

## HIGHLIGHTS

Kalamia Sweet Notes .....	1
QSL Update .....	2
Wilmar Sugar Update .....	4
Media Release .....	6
Sweet Industry News .....	14
Sweet Industry News .....	16
Sweet Industry News .....	18
Sweet Time Out .....	19
Classifieds .....	20



What a  
*sweet* life!





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# Kalamia Sweet Notes

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*KCGOL acknowledges and  
thanks all contributors.*

## 23RD MAY 2018

Well, the 2018 season is only 3 weeks away, subject to continued favourable weather conditions, with all 4 mills scheduled to commence crushing on Tuesday 12th June. The Burdekin 2018 crop is estimated at 8.46 million tonnes an increase of some 339,000 tonnes over previous season actual. Growers have been telling me their crop is looking optimistic unfortunately the same cannot be said for the price of sugar for this season which of late has been floundering in the 11-12 US cents per pound range. Despite a projected world supply surplus, let's hope there is some positive market correction.

In last month's magazine I indicated that the board had decided to discontinue the production of our monthly magazine "What a Sweet Life" and sadly this issue, no. 94 will be our last. This decision was not taken lightly given the magazine has been in production in one format or another

since March 2010. A number of reasons has led to this decision including gauging of grower interest in magazine and its relevance given other forms of medium currently utilised ie. Web page, email and SMS as well as the ongoing costs to members for its production and distribution at a time when the industry as a whole "is doing it tough". Members who do not currently have access to internet/KCGOL webpage will be provided with a hard copy newsletter of articles posted to ensure they are kept informed of important industry issues. I do hope that growers over the years have gained some valuable information/news from this publication.

Looking to the future, a critical part of any farm management practice is the issue of succession planning. Succession planning is crucial to farming families but sadly many have not put in place concrete plans for the future transfer of their farming enterprise. Qld Rural and Industry Development Authority (QRIDA) currently have Farm

Management Grants available to assist primary producers offset the costs of professional advice associated with succession planning. Costs eligible for the rebate include those for professional advice provided by suitably qualified professionals including accountants, succession advisors or solicitors. Grants can provide rebates of up to 50% of the amount paid for professional advice, to a maximum of \$2,500 for each financial year the scheme is available. Any grower's interested, details on eligibility information and terms and conditions can be found in the Farm Management Grant guidelines. Applications can be made via QRIDA online portal – [applyonline.qrida.qld.gov.au](http://applyonline.qrida.qld.gov.au).

Finally a reminder that KCGOL AGM is being held on Thursday 21st June 7.00pm for a 7.30pm start at PCYC. Hope to see you all there.

Les





## NO TIME TO 'SET AND FORGET' FOR GROWERS MANAGING THEIR OWN PRICING

By Bryce Wenham, QSL Manager Finance – Supplier Relations

Growers using QSL's grower-managed pricing pools – the **QSL Target Price Pool** and the **QSL Individual Futures Contract Pool** – have a number of important deadlines that they need to bear in mind as the 2018 Season gets underway. Here's an overview of the key 2018-Season dates for each product and the implications associated with not completing pricing before these important deadlines.

### TARGET PRICE POOL – AUTOMATIC ROLLING

Target pricing has always been popular with QSL growers and enables them to target a season-average price calculated across the four ICE 11 contracts available each season – July, October, March and May. This average is weighted using a 1:2:2:1 ratio against these four positions to reflect the higher volume of sales and shipping made against the October and March contracts. So when QSL receives a Target Price Pool order from a grower, we spread this across the four individual contract positions using the ratio above and then fill this order when the weighted average of these four contracts reaches that grower's targeted price.

Growers using the QSL Target Price product have previously been required to fill their orders prior to the mid-June deadline for the July contract each year, or QSL would price their unfilled orders at the next market opportunity after this date. However, under the new Target Price Pool now in place, unfilled 2018-Season orders will no longer be filled by QSL after the July 2018 contract deadline, but instead, QSL will transfer the portion of the order that would have been priced against July contract to the next ICE 11 contract, October 2018, giving the grower added time to achieve their pricing. This process is commonly known as 'rolling' and is done by simultaneously selling futures against the closing contract and buying futures contracts against the next contract. There is usually a difference in price between the contracts bought and sold, and so while QSL does not charge a fee for rolling these orders, any difference in cost in establishing the rolled tonnage on the new contract is passed on to the grower concerned.

Once we pass the 20 June 2018 deadline to achieve Target Price Pool orders for the 2018 season, QSL will automatically begin to roll any unfilled orders to the next contract. This process will be replicated for the subsequent October 2018 and March 2019 contract deadlines if orders remain unfilled, right through until the Pricing Completion Date of 19 April 2019, after which time QSL will price any unfilled orders at the next market opportunity. It is important to note that while this rolling process gives growers more time to achieve their pricing, it usually comes at a cost, as the costs

associated with closing out one contract for the next continue to mount from one roll to the next if orders remain unfilled. For this reason, it is important that growers using the rolling feature have a market view that prices will improve at some stage during the remainder of the season. If this is indeed the case, the ability to secure higher prices later in the season may make the cost of rolling worthwhile. However, if this is not the case and the market falls as the season progresses, the grower will find they not only achieve a lower price but also wear the added cost of rolling.

The key deadlines for these automatic Target Price Pool rolls in the 2018 Season are:

QSL TARGET PRICE POOL	
20 June 2018	Unfilled orders beyond this date will be rolled to the October 2018 Contract. Costs may apply.
20 June 2018	Any unfilled orders beyond this date will be rolled to the March 2019 Contract. Costs may apply
20 June 2018	Any unfilled orders beyond this date will be rolled to the May 2019 Contract. Costs may apply.
20 June 2018	<b>Pricing Completion Date for the 2018 Season.</b> Any unfilled orders beyond this date will be priced by QSL at the next market opportunity.

As rolling will occur automatically beyond the dates outlined above, growers not wanting their unfilled Target Price Pool orders to roll need to ensure that they have achieved their target price prior to 20 June 2018. Beyond this date, they can prevent subsequent rolls by adjusting their targets to ensure their orders are filled prior to the roll deadlines for the October and March contracts.

## THE INDIVIDUAL FUTURES CONTRACT POOL

Unlike the Target Price Pool, growers using the QSL Individual Futures Contract Pool don't target a season-average price but instead set targets for each of the four individual ICE 11 futures contracts for the 2018 Season in proportions reflecting the 1:2:2:1 ratio previously outlined.

This means that they have four deadlines for each season – one for each futures contract. For the 2018 Season these are:

QSL INDIVIDUAL FUTURES CONTRACT	
15 June 2018	Pricing Completion Date for the <b>July 2018</b> Contract.
14 September 2018	Pricing Completion Date for the <b>October 2018</b> Contract.
14 February 2019	Pricing Completion Date for the <b>March 2019</b> Contract.
16 April 2019	Pricing Completion Date for the <b>May 2019</b> Contract.

Any unfilled orders for these individual contracts beyond the associated Pricing Completion Dates outlined above will be filled by QSL at the next market opportunity. Please note that Growers using the Individual Futures Contract Pool do not have the ability to roll any unfilled orders.

For further information regarding either of these pools and the deadlines associated with them, please read the Pricing Pool Terms available at [www.qsl.com.au](http://www.qsl.com.au).

## INDICATIVE 2018 QSL ADVANCES SCHEDULE ANNOUNCED

The indicative QSL Advances program for the 2018 Season has been announced, with the initial payment rate confirmed at 60%. This will be paid on indicative QSL pool values as of 11 May 2018. The full schedule is:

Applicable from*	QSL Standard Advances Rate	QSL Accelerated Advances Rate**
Initial	60%	60%
22 August 2018	65%	65%
17 October 2018	70%	70%
21 November 2018	72.5%	72.5%
12 December 2018	75%	90%
23 January 2019	80%	90%
20 February 2019	82.5%	90%
20 March 2019	87.5%	90%
17 April 2019	90%	90%
15 May 2019	92.5%	92.5%
19 June 2019	95%	95%
By 30 July 2019 (date to be confirmed)	100%	100%

\* These dates are when QSL makes payments to its milling suppliers. However, QSL's payments to Wilmar Growers are usually made on a Thursday.

\*\* Accelerated Advances is offered for Growers participating in the QSL Target Price Pool, Individual Futures Contract Pool and Guaranteed Floor Pool on an opt-in basis.

It is important to note that the program is indicative only in its entirety and should not be taken as a commitment by QSL with regard to either the Advance rate or date of increase. The program may also change during the season depending on movements in the marketing and shipping plans, sugar price and currency movements and the timing of cash flows. The QSL Board will next review the indicative program at its July meeting, where the August 2018 Advance rate increase will be considered.





## GROWERS ATTEND PRE-SEASON MILL TOURS



*Growers accompany Wilmar staff on a tour of Pioneer Mill.*

Wilmar Sugar opened its four Burdekin mills to growers in May to give them a firsthand look at some of the big-ticket projects being completed ahead of the 2018 crush.

The tours kicked off at Inkerman Mill on Tuesday 8 May and ended at Kalamia Mill on Friday 11 May.

Regional Operations Manager Paul Turnbull said he was pleased with the positive feedback received from growers, and planned to run follow-up factory tours during the crush.

He said Wilmar Sugar was investing more than \$50 million in its Burdekin mills this maintenance season – about \$19 million on maintenance work and \$31 million on capital improvements.

“Some of the major capital projects for this maintenance season are the new \$8.5 million sugar bin at Pioneer Mill, the new No. 4 mill low-speed gearing at Kalamia Mill and the ducting replacement work on Invicta Mill’s No. 1 boiler,” Mr Turnbull said.

“We’ve also installed a new No. 1 pan at Inkerman Mill at a cost of \$3.2 million. This large piece of equipment was fabricated in-house at the Pioneer Mill workshop and installed by local Wilmar employees.”

Mr Turnbull said there had been a big focus on Wilmar’s rail infrastructure.

“We’ve put around \$10.4 million into track upgrades in the Pioneer and Kalamia mill areas. This is to accommodate the heavier axle loadings of the new Burdekin sugar wagons that will come on line with the start of crushing,” he said.

This year’s Burdekin crushing season is set to start on 12 June, with an estimated crop of 8.46 million tonnes of cane – up on last year’s total of 8.12 million tonnes.



*Grower Len Quagliata (right) discusses Pioneer Mill’s new \$8.5 million sugar bin with Work Execution Superintendent Glenn Brock (left). A crane lifted the top cone into place just days before the grower visit.*



# Wilmar Sugar Update



*Growers inspect some of the capital and maintenance projects being finalised at Kalamia Mill ahead of the 12 June start of crushing.*



*Pictured at the Kalamia Mill grower tour are, from left Burdekin Regional Operations Manager Paul Turnbull, Kalamia Cane Growers Manager Les Elphinstone, Paul Willis, Fiona Willis, Lucas Christofides and Con Christofides.*



## WOMEN IN SUGAR AUSTRALIA CONFERENCE

7 May 2018



WISA - Ladies at the Bundaberg WISA Conference 2018

Six ladies from Women In Sugar Burdekin (WISB) attended the Women In Sugar Australia (WISA) Conference 2018 held in Bundaberg on Monday April 30 and Tuesday May 1. They returned enthused and reinvigorated after two days of presentations by industry leaders, sharing of information and experiences, networking, and food and farm tours.

The theme of 'Past, Present, Future' saw conference delegates reflecting on changes in the agricultural industries, current methods and issues, and making decisions for the future. They were given insight as to how companies such as Bundaberg Brewed Drinks, Alloway Farms, Bundaginga and Macadamias Australia have grown, are structured, and are planning and facilitating their business growth.

Speakers from Canegrowers Isis, Sugar Research Australia, and Queensland Farmers Federation presented on topics such as personal growth, mental health in rural areas, the Smartcane BMP accreditation process, breeding of new cane varieties, and on-farm energy efficiencies. The women took the opportunity to ask lots of questions, and add to discussion.

The bus tour on the second day of the conference was both informative and a delight to the taste buds. Bundy Food Tours guided the visit to a variety of local food producers. Delegates spoke with farmers who have taken on various ventures, including

growing, processing, exporting and selling directly to the public, products such as macadamias, ginger, avocados, figs, and vegetables. Explanations of production and marketing was accompanied by generous product sampling, which everyone enjoyed. WISB Treasurer Paula Langdon kept the WISB Facebook page updated, with photos of conference activities posted on the group's page. Paula said, "The resilience of the Bundaberg community in their ability to adapt to the changing beast that is agriculture, and the fantastic hospitality provided to the WISA delegates truly made for a wonderful experience. Everyone should take the opportunity to join these conferences." WISB President, Deanne Spina said that the conference made all of us think about our past, present and future practices within our industries. Deanne

said, "Both days showed the delegates ways of value adding to our current business. The conference allowed our delegates to network

and share ideas about where to from now. The ladies of WIS Bundaberg must be commended on a successful conference with such a thought provoking topic." The MC for the Conference, Angela Williams (Canegrowers Isis), used this message "Be Bold, Be Brave, Be Beautiful, Be Me."

The ladies are looking forward to the next WISA Conference to be held in Ingham in 2019. Women in Sugar Burdekin Inc meet regularly on the second Wednesday of the month.

For more information email: [womeninsugarburdekin@hotmail.com](mailto:womeninsugarburdekin@hotmail.com) or find us on Facebook at Women In Sugar Burdekin.



WISA - Greenhouse vegetable production at Hummock Farms



# MEMBERS INFORMATION

## NOTICE BOARD

### KCGO Members Reminder - Preparation before the upcoming crushing season:

#### GROWER ENTITY OR BANK DETAIL CHANGES

Growers who have had an entity or bank detail change since the last crush season, please make sure that all necessary documents have been completed and Wilmar has been informed. If you require assistance, please contact the KCGO office.

#### HARVEST DEDUCTION AUTHORITY FORM

Members that have their harvesting costs deducted from their cane pay each year are required to renew this application on a yearly basis. The harvest Deduction Authority forms are available at the KCGO office. The office staff are happy to assist you with this matter, emailing authority forms to Wilmar to be actioned. Growers need to be aware if their Contractor's information and rate has had a change from the previous year. These details will be required when completing this form.

#### CORES DEDUCTION FORM

Wilmar are continuing to offer a voluntary CORES Levy to be deducted from a growers cane pay to assist CORES with suicide prevention. If growers are interested in supporting this worthy cause, please call the KCGO office for assistance.

### Smartcane Accreditation Information

Smart Cane Accreditation can be completed at Burdekin Productivity Services with local representative, Terry Granshaw - mobile 0437 553 149, email tgranshaw@bps.net.au. Terry regularly holds Smartcane BMP self-assessment workshops as an initial introduction as well as one-on-one interaction with a grower for the three required modules to achieve Smartcane BMP accreditation.

Smartcane BMP is funded by the QLD Government with no cost to growers to undertake the course. Bonsucro accreditation requires further modules to be completed in addition to that for Smartcane.

Please Note: As an incentive for Growers to undertake Smartcane BMP adoption and Bonsucro accreditation, Wilmar makes available a per tonne incentive payment (capped at 25,000 tonne). Please refer to Collective CSA (Cane Supply Agreement) - Page T7 - T8 for additional information.

### Kalagro Fuel Customers

Kalagro Fuel Prices have been giving great savings to our current customers. To maintain our special fuel prices, a minimum of 2000 Litres is required to place an order.

Throughout the months of the crush season, Puma (Kalagro's Supplier) will be delivering on Monday through to Friday.

Fuel orders have to be placed by midday the day before customers want their fuel (EG: Tuesday, 12pm for Wednesday's delivery) Also, to place orders, please ring: Kalamia Cane Growers office - ph 07 47831312. Kalagro customer's cannot ring direct to Puma and receive the Kalagro discounted rate.





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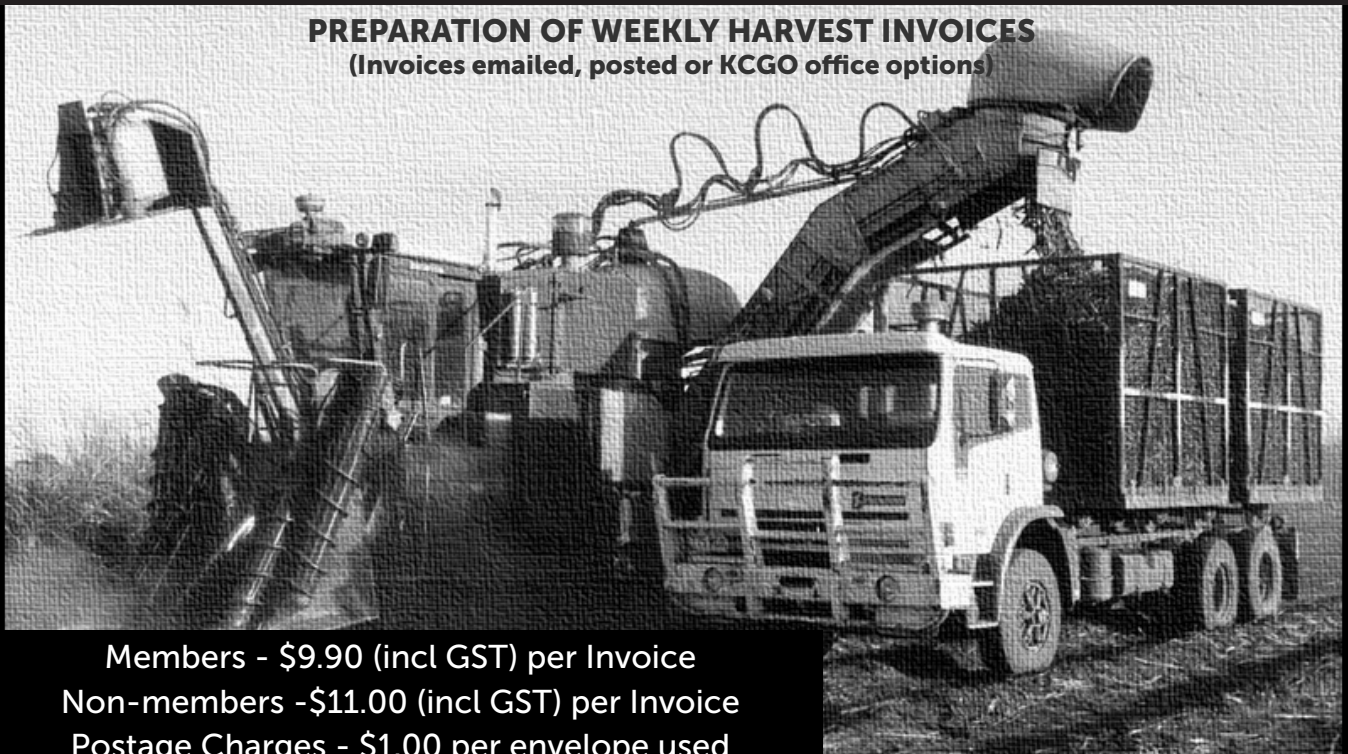
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## HARVEST INVOICE SERVICES

*KCGO provides a contractor invoicing service for members and non-members*

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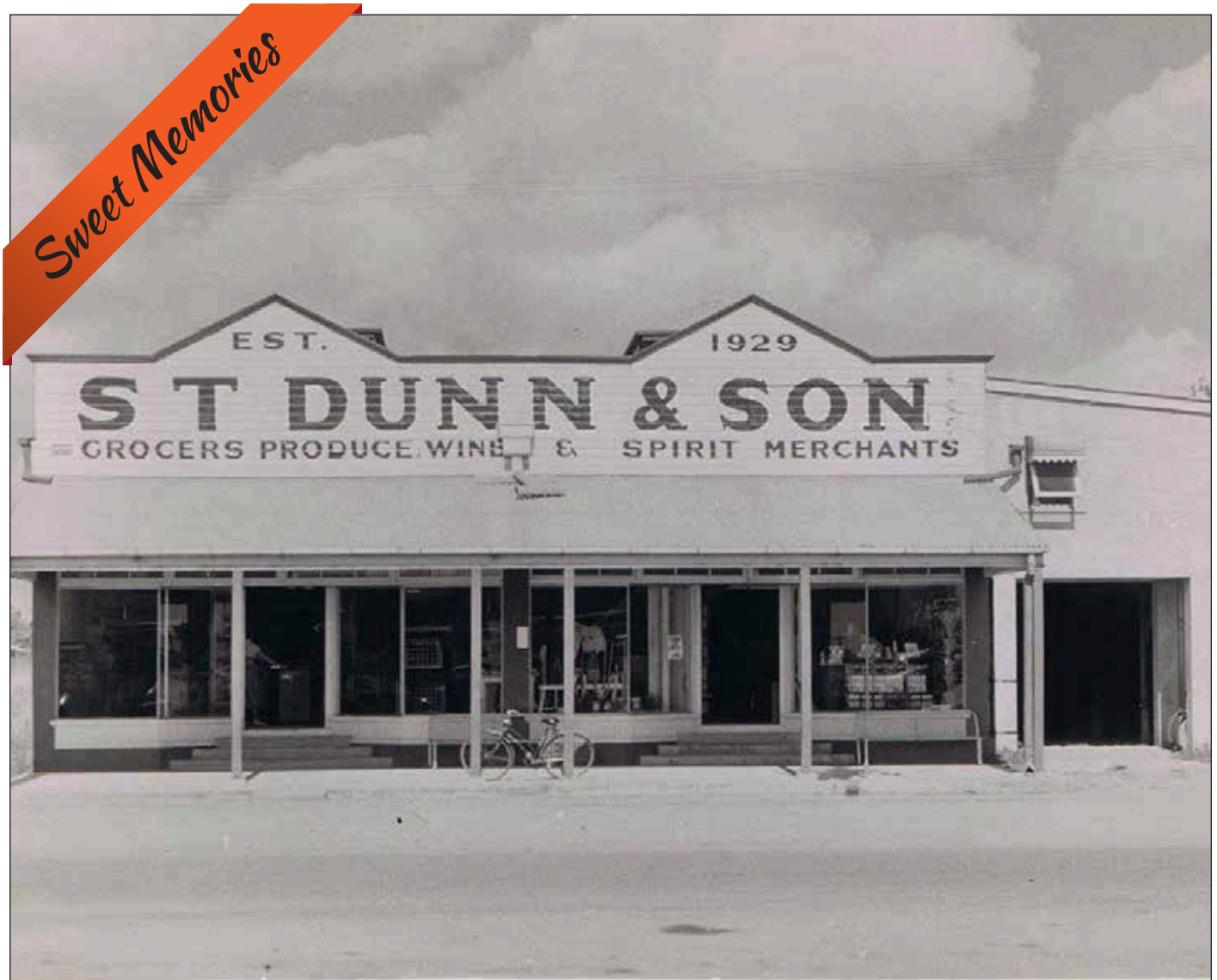


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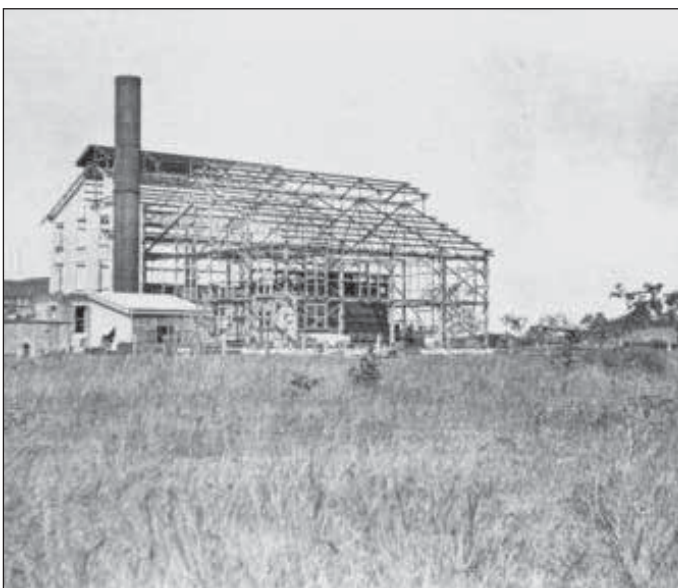
Non-members - \$11.00 (incl GST) per Invoice

Postage Charges - \$1.00 per envelope used

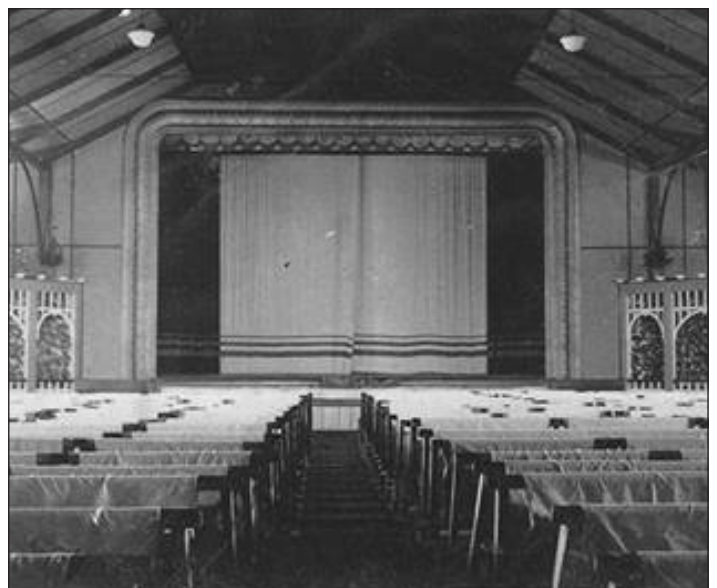




*St Dunn & Son, now Country Timbers & Kitchens, Home Hill*



*Inkerman Sugar Mill construction*



*Renown Theatre Brandon*





*Tobacco Farm, Clare - c1952*



*Loading cane into truck - Home Hill*





*Loading cane*



*Burdekin River Gorge Weir construction*



*Club Hotel - Brandon*





*Delta Hotel Truck*



*Burdekin Bridge Workers*



## SRA ANNOUNCES INVESTMENT IN TARGETED MILLING RESEARCH

DATE POSTED: 18 May, 2018

POSTED BY: brad.pfeffer

Sugar Research Australia (SRA) has today announced the inaugural investment in a new research investment program called the Small Milling Research Program (SMRP) scheme.

The SMRP scheme was launched in 2017 as a way for SRA to invest in small milling sector projects that develop a product, service, or process that would solve targeted problems in sugar mills and deliver tangible outputs with almost immediate outcomes. SRA is funding four new projects under the scheme in partnership with our milling members and their research partners. The project investment is:

- Isis Central Mill to work with QUT and Neltec to evaluate the Neltec Colour Q for measuring the purity of magma from C centrifugals;
  - Wilmar to work with QUT, Tully Sugar and Sugar Gateway Labs to understand the cause of high sugar colour;
  - Mackay Sugar to work with QUT to improve the impact of evaporator calandria noxious gas bleeding arrangements on evaporator rate and condensate quality at Racecourse Mill; and
  - Wilmar to work with TropWATER on optimising the operation and technology of activated sludge plants.
- SRA CEO Mr Neil Fisher said that the SMRP was an opportunity to invest in lower-cost, short-term, industry-identified and industry-led research.
- "This initiative has come in response to

feedback from our milling investors and stakeholders, and in particular during the development of our SRA Strategic Plan 2017/18 – 2021/22," Mr Fisher said.

"The SRA Board has approved this initiative to allow SRA to work on priority areas of research that align with the needs of our milling investors. The investment is included in our current total investment in our Key Focus Area (KFA) of Milling Efficiency and Technology.

"In the process, the scheme will strengthen collaborations between industry and research through the direct involvement of the milling sector in SMRPs and increase research skills and capability in sugar mills." The SMRP will be conducted again the 2018/19 financial year.

## NEW RESEARCH TO DELIVER OUTCOMES FOR AUSTRALIAN SUGARCANE GROWERS AND MILLERS

DATE POSTED: 17 May, 2018

POSTED BY: brad.pfeffer

Sugar Research Australia (SRA) has announced 12 new research projects that will begin from July 1, 2018, to drive productivity, profitability, and sustainability for Australian sugarcane growers and millers.

These new projects complement the existing portfolio of research investment by SRA and will address critical research gaps and requirements that have been identified in SRA's five-year Strategic Plan.

SRA CEO Mr Neil Fisher said the new research investment would see research providers from several leading research institutions undertake work to address critical issues for the Australian sugar industry. "These projects have an emphasis on new and innovative research," Mr Fisher said. "For example, CSIRO will be looking closer into the genetics of sugarcane and molecular markers, which will help us to continue to modernise the SRA breeding program, leading to better varieties for growers and millers.

"We are also investing in a major project with QUT to improve pan design and how pans operate. The pan stage of milling is where syrup is converted to sugar, and there is an opportunity with this research to improve the efficiency of this critical component of the milling process, and to do so in a way that minimises the capital investment for our Milling Members.

"Our investments are also looking at other key topics including improved irrigation system selection, nitrogen use efficiency, and improved farming systems.

"We are also investing in a project led by SRA to ensure our industry is prepared for the possible biosecurity risk posed by moth borers, which exist in neighbouring sugarcane growing countries and would cause serious problems for our industry if we faced an incursion. This type of preparation is a vital insurance policy for the future of our industry."

Mr Fisher said these projects had been chosen based on a rigorous selection process over the last six months, overseen by the SRA Research Funding Panel (RFP).

"These projects have all been assessed based on the outcomes they will provide to the industry, leading to positive outcomes

for our investors."

The full portfolio of SRA's research investment is available via the SRA website: <https://sugarresearch.com.au/research-portfolio/>

SRA's investment is funded by the statutory levy of 70 cents per tonne of cane, to which growers and millers each contribute 35c per tonne of cane each. This investment in research is supported by a co-contribution of about \$7.2M from the Federal Government and \$2.85 million from the Queensland Department of Agriculture and Fisheries (DAF).



# Sweet Industry News

## AUSTRALIAN SUGAR INDUSTRY SOURS AS COMPETING NATIONS CREATE A GLOBAL GLUT, CAUSING A PRICE DROP

ABC Rural – [www.abc.net.au/rural](http://www.abc.net.au/rural) By Renee Cluff

**The global price for sugar has fallen from US14.65 cents/pound in January to 11.32 cents in May.**

The world's largest sugar-producing nations, including Australia, are questioning whether Indian and Pakistani exports are breaching trade rules.

Large increases in production in the two subcontinent nations are being blamed for contributing to an oversupply of sugar that has weighed down the global market.

Prices have plunged below the cost of production for Australian cane growers and are expected to remain at low levels for the next couple of years.

The Global Sugar Alliance, led by Australia, Brazil and Thailand, is concerned that government subsidies incentivising the Indian and Pakistani sugar industries to produce more sugar could be breaking World Trade Organisation (WTO) rules.

It is discussing the issue at a meeting in New York this week.



*The global price for sugar has fallen from US14.65 cents/pound in January to 11.32 cents in May. (ABC Rural: Renee Cluff)*

### SEVERAL MILLION EXTRA TONNES OF SUGAR

Australian Milling Council director of economics and trade David Rynne said Pakistan was expected to put an additional 2.3 million tonnes into the export market and India was forecasting an extra 2 million tonnes, in a year that had also seen bumper crops in Thailand and the European Union.

*"The world is awash with sugar. It's not a huge export market. It's only about 65 million tonnes so you start to see a gross oversupply," he said.*

Of major concern is that the subsidies provided to the sugar industries on the subcontinent have created an uneven playing field in worldwide trade.

"Governments in both India and Pakistan provide a minimum price for the cane so there's a massive incentive to grow cane,





# Sweet Industry News



*The Australian sugar industry says subsidies offered to its Indian and Pakistani counterparts create an unfair playing field on the global market. (ABC Rural: Renee Cluff)*

so minimum prices create overproduction," Mr Rynne said. "If you've got all this surplus sugar, you want to get rid of it, so governments in both those countries are providing export subsidies now to help clear those large surpluses."

Possible illegalities being examined

Lawyers for the Global Sugar Alliance countries are examining whether the financial incentives could contravene WTO regulations.

Under the rules, export subsidies are only allowed to cover the cost of internal transport.

"Pakistan for example, we estimate it costs around \$40 or \$50 a tonne to move the raw sugar to a port," Mr Rynne said.

"When the Pakistan Government gives subsidies upwards of \$150 a tonne, that seems to us like it's probably a contravention of the WTO."

The Australian Sugar Alliance has already been in talks with the Turnbull Government, which would be responsible for taking any action.

"It has to weigh up all the pros and cons and ultimately make the decision whether to pursue that," Mr Rynne said.

"The Department of Foreign Affairs and Trade has certainly assisted in gathering the facts and to start putting the jigsaw pieces together, but there is still more homework to do."



## LEGAL ACTION COULD BE THE ONLY OPTION

Diplomatic pressure from Brazil and Australia has not had any effect on Indian and Pakistani sugar export policies.

Mr Rynne said diplomatic pressure was unlikely to be effective because it was in the political interests of the subcontinent governments to look after what were large voting bases.

"There are an anticipated 50 million cane growers and related direct employees in the Indian sugar industry and it's a sector that votes," he said.

## IMPACT EXPECTED TO HURT REGIONAL ECONOMIES

Production in India is expected to rise even further next year, which the global market will continue to factor in.

Mr Rynne said for the Australian industry, which is already being exposed to low prices, the impact would be large and long-lasting.

"This could be a long, deep cycle we're going into," he said.

"For a grower to make money and for a miller to make money, the price needs to be around \$400 Australian dollars per tonne.

"At the moment the price is sitting in the low \$300s, so right now the growers are losing money and the mills are losing money."

Mr Rynne said to mitigate the damage, sugar mills would likely lay off staff and restrict spending.

"These mills are in regional Queensland economies that rely heavily on a strong and prosperous sugar industry," he said.

"A sugar industry that's tightening its belt will have a ripple effect through regional Queensland."



*The low global sugar market price is expected to lead to higher unemployment in sugar milling regions of Queensland. (ABC Rural: Renee Cluff)*





# Sweet Industry News

## BIG SUGAR AND THE 'BIG FLAW' IN AUSTRALIA'S FEDERAL HEALTH PROGRAMS

Four Corners – [www.abc.net.au/rural](http://www.abc.net.au/rural) By Michael Brissenden



Many blame Australia's obesity problem on sugar, and the food and drink industry that makes the products fuelled by it. (ABC News)

### AUSTRALIA IS NOW ONE OF THE FATTEST NATIONS ON EARTH.

Sixty per cent of us are overweight or obese, and by 2025 that figure will rise to 80 per cent.

Despite this, Australia still has no national obesity strategy.

What we do have are two key federal programs – the Healthy Food Partnership to encourage healthy eating, and the Health Star rating, a front-of-pack labelling system. But the rules for these two initiatives have been set by committees made up of government and public health advocates, as well as food industry representatives.

According to one insider who spoke to Four Corners, “the reality is that industry is ... making most of the policy”, and public health advocates are only included “so we can have the least-worst solution”.

Companies like Coca-Cola, Pepsico, Unilever, Nestle and Kelloggs have a seat at the table setting the policies that shape consumption of their own sugar-laced products.

As Australia's obesity and diabetes rates continue to soar, public health advocates have told Four Corners the industry has been obstructing and delaying policy outcomes that would lead to better health.

And they have likened their tactics to those deployed by the tobacco industry.

### BIG SUGAR'S SEAT AT THE TABLE

Executive manager of the Obesity Policy Coalition Jane Martin said the food industry shouldn't even be inside the committees setting food policy and regulation.

“Industry should be consulted around what policies should be implemented, but they shouldn't have a role in deciding what they are,” Ms Martin said.

“They should be decided separately based on the evidence and the potential impact, and then industry should be involved in how to make that happen.”

Ms Martin was a member of the committee that developed the Health Star rating system, which gives packaged foods a rating of one to five stars depending on how they measure up against other foods in a similar category.

She said food industry representatives fought successfully to scuttle efforts to make that system mandatory.

“I was on the committee for two and a half years, but it moved very slowly,” Ms Martin said.

“Some of the key elements that were on the table – such as that the system should be mandatory – ended up being off the table by the time the negotiations closed.

“That's because industry didn't want it to be mandatory, so they took their time, they

lobbied behind the scenes and it wasn't made mandatory. That's a big flaw in the system.”

### THE FORCES BLOCKING A SUGAR TAX

As a former independent member of the ACT Legislative Assembly and former territory health minister, Michael Moore knows how politics works.

And as Public Health Association Australia CEO, he also knows a thing or two about health policy.

“Big industry knows that if you're going to have influence then you're going to have to talk to members [of parliament],” Mr Moore said.

“This is where the influence happens. Industry can put much more into it than public health and consumer voices.”

As one of the nation's leading public health advocates, doors open for Mr Moore and politicians give him an ear.

But in the fight for good public health outcomes there are others who stalk the corridors of Parliament House, and they have more to give than just informed advice.

The food and beverages industry spends millions of dollars on political donations, lobbying and duchessing politicians.

When it comes to a sugar tax, the heavy lobbying work has been done by the Beverages Council.

Last month the United Kingdom became the 28th country in the world to introduce a sugar-sweetened beverages tax.

The council boasted of its success at “keeping the topic of a tax off the table from both of the major political parties”.

### IS A SUGAR TAX GOING TO HAPPEN?

The report is no longer available on the Beverage Council's website.

Ms Martin said the health impact of too much sugar in Australians' diets is well known, but there was a good reason why a sugar tax had not gained much traction in Australia.

“It's not that the public aren't on board, the politicians aren't on board,” she said.

“The reason that a lot of the politicians aren't on board is because of this influence that we're seeing of groups like the Beverages Council ... working against effective recommendations.”



# Sweet Industry News

## 'JUST LIKE BIG TOBACCO'

Ms Martin, who began her public health career fighting tobacco industry-style tactics, said working on the sugary drinks tax issue was like Groundhog Day.

"Even the alliances are similar," she said.

"The tobacco industry worked to set up these alliances with the retailers, with the Australian Association of National Advertisers, with the convenience stores, with industry groups.

"[It's] very similar to this alliance that's working against a health levy on sugary drinks."

Mr Moore also compared the sugar tax issue to the fight against tobacco industry-style tactics.

"What we see is tactics that were used by tobacco being picked up by big food industry, and that's actually what worries us," Mr Moore said.

"It's about obfuscation. It's about delay."

But Geoff Parker, the Beverages Council CEO, forcefully rejected such comparisons.

"There's no safe level of smoking, and so we refute any sort of comparison between what's happening with reducing the prevalence of smoking with reducing the consumption of sugar-sweetened beverages," Mr Parker said.

"They're not the same, and we shouldn't be using that sort of comparison or analogy."

The beverages industry said obesity is a complex problem and blaming sugar alone and imposing on it a discriminatory and regressive tax is not the answer.

The sugar seats

There is another pragmatic reason why Australia has so steadfastly resisted a sugar tax – the political power of the so-called "sugar seats".

In an era of tight elections, the jobs provided by the sugar industry have guaranteed these seats have extra political weight.

The seat of Page in northern New South Wales is held by the Nationals on just over 2 per cent.

Leichardt in Far North Queensland is referred to as a bellwether seat usually won by the side that forms government.

Herbert was won by Labor at the last election by just 37 votes.

And the seat of Dawson is held by the maverick LNP backbencher George Christensen on 3.3 per cent.

It's no surprise that Mr Christensen is a fierce supporter of the sugar industry. He believes a tax on sugary drinks would hurt the industry without fixing the obesity problem.

"I would be willing to bet a lot that [a sugar tax] will not do anything in terms of obesity whatsoever," Mr Christensen said.

Mr Christensen has had his own public battle with obesity, but he said it was all his own fault and that personal responsibility is the answer, not a tax.

"I'm a fat bloke, right? I've been fat ever since I was probably about 20, 21. I don't blame the sugar industry. I don't blame Coca-Cola. I don't blame XXXX or Bundaberg Rum.

"I blame myself for putting that product down my gob. That's what caused it – me, myself and I.

"I think that a lot of the issue with obesity has got to come back to telling people that they are personally responsible for the choices they make."

The industry and pro-sugar politicians say there is no evidence that a sugar beverages tax works.

In most cases though, it's still too early



The food and beverages industry is against the introduction of a sugar tax.. (ABC News)

to tell if there has been any impact on obesity levels.

But in the UK the tax has already caused some drink companies to reformulate the amount of sugar in drinks.

What is clear is our obesity and diabetes rates continue to climb and Ms Martin says everything we've done so far has failed to have an impact.

"We need to think about what kind of future we want. We have this huge public health problem. The things that we are currently doing are not good enough."

## IMPLEMENTED SUGAR TAXES WORLDWIDE

\* LISTS ACCURATE AT TIME OF PRODUCTION.

1. COOK ISLANDS
2. KIRIBATI
3. FRENCH POLYNESIA
4. MEXICO
5. CHILE
6. DOMINICA
7. BARBADOS
8. PORTUGAL
9. SPAIN (CATALONIA)
10. IRELAND
11. UNITED KINGDOM
12. FRANCE
13. BELGIUM
14. NORWAY
15. FINLAND
16. ESTONIA
17. HUNGARY
18. ST HELENA
19. SOUTH AFRICA
20. SAUDIA ARABIA
21. UNITED ARAB EMIRATES
22. MAURITIUS
23. SEYCHELLES
24. BRUNEI
25. NAURU
26. FIJI
27. SAMOA
28. TONGA



INFOGRAPHIC: Twenty-eight countries around the world have implemented some kind of sugar tax. (Twitter: @NCDFREE)

# Sweet Industry News

## FARMERS GAGGED BY BIG BANKS HOPE ROYAL COMMISSION WILL UNCOVER WHAT THEY'RE TOO SCARED TO SAY

By Marty McCarthy – [www.abc.net.au/rural](http://www.abc.net.au/rural)



Farmers are growing increasingly vocal about rural debt issues in Australia. (ABC Rural: Marty McCarthy)

Australian farmers who have been foreclosed on are hoping the next round of banking royal commission hearings into small business lending, beginning today, will expose the tactics of big banks they claim put them out of business.

Their plight was the inspiration for some National Party MPs such as George Christensen to call for a commission of inquiry, which ultimately forced the major banks and Prime Minister Malcolm Turnbull into agreeing to a royal commission.

"There was a great outcry from a number of farmers in north and central Queensland, and it was their stories and victimisation that forced me and other people to take a stance on this," Mr Christensen said.

In the wake of the global financial crisis, major banks such as ANZ and the Commonwealth Bank snapped up struggling lenders Landmark and Bankwest respectively, taking on their customers in the process.

But the banks' attempts to restructure many of the loans led to widespread foreclosures in parts of the country, and farmers and other small businesses have long

accused banks of suddenly calling in loans despite repayments never being missed. Some farmers have told the ABC their foreclosed properties were sold off at fire sale prices, leaving many of them homeless and with huge debts.

"There are a lot of farmers out there who have been through terrible ordeals who are too frightened to speak out, as they are bound by confidentiality," a farmer, who asked the ABC to withhold her identity, said. "That is why we're hoping the royal commission can get to the bottom of this."

### FARMERS 'TREATED UNFAIRLY BY BANKS', INQUIRY FOUND

Some farmers and business owners allege banks such as ANZ and the Commonwealth Bank forced them to refinance against their will.

A 2016 parliamentary inquiry into alleged impairment of customer loans found it



Banks such as ANZ will face the banking royal commission over the way it handles small business and farmer clients. (AAP: Sergio Dionisio)



The Commonwealth Bank acquired Bankwest in 2008. (ABC News: Giulio Saggin)

could not prove misconduct had occurred, but did find some farmers had been treated unfairly at the hands of major banks.

"The committee is concerned at the way many of these matters were handled, and that the extant system of checks and balances appears incapable of providing protection or redress to small business customers," the committee reported.

"ANZ acknowledged that it had found some problems with the way it had operated and that there are some individual customer matters where ANZ should have managed issues differently, with more empathy, responded more quickly and been more transparent."

The ABC asked ANZ how many of the 10,000 Landmark loans it had called in since 2009, but a spokesperson declined to answer, saying the bank did not want to preempt questions that could come up in the royal commission.

In a 2015 parliamentary inquiry, the Commonwealth Bank said it had called in receivers on 182 customers in the first two years after it acquired Bankwest, but it also declined the ABC's requests for an updated figure.

### REPORTS OF LOAN PERIODS BEING REDUCED

Queensland farmers Gail and Joseph Courte accused ANZ of reducing their 20-year mortgage term to six months, and increasing their interest rate from 7.9 per cent to 8.9 per cent in a month.

"The conduct of ANZ through this entire ordeal has been despicable," they wrote to a 2015 parliamentary inquiry.



# Sweet Time Out

## JOKE OF THE MONTH

Q: What kind of car does Jesus drive?

A: A Christler.

Q: What starts with a P, ends with an E, and has a 1,000 letters?

A: Post office.

Q: Why can't a bicycle stand up on its own?

A: Because it's two tired.

Q: Why did they have to bury George Washington standing up?

A: Because he could never lie.

## WORD OF THE MONTH

# lollapalooza

verb [lol-uh-puh-loo-zuh]

an extraordinary or unusual thing, person, or event; an exceptional example or instance.



*'What would life be if we had no courage to attempt anything?'*

VINCENT VAN GOGH



## DID YOU KNOW...?

- » Did you know the stomach acids found in a snake's stomach can digest bones and teeth but not fur or hair
- » Did you know Earth is the only planet not named after a god
- » Did you know hot water freezes quicker than cold water
- » Did you know sound travels 3 times faster through water than in air



## PISTACHIO & POMEGRANATE ROCKY ROAD SLAB

### INGREDIENTS

- » 1 cup raw cashews
- » 80g packet pistachio kernels
- » 3 x 200g blocks milk chocolate, chopped
- » 3 x 200g blocks dark chocolate, chopped
- » 2 x 280g packets marshmallows (see notes)
- » 1/4 cup desiccated coconut
- » 3/4 cup freeze-dried pomegranate seeds
- » 2 x 10g packets freeze-dried strawberries (see notes)

### METHOD

#### Step 1

Preheat oven to 180C/160C fan-forced. Line a baking tray with baking paper. Grease a 20cm x 30cm lamington pan. Line base and sides with baking paper, extending paper 5cm above edges of pan on all sides.

#### Step 2

Place nuts on prepared tray. Bake for 6 to 8 minutes or until toasted. Stand for 30 minutes to cool. Roughly chop. Reserve 2 tablespoons.

#### Step 3

Place 1/2 the milk and 1/2 the dark chocolate in a microwave-safe bowl. Microwave on HIGH (100%), stirring with a metal spoon every 30 seconds, for 1 minute 30 seconds or until melted and smooth.

#### Step 4

Place the marshmallows in a large bowl. Add nuts, coconut, 1/2 cup pomegranate seeds and 3/4 of the strawberries. Pour over melted chocolate. Stir until mixture is well coated. Spoon into prepared pan, pressing with the back of a spoon to level.

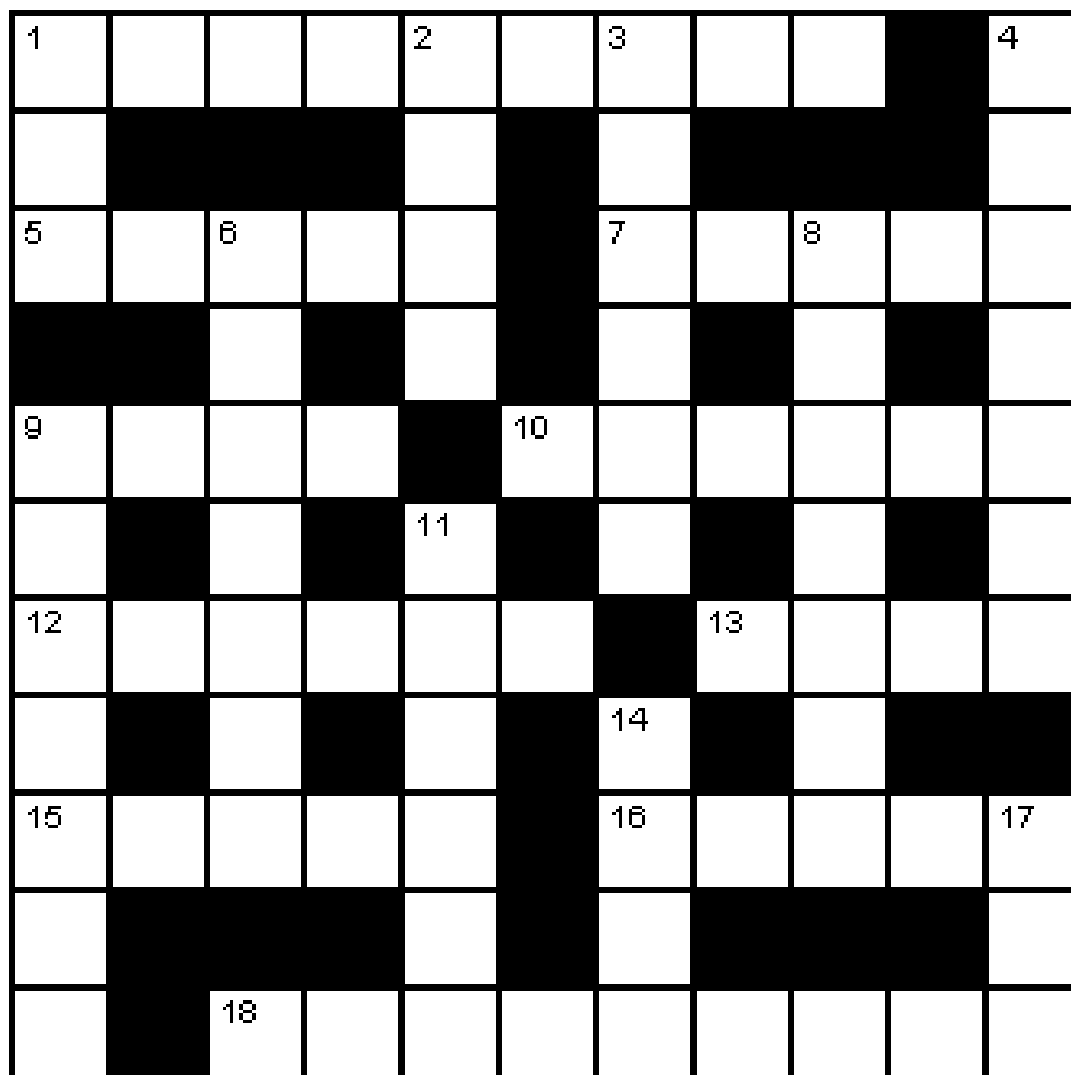
#### Step 5

Place remaining milk and dark chocolates in a microwave-safe bowl. Microwave on HIGH (100%), stirring with a metal spoon every 30 seconds, for 1 minute 30 seconds or until melted and smooth. Pour over mixture in pan. Tap pan on bench to remove air bubbles. Sprinkle with remaining seeds, strawberries and reserved nuts. Refrigerate for 4 hours or until firm.

#### Step 6

Remove rocky road from fridge. Stand for 30 minutes. Using a hot knife, cut into pieces. Serve.

# Sweet Time Out



## DOWN

1. Cutting tool (3)
2. Remedy (4)
3. Wildcat (6)
4. Contradiction in terms (7)
6. Article of clothing (7)
8. Findings of a jury (7)
9. Of times long past (7)
11. Attack (6)
14. Dull pain (4)
17. Concealed (3)
18. Accumulated (9)

## ACROSS

1. Oily or greasy (9)
- Oily or greasy (9)
5. Bet (5)
7. Young eel (5)
9. Land measure (4)
10. Sultry (6)
12. Dairy product (6)
13. Hex (4)
15. Crowd scene actor (5)
16. Hidden drawback (5)



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