Since 2003 Professor Lovett has assisted a number of industries with various aspects of strategy and planning – wool, meat and grains in Australia, and dairy in New Zealand. He has also assisted Land and Water Australia in developing a National Climate Change Strategy for Primary Industries. An Emeritus Professor at the University of New England, where he held the Chair in Agronomy, Professor Lovett was formerly Professor of Agricultural Science at the University of Tasmania, and has had research associations in Indonesia, Finland and the United Kingdom.





**Nick Goodall speaking at Case IH Step UP! Conference in 2013**

## Bonsucro Update

**Nick Goodall steps down as CEO** Body The Board of Directors of Bonsucro has reluctantly accepted the resignation of Nick Goodall as CEO. The Bonsucro Board recorded its thanks to Nick for his great leadership and building of the business and noted that he led the organization through a period of significant growth as Bonsucro has quickly become the leading global sustainability standard for cane sugar. He now feels that it is time for him to move on to other opportunities.

During Nick's tenure, Bonsucro achieved a multitude of significant milestones. To date, 3.66% of the world's land under sugarcane is now Bonsucro Certified, and over 55 million tonnes of certified sugarcane has been produced. 38 production certificates have been issued, and in 2014 Bonsucro will welcome its 200th member to its growing fold. The organization is financially and strategically positioned to grow rapidly in the years to come. The Bonsucro Board has said that it is sure that the membership will join them in thanking Nick for his achievements and offering him best wishes for the future.

Nick's successor will be subject to a future announcement following a recruitment process. The new CEO will carry forward the progress that Nick has put into momentum by continuing to harness the determination, tenacity and hard work of Bonsucro's diverse and growing membership. Core to its success, multi-stakeholder participation will be the key to achieve the vision of a sustainable sugarcane industry.

In the meantime the Board has appointed Natasha Schwarzbach as Interim General Manager to act as the key point of contact with Bonsucro's membership and the Board.

Australian Cane Farmers Association also wishes to record their appreciation for all Nick has done for the global sugar industry and wishes him well for his future endeavours.

### **Bonsucro in SSI report**

The State of Sustainability Initiatives Review 2014 published by the International Institute for Sustainable Development, gives an overview of 16 of the most prevalent standards in a range of different commodity sectors. Its sugar market report is very positive towards Bonsucro, in particular noting that 77% of overall certified sugarcane produced globally is Bonsucro certified, and that Bonsucro certified production is equivalent to 6% of global sugarcane exports.

### **Credit Trading System improvements: resale of Credits**

As noted in the message to members sent Friday 21 March, Bonsucro has updated the Credit Trading System to enable members to buy and sell credits, making it possible for credits to be resold. Chain of Custody certified companies are also now able to participate in the System.

### **Save the Date – Bonsucro Week 2014**

Bonsucro Week 2014 will return this year on 10, 11 & 12 November 2014. Further announcements to come.



## Bonsucro Ambassador Appointed

Bonsucro has appointed its first Ambassador – Dr Gopinathan. Dr Gopinathan is a passionate believer in sustainability and has been involved with Bonsucro for many years.

A Bonsucro Ambassador is a positive spokesperson who has the ability to promote Bonsucro and strengthen relationships with existing members, as well as influencing and reaching potential members. Honorary ambassadors are knowledgeable about Bonsucro and well-respected in relevant stakeholder communities.

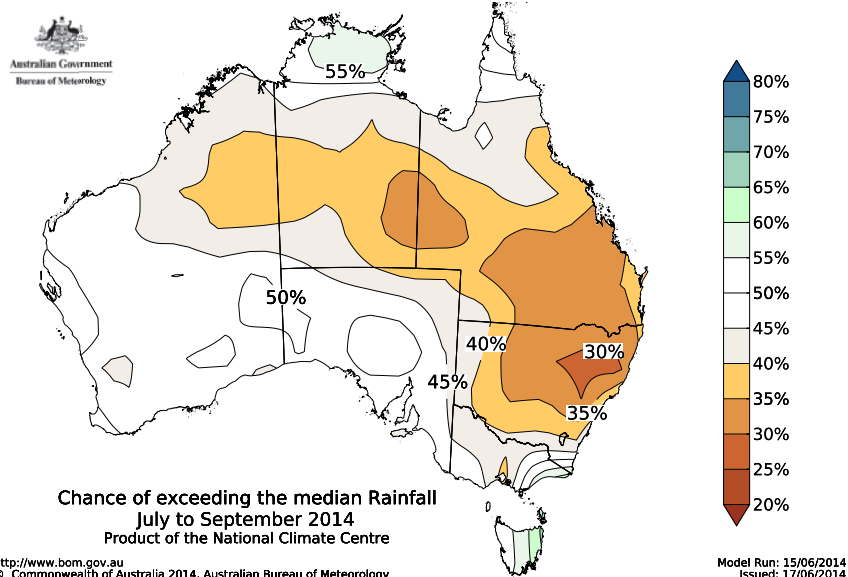
## Improving the Sustainability of Sugarcane Through Bonsucro - Opinion Piece

Bonsucro Board Director Sven Sielhorst has written a powerful and impassioned article on what he believes are the strengths of Bonsucro and the key role that the organisation can play in fostering the sustainability of the sugarcane sector. To see the article in full, please visit <http://www.coca-colacompany.com/stories/opinion-improving-the-sustainability-of-cane-sugar-through-bonsucro#TCCC>

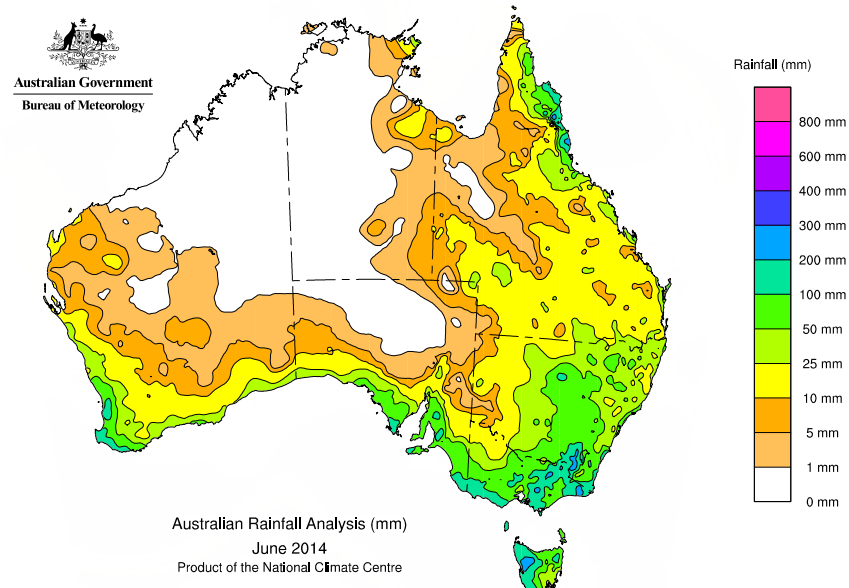
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For more information on any of the above, or to find out more about Bonsucro, please visit [Bonsucro.com](http://Bonsucro.com).

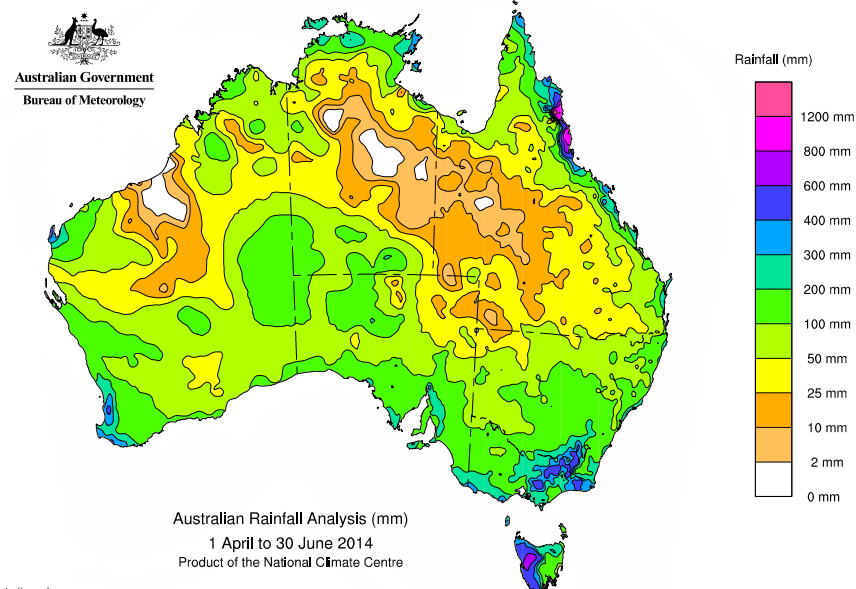
## Chance of exceeding the median Rainfall July - September 2014



## Rainfall July 2014



## Rainfall 1 April to 30 June 2014





L to R- Hon. Andrew Powell MP, Canegrowers Chairman Paul Schembri, ACFA Chairman Don Murday and Hon. Dr John McVeigh MP at the BMP launch in Mackay.

## Smartcane BMP Update

Every sugarcane grower in Queensland is being urged to become part of the movement to take control of the industry's future. Smartcane BMP (Best Management Practice) will show our communities, government and conservationists that Australian producers grow quality cane in a sustainable way. This is about your business and a legacy for the future of the industry.

After only 6 months of going live the program now supports over 500 growers covering almost 80,000 hectares under cane. This early success and grower buy-in has convinced the Queensland Government to commit a further three years of program funding.

Smartcane BMP is a system that's been developed by growers for growers in response to the regulations placed on the industry in recent years. These rules and reporting requirements have mostly come from outside of the industry and have not been welcomed by affected growers.

Many good practice programs have been developed over the past 30 years. Smartcane BMP has deliberately consolidated and built on these projects.

Smartcane BMP is changing the way we do business. It is about improving the financial bottom line of your farm while giving industry a tool that can be used to promote and market sugar to the world. In fact, it will help Australia maintain its competitive edge in the increasingly competitive market by allowing industry to prove that it's productive and sustainable – something that overseas customers increasingly want to see.

**You are half way there and probably don't even know it**

Did you know that it take between one and a half to two hour to complete a self-assessment. This includes registration and the 3 key modules **bolded** below.

There are seven modules in total design to support your whole business:

- 1. Soil health and plant nutrition management**
- 2. Pest, disease and weed management**
- 3. Drainage and Irrigation management**
4. Crop production and harvest management
5. Natural systems management
6. Farm business management
7. Workplace health and safety management

As you work through the modules, you decide if your practices are 'below', 'at', or 'above' the industry standard. If any practice is below the industry standard, the Smartcane BMP will offer an action plan to support you in achieve the desired practice. Importantly there is a network of Smartcane facilitators across the industry ready to assist you.

Finally, all data is confidential so you can be confident your information is secure.

### How can I get involved?

Go to [www.smartcane.com.au](http://www.smartcane.com.au) to read more, find your local facilitator, register and become part of the movement!







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## ACFA SERVICES

**Publications:** The Australian CaneFarmer. Australian Sugarcane - the leading R&D publication - Bimonthly.

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

**Branch Network & Local Representation:** Make use of your local ACFA branch, call your local director or visit [www.acfa.com.au](http://www.acfa.com.au)

**Corporate services:** World sugar news; Market information; 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.

*Articles in The Australian Cane Farmer do not necessarily represent the policies or views of the ACFA.*

**Editor-in-chief:** Stephen Ryan

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