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Kalamia Cane Growers
Organisation Limited

HIGHLIGHTS

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Kalamia Sweet Notes

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thanks all contributors.

THE CURRENT CHALLENGES AND COPING WITH THEM

This last month has dished up just about everything in the way of uncertainties that a grower might ever wish to avoid. Weather threatening to interfere with clearing the crop from the paddock within this harvest season, frustration that this will reduce sugar available for sale when prices for 2016 have been exceptionally good, uncertainty continuing to surround the

negotiations with Wilmar and the inability to lock in some forward pricing on attractive prices for 2017, 2018 and 2019, (and made no clearer with draft recommendation in the Productivity Commission Draft Report) and the commencement of farm audits from the Department of Environment and Heritage Protection looking at farm impacts on the environment and the Reef.

Farmers are always widely admired for their resilience in the face of the adversity of nature and markets present to their chosen profession, agriculture, but this resilience must also be nurtured and replenished by looking after your body and your mind.

If anyone is finding the going tough with all these challenges and with making decisions about your business, yourself or your family, do think about talking to a support service.

There have been a number of meetings that members have attended recently. The KCGO AGM at which irrigation pump expert, Mr Pat Daley was guest speaker, the joint BDCG growers meeting which the 2017 CSA

were also discussed, and most recently, the Reef Science Debate that KCGO organised for the Burdekin featuring Professor Peter Ridd from James Cook University. Professor Ridd challenged the scientific conclusions and the policy decisions about Reef management that is based on them. He questioned the rigor of some of the science and the impartiality behind a number of reports.



Without people of the calibre of Peter Ridd challenging the conduct of the scientific community, there is no strong case with which we can question policy direction and lobby for change.

Peter has given us the ammunition, we need to prosecute the case in media campaigns and influencing all politicians.

Regards,
David



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KCGO Marketing Information on QSL and Wilmar



QSL MARKETING CHOICE UPDATE

By Greg Beashel, QSL CEO and Managing Director



It is encouraging to see some progress in negotiations between Wilmar and its supplying grower collectives regarding Cane Supply Agreements (CSAs) for the 2017 Season.

While QSL is not party to these contracts between the miller and its supplying growers, we welcome all efforts to reach

agreement on this front and subsequently enable the growers concerned to gain some certainty about their future operating arrangements and access pricing opportunities for the 2017 Season and beyond.

As these CSA negotiations continue, QSL's primary focus remains on securing the necessary On-Supply Agreement (OSA) between QSL and Wilmar to ensure growers supplying Wilmar mills can exercise the Marketing Choice provided to them under the new legislation and access QSL's products and services. You may recall that we forwarded our standard OSA to Wilmar back in May and we remain keen to progress this. While we welcome Wilmar's recent announcement that it intends to provide its supplying growers with a list of GEI Marketers who have executed a GEI Sugar Sales Agreement with Wilmar, we are yet to see the contractual terms associated with this sales agreement. Rest assured – QSL intends to be included on the list of

GEI Marketers made available to Wilmar growers. However it will be essential that any contractual arrangement between QSL and Wilmar does not impede our ability to remain competitive, with the point of transfer for the title of any nominated sugar a key element to be agreed upon.

Details such as these will be central to our future OSA discussions with Wilmar. In the interim, the QSL team is continuing the process of finalising our OSA with MSF Sugar while also working with Tully Sugar regarding marketing arrangements for the coming season.

Full details regarding these QSL Pools and Pricing products, as well as details of the 2017 Marketing and Pricing nomination processes, will be available soon. For further information regarding your 2017 Season QSL options, please visit www.qsl.com.au.

This document contains information of a general or summary nature. While all care is taken in the preparation of this document, the reliability, accuracy or completeness of the information provided in the document is not guaranteed. It does not constitute financial product or investment advice, nor does not constitute a recommendation to invest in any of the pools described above or an offer or invitation with respect to any of the pools. QSL does not accept any responsibility to any person for the decisions and actions taken by that person with respect to any of the information contained in this document.

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QSL OPTIONS: GENERAL OVERVIEW 2017 PRICING PRODUCTS

While work to secure an OSA with Wilmar continues, here is a broad overview of the pricing pools QSL intends to offer growers next season:

	QSL GUARANTEED FLOOR POOL*	QSL ACTIVELY MANAGED POOL*	QSL 2-SEASON FORWARD POOL*	QSL HARVEST POOL*
Commitment required	Committed Sugar	Committed Sugar	Committed Sugar	Uncommitted Sugar
Pool's aim	Provides a guaranteed minimum return with the potential for higher returns	Targets the best return over the season by pricing more frequently as short-term market opportunities arise	Priced over 2 seasons to target the best return, with some pre-set triggers	Designed to manage a limited amount of production variation
Season involved	Current Season	Current Season	Next Season	Current Season
Pool Manager's pricing discretion levels	No discretion to vary from pricing plan	+/- 30% from the pricing benchmark	+/- 30% from the pricing benchmark	+/- 20% from the pricing benchmark
Production risk	Individual production risk	Individual production risk	Individual production risk	Only paid for what is delivered
Payment options	Up to 90% by December, 2017	Standard	Standard	Standard

*QSL cannot guarantee the performance of these pools.

QSL INDIVIDUAL GROWER FORWARD PRICING OPTIONS

In addition to the QSL Pool options outlined in the preceding table, it is also intended that Growers will be able to access the following three QSL Individual Grower Forward Pricing Options:

	QSL FIXED PRICE FORWARD CONTRACT	QSL TARGET PRICE CONTRACT**	QSL IN-SEASON FIXED PRICE CONTRACT
Pricing horizon (How far can I price forward?)	Up to 3 seasons forward of the current season (e.g. During 2016 Season pricing can be done for the 2017, 2018, and 2019 Seasons)	Current season plus up to 3 seasons forward (e.g. During 2016 Season pricing can be done for 2017, 2018, 2019)	Current season only Proposed new product for pricing during the actual crushing season
Pricing commencement	Any time prior to the Pricing Declaration Date	Any time prior to the Pricing Declaration Date	Any time after the Pricing Declaration Date
Minimum allocation	6 ICE 11 Futures Lots (304.815 mt) Approximately 4250 mt of cane at 12 CCS	10 metric tonnes Approximately 140 tonnes of cane at 12 CCS	6 ICE 11 Futures Lots (304.815 mt) Approximately 4250 mt of cane at 12 CCS
Pricing completion date	28 February in the year crushing is to commence for relevant season	15 June in the year crushing is to commence for relevant season	Up to 15 April after the crush has finished
Minimum order size	Orders must be in a minimum or multiple of 6 Lots (304.815 mt)	10 metric tonnes Approximately 140 tonnes of cane at 12 CCS	Minimum order 1 ICE 11 Futures Lot (50.8025 mt)
Payment options	Up to 90% by completion of crushing or Standard QSL Advances	Up to 90% by completion of crushing or Standard QSL Advances	Standard QSL Advances

*QSL cannot guarantee the price performance of these pools and final terms are subject to change.

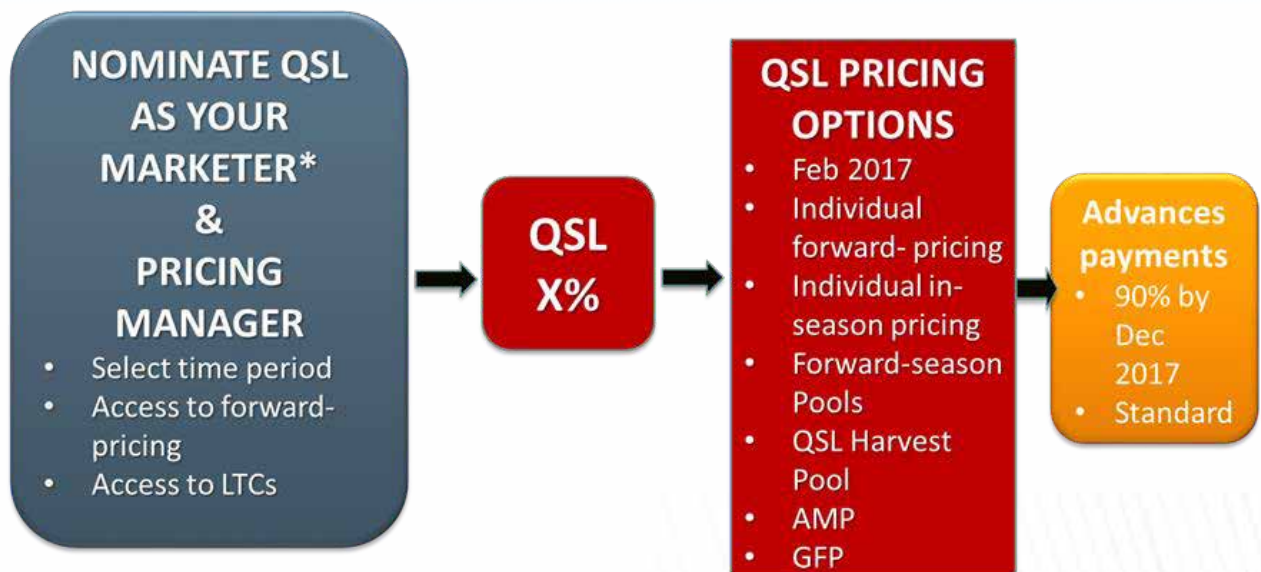
** (2016 Season nominations closed on 29 February 2016)

How will Marketing Choice work?

The contractual arrangements


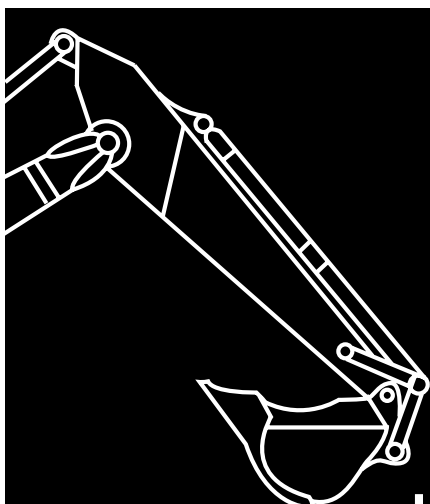


The Process



*You may be able to allocate tonnes to more than one Marketer as determined by contractual agreements between Grower and their Miller.

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GROWER CHOICE AND WHAT IT MEANS FOR YOU



Under Grower Choice

You supply cane to the Mill Owner under a Cane Supply Agreement (CSA). Your CSA will define Grower Economic Interest (GEI) Sugar, and you will be able to nominate GEI Marketers to whom you can nominate your GEI Sugar.

We will provide you with a list of GEI Marketers who have executed a GEI Sugar Sales Agreement with Wilmar, and you can select one or more GEI Marketers from that list for up to 3 years forward.

You can allocate all or a proportion of your GEI Sugar to the GEI Marketers you have selected. The Mill Owner will then sell

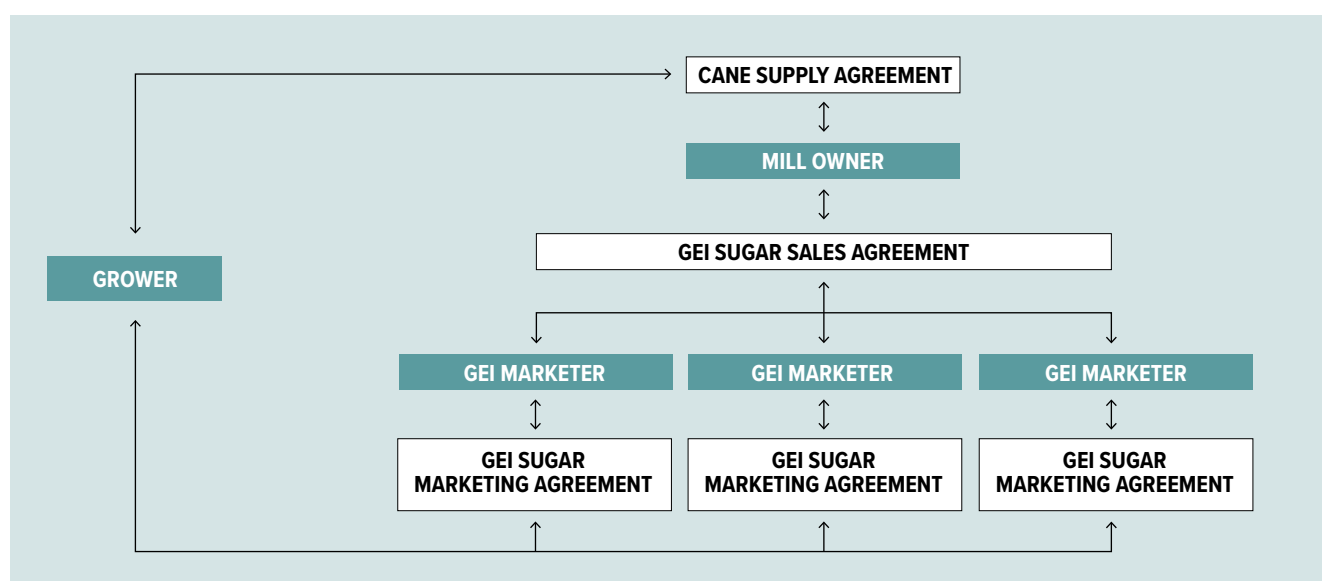
an amount of on-supply sugar that is equal to your GEI Sugar allocation to the GEI Marketers you nominated, under a 'GEI Sugar Sales Agreement'.

GEI Marketers will be able to offer growers competitive packages through 'GEI sugar marketing agreements', and contract directly with individual growers regarding forward pricing, advance options and premiums reflecting the outcome of physical sugar sales.

Sale of sugar to GEI Marketers

Sugar will be sold to all GEI Marketers at the time it is loaded into a ship and we will require the GEI Marketers make payment in full at the time of shipment. Your GEI Marketer will determine the timing of when the sugar is shipped, subject to storage and logistics constraints associated with the operation of the bulk sugar terminals at the ports. The price for sugar sold to GEI Marketers will be the global market price (ICE 11) on the day of the transaction.

Legal and commercial relationships under the amended legislation



Payment for your cane

Your payment for cane depends upon your selection of GEI Marketer.

If you choose Wilmar as your GEI Marketer, you will be paid for cane under Wilmar's GEI Sugar marketing agreement that we call the Wilmar Pricing and Pooling Agreement or PPA. You will be paid on the basis of your choice of pools and pricing mechanisms and at a time specified in the advances options you select under the PPA (for more information please see our summary [available here](#)).

If you select another GEI Marketer, Wilmar cane payments will be based only on sales of sugar to your nominated GEI Marketer and you will be paid for a proportion of your cane deliveries each time a shipment of sugar is sold to the GEI Marketer you nominated. Your payment for cane is linked to the sale price of the sugar sold by the Mill Owner to your nominated GEI Marketer. The proportion of cane for which you will be paid will be equivalent to the proportion of your GEI Sugar that is attributable to the shipment. We will make your payment for cane shortly after receiving payment at the time of shipment from your GEI Marketer.

If you select another GEI Marketer, we expect that you will also enter into a GEI Sugar marketing agreement directly with that GEI Marketer to access forward pricing and advance payment options directly from them. Any payments to be made to you under a GEI Sugar marketing agreement you have with another GEI Marketer will be made directly to you from the GEI Marketer and are separate from cane payments made by Wilmar under your Cane Supply Agreement.

In addition to payment for cane

All growers who sign a CSA with Wilmar will be offered a Molasses Gain Share Agreement irrespective of their nomination of GEI Marketer. Molasses Gain Share Payments will not change under the new arrangements, they are simply outlined in a separate agreement.

How to access your CSA and Molasses Gain-Sharing Agreement

We are moving to online Grower Web review, management and acceptance of all our agreements from the 2017 season. This means you will be able to access your agreements at any time, from anywhere.

You can open, save and print agreements as many times as you wish before signing, and when you are ready to accept your agreement you can do this by following an easy step-by-step process. Your signed agreements will be available through the Grower Web for you to review at any time.

The process to follow

1. As part of the initial process for accepting a CSA, you will find a list of GEI Marketers that are available to select for up to 3 seasons ahead.
2. Allocate all or a proportion of your GEI Sugar to each of the GEI Marketers you have selected.
3. When you have read the agreements and are ready to proceed, accept your CSA using our secure Grower Web system.
4. After you have accepted your CSA, you may change your nomination of GEI Marketers and allocation of GEI Sugar for a season, any time prior to the marketing nomination date for that season.
5. You will also need to read and accept your Molasses Gain-Sharing Agreement, again using Grower Web.
6. If you choose Wilmar as your GEI Marketer, review and sign a Pricing and Pooling Agreement to access forward pricing and select your advance payment options. Your payments for cane will be based on the pricing, pooling and advance payment options you choose in the PPA.
7. If you choose another GEI Marketer, please contact them directly to discuss the terms of any GEI Sugar marketing agreement that they may offer before making your final selection of GEI Marketer prior to the marketing nomination date as this will determine payments that you may receive directly from them separate to cane payments made by Wilmar under your CSA.

Help and Support

If you have any questions or would like to talk to a Wilmar representative regarding the CSA or Molasses Gain-Sharing Agreement, please contact:

PAUL GIORDANI	(07) 4722 1947 0419 476 828
DAVE LANGHAM	(07) 4722 1922 0417 694 615

To find out more about Wilmar's offer as a GEI Marketer, please contact a member of our Grower Pricing Team:

JAMES GREENWOOD	(07) 4722 1931 0428 195 206
CHRIS WINSHIP	(07) 4722 1986 0437 669 118
JOHN CARMODY	(07) 4722 1985 0438 176 335
SIMON HAIRE	(07) 4945 9708 0437 803 019
SARAH MORIARTY	(07) 4722 1956 0439 002 240

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CHOOSING WILMAR AS YOUR GEI MARKETER



What do I get if I choose Wilmar?

If you allocate all or a proportion of your Grower Economic Interest (GEI) Sugar to Wilmar, you will:

- be able to forward price for the 2017, 2018 and 2019 seasons as soon as you sign agreements using our secure Grower Web system;
- have the choice of a range of payment options;
- receive 100% of the Net Premiums achieved by Wilmar on the sale of GEI Sugar and potentially participate in fixed premium offers made from time-to-time by Wilmar;
- have access to extensive reporting on the performance of your selected pools and pricing mechanisms;
- receive market reporting and analysis from Wilmar's Global Sugar team; and
- have access to the Grower Pricing Team who are based in the regions and are available to work with growers to explain in more detail Wilmar's pricing and payment offer.

What payment options is Wilmar offering?

Wilmar is offering:

- **Prepayment** by 31 March prior to the commencement of a season, for a fixed \$5/tonne of cane for up to 100% of the proportion of the cane you nominated to Wilmar;
- **A Cash On Delivery (COD) Advances Option** that has a minimum advance of 90% of expected sugar price for that portion of GEI Sugar allocated to a Wilmar forward pricing mechanism, where the grower has nominated COD and pricing has been completed;
- **A Deferred Advances Option** for the first cane payments under any Advance Option, delaying the payment until immediately after 1 July of the relevant season; and
- **A Default Advances Option** similar to current industry advances, that has a minimum initial advance of 60% of your expected price, and increases incrementally throughout the season to reach 100% by the conclusion of the season.

What pools and pricing mechanisms will be available?

Initially Wilmar will offer:

- **A Target Pricing Mechanism** that allows you to manage your own price exposure by setting price requests in \$10 increments, with only a 10 tonne GEI Sugar minimum requirement;
- **A Call Pricing Mechanism** that requires price requests to be entered in multiples of 304.82 tonnes of GEI Sugar, but allows you to request any dollar value;
- **Wilmar Managed Pool(s)** in which Wilmar will manage the price exposure at its discretion;
- **A Production Risk Pool** that is used to manage seasonal variability in the actual quantity of cane produced by growers and supplied to Wilmar; and
- **A US Quota Pool** that has historically offered higher returns from raw sugar sales to the USA domestic market under a quota system.

If you choose Wilmar, you can forward price with increased flexibility, with a maximum of 70% of GEI Sugar able to be allocated to all pricing mechanisms except the US Quota Pool and the Production Risk Pool.

How will my cane payment be calculated?

If you choose Wilmar, you will receive cane payments based on:

- your selected pricing and pooling options;
- your selected advances options; and
- the premium achieved by Wilmar on the marketing of physical raw sugar.

Importantly, the timing of payments will be determined by the advances options you choose and the pools and pricing mechanisms you select.

How can I be sure the price achieved in the pool is being used in my cane payment formula?

If you choose Wilmar as your GEI Marketer for all or a proportion of your GEI Sugar, you will receive reports including:

- a Monthly Pool Price Report outlining estimated premiums and costs;
- Sensitivity Matrices for all pools showing how changes in the ICE#11 Price or AUD exchange rate would affect the Gross Pool Price;
- a Monthly report outlining advance rates for the COD and Default Advance options; and
- grower-generated cash flow forecasts for production nominated to WSA and taking into account WSA's new payment options.

In addition, Wilmar will engage an auditor to review the final pool price reports for that Relevant Season, and the Audit Statement will be made available to you.

How do I access Wilmar's offer?

To choose Wilmar as your GEI Marketer, you need to:

- nominate Wilmar for all or a proportion of your GEI Sugar when you sign your Cane Supply Agreement; and
- sign the Pricing and Pooling Agreement.

Where can I get more information?

The full detail of Wilmar's offering will be provided in our Pricing and Pooling Agreement. You can get more information by contacting a member of our Grower Pricing Team:

JAMES GREENWOOD	(07) 4722 1931 0428 195 206
CHRIS WINSHIP	(07) 4722 1986 0437 669 118
JOHN CARMODY	(07) 4722 1985 0438 176 335
SIMON HAIRE	(07) 4945 9708 0437 803 019
SARAH MORIARTY	(07) 4722 1956 0439 002 240

Make Wilmar your choice

Growers will continue to have access to the Forward Pricing mechanisms they know and have used, and will be offered new pools managed by Wilmar



A new range of Advances Payment Options will be available to growers in addition to a Prepayment Option to assist growers with costs associated with planting prior to the commencement of harvesting



Every month, every grower who chooses Wilmar will receive a report showing forecast price outcomes for pools plus an enhanced cashflow forecast tool including new Advance Payment options



Wilmar has guaranteed to provide to growers who choose Wilmar, 100 per cent of the \$/tonne net marketing premiums that Wilmar achieves

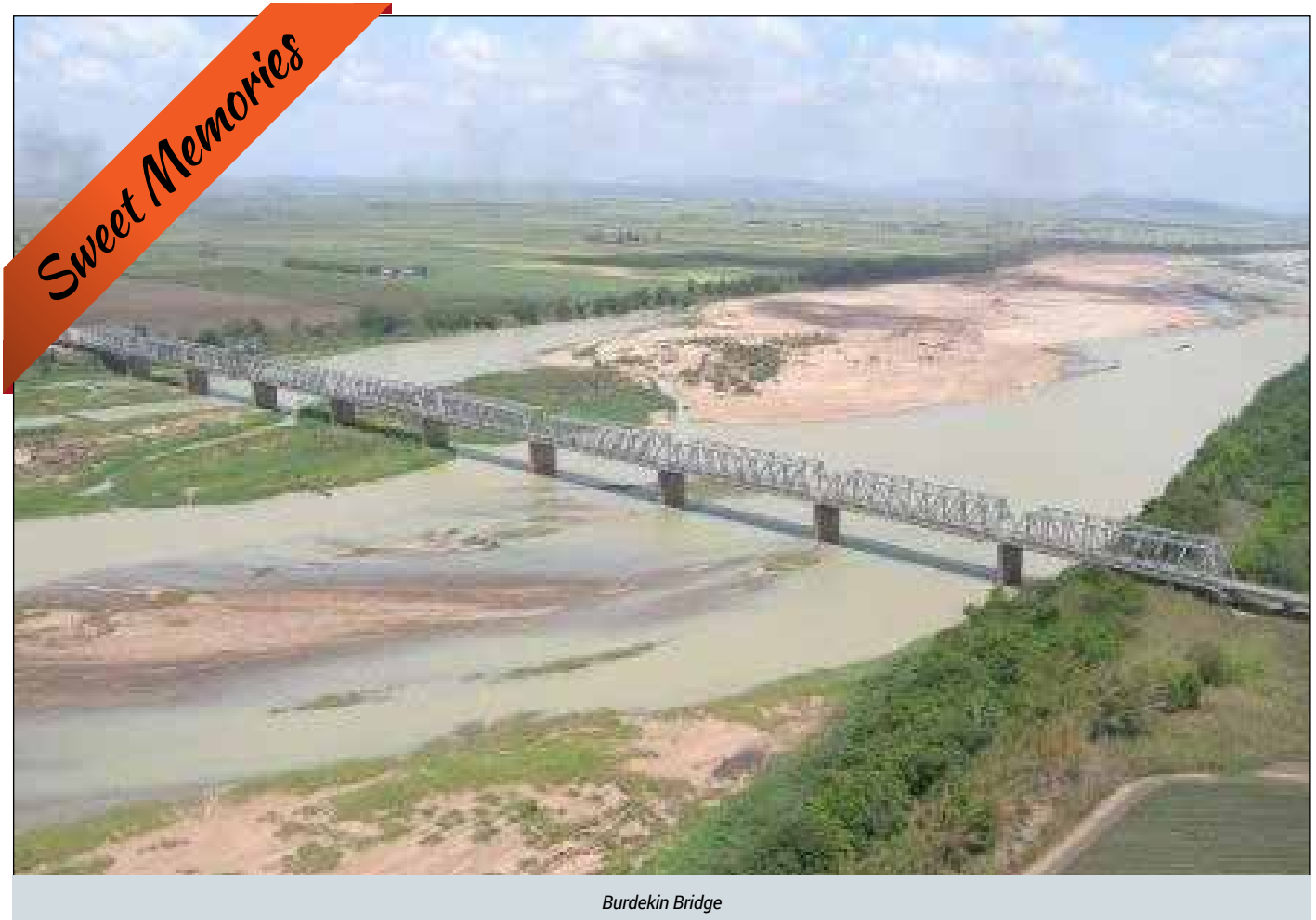


Wilmar will conduct an annual audit to provide growers with confidence of the outcomes received



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Going from horses to vehicles

Advances and payments by pricing category



2015 SEASON: HERBERT, BURDEKIN & PLANE CREEK

11 July 2016

		US Quota	Wilmar Managed Pool	FSP 2 - 2 Season Forward Pool	FSP 3 - 3 Season Forward Pool	Actively Managed Pool	Guaranteed Floor Price Pool	Harvest Pool	Totals & Averages
POOL PRICES									
Previous Net Pool Price Estimates	A/t IPS								
25 Mar 2016		\$683.12	\$461.45	\$467.72	\$482.58	\$466.35	\$430.06	\$450.12	
29 Apr 2016		\$690.61	\$440.38	\$469.34	\$485.51	\$477.02	\$434.61	\$456.50	
27 May 2016		\$678.06	\$472.58	\$478.59	\$494.70	\$523.84	\$455.59	\$501.29	
30 Jun 2016		\$668.04	\$470.14	\$477.97	\$497.80	\$556.89	\$466.45	\$525.41	
Current Gross Pool Estimate	A/t IPS	\$751.37	\$439.73	\$468.69	\$484.87	\$476.37	\$433.96	\$455.86	
Shared Pool Premiums	A/t IPS	-\$28.97	\$32.42	\$32.42	\$32.42	\$32.42	\$32.42	\$32.42	
Shared Pool Charges	A/t IPS	-\$31.78	-\$31.78	-\$31.78	-\$31.78	-\$31.78	-\$31.78	-\$31.78	
Net Pool Price Estimate	A/t IPS	\$690.62	\$440.38	\$469.34	\$485.52	\$477.02	\$434.61	\$456.51	
29 April 2016 Pool Reports									
ADVANCE RATES	A\$/t IPS	% Advance	Status						
In-Season \$ Rates									
Initial	\$267.00	Scheduled	\$267.00	\$267.00	\$267.00	\$267.00	\$267.00	\$267.00	\$267.00
18 Aug 2016	\$302.00	Scheduled	\$302.00	\$302.00	\$302.00	\$302.00	\$302.00	\$302.00	\$302.00
20 Oct 2016	\$325.00	Scheduled	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
15 Dec 2016	\$349.00	Scheduled	\$349.00	\$349.00	\$349.00	\$349.00	\$391.15	\$349.00	
Post-Season Differential Rates									
26 Jan 2017	80.00%	Scheduled	\$552.49	\$352.30	\$375.47	\$388.41	\$381.61	\$391.15	\$365.20
23 Feb 2017	82.50%	Scheduled	\$569.76	\$363.31	\$387.20	\$400.55	\$393.54	\$391.15	\$376.62
23 Mar 2017	87.50%	Scheduled	\$604.29	\$385.33	\$410.67	\$424.83	\$417.39	\$391.15	\$399.44
20 Apr 2017	90.00%	Scheduled	\$621.56	\$396.34	\$422.40	\$436.96	\$429.31	\$391.15	\$410.86
18 May 2017	92.50%	Scheduled	\$638.82	\$407.35	\$434.14	\$449.10	\$441.24	\$402.01	\$422.27
22 Jun 2017	95.00%	Scheduled	\$656.09	\$418.36	\$445.87	\$461.24	\$453.17	\$412.88	\$433.68
Final	100.00%	Scheduled	\$690.62	\$440.38	\$469.34	\$485.52	\$477.02	\$434.61	\$456.51
FORECAST RETURN FOR A 'DEFAULT GROWER' (i.e. A grower with no Forward Pricing or QSL Fixed Tonnage Pools)									
% Allocation to US Quota and Harvest Pools		2.50%						97.50%	100.00%
Initial Advances to be Paid	A/t IPS	\$267.00						\$267.00	\$267.00
Final Forecast Advances to be Paid	A/t IPS	\$690.62						\$456.51	\$462.37
% Paid Season-to-Date		38.66%						58.49%	57.75%

Notes to Advances Program

Forward Pricing pools

In addition to the above pools, many growers have undertaken pricing via Wilmar's Forward Pricing program, namely under the Target Price and Call Pool pricing mechanisms. The final returns from these pools are subject to the same Shared Pool adjustment as for the ICE No.11 pools referred to above.

Shared Pool Element

The 'Shared Pool Premiums' and the 'Shared Pool Charges', as shown above, together comprise the 'Shared Pool Element' as defined in the Forward Pool and Pricing Agreement (FPPA).

General information

Advances are quoted EXCLUSIVE of GST. All advances are subject to QSL Board approvals, final returns for each price category, Wilmar's final sugar production for the season and tonnage allocations to various pricing methods. All growers who have used any form of Forward Pricing will have different advances depending on their price outcomes and tonnages fixed.

MEMBERS INFORMATION

NOTICE BOARD

CSA Agreements

Members wanting to further their knowledge and assist with questions or queries regarding the CSA agreement options for 2017 and beyond, are invited to make an appointment to discuss these issues with our Executive Manager, David Rutledge.

Changing Ownership/Leasing & Kalamia Member Changes

Existing Kalamia CaneGrower members are asked to notify our office of any changes concerning farm sales/leasing arrangements.

This information will help to keep our membership accurate in communication and allows staff to assist with these matters if required.

This will also assist your organisation to provide any prospective members with our extensive range of services including industry representation, negotiation of CSA agreements, special fuel prices, crop insurance, wage preparation and other benefits.



AG HIRE

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Funded by Burdekin CaneGrowers & Wilmar Sugar

Annual General Meeting

The board and management of BPS cordially invite all financial members and industry representatives to join them at the AGM on Tuesday the 23rd August 2016 at the Ayr Showgrounds Hall commencing 1.30pm. This year the guest speaker is Dr. Anne Rae from CSIRO Agriculture & Food. She will present on “Sugar Cane Root Systems - What’s going on Underground?”

Other industry representatives also attending include QSL, SRA, NQ Dry Tropics, Incitec Pivot, Wilmar BioEthanol AgServices, along with all local Canegrower Collectives.

Afternoon Tea and Light Refreshments will follow.

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Interesting News Articles

WHY WOULD A QUEENSLAND CANE FARMER WRITE THOUSANDS OF WORDS?

By Lara Webster, QLD Country Hour – www.abc.net.au/rural

Not too many farmers would sit down and write 10,000 words, but that is exactly what a Tropical North Queensland cane farmer has done.

After travelling the world to research overseas agriculture, it has taken the Nuffield scholar and Mackay region farmer, Simon Mattsson, two years to publish his paper on soil biology.

He has spent a great deal of time applying what he learnt overseas to the improvement of his own soil, and has done so through innovative methods like growing sunflowers and legumes in rotation with his cane crops.

"Soil biology" is a phrase you would often hear from Mr Mattsson and his final report outlines his research around soil biology, although it became much more expansive than originally intended.

"As a farmer I soon came to realise that soil biology is just one of the three key elements that make up a soil," he said.

"You have got the chemical or nutrition side of it, you have the structural side – how the soil is physically made up – and then you have got the biology ... it is a case of working out how those elements fit together.

"If any one of those things is not up to scratch it really makes it hard for the biological part of the soil to function."

FOUR KEY PRINCIPLES APPLY TO EVERYONE

Around soil biology, however, there are seven key principles which the Nuffield scholar believes are paramount and he said four could be applied by any kind of farming operation.

"The first four key ones are always maintaining organic cover on your soil, to reduce

mechanical tillage in anyway possible [and] the third one is plant diversity," Mr Mattsson said.

"You cannot have a healthy system without plant diversity and the more plant diversity, the better.

KEY PRINCIPLES TO IMPROVE SOIL HEALTH:

- » Maintain organic cover on your soil.
- » Reduce mechanical tillage in anyway possible.
- » Increase plant diversity for healthier soil biology.
- » Maintain a living root in the soil, as much of the year as possible.
- » Balance nutrition
- » Use less synthetics like superphosphate.
- » Try to integrate animals.

"The fourth one would be maintaining a living root in the soil, as much of the year as possible.

"The sugar cane industry three of those but we can do a lot more.

"We could do a lot less tillage and we could certainly have something in our fallow ground almost all of the time, whether you grow a legume or whatever else... the one that we are not doing that is absolutely critical is that plant diversity."

The other three key principles include balancing nutrition, less use of synthetics like superphosphate and also animal integration.

It is that last principle which Mr Mattsson is still working on himself.

"If we cast our mind back to the early turn of the 20th century before World War I, it was quite common that animals were on every farm and quite often many different kinds.



Photo: Mackay region cane grower Simon Mattsson travelled to Peru, as part of his research into soil health. (Supplied)

"Those animals were a key element to the fertility of the cropping system," he said.

"How do I introduce animals back into sugar cane monoculture? I am still working on that one."

CONVICTION IN FARMING PRACTICES

Mr Mattsson said his convictions about his own farming practices had been strengthened through writing the report.

"Certainly what I have gained is an assurance of my convictions and what I've learnt overseas I have brought home and I have dabbled with it here," he said.

"Over the last two years I have had those key principles reinforced by people who have applied them over the last two decades and been very successful ... so I am sure those key principles are correct.

"What I need to find out now is how they [key principles] apply in our environment and that is what will take the time."



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Interesting News Articles

MILLERS SEIZE ON PRODUCTIVITY COMMISSION'S RECOMMENDATION THAT SUGAR MARKETING LAWS BE REPEALED

By Charlie McKillop, ABC Rural – www.abc.net.au/rural

A draft report on the way forward for farm businesses burdened by regulation has reignited a bitter feud in Australia's \$1.6 billion sugar industry by recommending new sugar marketing laws be scrapped.

The controversial changes to the Sugar Industry Act were passed in Queensland last year after Katter's Australia Party and the LNP combined to support the legislation, despite staunch opposition by the Queensland Labor Government.

In its broad-ranging, 500-page report, the Productivity Commission (PC) concluded: "reregulating the Queensland sugar industry is likely to constrain investment and structural adjustment, and should be repealed".

The report also noted there was no apparent market failure and pointed to evidence the current marketing arrangements had not been subjected to the kinds of long-term competitive forces that have driven innovation and cost savings in other industries.

Not surprisingly, the findings have been seized upon by the Australian Sugar Milling Council, which wants the legislation reviewed by the National Competition Council.

But peak body Canegrowers has demanded the new law be given a chance to work since it was increasing marketing competition, not stymieing it.

"It's actually a much more dynamic space than it was this time last year, the marketing space, which I would have thought competition would have been in the interests of productivity," Canegrowers chief executive officer Dan Galligan said.

"So, if there's an argument to go back to monopoly, well, that's the single desk which no longer exists."

The Australian Sugar Milling Council's Dominic Nolan said the past seven months' experience had shown the costs of reregulation far outweighed any benefits and the PC report added pressure on the Federal Government to intervene.

Mr Nolan said more than half of Queensland's growers were yet to secure a cane supply agreement and were therefore unable to lock in historically high sugar prices.

"The Act isn't doing what it was established to try to do, it hasn't had a positive impact," he said.

"There is still great uncertainty in the industry and we really need to stop and consider the recommendation and analysis of this report – that the Act is inhibiting

investment in Queensland.

"We really need to go through that formal review process of the National Competition Council."

However, Canegrowers' Dan Galligan insisted the legislation was capable of delivering an effective framework for negotiating "fair, reasonable and commercial contracts" between marketers, millers and growers.

"It's a choice in how we actually enter into the negotiations and to whether we want to make it work or continue to rail against things that have happened in the past," Mr Galligan said.

"Some of the marketing companies particularly, have taken to it in a different way and they are showing innovation by putting contracts online, going direct to growers and also collectively bargaining."



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Interesting News Articles

SUGAR CANE OFFCUTS MAY BE USED TO FUEL VEHICLES

www.abc.com.au

Amy Mitchell-Whittington Journalist

A Queensland-led team is working to turn the offcuts from Australia's \$2 billion sugar industry into a clean gas that could be used to fuel vehicles.

Australia is the third largest sugar exporter and most of its 24 mills already use its sugar processing by-product, called bagasse, to generate electricity and steam for factory operations.

A joint project between Queensland University of Technology, Griffith University, Manildra Harwood Sugars, Sunshine Sugar and Utilitas Pty Ltd, will work to further improve the industry's self-sufficiency by attempting to turn sugarcane trash into biogas.

The project is the first of its kind in Australia and would see sugarcane offcuts such as leaves and twigs, usually burnt off or left to degrade in the fields, pre-treated, "digested", and again treated to withdraw any carbon dioxide.

The end product would be a methane-rich clean biogas, that could be upgraded to biomethane to fuel farm transport, with the solid waste becoming a fertiliser.

Biogas is a flexible product that contributes about 2 per cent of total renewable electricity capacity in Australia.

Utilitas CEO Fiona Waterhouse said biogas was largely used overseas in heat and electricity at cogeneration plants, however it was not as widely harnessed here in Australia.

"The reason biogas hasn't been deployed in Australia as much as overseas is because our energy has been so cheap for so long, we have coal to make steam, there are industrial heating processes that need heat

but often they are large scale and driven by coal," she said.

"What is happening now is that level of variability is driving industry to say, 'Let's rethink this'."

Ms Waterhouse said the project was still in the initial design processes, but if successful, could see sugar mills shift away from the use of conventional fossil fuels and into a more renewable, sustainable sector.

"We are pioneering in digesting sugarcane trash and pioneering in taking biogas and turning it into transport fuel," she said.

Griffith School of Engineering lecturer Prasad Kaparaju said biogas was produced from broken down organic waste and was odourless, carbon neutral and renewable.

"If you want to use it as a compressed biogas, you need to clean up all the contaminants, you have to remove the carbon dioxide, then you get 92-96 per cent methane, that methane will be compressed and then put into gas bottles and into cars, you can use it as vehicle fuel," he said.

"If you move away from fossil fuel use and use your own biogas as vehicle fuel for your own fleet, it is cheaper to use biogas."

Dr Kaparaju said the only drawback for biogas would be the cost of converting the vehicles to be biogas friendly, which could be \$6000 for each vehicle.

"That is the main drawback in the biogas, not all are interested to make a vehicle fuel because of the associated costs," he said.

Dr Kaparaju said the idea of waste efficiency could be applied to a number of different areas down the track.

"In the future, we are going to go into that circular bioeconomy where we try to use the waste efficiently to extract biofuels, chemicals, biocomposites," he said.



Trash could be transferred into fuel for sugar mill vehicles. Photo: Glenn Hunt

"Where nothing is going to landfill, that is the ultimate aim. It would be too expensive to send materials to landfill, you need to recover as much as you can.

"The waste management companies should come together and have a centralised system, central biogas plant and collect household waste separately and use the biogas from there to use in vehicle fuels picking up the waste."

Ms Waterhouse said the Arena project was a "stepping stone" towards better harnessing household waste.

"The pre-treatment and fuel processes (in this sugar mill project) could be applied to taking food organics and green organics out of the municipal waste and treating them the same way in the future," she said.

"This is a stepping stone in that direction, this has to happen for that happen, that is the end game."

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*'I have not failed,
I've just found 10,000
ways that won't work.'*

ABRAHAM LINCOLN



WORD OF THE MONTH

egalitarian

adjective (ih-gal-i-tair-ee-uh n)

asserting or characterised by belief in the equality of all people, especially in political, economic, or social life.

JOKE OF THE MONTH

Q: Why couldn't the leopard play hide and seek?

A: Because he was always spotted.

Q: What do you get when you cross a fish and an elephant?

A: Swimming trunks

DID YOU KNOW...?

- » Did you know a 1/4 of your bones are in your feet
- » Did you know your tongue is the fastest healing part of your body
- » Did you know the Arctic Ocean is the smallest in the world
- » Did you know Brazil covers 50% of the South American continent



MANGO, COCONUT AND MACADAMIA ICE CREAM LAYER CAKE WITH CHILLED LIME CARAMEL

INGREDIENTS

- » 2 cups (180g) desiccated coconut
- » 2 x 270ml cans coconut cream
- » 2 x 1L tubs vanilla frozen yoghurt (Weis) or ice cream
- » 2 cups (300g) macadamias
- » 175g scotch finger biscuits
- » 125g unsalted butter, melted, cooled
- » 3/4 cup (165g) caster sugar
- » 2 large limes, juiced (to give 100ml)
- » 2 mangoes, sliced into long, thin strips
- » Coconut flakes, to serve

Step 1

Grease and line the base and sides of two 18cm springform cake pans with baking paper. Using a stand mixer, beat the desiccated coconut and coconut cream until well combined. Add the frozen yoghurt or ice cream and beat on low speed until well combined. Divide the mixture between the two cake pans, then immediately cover the pans with plastic wrap and freeze for at least 5 hours or overnight until set.

Step 2

Preheat oven to 200C. Place the macadamias on a baking tray and roast for 8 minutes or until golden. Cool and set aside 1/4 cup (35g) nuts to garnish the cake, then place remaining nuts in a food processor with the biscuits and pulse to fine crumbs. Add the butter and whiz until well combined. Divide the crumb mixture between the tops of the set ice cream cakes, then, using a spoon, press down into a level, even layer. Cover cakes with plastic wrap and freeze for at least 1 hour to set or until ready to assemble.

Step 3

To make the syrup, place the sugar and 1/4 cup (60ml) water in a small saucepan over medium heat, stirring until the sugar dissolves. Bring to a simmer and cook, without stirring, for 8 minutes or until a golden caramel forms. Carefully add the lime juice (the mixture may spatter), then remove from heat. Allow caramel to cool, then chill until ready to serve.

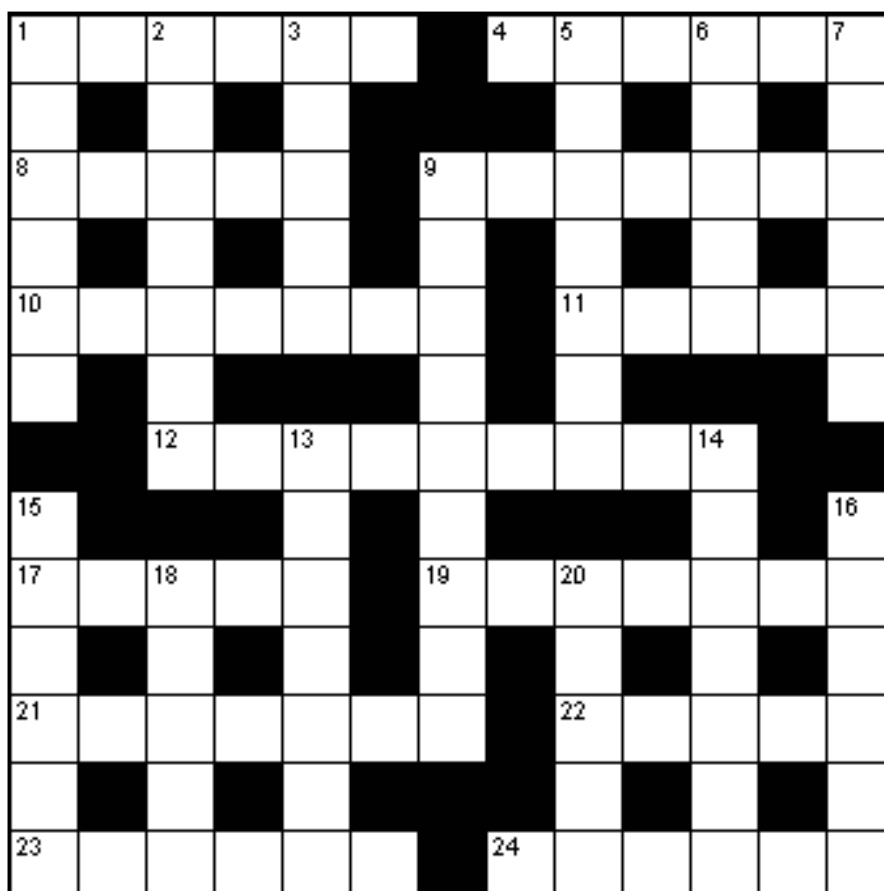
Step 4

To assemble, remove cakes from pans and peel away the baking paper. Carefully invert one cake onto a cake stand or plate, then invert second cake on top. Store in the freezer or serve immediately.

Step 5

To serve, top cake with reserved macadamias, mango and coconut flakes, then drizzle over lime caramel.

Crossword



ACROSS

- 1 Rest (6)
- 4 Spasmodic muscle contraction (6)
- 8 Dutch cheese (5)
- 9 Most profound (7)
- 10 Cocaine (anag) (7)
- 11 Legal right to property (5)
- 12 Fatigue (9)
- 17 Beasts of burden (5)
- 19 Biblical temptress (7)
- 21 Educational institute (7)
- 22 Extensive area of land (5)
- 23 Set alight (6)
- 24 Apprehensive, edgy (6)

DOWN

- 1 Ignore (anag) (6)
- 2 Careful and sensible (7)
- 3 Killed (5)
- 5 Grapple (7)
- 6 Deal with (5)
- 7 Detestation (6)
- 9 Unquestionably (9)
- 13 Esteem (7)
- 14 Dried seedless grape (7)
- 15 Hunting expedition (6)
- 16 Talkative (6)
- 18 Frogs' eggs (5)
- 20 Cicero's tongue (5)

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Down: 1 – Region, 2 – Prudent, 3 – Sain, 5 – Wrestler, 6 – Treat, 7 – Hatred, 9 – Decidedly, 13 – Respect, 14 – Sultana, 15 – Safari, 16 – Chatty, 18 – Spawn, 20 – Latin
Across: 1 – Repose, 4 – Twitch, 8 – Gouda, 9 – Deepest, 10 – Oceanic, 11 – Title, 12 – Tiredness, 17 – Asses, 19 – Delilah, 21 – Academy, 22 – Tract, 23 – Ignite, 24 – Uneasy



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