CANEGROWERS Burdekin Ltd

Membership Fees
For 2014/2015

- CBL Administration Fee: 21 cents
- CBL Water Perils Crop Comp.: 2 cents
- CGU Fire Perils Crop Comp.: 1.86 cents
- Qld CANEGROWERS Fee: 16.25 cents
- Sub Total: 41.11 cents

+ GST

SPECIAL 50% DISCOUNT FOR NEW MEMBERS

A 50% discount on the total Membership Fee is on offer for new or re-joining members. For the 2014/15 year, for any new member who joins or re-joins CANEGROWERS they will receive the full benefits of being a member of CANEGROWERS for half price.

For example the 2014/15 levy is 41.11 cents and the new member would only pay 20.56 cents per tonne for the 2014/15 year and this would provide full membership of Canegrowers Burdekin and CANEGROWERS Qld plus crop compensation cover for both Water and Fire.

Terms and conditions apply. Available for a limited time only. One condition being the special 50% discount applies to the full levy for new members/tonnage with up to and including 40,000 tonnes. For new members with tonnage over 40,000 a special discount will be negotiated.

Wilmar exiting QSL

Canegrowers Burdekin attended the meeting with Wilmar in Townsville on Tuesday to hear what Wilmar are proposing. We were particularly interested in gaining an understanding of the details behind Wilmar’s five key statements in their recent letter to Growers. These key statements being:

1. better returns
2. significantly greater involvement in sugar marketing and pricing decisions
3. more flexible grower advances and greater security of cane payments
4. more sugar pricing options
5. greater transparency of sugar marketing, premiums and costs.

Canegrowers Burdekin Chair Phil Marano said “Our perception of what has been proposed is that it does not offer growers anything better than QSL and that everything that has been proposed could be offered right now by QSL, if the Millers would allow. If anything the proposed new structure simply replicates the existing QSL structure, but locks the marketing of the raw sugar into an exclusive long term contract with Wilmar’s private trading company while returning little additional value to growers’ bottom line.”

Story on page 2

Chair Phil Marano, John Pratt (Wilmar), Kevin Borg (Canegrowers Mackay) and David Lando

Steve Guazzo Chair Herbert River talking with Charlie McKillop from ABC radio following the meeting
Wilmar exiting QSL

As advised in last week’s canenews, Chair Phil Marano, Deputy Chair David Lando and Manager Debra Burden attended a meeting of collectives in Townsville on Tuesday 8th April where Wilmar Executives John Pratt, Shayne Rutherford and David Burgess made a presentation that was summarised in a handout that has since been emailed to all growers (Click link to information update here). The meeting ran for close to 4 hours.

John Pratt opened the meeting advising that the session’s objective was to provide a comprehensive overview of the joint marketing partnership and details of the proposal so grower groups have a thorough understanding.

What Growers Want:
John started with giving an overview of what Wilmar understands growers want being:

1. a marketing system from Wilmar that is designed with a genuine commercial relationship;
2. a seat at the table;
3. flexible pricing tools and options;
4. a fair share of sugar revenues; and
5. confidence that the physical premiums are maximised in a transparent manner.

A question was asked from the floor “What about Grower title to their economic interest sugar?” John replied that this matter was covered in the above points.

What Wilmar Wants: John then spoke about what Wilmar wants as follows:

1. leverage capability to maximise returns for Wilmar and growers with
   enthuses on Wilmar’s market strength;
2. and constructive partnerships

John said the rational for Wilmar exiting QSL was that Wilmar’s marketing position means it can generate greater value. John spoke about Wilmar now being a world leading sugar trader, having superior market intelligence, having scale and global presence and being experienced globally in sea freight. A slide was shown that indicated the huge growth in Wilmar’s global sugar footprint since its first sugar acquisition which was Sucrogen ...there was also indications that more acquisitions are to come. Wilmar’s Sugar trade global scale (Brazil) indicated that from 2011 Wilmar has increased its share of the Brazil trading market from 2.7% to 12.3% in 2013 which equated to trading 5m tonnes of sugar. Note Wilmar’s Annual report which was released recently indicates that Wilmar’s debt levels have increased in line with these acquisitions ...of interest the annual report indicates that Wilmar incurs $30m pa of interest charges for its debt associated with purchasing Sucrogen. (link to the Wilmar annual report here)

David Burgess then took the floor to present the details of the proposed new Joint Marketing Company ...referred to by Wilmar as “JMC”. David spent a lot of time stressing that the JMC would be equally controlled. The JMC would take ownership of 100% of the sugar from Wilmar (mills), growers would be involved in the marketing and pricing and Wilmar Sugar Trading would trade the sugar with the value being passed back to JMC, the JMC would then pass the growers share of the revenue directly to growers rather than passing through Wilmar (mills). David stressed that this model would provide the transparency growers have asked for as well as pricing options and better returns. Delegates in the room were very nervous (15 years was mentioned) exclusive contract with Wilmar Sugar Trading. It was pointed out that QSL is able to sell to anyone ...but JMC will be restricted to selling to Wilmar Sugar Trading. It was made clear that this was not negotiable ...with David stating Wilmar feel they can do better than any others as they have the growers interest at heart.
Shayne Rutherford then took the floor to go into great depth on the structure of JMC. JMC will be a not for profit with all returns back to growers and will be a company limited by guarantee like QSL. JMC will be financed by commercial banks and sugar as the security, it is expected that JMC will have the same credit line as QSL. All growers will be members of JMC.

Following a question from the floor, there was a lengthy discussion as to how the voting would be structured ...no clear answer was provided. Shayne advised the Board of JMC would comprise 4 grower directors (2 from Burdekin, 1 from Herbert River and 1 from Proserpine/Plane Creek) and up to 4 Wilmar appointed Directors and 2 independent directors (1 independent director would be appointed by growers and 1 by Wilmar). A CEO would be appointed by the Board but the other administration etc. would be outsourced to Wilmar. Shayne advised JMC's main responsibilities will be raw sugar marketing (albeit it is compulsory that all trading is done by Wilmar Sugar Trading) and storage and handling (Shayne advised that there was no intention at this stage to run the terminals).

Shayne's session also endeavoured to included justification behind the statement that this model will provide better returns to growers and Wilmar. The main reason put forward being Wilmar Sugar Trading is one of the world’s largest sugar traders trading 5m tonnes in 2012/13. Greater value would be shared with growers due to high net premiums, better pricing management and arbitrage benefits. Shayne went on to state that Wilmar Sugar Trading is a specialist commodities trader and has a global presence and reach, has large trading volume, ocean freight experience, market intelligence and price risk management expertise.

A question from the floor was “has QSL not got these skills or are you saying that Wilmar is just better than QSL?” Shayne replied to this question by saying “QSL needs to get big or not survive. QSL was appropriate but not the right structure and not right beast now. Trading sugar is a specialist business and QSL needed to be one of the larger international traders to be right.”

A further question from the floor was asked about the ownership structure of Wilmar Sugar Trading and if the focus is that the 2m tonnes of raw sugar that currently goes through QSL needs to go to Wilmar Sugar Trading to help Wilmar Sugar Trading get bigger then does that mean that JMC have a seat on the Board and receive a profit share from Wilmar Sugar Trading. The answer was very much no .... Wilmar Sugar Trading was a closed book ...it is a privately owned company and it appeared clear to delegates there will be no transparency around the governance nor profitability of Wilmar Sugar Trading.

Another question from the floor “Why add another layer of complexity, in the current model QSL is both JMC and Wilmar Sugar Trading?” Shayne replied to say the new model will not result in any additional cost ...he quoted that QSL’s costs are about $2.50 per tonne and the new structure will not cost more than $2.50 per tonne ...in fact could cost less. When asked further ...how could that be given JMC will most likely not receive the same benefits for its financing costs and an indication was that it would most likely by up for .3% higher interest rate costs, plus terminal costs are $4 to $5 per tonne more for none QSL sugar, plus there is the extra layer of complexity which will have a cost, plus the cost to JMC to outsource administration to Wilmar plus the Wilmar Sugar Trading marketing fee? Shayne advised that he does not expect that the admin fee will be more than $2.50 per tonne as this will equate to $5m to run the JMC...he expects they can do it for less than $2.50 per tonne.

Shayne went on to say that last year Wilmar Sugar Trading returned on average $36 per tonne higher than the weighted average return for all of the Wilmar growers .... so about a 10% better return. This was quickly challenged from the floor ...was this taking out the Harvest Pool and was it just comparing the returns of growers who had forward priced? There was no answer. A request was put from the floor that Wilmar engage an independent expert to analysis and compare performance.

A lot of questions were asked around the arbitrage benefits ...JMC will only receive 50% of the arbitrage benefits whilst Wilmar Sugar Trading will retain 50%. Of the 50% to JMC it was unclear how this would be shared with growers. Would JMC retain some, would Wilmar Mills receive a third? Unclear.

The meeting then moved to Q&A:

1. Will Wilmar give notice by 30th June to exit QSL? John: Yes Wilmar will give notice
2. Will Wilmar give notice without growers support? John: Yes
3. Where is the greater security offered to growers? Shayne: change whereas JMC passes money direct to growers rather than via Wilmar Mills. Could look for a bank Gtr . A statement from the floor was that we have been asking for that for years. Shayne answered by saying: Wilmar have been constrained.
Wilmar exiting QSL cont

4. Sounds like this is a done deal ...worried that there’s another motive such as if QSL goes then the smaller mills go down and leave open for Wilmar to buy cheap. Shayne: Wilmar has thought about the impact on the other milling companies. What they are doing is not intended to cause detriment to them.

5. The transparency spoken about with JMC has no real meaning as JMC is locked into Wilmar Sugar Trading and there is no transparency there. No answer

6. This presentation mentioned partnerships many times ...but how can this be seen as a partnership when Wilmar announce leaving QSL with no consultation. You want us to trust you. No answer

7. Is the previous Growers Choice model still an option? John: We have given this thought. It was always a compromise and Wilmar did not see it as the best opportunity to leverage Wilmar’s scale. Wilmar have moved on from this option.

8. What negotiation will there be rather than a pretence of negotiations? Shayne: Yes prepared to negotiate. Wilmar may offer fixed capped legal costs to help collectives.

9. What is the timeframe you are working to? Shayne. Need to work backwards:
   a. JMC needs to be operational by Jan 2017
   b. January 2015 to January 2017 to complete all documentation
   c. January 2016 to July 2016 elect JMC Directors and go live

10. What does agreement look like? Collectives to sign off on an MOU ..new documentation to be completed including:
       a. New CSA’s (stressed not looking at harmonising into one CSA)
       b. New Forward Pricing Agreement
       c. New Raw Sugar Agreement
       d. Develop a constitution for JMC
       e. Marketing alliance developed with Wilmar Sugar Trading
       f. Service Level Agreement between Wilmar and JMC for admin services

   What’s next:
   14 April, 2014 Board of QSL will meet with the CBL Board
   15 April, 2014 Wilmar will meet with the Board of CBL and George Christensen
   Between 28 April and 5th May Wilmar will meet with growers (most likely in smaller shed meetings)
   13 May, 2014 a second meeting between Wilmar and all collectives will be held
   27 May a third meeting between Wilmar and all collectives will be held.

   Your Board and Management team will be liaising with the other CANEGROWERS collectives supplying Wilmar and have formed into a working group.
   If you would like further information please contact Phil (0404 004 371), David (0417 770 345), Debra (0417 709 435) or Wayne (0428 834 802). We will provide a further update in next week’s canenews.

The above story has been taken from notes made during the meeting by Debra Burden and may not be an accurate record.

Please take the time to view the podcast Mackay Sugar’s position on QSL on the link below to hear another view in regard to what we are going through. Click here
Wilmar’s announcement that it intends to break away from the export sugar industry’s current collaborative approach through Queensland Sugar Limited (QSL) is disappointing and has major ramifications for the industry.

At QSL, we have a duty to serve the interest of growers and millers for the long-term prosperity of the Queensland sugar industry. It is clear to us that there is a much better solution than Wilmar’s proposal where all sugar is managed through a single system allowing the benefits of economies of scale to be enjoyed by all industry participants. We hope that the industry can collaboratively work together to find the best sustainable model for the future of the Queensland sugar industry. As part of any discussion, we feel that there are some important facts that need to be considered.

Firstly, it is worth noting that the majority of cane farmers work in an environment where there is a single buyer for their sugar cane; the local mill. Sugar cane is bulky, expensive to transport and a highly perishable product. In no other Australian farm product do the majority of farmers face this natural monopoly.

Wilmar’s intentions to break away from the industry’s collaborative arrangements has ramifications across many of the activities that QSL performs. QSL, as a member-owned business, currently performs these activities on a not-for-profit basis and passes the value that it creates back to its milling and grower members, primarily through its sugar pool returns, in a transparent manner. It is a stable business model that is the envy of other agriculture industries. Taking each of the four main activities associated with marketing in turn:

**Finance:** QSL takes title to Australia’s export raw sugar when it is delivered to port storage facilities. Ownership and size of the raw sugar inventory makes it an attractive financing proposition and QSL is able to raise funds at low cost. These funds are advanced to mills and growers providing working capital to prepare for and grow the next season’s crop. A reduction in tonnage would increase finance costs.

**Pricing options:** QSL runs a range of pricing options to assist the industry to manage sugar price and foreign exchange risk. Breaking up the industry’s collaborative arrangements would increase the cost and reduce the choice of pricing pools available to smaller mills and to growers.

**Quality and Logistics:** QSL manages all bulk sugar terminals in Queensland, which provide significant flexibility to overcome logistical and quality issues in individual ports. By pooling all of Australia’s export sugar and having the ability to load ships from different terminals, the industry has greater flexibility in meeting customer orders in-full and on-time. For example when Cyclone Yasi damaged the Lucinda port and when the Bundaberg port was closed by floods, orders could be met in-full and on-time by diverting ships to other terminals. A reduction in QSL’s tonnage limits this logistical flexibility.

**Selling sugar:** Wilmar are a significant global trader, owning sugar mills and refineries around the world. This allows them to trade with a different approach and business risk appetite and provides an ability to leverage their global business. QSL’s position as the largest sugar exporter from Australia combined with its traditional risk management approach, provides confidence and security in relation to returns to members. This return will be diluted by a loss of tonnage.

In conclusion, there is a lot to consider and before extreme actions are taken, I urge Wilmar to reconsider their intentions to break away from a system that has been set-up by the industry for the industry.

If you have any questions please don’t hesitate to contact our Industry Relationship Managers Carla Keith (0409 372 305 or Carla.Keith@qsl.com.au) or Cathy Kelly (0409 285 074 or

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**QSL update**

By CEO Greg Beashel

as at 11 April 2014
2014 Season Commencement

Many growers have enquired as to the commencement date for this year's crushing season.

Enquiries made of Wilmar Cane Supply management have confirmed that the expected date for completion of estimating the district's cane production is 24th April.

Feedback provided to Wilmar so far as to the size of this year's crop is fairly limited to being better than last year.

Once the estimate is finalised Wilmar anticipate meeting with the grower representatives before the end of April to determine the start date for this year's harvest.

Wilmar Cane Supply has also advised that there is an expectation that all mills are preparing to be operational ready for Tuesday 3rd June.

Urgent appeal for SRA delegate nomination

With the closing date for nominations fast approaching Sugar Research Australia (SRA) have advised that they haven't received any nominations from the Burdekin district.

Nominations close on Monday 14th at 5.00pm.

All SRA members have been sent a Delegate Nomination Form last month.

The position of delegate doesn't appear to be terribly onerous or very time consuming, primary expectation is one of a communications link between members and SRA.

The form and further information can also be downloaded from SRA website at:


SRA are able to receive nominations in any written form, e.g. email, and Members may nominate themselves.

If you are a grower member of SRA and have an interest in the research and development of the industry and the activities of the principal research body for the sugar industry then you are urged to seriously consider nominating for the delegate role.

Please click link to the next edition of Australian Canegrower magazine >

Formation of Burdekin Cane Audit Services Limited (BCAS)

Following discussion over a number of years between Wilmar Sugar and Grower Representatives seeking a process to make cane audit staff at mills independent of employment by Wilmar Sugar, the newly formed company Burdekin Cane Audit Services Limited, known as BCAS, has now been formed to perform this role for the Burdekin area with the expectation that BCAS will take over this function during the 2014 season.

The objectives of the company are:
- to provide cane auditing services to Wilmar Sugar as described in the relevant Cane Analysis Program which forms part of every cane supply agreement signed by Growers and Millers in the Burdekin, and
- provide information and advice to members about any matter relevant to the Cane Analysis Program.

The members of the company are Wilmar Sugar and Grower Representatives groups whose members supplied in excess of 1 million tonnes of cane in the previous crushing season.

To manage the company, initially there are two (2) Grower Directors, being Owen Menkens and Dean Sgroi, and two (2) Wilmar Sugar Directors, Tracey Garzotto and Paul Turnbull. Owen Menkens has been appointed Chairman.

On behalf of all growers, the BCAS auditors will overview the weighing, sampling and analysis of cane at the four (4) Burdekin mills to ensure that the requirements of the Cane Analysis Program are properly carried out.

The method of funding of the company is unchanged from the previous CAP levy with costs being shared equally on tonnes cane supplied by growers, with Wilmar Sugar matching the grower payments. The grower contribution will be shown as a separate line item on the Wilmar Sugar tax invoices, as was the CAP levy.

Further information is available from Owen Menkens (0409 480 179) or Debra Burden (0417 709 435) or Mr Peter Allen from Wilmar Sugar.
Barratta Catchment Biodiversity
Project Update

Our project commenced in July 2012 and Work on the Barratta continues and is coming along well and we are on target in correspondence to our project milestones. Our project aims include a variety of activities that engage the local community, including to mentor and provide Traditional Owner NRM work teams with appropriate training and adequate resources to enable them to become a viable long term professional resource. The project itself covers a total of 125,000 hectares, of which 30,000 will be revegetated, 30000 will be restored and 30000 will be managed for invasive species.

An important milestone and key feature of the project has been reached with the roll-out of constructed wetlands which capture irrigation and tail-water run-off from several large cane farms in the Burdekin-Haughton Water Supply Scheme in North Queensland. We also held the public launch of the Delivering Biodiversity Dividends for the Barratta Creek Catchment project in Ayr. The launch was attended by over 40 people including members of the local community, government and non-government agencies, research institutions, industry and media. The Building Biodiversity Dividends for the Barratta Creek Catchment Fire Management Plan, training program made good progress on the 24-9-2013 with a controlled burn off on the corner of Orchard and McLain Roads in the Horseshoe lagoon Fire warden’s district. The training was co-ordinated by WCA staff and delivered by Reef-catchments Mackay training officer Andrew Hourley. We also held the Barratta Catchment Fire Management Strategy Launch on November 27th 2013. Feral pig assessments have been carried out within the region as part of our fauna assessments that are ongoing for the life of the project. In October 2013 WCA, the Burdekin Shire Council and Burdekin Productivity Services took to the sky to host the annual feral pig control program, and the outcomes are looking positive for a reduction in pig numbers and most of the figures will be uploaded to MERIT for this reporting period.

Most recently we have been busy with forming partnerships with Job Futures including inductions, training and site orientations. Employees will have an opportunity to experience work in more isolated Barratta Landscapes including identification and control of Declared Pests, the use and maintenance of a range of equipment and training in the mixing and use of appropriate chemicals for specific tasks. The Barratta Fire Management Group Strategy Meeting was held on Wed 19th March as a precursor to the community feedback meeting planned for late May this year. The group addressed a range of issues raised at previous public meetings and outcomes will be tabled during the above mentioned Barratta community meeting.

Also a reminder to landholders within the Barratta project area that a range of opportunities exist including: fencing to exclude Feral animals from their farms, native trees supplied and planted on your land (recycle ponds/turkey nests/etc ), the project in partnership with Burdekin Productivity Services also employees a professional animal trapper who has two remaining portable pig traps available for Barratta farmers who have pigs currently harbouring on their land.

For further information please contact Merv Pyott on 0477 912 274.
Mungbean insect control field walk
Monday 14 April - weather permitting

If there is a lot of rain over the weekend the walk will be postponed to a date to be advised.

Time: 10 am – 11 am

Where: Ayr Farming Partnership mungbean block, McDesme Road (opposite 148 McDesme Rd).
Due to roadworks there is no access to McDesme Road from the highway, access is via Kilrie Road.

For more information contact Marian Davis 4783 8601 / 0477 316 371 / mdavis@sugarresearch.com.au

Remote sensing is one way to obtain data about a paddock when access is limited and can provide a wealth of information to growers, millers and others.

Summer Olsen speaks with Gavin Lerch from Bundaberg Sugar about how the research that has been undertaken by Andrew Robson is being used by the mill and their growers.

The latest CaneClips
Presented by
The Professional Extension and Communication Unit

Remote sensing is one way to obtain data about a paddock when access is limited and can provide a wealth of information to growers, millers and others.

Summer Olsen speaks with Gavin Lerch from Bundaberg Sugar about how the research that has been undertaken by Andrew Robson is being used by the mill and their growers.
The Detail behind the Australia/Japan Economic Partnership

The Australia / Japan – Economic Partnership Agreement (AJEPA) was concluded on Monday. Some in the media refer to the agreement as a Free Trade Agreement.

Why this is not the win for sugar it was reported to be

There has been some confusion because the government announced that it was a win for sugar because the tariff on international standard sugar has been removed. As far as Australia is concerned, this is of no benefit to our trading situation.

The confusion has come in because of:

- **Use of the word tariff**
  When you hear the word tariff by government, it is only one part of the actual charges on exporting to Japan. The charges imposed by the Japanese government on sugar exports are made up of a “tariff” and a “surcharge” which are added together to become the “effective tariff”.

- **There are actually two types of sugar, not one**
  Australia does not supply “International Standard” (hi pol) sugar into Japan, it actually supplies a special class of low pol sugar called “JA sugar”. The EPA removed only part of the Japanese government’s charges on the type of sugar we don’t supply.

- **Compare the overall cost of exporting the two types of sugar** (see below table for more detail)
  - The import charges that apply to the JA sugar we currently supply remains unchanged at ¥38.964/kg. This ‘effective tariff’ is made up of a surcharge component only; there is no tariff on JA sugar.
  - The tariff component on the “International Standard” sugar (the type we supply to the rest of the world and would like to supply to Japan if it was commercially worthwhile) is removed, and there has been a modest reduction in surcharge. This means the ‘effective tariff’ is reduced from ¥62.281/kg to ¥39.94/kg. The ‘effective tariff’ on International Standard sugar is US$9.50/tonne (A$10.10/tonne) higher than on JA sugar.
  - This means Australia is commercially better off staying with its current (unchanged) arrangements supplying JA sugar, because even after taking account of the premium higher pol sugar earns, the benefit of supplying JA sugar over international sugar is US$5.83/tonne (A$6.20/tonne).

Key sugar provisions

1) JA-sugar (low pol sugar) – there is no change in access.
   - **Tariff** – remains at zero
   - **Surcharge** – unchanged

   The surcharge, part of the Japanese sugar price stabilisation system, is applied on a sliding scale inversely to the world price. As the world price rises, the surcharge falls and as the world price falls the surcharge rises. At the end of March the surcharge was ¥38.946/kg.

2) International Standard (high pol sugar, Brand 1 equivalent)
   - **Tariff** – reduced from ¥21.5/kg to zero
   - **Surcharge** – a reduction of less than ¥1/kg

   The surcharge on high pol sugar, ¥40.781/kg (at end March) will be reduced to ¥39.94/kg (equivalent). This surcharge too is applied on an inverse sliding scale, as part of the Japanese sugar price stabilisation system.

3) Other
   - **Both raw sugar tariff lines to be re-negotiated in 5 years with a view of increasing market access.**
   - **The access provisions will be renegotiated if / when Japan enters a trade agreement with a competitor that offers a better deal for sugar.**
**Conclusion**

The EPA makes no commercially worthwhile improvements in the terms of Australia’s access for raw sugar to Japan.

- The terms of access for JA-sugar are unchanged.
- The EPA removes most, but not all, of the barriers to International Standard (Brand 1) sugar’s access to Japan compared with JA-sugar. The US$9.50/tonne (A$10.10/tonne) surcharge advantage JA-sugar will continue to enjoy means that in effect the EPA provides no new commercial access for Brand 1 sugar.

### Japan’s Raw Sugar Tariffs and Surcharges

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<th>JPY/kg</th>
<th>International Standard</th>
<th>Brand JA</th>
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<tr>
<td></td>
<td>Current</td>
<td>EPA</td>
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<tr>
<td>Tariff</td>
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<td>0</td>
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<tr>
<td>Surcharge</td>
<td>40.781</td>
<td>39.94</td>
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**Effective tariff**

- Current: 62.281
- EPA: 39.94
- Brand JA: 38.964

**Exchange rate (JPY/USD)**

102.78

**ICE11 Raw sugar price**

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<th>Raw sugar price, USc/lb</th>
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<td>Pol premium, %</td>
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<td>Total price - c/lb</td>
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<td>- US$/t</td>
<td>399.12</td>
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<td>Price difference – US$/t</td>
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**USD/t**

<table>
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<th>International Standard</th>
<th>Brand JA</th>
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<tr>
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<tr>
<td>Tariff</td>
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<td>Surcharge</td>
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<td>Difference (JA – Br1)</td>
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<td>Effective tariff %</td>
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<td>Surcharge difference – US$/t</td>
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**Benefit to J-Spec**

US$5.83/tonne (A$6.20/tonne)

**Bitter deal as sugar sacrificed in Japan trade deal** media release click [here](#)

**Japan as disappointing as ‘04 US free trade agreement for sugar:** ASA media release click [here](#)
Queensland Leads on Cycle Safety

Media Statement by Queensland Minister for Transport and Main Roads, The Honourable Scott Emerson

Queensland will provide the safest environment for road cyclists becoming the first state to introduce a minimum distance for passing cyclists from next month.

Transport and Main Roads Minister Scott Emerson said the two-year trial of the new laws would encourage better sharing of the road between motorists and cyclists.

“Tragically 13 cyclists were killed on Queensland roads in 2013, so action was needed,” Mr Emerson said.

“The LNP Government is delivering safer roads through better planning, but we also need to improve the way that motorists and cyclists interact on our roads.

“From April 7, motorists will need to give a minimum of one metre when passing cyclists, and a minimum of a metre-and-a-half where the speed limit is over 60kph.

“The trial of the new rules will improve cyclists’ safety and ensure there is enough space between a motorist and the rider.

“The new rules will also allow motorists to cross centre lines and painted traffic islands to pass cyclists when safe to do so.”

Mr Emerson said at the same time, fines for cyclist doing the wrong thing would be increased to the same level as those imposed on motorists.

“Up until now there have been different fines for motorists and cyclists for the same offence. For example, the fine for entering a level crossing with a train approaching will increase from $110 to $330, the same as for motorists,” he said.

“No matter the number of wheels, whether two, four or more, the rules are the same and now the fines are too.”

These are the first recommendations to be actioned of the 68 recommendations made by the Transport, Housing and Local Government Committee.

Other recommendations made by the Committee are still being considered by the Government.

From 7th April by law motorists must give:

⇒ a minimum of 1 metre when passing cyclists in a 60km/h or less speed zone
⇒ at least 1.5 metres where the speed limit is over 60km/h

Motorists will be allowed to cross centre lines, including double unbroken centre lines, straddle lane-lines or drive on painted islands to pass cyclists provided the driver has a clear view of any approaching traffic and it is safe to do so.

The minimum passing distance will be trialled for 2 years and will help make drivers more aware of cyclists.

DATES TO REMEMBER

Haulout Courses, 30 April - 8 May, contact ag college on 1800 888 710

Super Sweet Sorghum Presentation, Thursday 17 April, CANEGROWERS Home Hill Hall

Landcare Meeting, Tuesday 6 May, 5pm at John Hy Peake Room, Burdekin Shire Council

CANEGROWERS weather update

The forecast rain outlook for the next 12 months for Home Hill is represented below. To see the latest forecast for your postcode click here.

The CANEGROWERS weather tool provides a seven day forecast for your desired postcode along with a 12 month rainfall outlook, SOI information and sea surface temperatures.
CANEGROWERS Queensland … taking up the fight on all issues affecting cane farmers
For the week ending to 7 April 2014

Wilmar

✓ Meetings will be held this week as Wilmar starts consultation with grower representatives over its proposal to break away from QSL and form its own marketing company. Wilmar did not provide detail about its plans, and the meetings will be the first opportunity for growers to understand what it is Wilmar is putting on the table.

✓ The growing sector, immensely concerned about the loss of transparency in marketing arrangements, has come out publically in support of the QSL model and the transparency it provides as a grower-miller owned entity.

✓ It is important growers get a full understanding of what is being proposed at the meetings, so that a comprehensive and relevant response strategy can be developed. More information on this important issue for the sugarcane industry will be circulated as it comes to hand.

Plant Health Australia

✓ CANEGROWERS Manager Environment and Natural Resources Matt Kealley attended the Plant Health Australia Regional Member Meeting in Brisbane. PHA provided updates on activities with the Emergency Plant Pest Response Deed, transition to management options when eradication of a pest is not successful and owner reimbursement costs for affected growers.

✓ PHA also provided a 2013/14 mid-year performance report, budget performance and forecasts, Annual Operation Plan and an update on the National Plant Biosecurity Strategy.

Reef Trust

✓ Matt Kealley and Malcolm Petrie (CANEGROWERS Smart Cane BMP Officer) met with Kevin Gale (Australian Government, Department of Environment, Reef Rescue) on future funding opportunities for Smartcane BMP. The discussion focused on funding options through Reef Trust over the next 3 years.

Rats

✓ Matt Kealley met with Allan Royal on Rats data record needs and the species management plan.

RWUE-IF

✓ The decision by the regions on the irrigation information systems is progressing. A meeting of the regional contracted services on Monday 7th will have presentations on the options of crop model and the current Bundaberg system of weather stations and moisture probes. The dewatering project in the Burdekin Ground Water Management Area is progressing with options being considered for trial. EHP has met with DNRM with regard to the dewatering and there appears to be consensus that the dewatering is positive overall. The BGMA issue is far greater than the RWUE-IF project.

Transport

✓ CANEGROWERS attended the first meeting of the Agricultural Transport Industry Council.

✓ The ATIC will be an effective function to resolve current industry issues (such as permit issues, particularly the High Flotation Tyre Class Permits), future transport policy direction and assist in prioritising infrastructure investment.

✓ The ATIC has been an initiative of CANEGROWERS and AgForce.
Pricing information

2013 Season Advances & Payments

as at 7 April 2014

<table>
<thead>
<tr>
<th></th>
<th>$/tonne IPS</th>
<th>% estimated return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial *</td>
<td>$219</td>
<td></td>
</tr>
<tr>
<td>22 August 13*</td>
<td>$235</td>
<td></td>
</tr>
<tr>
<td>26 September 13*</td>
<td>$256</td>
<td></td>
</tr>
<tr>
<td>24 October 13*</td>
<td>$262</td>
<td></td>
</tr>
<tr>
<td>21 November 13*</td>
<td>$275</td>
<td></td>
</tr>
<tr>
<td>19 December 13*</td>
<td>$284</td>
<td></td>
</tr>
<tr>
<td>23 January 14*</td>
<td>$305</td>
<td>77.5%</td>
</tr>
<tr>
<td>20 February 14*</td>
<td>$317</td>
<td>82.5%</td>
</tr>
<tr>
<td>20 March 14*</td>
<td>$332</td>
<td>85.0%</td>
</tr>
<tr>
<td>24 April 14</td>
<td>$342</td>
<td>87.5%</td>
</tr>
<tr>
<td>22 May 14</td>
<td>$351</td>
<td>90.0%</td>
</tr>
<tr>
<td>26 June 14</td>
<td>$371</td>
<td>95.0%</td>
</tr>
<tr>
<td>Final Payment</td>
<td>$391</td>
<td>100%</td>
</tr>
</tbody>
</table>

* paid

The Advance Program is a guide only. CANEGROWERS Burdekin takes no responsibility for its accuracy. It only applies to growers who did not forward price for 2013 (the default method). Growers who have forward priced for 2013 will be paid the same percentage of their final expected proceeds. For individual advance rates check your grower forecast on the Wilmar website.

Wilmar Indicative Future Sugar Prices

as at 11 April 2014

<table>
<thead>
<tr>
<th></th>
<th>Gross $/Tonne IPS</th>
<th>Net $/Tonne IPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Season</td>
<td>$437</td>
<td>$419</td>
</tr>
<tr>
<td>2015 Season</td>
<td>$456</td>
<td>$437</td>
</tr>
<tr>
<td>2016 Season</td>
<td>$467</td>
<td>$447</td>
</tr>
</tbody>
</table>

Estimated QSL 2013 Pool Prices

As at 14 March 2014

<table>
<thead>
<tr>
<th></th>
<th>$/Tonne IPS</th>
<th>% Priced</th>
</tr>
</thead>
<tbody>
<tr>
<td>QSL Harvest Pool</td>
<td>$392</td>
<td>92%</td>
</tr>
<tr>
<td>QSL Discretionary Pool</td>
<td>$398</td>
<td>99%</td>
</tr>
<tr>
<td>QSL Actively Managed Pool</td>
<td>$410</td>
<td>99%</td>
</tr>
<tr>
<td>QSL Growth Pool</td>
<td>$424</td>
<td>93%</td>
</tr>
<tr>
<td>QSL Guaranteed Floor Pool</td>
<td>$393</td>
<td>100%</td>
</tr>
<tr>
<td>QSL US Quota Pool</td>
<td>$484</td>
<td>76%</td>
</tr>
<tr>
<td>QSL 2013 Season Forward Pool</td>
<td>$431</td>
<td>99%</td>
</tr>
<tr>
<td>QSL 2014 Season Forward Pool</td>
<td>$423</td>
<td>72%</td>
</tr>
</tbody>
</table>

Growers can monitor QSL pool performance via the Price Pool Matrices published on the QSL website (www.qsl.com.au). This information is updated regularly and provides a sense of how the QSL-managed pools are performing over the current season.

The Green Pool weekly sugar reports which were available to growers via the grower web are now available through the CANEGROWERS Burdekin.
Water Infrastructure Working Group

The NFF has welcomed the recent announcement by Minister for Agriculture Barnaby Joyce, to establish a ministerial working group that will investigate water infrastructure projects. Chaired by the Minister for Agriculture Barnaby Joyce, the working group will include Deputy Prime Minister Warren Truss, Minister for the Environment Greg Hunt, Assistant Infrastructure Minister Jamie Briggs and Parliamentary Secretary to the Minister for the Environment, Simon Birmingham.

The NFF is of the view that by having a specific ministerial group focused on water, it will provide industry with the reassurance that the broader infrastructure needs of rural and regional Australia are on the government’s agenda. Further to this, the industry would like to see a real commitment from the group to develop innovative and sustainable water infrastructure to ensure long-term water security.

More specifically, it is understood that the group will look at new dams, harvesting options and water storage in underground aquifers. The group has also committed to develop an options paper by July 2014, which will form part of the Northern Australia White Paper and the Agricultural Competitiveness White Paper. For more, see our release here.

Agricultural Competitiveness White Paper Update

The Agricultural Competitiveness White Paper remains a key priority for the NFF and members in the lead up to the 17th of April deadline. The White Paper will identify pathways and approaches for growing farm profitability and boosting agriculture’s contribution to economic growth, trade, innovation and productivity. A draft version of the NFF’s Agricultural Competitiveness White Paper submission has been circulated to members this week for final review. For more information, please contact NFF General Manager of Policy Tony Mahar, on 02 6269 5666 or tmahar@nff.org.au.

AgVet Chemicals Update

Following on from last week’s inaugural ‘Repeal Day’, there has been some further developments on the Agricultural and Veterinary Chemicals Legislation Amendment (Removing Re-registration) Bill 2014. After passing through the House of Representatives, the Bill has been referred to the Senate Standing Committee on Rural and Regional Affairs and Transport for Inquiry and Report. As such, the Committee is seeking submissions by the 18 April 2014.

The NFF will be lodging a submission and is likely to appear in front of the Committee. The NFF is encouraging members to reflect their views from recent submissions in this process. The overall intention of this inquiry is to provide a fresh look at the Bill, this includes revising the mandatory re-registration process to enable the Senate’s consideration of the Bill. For more information, please contact NFF Manager of Rural Affairs, Dave McKeon on 02 6269 5666 or dmckeon@nff.org.au.

Further information on the inquiry is available via the APH website here.

2013-14 Annual Wage Review: NFF Submission

The NFF has recently lodged its 2013-14 Annual Wage Review submission to the Fair Work Commission. In short, this year’s submission concluded that the national minimum wage increase should not exceed more than 1.1 percent including the increase in the Superannuation guarantee levy. The NFF indicated that any increase should be tied to improvements in productivity. The full submission is available online here.

NFF Board to meet with FFNZ

The NFF Board of Directors will next week travel to New Zealand to meet with the Federated Farmers of New Zealand (FFNZ) as part of its commitment to strengthen ties with its Oceanic counterparts. The Board will visit different farming operations around the Christchurch region and, for the following days, will be meeting with FFNZ to discuss key priorities for both the peak farm bodies and the issues affecting their respective members.

Cost recovery methodology for levies

Last week the Department of Agriculture released a discussion paper on cost recovery methodology for the levies program. The paper reviews three themes, including the:

1. Allocation of program management costs to commodities
2. Allocation of commodity costs to levy recipient bodies

Further information on levies and the discussion paper is available at the Department’s website here. Feedback in writing is due to levies.management@daff.gov.au by 11 April 2014.
National Agricultural Statistics Review

The Australian Bureau of Statistics (ABS) and the Australian Bureau of Agriculture and Resource Economics and Sciences (ABARES) have this week released the preliminary findings from the National Agricultural Statistics Review (NASR). The preliminary findings have demonstrated that there are concerns about the survey burden on farmers and clear opportunities to improve the quality of agricultural statistics.

Specifcally, the review will be looking at all aspects of the National Agricultural Statistical Information System (NASIS) and its ability to inform decision making for the agricultural sector. As such, further comment is being sought on priority areas for innovation and improved coordination of the NASIS up until May 16 2014. This second phase of consultation will assist in making the final recommendation, which will be publicly released on the ABS website on 7 July 2014. For more information, please see here.

ABARES Weekly Climate, Water and Ag Update

- For the second week in a row rainfall in excess of 25mm was recorded across a large part of eastern Australia.
- March rainfall was average to extremely high across most of the eastern wheat sheep belt, which is likely to lead to increased soil moisture profiles in a number of regions.
- The rainfall forecast for the next eight days indicates that there will be a broad band of rainfall from the north-east to the south-west of the country.
- Water storage levels in the Murray-Darling Basin increased this week by 32GL and are at 52 percent of total capacity.
- The world sugar indicator price averages US17.6 cents a pound in the week ending 2 April 2014, 3.2 percent higher than in the previous week.

The Global Dairy Trade weighted average price of anhydrous milk fat declined by 11.3 percent to US$4062 a tonne on 1 April compared with US$4578 a tonne on 18 March. Skim milk powder declined by 9.1 percent and the cheese price fell by 4.4 percent over the same period.

For the full report, please see here.

HORTICULTURE SPARED FROM RAIL DEVELOPMENT

THE Deputy Premier, Jeff Seeney, has confirmed that the proposed Bowen Basin rail corridor will not passage through one of the State’s important horticultural regions. Farmers in the region – just north of Bowen near Euri Creek – had been dismayed to see that the proposed major rail development put a significant area of intensive and valuable farming land at risk.

QFF had joined with QFF member organisation, Growcom, in lobbying for changes that would protect this important farming region. According to Mr Seeney, more than 5000 hectares of agricultural land northwest of Bowen will be removed from the proposed mapping and the Coordinator General is working with the intensive farming industry near Merinda to ensure that the future upgrades to the existing rail line can be contained within the current Aurizon rail corridor.

This sensible outcome comes thanks to the work of QFF, Growcom, and the local MP, Rosemary Menkens, in these negotiations. We welcome the decision and look forward to a continued productive working relationship with the State Government.

SKILLS AND TRAINING PRIORITIES REPORT OUT

FURTHER progress with reform of Queensland’s Vocational Education and Training (VET) sector became evident last week with the release of the first Annual Skills Priority Report, a 153 page report covering 10 major industry sectors and nine sub sectors. Why this is a ‘first’ is that it reflects an important change in direction for government in that training dollars are now meant to go where the skills demand are (jobs) rather than simply to create a completed qualification (which may or may not lead to a job). The Queensland government created the Ministerial Industry Commission (MIC) last year to oversee this industry skills demand assessment. Because of the very tight timeline to create this first report, it is widely acknowledged that the ‘industry engagement’ was necessarily limited and will need to be improved into the future. QFF, our members and AgForce have all recognised that rural and allied industries must engage more effectively with the education and training sector and this has led to the Queensland Agricultural Training Partnership (QATP) and a proposal to the MIC to fund targeted skills research that will boost training, employment, productivity and industry growth. QFF has sought to meet urgently with the MIC to progress this proposal and to learn more about how VET and RTO investments will be redirected in 2014-15 and beyond.

QFF SEEKING ENTRY LEVEL POLICY OFFICER

THE Queensland Farmers’ Federation has an opportunity for a recent university graduate, final year or penultimate year student to join our small team in the role of Policy Officer. Working across three of Australia’s leading representative bodies in the chicken production industry, the successful candidate will be responsible for providing policy and administrative support to executive members in the form of industry research, proposal and policy submission writing, development and execution of organisational communications strategies, and general administration.

We are looking for someone with an interest in agriculture; a tertiary qualification in the area of Agricultural Science / Environmental Science / Economics / Public Policy / Communications or similar (final year and penultimate year students are encouraged to apply); good time management skills; efficient and mature communication skills; initiative; and flexibility to work in a team and autonomously as required. To apply send your cover letter and resume to qfarmers@qff.org.au by April 17.
HIGH FEED COSTS HIT INTENSIVE ANIMAL INDUSTRIES

QFF has been working with its intensive animal industry members on issues related to high feed prices, primarily due to dry summer. As at the end of March, prepared or finished stock feeds in Queensland have been about $75-$100 per tonne more expensive than southern States and this is beginning to adversely affect the competitiveness of Queensland animal feeders.

Because of the patchy season in Queensland, grain is in short supply and the normal seasonal relief that comes with the summer crop harvest has not happened because of the uneven sorghum crop and strong export demand for the grain. The major rain event of late March may help alleviate some of the strong feed price pressures in Queensland, especially if fine weather allows late sorghum to finish well and boost supplies. It has also renewed optimism in the coming winter season and next summer.

FUTURE OF RECYCLE WATER PIPELINE IN DOUBT

The State Government is considering whether the $2.6 million Western Corridor Recycled Water Scheme should be sold or shut down completely. It is also assessing the future of the $1.2 billion Gold Coast Desalination Plant. Currently, both projects are costing the Government $150 million a year in interest repayments and $33 million a year in ‘care and maintenance’ costs.

The Premier has not ruled out other options for the future management of these projects including keeping one or both of these water projects for times of extreme drought, or investigating alternative uses. A Committee of the Queensland Parliament is also inquiring into a report by the Auditor General into the value for money of these two projects.

QFF President Joanne Grainger wrote about the recycled water scheme in the Queensland Country Life late last year, arguing that the scheme could be productively used to provide irrigation water to the Lockyer Valley. The article is here. QFF also made a submission to this inquiry recommending that the Queensland Government undertake a comprehensive development appraisal into the supply of fit-for-purpose water for irrigation from the Western Corridor Recycle Water Scheme. Irrigators in the Lockyer Valley have for some time been promoting the development of such a project. This valley accounts for the equivalent of 40% of South East Queensland’s annual fresh vegetable consumption. The growth of this market over the next 20 years is expected to provide the opportunity to increase horticultural production from Lockyer and neighbouring areas by up to 35%. However, the reliability of water supply form irrigation schemes particularly in the Lockyer will be a significant impediment to achieving these production increases.
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**CANEGROWERS’ leadership has earned the respect of community, industry and government for its persistence and professionalism. The Burdekin’s local and regional leadership is complemented by CANEGROWERS’ leadership at national and international levels.**

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Contact us today with the details.