Our Vision
To ensure a secure and profitable future for cane growers.

Our Values
Accountability to our members
A focus on issues relevant to our members
Credibility, integrity and professionalism
Open and effective communication between growers, organisation units and external publics
Community consciousness

Our Mission
CANEGROWERS provides representation, leadership and services, and promotes unity in the interests of its members.

Our Goals
Assist in maximising grower efficiency and profitability
Contribute to long-term industry efficiency
Enhance organisation effectiveness
Develop a positive external environment for cane growers
Recognise and manage diverse grower needs while maintaining organisation unity
Provide a foundation and structure for future industry development and planning
Our triennial elections have given us pause to reflect on the truly representative nature of CANEGROWERS and the fact that its strength sits firmly on its foundation of a diverse membership.

Growers in every district and with farms of every size have nominated and been appointed to sit as Directors on their district company boards.

In turn those boards select a representative to take their issues, concerns and contributions forward to the CANEGROWERS Policy Council and Board. 87 people have risen to this challenge to work for their fellow growers in these positions, many of them for the first time.

It has been a great privilege to have been re-elected for a second term as Chairman of CANEGROWERS and, along with all elected growers, I have pledged myself to discharging this role to the best of my abilities.

We farewell those growers who have decided not to continue in elected positions and thank them for their many decades of collective service.

Certainly the biggest achievement of the year was the unprecedented level of solidarity amongst Queensland sugarcane growers, led by CANEGROWERS in collaboration with all grower representative groups and coupled with strong political support, which has achieved legislative confirmation of grower rights in relation to sugar marketing.

Growers had been alarmed in 2014 by Australia’s three biggest milling companies moving to take over the marketing of all of the sugar produced at their facilities from the 2017 season - both the one third of production in which they as millers have an economic interest and that two thirds component which contributes to growers’ incomes, the Grower Economic Interest sugar.

Despite attempts at negotiation and discussions brokered by governments at both state and federal level over 18 months, the milling companies would not move and growers faced having their incomes in the hands of local milling/marketing monopolies.

The only recourse became the Sugar Industry (Real Choice in Marketing) Amendment Bill 2015 and a majority of the members of the Queensland Parliament voted in December 2015 to support its pro-competition objectives.

Most notable of these is enabling growers to choose who markets their individual GEI sugar.

Negotiations towards Cane Supply Agreements which reflect the provisions of the amended Sugar Industry Act are ongoing and CANEGROWERS is providing significant support to its district companies as they work through the complexities of this process.

Rising world sugar prices coupled with the breakdown of the El Niño weather pattern, which had put a number of districts into drought conditions, have built further the confidence that was reinvigorated by the legislation.

This year has featured some significant positives for CANEGROWERS and its members. While challenges remain, we face the future in a stronger position because of recent events and with a firm appreciation of the role and importance of our strong grower body in the 21st Century.
The 2015 Queensland cane harvest cut above expectations at 32.65 million tonnes and with the welcome return to a wet season over the 2015-16 summer, 2016 is expected to be an increase on that.

This year we have celebrated the commitment and achievements of our growers as the Smartcane BMP program has grown from strength to strength.

At 30 June, 2016, more than 60% of the sugarcane area in Queensland was registered in the best management practices program, showing the dedication of growers to its aims of improved productivity, profitability and sustainability.

123 farming businesses had been independently audited and accredited. Supported by the Queensland Government, facilitators continue to provide workshops, training days and individual support to growers working through the program.

Smartcane BMP is becoming our chief tool to demonstrate our environmental sustainability to both reassure our communities and industry partners and to differentiate Australian sugar in a world market increasingly seeking assurances of this nature.

CANEGROWERS is working to align Smartcane BMP with the international Bonsucro accreditation program to enhance the product offering to our export customers.

As 80% of Australia’s raw sugar production is destined for export and we are the most market exposed producers in the world, CANEGROWERS works hard towards international trade reform to ensure our sugar has access to a market which is not tainted by subsidies and barriers.

We have invested an enormous effort in consistent and persistent lobbying and involvement in trade missions and delegations. This work has contributed to the finalisation of the Trans-Pacific Partnership and the improved access to the Japanese and United States markets that it will bring for sugar.

CANEGROWERS enhances its influence and leverage through national and international forums, joining with other Australian farmers to present a united producer voice through the Queensland Farmers’ Federation and National Farmers’ Federation and on the international stage in our worldwide industry body the World Association of Beet and Cane Growers, where the Australian industry is acknowledged as a technologically advanced and innovative leader.

Behind the scenes we acknowledge our dedicated team of professional staff which works alongside and with our grower members on issues which, while they may not always be high profile, can have profound effects on our farming businesses.

Representations on key matters such as electricity pricing and transport regulations keep the farm business perspective in front of governments and service providers to influence the direction of policy decisions to bolster rather than hinder our industry as it contributes to the economy.

As the direction of efforts in research and biosecurity is mapped for the future, CANEGROWERS involvement ensures the needs of our industry and members are recognised and as the Queensland Government looks to position the state to attract investment in the biofuels sector, CANEGROWERS seeks to ensure growers were rewarded for their contribution of the sugarcane which is a raw ingredient.

As the 2016 calendar year began, CANEGROWERS marked 90 years of a continuous sugar industry grower representative movement.

Over those nine decades, issues have come and gone but a constant thing has been the united voice of growers.

CANEGROWERS has remained strong because growers have rallied behind those people who have taken on the challenge of ensuring it is heard in public debate and policy development.

We face the future with our feet on this solid foundation of hard work. I thank all of the people who have worked with us and for us over the past year to advance our causes and, most importantly, the growers who have united to place their confidence in CANEGROWERS efforts.

Your continued support will ensure that this legacy is carried forward to benefit the generations to come.

CANEGROWERS Chairman, Paul Schembri
This has been a challenging year for our industry with multiple, complex and crucial policy issues to be addressed. This has meant that as the growers’ industry body, CANEGROWERS has had to be flexible and innovative to meet the policy response that our farmers deserve.

Our mission, as always, is to serve the interests of the cane growing sector to ensure it grows profitably and sustainably.

Accomplishing this mission requires the efficient and strategic management and deployment of the industry’s financial, intellectual and tactical resources. In doing so, CANEGROWERS and the district companies have gone through as much change as the industry that we serve and the farming families we rely upon for support.

This year, the major structural reforms around governance and representation structures pursued over the past few years, through the reduction in the size of the corporate board and the formation of the Policy Council, have resonated through to the realignment and overall reduction in corporate expenditure and staffing.

These have been necessary reforms that place our organisation in a much more sustainable and contemporary position facing the future. To be successful and sustainable it is clear that the early hard yards must be translated into continuing goodwill to work together across district companies, and CANEGROWERS, across branches and mill areas in the overall knowledge that by collaborating we work better as a team and the results are both greater and shared across the membership equitably.

There have been many and varied policy and program initiatives for the year, all outlined within this report. Of particular note:

- Advances in marketing through Sugar Industry Act amendments;
- The inclusion of sugar within the Trans-Pacific Partnership trade agreement with an expansion of access to the United States;
- Multiple submissions and recognition via the efficient use of expert consultancies to prove the validity of electricity tariff design options and therefore government agreement to the formation of an impending tariff trial;
- Huge gains through growers taking leadership of Smartcane BMP and the real establishment of BMP in the mindsets of government and policy makers as the grower long term response to environmental sustainability issues (the market and community is next);
- Using our leverage, along with colleague industries, to establish over $20 million of funding through Reef Trust commitments;
- Resolution of the Ravensdown redeemable preference share pay out, which, while not the entire outcome many growers sought or would have preferred, history will show that our initiatives with Ravensdown drove down the price of fertiliser and brought much needed competition to the market. We only wish it could have continued. Rather than persecute ourselves for what it was not, we should be proud of what it did achieve and learn from the experience.

Beyond these there have been important initiatives within the organisation.
Most importantly, the decision to move to three Policy Council meetings a year is entrenching the crucial role of the Council in engaging on issues, influencing key decision makers, and setting industry policy informed by growers and targeted towards improving outcomes for growers. The Policy Council will continue to evolve over the coming meetings but this past year it made important steps in bringing staff and elected representatives together to define our purpose.

The delivery, with our district partners, of the triennial CANEGROWERS election was a reminder and manifestation of our democratic base, the real strength of our organisation. The process demonstrated our advocacy credentials by providing opportunities for farmers to be involved at all levels, from branches to district boards, to the Policy Council and its committees, the Board and on to national representation with the National Farmers’ Federation and internationally with the World Association of Beet and Cane Growers. This hierarchy is what makes us unique and amplifies our members voices beyond any other cane industry body. We followed the election with a highly successful director induction session in Townsville. This was extremely well attended thanks to the growers and representatives who took time away from their core businesses to meet with industry colleagues. It was both a learning and a networking opportunity. It was successful enough for us, on the back of feedback from participants, to look to plan a similar initiative mid-way through this elected term. We have also begun planning for the next round of elections to provide more opportunities for grower involvement in just two and half years’ time.

The Policy Council made very important and long lasting strategic decisions this year. Not least of which was putting membership engagement and retention at the heart of our ongoing strategy discussions. We have established structures to drive at a value for money proposition for members to ensure the business starts to align our efforts to issues that we can describe in terms of real tangible outcomes for members.

CANEGROWERS strives to have sufficient and highly skilled resources right across the organisation. After reducing staff numbers over the past two years, this year has seen us start to rebuild and regain some key skill sets. We have also farewelled some of our longest serving employees who have moved on to retirement or other career opportunities.

The team at CANEGROWERS has worked exceptionally hard to maintain a very tight budgetary discipline this year to make every membership dollar count.

In my first full year at CANEGROWERS I can be absolutely proud of our team. From the groups in finance and administration, network and IT support, communications and magazine production, policy and advocacy and our in-house legal advisor and insurance representative – we number 17 staff. They all have direct contact with our farming members and are all passionate and committed to their roles.

For me, more importantly, they possess another common attribute in their dealings with the trials and tribulations associated with a membership organisation in the sometimes volatile agriculture industry. Notwithstanding their daily duties, they actually care about our members. As our members know more than anyone, it is this type of attitude that determines success in agriculture. They are working together, beyond financial or individual recognition, towards service provision in the knowledge that many of their smallest tasks accumulate to the greatest longest term outcomes.

This attitude from our staff is exemplified in our Board and with the completion of the 2016 election we have seen a turnover in Directors at CANEGROWERS.

Long serving leaders Steve Guazzo, Joe Russo and David Lando have retired from the Board. Over decades these growers have shown astute leadership and a huge capacity for decision-making.

In May the Policy Council elected Joseph Marano, Mark Mammino and Michael Pisano to the Board to join returning Directors Rajinder Singh, Owen Menkins, Kevin Borg and Allan Dingle. Paul Schembri was re-elected for a second term as Chairman. The industry should be confident that the Board is skilled, representative and committed to the long term future of CANEGROWERS as the best agricultural industry body that cane farmers could ever hope to have serve them.

As CEO, I rely on the support of the Board and the service of the staff that I in turn lead. I have been fortunate and proud to see both at their best in what has been a challenging but rewarding year for CANEGROWERS.

For this I would like to personally thank the Board, especially Chairman Paul Schembri for his ever wise advice and service and my team for their dedication to service delivery. Most importantly of course we all thank our members for the decisions they make to continue to support the organisation that works to support them.

We will not doubt face further challenges in the years to come but I am confident that with the support of our members, the assistance and collaboration of our districts and other industry stakeholders combined with the leadership and skills that we possess, we can ensure that we deliver on our commitments and member service goals.
An iconic Australian industry
Sugarcane is one of Australia's largest and most important rural industries. With the capacity to produce more than five million tonnes of sugar each year, the Australian sugar industry generates between $1.5 and $2.5 billion in revenue annually.

A low-cost producer, Australia is a major raw sugar exporter. With some 80% of the country's sugar destined for the international market, Australia is the third largest raw sugar exporter after Brazil and Thailand. The remaining 20% of Australia's sugar is sold on the domestic market.

Rural communities
For more than a century, the growing of sugarcane for the production of raw sugar has underpinned the prosperity and economic stability of communities along Australia's sub-tropical and tropical east coast.

Sugarcane grows mainly in high rainfall and irrigated areas on coastal plains and river catchments along 2,100 kilometres of coastline from Mossman in far north Queensland to Grafton in northern New South Wales. About 95% of Australia's production is in Queensland; the remaining 5% is in New South Wales.

The vast majority of cane is grown on family-owned farms ranging in size from 40 to 250 hectares (ha). An average sized 110 ha property harvests approximately 94 ha of sugarcane each year.

Harvesting and transporting sugarcane
The Australian sugarcane industry delivered a crop of 34.9 million tonnes in 2015, with 32.65 million tonnes crushed in Queensland. This result was an increase on the 2014 result of 32 million tonnes.

Sugar content in the Queensland crop was higher than average, with a commercial cane sugar reading of 13.97.

Drier weather due to the El Niño event meant all Queensland growing districts recorded below average rainfall in 2015. Some registered below half of their average.

Three cane growing regions, Bundaberg, Burdekin and Tableland, qualified for inclusion on Queensland's official drought declaration list allowing growers to access rebates to assist with irrigation.

The breakdown of El Niño heralded a late but welcome wet season in the 2015-16 summer and there are strong indications the 2016 crop will be an increase on 2015.

Yield has continued to be affected by yellow canopy syndrome which spread further into southern regions and remains a condition that has no identified cause and for which there are no mitigation measures.

The sugarcane harvest generally begins in May and ends in late December. New harvesting technologies and an appreciation of the benefits of the trash in the farming system mean around 80% of cane harvesters cut the crop green.
Adrian Darveniza checks the rain gauge on his South Johnstone cane farm.
Once harvested, cane is collected in haulouts and transferred either to trucks for road transport or bins for train transport to mills. To minimise sugarcane deterioration and juice evaporation, sugarcane must be transported to a sugar mill within 16 hours of harvest.

The sugarcane industry maintains a network of nearly 4,000 km of narrow-gauge rail lines to ensure that the harvested cane is transported as quickly and as cost effectively as possible.

**Sugarcane milling**

A crop of 34.9 million tonnes (Mt) of sugarcane was supplied to Australia’s 24 sugarcane mills by more than 4,000 cane farming businesses (around 5,500 sugarcane growers) in 2015. This was up on the 2014 harvest of 32 Mt.

The mills crush an average of 10,000 tonnes of sugarcane per day and employ approximately 150 people each during the season. Together, millers, growers and harvesters determine harvesting and transportation schedules that ensure that the cane is crushed as soon after harvesting as possible.

**The sugar market**

Prior to the deregulation of the sugar market, Australia enjoyed a ‘single desk’ arrangement in which all sugar was compulsorily acquired by sugar marketer, Queensland Sugar Limited (QSL).

In 2006 statutory marketing structures were replaced with voluntary arrangements and in 2013 Raw Sugar Supply Agreements between QSL and millers were amended to allow all mills to export an amount equivalent to the raw sugar for which they bore a price exposure (this is called Mill Economic Interest sugar).

In mid-2014 three milling companies made a unilateral decision to end their agreements with QSL which facilitated the sale of the sugar for which growers have a price exposure (Grower Economic Interest) and deny growers access to the industry-owned marketer and the outcomes and transparency it has afforded them.

Growers were alarmed by the move and lobbied successfully to have provisions included in Queensland sugar legislation in December 2015 which ensure their continued access to a choice of marketers in a competitive environment. This is detailed in this report’s Year in Review section.

In Australia, there are no subsidies and there is no domestic price support. Australian sugar is internationally recognised for its high quality; and the industry is renowned for its supply reliability and superior service. Such success has been achieved through the use of best practice management in production, handling and marketing.

Australia’s capacity to store more than two million tonnes of sugar in a network of bulk terminals is particularly valuable as it allows for year-long customer supply.

With 80% of Australian sugar produced for the export market, the industry is focused on international competitiveness. Australian sugarcane is primarily milled into raw sugar that is sold directly to refineries rather than through trade houses.

### TABLE 1

**Australian production of cane and sugar in the 2013 and 2014 seasons**

<table>
<thead>
<tr>
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<td>Mossman</td>
<td>1,141,154</td>
<td>1,211,787</td>
<td>145,062</td>
<td>151,277</td>
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<td>Tableland</td>
<td>390,345</td>
<td>382,075</td>
<td>38,102</td>
<td>32,653</td>
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<td>Mulgrave</td>
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<td>1,443,444</td>
<td>161,464</td>
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<td>Innisfail</td>
<td>1,483,207</td>
<td>1,300,956</td>
<td>196,498</td>
<td>249,806</td>
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<td>11.84</td>
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<td>Tully</td>
<td>2,436,801</td>
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<td>323,665</td>
<td>373,454</td>
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<td>12.83</td>
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<td>Herbert River</td>
<td>4,152,316</td>
<td>4,459,594</td>
<td>559,735</td>
<td>572,210</td>
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<td>North Qld</td>
<td>10,784,176</td>
<td>12,095,855</td>
<td>1,424,208</td>
<td>1,562,979</td>
<td>13.29</td>
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<td>Bundaberg</td>
<td>8,061,406</td>
<td>8,278,300</td>
<td>1,214,537</td>
<td>1,279,484</td>
<td>14.74</td>
<td>14.92</td>
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<td>Proserpine</td>
<td>1,201,344</td>
<td>1,671,272</td>
<td>258,425</td>
<td>247,357</td>
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<td>Mackay</td>
<td>5,485,423</td>
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<td>Pine Creek</td>
<td>3,666,364</td>
<td>3,852,265</td>
<td>185,856</td>
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<td>Bundaberg</td>
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<td>Maryborough</td>
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<td>Rocky Point</td>
<td>219,227</td>
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<td>-</td>
<td>13.62</td>
<td>13.65</td>
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<td>South Qld</td>
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<td>Queensland</td>
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<td>Cundletong</td>
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<td>54,648</td>
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<td>11.95</td>
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<td>Broadwater</td>
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<td>72,869</td>
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<td>Harwood</td>
<td>425,859</td>
<td>862,773</td>
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<td>11.43</td>
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<td>New South Wales</td>
<td>1,543,748</td>
<td>2,863,192</td>
<td>178,508</td>
<td>254,877</td>
<td>11.36</td>
<td>11.50</td>
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<td>Australia</td>
<td>32,381,418</td>
<td>34,341,203</td>
<td>4,546,577</td>
<td>4,836,014</td>
<td>13.98</td>
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</table>
The main buyers of Australian sugar in the 2015 season were South Korea, Indonesia, Malaysia, Japan, China and Taiwan.

The Asian market is experiencing strong growth in sugar demand as a result of an increasing population and rising per capita incomes. Demand continues to strengthen in Asia - important for Australia as a preferred supplier of raw sugar into this market.

Predictions of a global sugar deficit pushed world prices in early 2016 to levels not seen since mid-2012. A 12-15% surge in April was maintained to the middle of 2016.

CANEGROWERS
CANEGROWERS Queensland comprises the state company (CANEGROWERS Queensland) and 13 regional companies.

CANEGROWERS members are represented by 87 directors and almost 100 professional and dedicated staff providing quality representation and services to members. The company is a not-for-profit public company with the sole purpose of representing the interests of its members.

In June 2014 it was decided to modernise the governance of the organisation to enhance its response to the changing needs of the membership.

A 21-person Board was streamlined into a two-tiered structure incorporating a Policy Council which interfaces with a streamlined Board which is focused on the strategy and operation of the organisation.

Policy Council: The CANEGROWERS Policy Council is made up of 21 representatives nominated by the district companies. It sets strategic direction and policy. The size ensures industry-wide views and issues are brought for consideration. The Policy Council meets three times a year with frequent and ongoing communication on key issues throughout the year. CANEGROWERS district managers also meet with the Policy Council in these deliberations.

Board: The CANEGROWERS Queensland Board is comprised of eight Directors elected from the Policy Council with at least one director from each of the four regions. The Board performs the role of corporate governance, audit, compliance and financial management. It sets strategic direction and policy and delegates responsibility for management to the Chief Executive Officer.

The Board is required to meet at least quarterly or at such other times as required to fulfil its obligations to the company and its grower members.

The Board has adopted a Board Charter which focuses on the roles and duties of the Board and of individual Directors in the conduct of their duties. CANEGROWERS continues to meet the highest standards of corporate governance and operational efficiency.

Membership
Membership has remained stable at around 75% of Queensland growers. The overall level of voluntary membership support is unprecedented in comparison with other primary industry representative groups in Australia.

The Board and Policy Council recognise that the organisation’s continual development of its membership strategy is important to support CANEGROWERS voluntary membership foundations.

Membership policy has developed around a number of principles:

- Membership is voluntary.
- Membership is conditional on the applicant meeting eligibility criteria, including financial, as determined by the Board.
- Membership relates to financial contributions being made in each season on all cane supplied by the member’s farm or farms irrespective of mill area.
- The membership fee is currently struck at a rate per tonne of cane supplied to the relevant mill and is for the aggregate of the state and local companies.

Members pay membership fees set on tonnes of cane, assessed on all cane production within a single ownership entity. The fees apply to a single CANEGROWERS organisational structure, comprising state and district company components, crop insurance premium and cane testing. The state component was struck at 16.65 cents per tonne of cane during the year.

A minimum membership fee, based on 1,250 tonnes, applies for members who supply less than that quantity of cane. Various district companies also apply a minimum fee for their component. The membership fee schedule is published in the Australian Canegrower magazine each year in May.

Partnerships

Australian Cane Growers’ Council (ACGC)
The Australian Cane Growers’ Council (ACGC) is the forum for the nation’s sugar cane producing states of Queensland and New South Wales. ACGC presents a common voice in national and international forums on behalf of cane grower members. Paul Schembrri is Chairman and Directors are Allan Dingle, Kevin Borg and Ross Farlow.

Australian Sugar Industry Alliance (ASA)
CANEGROWERS continued to play a lead role in the Australian Sugar Industry Alliance (ASA) which brings together the entirety of the Australian industry to provide a united front on matters of common industry interest.

While ASA will help gain traction on industry-wide issues where a united front makes for stronger representation of growers and the industry, CANEGROWERS remains fiercely at the door of issues affecting its grower members and will not compromise its role in securing results in the long term future of growers. Paul Schembrri, Allan Dingle and Steve Guazzo represented CANEGROWERS until May 2016 when Kevin Borg replaced Mr Guazzo.

Sugar Research Australia (SRA)
SRA is the principal provider of research, development and extension to the Australian sugarcane industry. Cane grower Steve Guazzo is a Director of SRA.

Queensland Sugar Limited (QSL)
With some 80% of Australia’s sugar destined for the export market, CANEGROWERS has continued its focus on ensuring QSL remains a strong marketing company and an effective alternative to mill-owned marketing services. Under its constitution, QSL has two types of members – Mill Owner Members and Grower Representative Members.

Sugar Terminals Limited (STL)
CANEGROWERS continues to monitor and have a direct voice into STL matters as a member through its acquisition of a small quantity of ‘G’ Class shares. CANEGROWERS Policy Council member Drew Watson is a Director of STL.

Affiliations

CANEGROWERS maintains affiliations at state, national and international levels through shared common values. These affiliations include:

Affiliations
Queensland Farmers’ Federation (QFF)
Queensland Farmers’ Federation (QFF) is the peak state farm representative and lobby group that provides a united voice for 18,000 primary producers.

QFF assists CANEGROWERS and other member bodies in working to reduce the cost of irrigation water and electricity for food and fibre industries.

Other key issues pursued by include rural planning issues; farm finance and debt; local management arrangements for water resources under the Water Act; and natural disaster preparation and resilience planning. Allan Dingle is CANEGROWERS’ representative on QFF.

National Farmers’ Federation (NFF)
The National Farmers’ Federation (NFF) is the peak national representative and lobby group for 130,000 farmers through 29 affiliated organisations including CANEGROWERS.

NFF provides a vital forum for cane growers to influence national policy. Paul Schembri is a Members Council representative of the NFF. NFF membership is through ACGC in conjunction with NSWCC.

World Association of Beet & Cane Growers (WABCG)
CANEGROWERS is an active member of the World Association of Beet and Cane Growers (WABCG), the international group representing sugarcane and sugarbeet organisations from 29 countries. Australian sugarcane growers continue to be strongly represented by CANEGROWERS. In November 2015 CANEGROWERS Chairman Paul Schembri became a Vice-President of WABCG.

Services
Insurance
CANEGROWERS has provided quality insurance advice, products and service for members at competitive prices since November 2013.

The business is a broking service with representatives strategically located throughout the cane growing regions providing general insurance services to CANEGROWERS members and the local community.

The eight qualified insurance professionals work with growers on their insurance needs and ensure access to the best sugarcane-specific products on the market plus general insurance products that extend beyond the needs of the farm.

Members also have access to the long-standing crop insurance product underwritten by CGU.

Legal services
Legal services are provided to CANEGROWERS district offices and grower members through a retainer arrangement with Chris Cooper of CJ Cooper & Associates.

Chris Cooper, principal of C.J. Cooper and Associates, is able to assist individual growers through a phone-in legal service that is provided free of charge to members. CANEGROWERS members can call the Legal Services hotline on 1800 177 159. Queries often relate to trespass, aerial spraying, tramline easements, machinery performance disputes and safety issues.

CJ Cooper & Associates provides advice and legal assistance to CANEGROWERS district companies regarding the renewal of cane supply agreements.

Some of those discussions are ongoing and CJ Cooper & Associates will continue to work with district offices to obtain the best outcome for growers.

Mr Cooper also informs incoming and existing Board members throughout the
district companies about their legal duties and the expectations of their roles within the CANEGROWERS organisation.

Advice has been provided to district companies and growers in the following areas:

- Employment matters.
- Corporate compliance issues.
- Regulatory compliance.
- Commercial contracts.
- Building management issues (including leasing).
- Commercial partnerships and contractual matters.
- Supply Contract Negotiations.
- Disputes with mills and arbitration proceedings.
- District court proceedings regarding building construction disputes.
- Supreme court proceedings regarding validity of cane supply agreements.
- Native Title matters.

**Finance**

**Superannuation**

The Canegrowers Retirement Fund (CRF), a boutique fund established by CANEGROWERS some 35 years ago to provide superannuation benefits to growers and their families, was merged with AustSafe Super from 1 April 2013.

The $90 million fund offered a capital stable investment option to members and had an impressive record of low fees and excellent investment returns. Members are now able to access a wider range of superannuation investment options as part of AustSafe Super which is a $1.5 billion plus fund.

CRF Chairman, Alf Cristaudo, became a Director of AustSafe Super as part of the merger. Brendan Stewart has been an Employer Director since February 2014.
Smartcane BMP

The sugarcane industry in Queensland is embracing Smartcane BMP as a primary driver for productivity, profitability and sustainability.

Smartcane BMP is a best management practice program which provides a framework for growers to demonstrate, evaluate and implement farm practices that improve productivity and reduce the risk of environmental impact.

CANEGROWERS hosts the program on behalf of all Queensland growers. A BMP facilitator in each district encourages and assists growers to participate in the program.

Through the 2015-16 year the Smartcane BMP program built significant momentum to have, at June 2015, 63% of the cane production area was managed by growers who have benchmarked their practices in the three core modules covering soil health, pest and disease management, drainage and irrigation.

Further, 130 growers were Smartcane BMP accredited (certified in the core modules), representing 10% of the production area. Several hundred other growers were preparing for accreditation through changes in practice and/or collection of additional records.

The Smartcane BMP program is seven modules covering all aspects of farm management:

- Soil Health and Nutrient Management
- Irrigation and Drainage Management
- Pest, Disease and Weed Management
- Crop Production and Harvest Management
- Farm Business Management
- Workplace Health and Safety Management
- Natural Systems Management

Most emphasis to date has been on participation in the first three of these modules which cover the major agronomic aspects of growing cane and all the practices that can have an impact on the environment including water quality.

The first step of involvement is for a grower to benchmark their practices in relation to those considered to be industry practice and above industry practice.

This self-assessment is often done in small workshops facilitated by the local BMP contact and takes 2-3 hours.

The process identifies any agronomic practices which may need to be modified to meet the standard required and any gaps in the documentation of practices already undertaken, such as having a current weed management plan and keeping adequate records of fertiliser and herbicide applications.

This documentation forms much of the evidence required for a grower to achieve accreditation (the second step in the program), which requires certification to at least industry standard in the three core modules via an independent on-farm audit.

Aggregated data from the Smartcane BMP program is being used to assist Sugar Research Australia with its extension planning, will be the practice reporting mechanism for growers participating in Great Barrier Reef program investments, and will also contribute to the Paddock to Reef Integrated Monitoring, Modelling and Reporting Program which provides estimates of water quality trends in relation to on-farm practices.

The Smartcane BMP modules support continuous improvement and have a review system in place that is underpinned by R&D and proven peer reviewed science.

CANEGROWERS has established a Smartcane BMP Program Steering Committee to facilitate cooperation and collaboration between CANEGROWERS, Sugar Research Australia (SRA), Australian Cane Farmers Association (ACFA) and Australian Sugar Milling Council (ASMC) in support of the ongoing implementation, consolidation and management of the program across the industry.

A key issue for the future is the delivery of the program after the current project, supported by the Queensland Government, finishes in December 2017, and a business plan has been commissioned to underpin a whole-of-industry strategy.

Bonsucro alignment to Smartcane BMP

Sustainability requirements are emerging for Australian local and international sugar markets. End-users and manufacturers, including the Coca-Cola Company, Unilever and PepsiCo, have developed corporate social responsibility policies to source sustainable sugar for their products by 2020. The globally recognised brand for sustainability certification is Bonsucro.

Smartcane BMP can also meet the requirements of end-users and manufacturers of sugar. CANEGROWERS has been working with Bonsucro and Coca-Cola to position Smartcane BMP to meet these needs.

Bonsucro offers a metric-based certification scheme for the sugarcane sector that focuses on sustainability and continuous improvement. Currently Bonsucro accounts for 3.87% of the global sugarcane production.

Smartcane BMP has been developed to demonstrate and improve the sustainability and productivity of sugar cane production however it also provides a reporting tool to respond to concerns over potential impacts of sugarcane production on water quality entering the Great Barrier Reef.

The three core modules cover most of the agronomics of cane production and all the key water quality issues, and, to ensure transparency and rigour, the auditing system uses the principles of ISO 19011: Guidelines for quality and/or environmental management systems auditing.

Smartcane BMP therefore provides an existing industry-relevant pathway to meet the on-farm sustainability requirements of the global sugar market. Smartcane BMP has been recognised by Bonsucro as the best management practice program for Queensland.

The milling and sugar marketing sectors also see implementation of Smartcane BMP as an opportunity for the cane growing sector to be “certification-ready” for sustainability requirements.

CANEGROWERS is a member of Bonsucro and work has been undertaken to align Smartcane BMP accreditation with Bonsucro certification since 2014. CANEGROWERS entered into a Mutual Opportunity and Confidentiality Agreement in April 2016 and is currently working on a cross-accreditation process for completion by the end of 2016.
Marketing

CANEGROWERS has devoted significant resources to resolve an impasse over future industry structures for the marketing of raw sugar triggered by the move of three milling companies (Wilmar Sugar, MSF Sugar and Tully Sugar) in 2014 to sever their agreements with QSL and terminate their Cane Supply Agreements with growers.

CANEGROWERS, and all other grower collective organisations, presented a united front in rejecting the millers’ proposal that they undertake all sugar marketing activities – for both their own economic interest sugar and for that proportion (approximately two-thirds) which is Grower Economic Interest sugar.

Government at several levels became involved. The Senate Rural and Regional Affairs and Transport References Committee and a Federal Government Sugar Marketing Taskforce both found that there was a case for government intervention in raw sugar marketing arrangements.

The issue was taken up in the Queensland Parliament. The Katter’s Australian Party (KAP) and Liberal National Party (LNP) with the support of the independent Member for Cook supported amendments to the Sugar Industry Act 1999 that would secure and confirm grower choice in marketing, unless the parties (the miller and grower) otherwise agreed.

While the legislative amendments were being developed, CANEGROWERS, working closely with ACFA and the non-aligned Burdekin collectives, continued to actively engage all mills to explore the possible development of a non-legislative industry agreement on new marketing structures. Late in 2015 a mediator was appointed to facilitate the discussions but when no industry agreement was forthcoming the Sugar Industry (Real Choice in Marketing) Bill 2015 passed the Queensland Parliament.

For the mills (Bundaberg, Isis and Mackay) that elected to remain with QSL, the passage of the legislation meant little change was required to cane supply agreements. Greater change was required for growers supplying mills owned by Wilmar Sugar, MSF Sugar and Tully Sugar.

CANEGROWERS has worked closely with each of its regional organisations to advise and assist with the development of cane supply agreements that provide grower choice in marketing and they have been signed by growers supplying MSF Sugar.

Negotiations are continuing with Wilmar Sugar and Tully Sugar. CANEGROWERS is watching developments towards on-supply agreements (between the millers and marketing agents) that will enable all potential GEI marketers to develop competitive offerings for growers.

Trade and Market Access

More than 80% of Australian sugar is exported. CANEGROWERS continues to work closely with QSL and the Australian Sugar Milling Council through the Australia Sugar Industry Alliance (ASA) to improve the international market environment for Australian sugar exports.

Trans-Pacific Partnership

The Trans-Pacific Partnership (TPP) negotiations concluded in late 2015. The final wording means there will be significant potential gains for sugar when the agreement enters into force. As expected, market access for sugar was one of the last TPP issues resolved, with sugar being amongst the most difficult on which to reach agreement.

The final TPP agreement holds the promise of commercially worthwhile improvements in market access opportunities to the United States of America, Japan and other regional markets. As well as securing new access to markets, the TPP will establish rules that enable sugar and value added products containing sugar to move freely between TPP members.

Once the agreement enters into force Australia’s access to the USA will increase by an additional 65,000 tonnes (a 74% increase over the current 87,402 tonne base level quota access), plus 23% of any future additional quota allocations for raw sugar, up from 8% currently. It also removes the World Trade Organisation in-quota tariff Australia is required to pay on sugar sold to the US.

These gains represent the largest increase in base level access that the US has granted to a single sugar exporting country in more than 20 years and, for Australia, they are valued at more than $16 million.

The TPP builds on the existing Japan-Australia Economic Partnership Agreement (JA-EPA) by reducing the levy payable on high pol raw sugar entering Japan, delivering a potential benefit to Australian raw sugar sales to Japan of $25 per tonne.

CANEGROWERS, through the ASA Trade Committee, is working closely with the Department of Foreign Affairs and Trade (DFAT) to achieve effective implementation of the JA-EPA to remove the technical barriers to trade in high pol sugar to Japan.

Bilateral trade

For many years, Australia and Indonesia have enjoyed a mutually beneficial and growing trade in raw sugar. Changes in tariff rates for raw sugar to which Indonesia committed in the ASEAN Trade in Goods Agreement are, however, favouring Thailand over Australia and have sharply reduced Australia’s competitiveness to Indonesian sugar importers.

Working to restore the terms of trade with Indonesia, CANEGROWERS actively participated in the Indonesia-Australia Business Week in November 2015. The results and ideas arising from roundtable discussions with representatives of the Indonesian sugar industry about ways to restore the long term trading and technical cooperation relationships between our two industries were presented to the Australian Government.

CANEGROWERS is continuing to actively work with the Australian Government to have the removal of the tariff on raw sugar included as part of the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) and Regional Comprehensive Economic Partnership (RCEP) agreement, both presently under negotiation.

The Global Sugar Alliance met in São Paulo, Brazil, during the year and the Australian and Thai sugar industries celebrated 20 years of dialogue during a meeting held in Queensland.

CANEGROWERS is working closely with Tate & Lyle Sugar to ensure Australia has the opportunity to supply additional sugar to the European Union as part of the bilateral Free Trade Agreement negotiations between Australia and the EU and to the United Kingdom following the vote in the UK supporting an exit from the EU.

Electricity

CANEGROWERS has worked tirelessly in its efforts to secure more sustainable electricity prices for irrigators, demonstrating that irrigators are being supplied electricity at prices well above cost reflective levels. Engaging with the Queensland Government, the Department of Energy and Water Supply, the Queensland Competition Authority, Queensland Productivity Commission,
CANEGROWERS commissioned the Alternative Technology Association (ATA) to develop a proposal for a suite of irrigation tariffs to be included in Ergon’s tariff structure statement. The ATA found irrigators are capable of adapting their demand profile in response to price signals. If tariffs are designed in a way that provide price signals that encourage efficient demand responses, ATA shows that irrigators’ responses would moderate network loads and lower network costs.

This work supports CANEGROWERS call for a suite of dedicated irrigation tariffs which include a short, no longer than 5-hour, peak pricing period. Ergon staff have proposed a trial of a controlled load tariff as a possible solution for irrigators.

Australian Energy Regulator, and electricity companies Ergon and Energex, CANEGROWERS has delivered a clear message that the current electricity pricing framework needs reform.

CANEGROWERS understands the Queensland Government is in the process of re-convening the Interim Boards to further develop the proposals to transfer the channel irrigation schemes from SunWater to local management.

Rural Water Use Efficiency for Irrigation Futures (RWUE-IF)

CANEGROWERS successfully completed the third year of the Rural Water Use Efficiency for Irrigation Futures Project funded by the Department of Natural Resources and Mines.

The annual funding is $719,400 and the project consists of three main components.

Firstly, financial incentives to improve irrigation efficiency and reduce deep drainage in the Burdekin Groundwater Management Area and the Arriga basin (Atherton Tableland). To date 29 applications have been approved for funding.

Secondly, drilling of strategically placed bores for conjunctive irrigation water use and test the effectiveness of reducing ground water levels in the Burdekin Groundwater Management Area.

Thirdly, to provide irrigation scheduling information systems in the Burdekin, Tablelands, Proserpine, Mackay, Plane Creek, Isis and Bundaberg regions. These generally consist of a series of strategically placed soil moisture monitoring equipment and weather stations linked to a central website. Added to this, some regions have opted to invest in an irrigation scheduling program called Irrigweb which uses a crop growth model to determine crop water use.

Underpinning this is an annual investment.
of $195,000 in general irrigation extension capacity. This is to assess project applications for water use efficiency and/or deep drainage reduction and provide suitably interpreted information for scheduling.

**Transport**

With the introduction of the National Heavy Vehicle Regulator (NHVR) the permitting system was disrupted. CANEGROWERS efforts have been concentrated on practical and legal access to public roads by over dimensional agricultural vehicles in the cane growing regions of Queensland.

An evaluation of a trial gazetted notice, which provided access for agricultural vehicles 3.5m to 4.0m width, was undertaken and the trial notice was extended until 31 August 2016. It is expected that this will be converted to a permanent notice.

CANEGROWERS has worked with the NHVR, Queensland Transport and Main Roads (QTMR), Queensland Police Service and all the relevant regional councils to obtain access to public roads for 4.0m to 5.0m wide agricultural vehicles under a gazetted notice.

This has required agreement from all road managers and the Queensland Police Service on the conditions of travel. It is expected that access will be provided in a notice for major and minor roads north of Rockhampton. A notice providing access to 4.0m to 5.0m wide agricultural vehicles on minor roads in the Bundaberg Regional Council area was gazetted and two notices for mass exemptions (high flotation tyres) were also renewed.

CANEGROWERS has been represented on the Queensland Ministerial Freight Council and the Operations Industry Sub-committee which allows input into the Queensland Freight Strategy and an opportunity to raise transport issues in general. Representation on the NHVR Agricultural Industry Operation Group provides input to NHVR.

CANEGROWERS continued as a member of the Fuel Tax Credit Coalition which includes mining, tourism, fisheries, forestry and agriculture. The objective is to ensure the fuel tax credit is maintained. All Federal Members of Parliament have been sent a publication from the coalition on the need to retain the fuel tax credit. Currently there is bi-partisan support.

**Research, Development and Extension**

Sugar Research Australia (SRA), an industry owned-company, is the major funder and provider of research and development. CANEGROWERS was consulted on the SRA Strategic Plan update and the SRA Performance Report 2014/15 prior to SRA releasing its Annual Operational Plan for 2016/17.

Of particular note was the continuing work and commitment to critical impact areas to address major industry issues. These impact areas are Yellow Canopy Syndrome (YCS), Plant Breeding (both conventional and genetically-modified (GM)), Adoption and Maximising productivity along the value chain (harvesting).

YCS continues to be a concern with the cause still unknown. It has now spread through the whole industry with some areas experiencing significant yield loss.

Conventional plant breeding remains the cornerstone of variety development and a critical function of SRA. The investment in GM cane development has progressed with field trials now well advanced. The commercialisation of GM sugarcane is a difficult strategic decision yet to be determined.

Obtaining the full value from SRA’s investment in research and development will be realised when there is broad adoption of the outcomes of this research. Current indications suggest that the rate and extent of adoption of new technologies and practice change are sub-optimal in the Australian sugarcane industry. So the renewed focus on adoption is critical.

Reducing losses during the harvesting of sugarcane is an area of potential increased profit for the industry. SRA has a broad range of research activities which will be conducted within a $5.5 million program on harvesting efficiency partly funded by Rural Research and Development for Profit. CANEGROWERS has representation on the committee which will oversee this project.

CANEGROWERS was part of an SRA reference...
panel which completed a review of the weightings used in the plant breeding selection system. These weightings determine the relative economic genetic value (rEGV) of a particular clone. The updated weightings have included a factor for ratoonability although CCS production is still the largest economic selection factor.

The Production Research Advisory Committee (PRAC), a sub-committee of the Australian Sugar Industry Alliance (ASA) convened by CANEGROWERS, assessed 41 SRA preliminary research proposals. This is part of the SRA Research Funding Panel process of selecting successful research proposals for the approximately $20.5 million contestable funding pool.

**Environment**

The Environment and Sustainability policy area has dealt with some challenging and complex issues over the past 12 months. The priority areas of focus include the health of the Great Barrier Reef and the associated Queensland and Australian government policies and programs that are designed to improve water quality. The major focus has been fertiliser and nitrogen use efficiency. Other areas of focus include biosecurity, vegetation management and sustainable sugar.

**Biosecurity**

Continued effort in biosecurity is important for the productivity and profitability of the Australian sugar industry. Dealing with a pest incursion is costly and can have significant effects on the value-chain so stopping the entry, establishment and spread of exotic diseases and pests is vital for the industry’s future.

CANEGROWERS, with support from the Sugarcane Biosecurity Working Group, works closely with SRA on operational and technical matters, with the National Farmers’ Federation through the Biosecurity Taskforce and with Plant Health Australia on biosecurity issues that affect cane.

**Queensland Biosecurity Bill** CANEGROWERS chairs the Sugarcane Industry Biosecurity Group which provides industry input to Biosecurity Queensland and the Queensland Government on the implementation of the Queensland Biosecurity Act and associated regulations. The working group also includes membership from SRA, ACFA, ASMC, NSW, Canecare, Biotech, and Biosecurity Queensland.

The Biosecurity Act 2014 comes into effect on 1 July 2016 and provides a risk-based and less prescriptive approach to biosecurity in Queensland. It replaces many separate pieces of legislation that were previously used to manage biosecurity and includes a General Biosecurity Obligation (GBO) which is the responsibility a reasonable person would need to be aware of that deals with biosecurity risk, management and actions.

The Sugarcane Industry Biosecurity Group was involved with discussion and consultation on the regulations that affect sugarcane in the Act. This included maintaining Pest Quarantine Areas now called Biosecurity Zones and ensuring the movement of machinery and plant material between Biosecurity Zones protects the industry from exotic and endemic pest and diseases.

**Red Witchweed** The eradication of Red Witchweed (Striga asiatica) on six affected properties at Habana, Mackay is ongoing. Red Witchweed is a parasitic plant that grows attached to the roots of certain grasses and impacts on the cane, grains and grazing industries through trade, market access and risk of spread.

An Eradication Response Plan has been developed with a total estimated cost of activities for a 10-year program of $5,863,010 million which includes reimbursement of costs to the affected growers.

The eradication of Red Witchweed had been challenging to resolve as it didn’t fit under the guidelines of the Emergency Plant Pest Response Deed (EPPRD) or under other mechanisms.

The Eradication Response Plan brought industry and government together to cost share on a 50:50 basis the eradication of Red Witchweed. Industry funding for the response was segmented to cane (10%), grains (20%) and livestock industries (20%).

To support the cane contribution, industry agreement on the establishment of a suitable mechanism is required. After discussing the possible funding options, CANEGROWERS is working with Plant Health Australia (PHA), SRA and Australian Government to investigate the establishment of a levy mechanism to support cane industry contribution to the eradication of Red Witchweed.

**Chemicals**

2,4-D and National Working Party for Pesticide Application

CANEGROWERS continued to be a part of the Executive Committee of the National Working Party for Pesticide Application (NWPPA). The NWPPA has been dealing with issues around spray drift, particularly 2,4-D, and proposed label changes.
The NWPPA Executive Committee comprised of technical representatives from spray manufacturers, grower groups, spray applicators and research and development corporations, across viticulture, horticulture and broad acre agriculture.

**Shirtan**
In October 2013, the Australian Government signed the Minimata Convention on mercury which aims to protect human health and the environment from emissions and releases of mercury and mercury compounds. The treaty listed a range of products which included mercury-added pesticides due to be phased-out by 2020.

The Australian sugarcane industry uses one liquid fungicide product that contains 120 g/L mercury present as methoxy ethyl mercuric chloride. Shirtan® is registered for the control of pineapple sett rot of sugarcane and is particularly effective in controlling the disease.

**Vegetation Management**
CANEGROWERS has provided a submission on Australia’s possible ratification of the Minimata Convention. This submission and ongoing discussion has led to the Australian Government seeking CANEGROWERS preferred position on the phase-out. The Australian Government’s preferred position is a 2020 phase-out. There is an opportunity to extend this to 2025. It is extremely unlikely that the Australian Government will support the ongoing use of Shirtan.

CANEGROWERS is of the view that the current framework forms a solid foundation for cane growing and agricultural production in Queensland as it has the ability to strike the right balance between proactive management of vegetation and protection.

**Great Barrier Reef**
A number of plans, programs and policies influence the Queensland cane industry, its growers and ultimately the work of CANEGROWERS. This is an outline of the main programs and the actions and activities CANEGROWERS has undertaken over the past 12 months.

**Great Barrier Reef World Heritage Status**
The UNESCO World Heritage Committee decided against placing the Great Barrier Reef’s World Heritage Status as ‘in danger’ in July 2015. The 21-nation committee commended Australia’s efforts in developing the Reef 2050 Plan which has both the Australian Government and Queensland Government support.

Although climate change continued to be the greatest single long term threat to the health of the Reef, water quality and agricultural run-off remains a strong focus.

The sugarcane industry is just one of the many industries that borders the reef and it has been very proactive in engaging with programs, government and stakeholders to support the long term health of the Reef.

**Reef 2050 Plan**
The Reef 2050 Plan is the overarching framework for the Great Barrier Reef from 2015 to 2050. It was developed in partnership with the Queensland Government and Great Barrier Reef Marine Park Authority and was a key component of the Australian Government’s response to UNESCO. An implementation strategy outlines how the Australian and Queensland governments will implement the Plan. It identifies lead agencies, timeframes, reporting and governance arrangements.

The Reef 2050 Plan has two components which will have some influence on the Queensland cane industry through government policy positions and on-ground practice change programs:

**Reef 2050 Long-Term Sustainability Plan**
The Reef 2050 Long-Term Sustainability Plan provides an overarching strategy for management of the Great Barrier Reef and coordinates actions and guides adaptive management to 2050. The Plan responds to the challenges facing the Reef and presents actions to protect its values, health and resilience while allowing ecologically sustainable development and use.

Developing ecosystem resilience in the face of a variable and changing climate is a key principle of the Plan. By improving water quality, maintaining biodiversity, and ensuring port development and shipping has minimal impact on the Reef, the Plan aims to build the Reef’s resilience and target activities over which governments and other stakeholders have control. The Plan has identified actions, targets, objectives and outcomes across seven themes and will build on the Reef Water Quality Protection Plan 2013 (Reef Plan 2013). The most significant target to the sugarcane industry is the goal of improving water quality by reducing dissolved inorganic nitrogen loads in priority areas by at least 50% by 2018, on the way to achieving an 80% reduction by 2025.

**Reef Trust**
Reef Trust is one of the main mechanisms to deliver the Plan outlined above and will focus on improving water quality and coastal habitat along the Great Barrier Reef. Reef Trust has a total contribution of $140 million to address key threats to the Reef and a significant proportion of the funding is aimed at nitrogen use efficiency.

Reef Trust is being developed and implemented in a phased approach which enables investments to be targeted towards known key threats. Projects are determined through a rigorous process of prioritisation and the Australian Government has sought CANEGROWERS advice on Nitrogen Use Efficiency, the timing and delivery of the Reef Trust Tender projects and Phase three and four of the programs. CANEGROWERS has encouraged the Australian Government to link these programs to modules in Smartcane BMP.
Reef Trust Phase I – Reef Trust Tender - Wet Tropics
This has provided financial incentives to sugarcane farmers to improve their nitrogen use efficiency and farm sustainability. Funding of $1.4 million over four years will be provided to farmers for enhanced fertiliser management practices on 22 farms.

The project will result in a significant reduction of nitrogen fertiliser applied to participating farms and will help contribute to ambitious targets for cutting nitrogen runoff to the Reef.

Reef Trust Phase II – Reef Trust Tender - Burdekin
A number of sugarcane farmers will receive a share of $2.8 million to reduce nitrogen runoff into the Great Barrier Reef. The aim is to significantly lower the amount of nitrogen fertiliser applied to participating farms with the flow on effect of reducing nitrogen runoff into the Reef.

Reef Trust Phase III – Reef Alliance
The Australian Government has committed $56 million over four years (from 2015 to 2019) to improve management practices for sugarcane farmers, reduce erosion in grazing lands and improve water quality in grains, dairy and horticulture industries.

CANEGROWERS is working with Queensland Farmers’ Federation through the Reef Alliance (a consortium of industry organisations including QFF, cane, grazing, dairy, horticulture, bananas and NRM organisations) to prepare a successful joint bid for $45.6 million of funding. The cane component is $15.5 million to deliver improved management practices across the Wet Tropics, Burdekin and Southern regions.

Reef Trust Phase IV has been flagged as the next investment through the program and is focusing on Enhanced Efficacy Fertilisers (EEF) and tenders in the Burdekin and Wet Tropics regions.

Australian Government Reef Programme
The Water Quality Grants component of the Australian Government Reef Programme (formerly Reef Rescue) concluded in June 2016. The programme focused on practices and innovation that reduced Dissolved Inorganic Nitrogen (DIN) and PSII herbicides to improve water quality and meet a target of 50% reduction in DIN and 60% reduction in PSII herbicides.

The Partnerships components of the Australian Government Reef Programme will continue to 2017. CANEGROWERS will continue with its Reef Programme funded project communication and coordination of activities in sugarcane across Reef catchments. This will provide coordination of extension, training, innovation and R&D in the sugarcane industry to improve nutrient, chemical and sediment management and will coordinate with the Reef Trust Reef Alliance project.
**National Environmental Science Programme**

The National Environmental Science Programme (NESP) continues to be delivered through six hubs over a six-year period. The Tropical Water Quality Hub will research coastal water quality and coastal management with focus on the Great Barrier Reef and other tropical waters. The total funding for this hub is $31.98 million. CANEGROWERS is represented on the steering committee.

**Nitrogen**

Nitrogen, Nitrogen Use Efficiency (NUE) and specifically Dissolved Inorganic Nitrogen (DIN) continue to be a challenging issue for growers and the industry. Continuous improvement around better nitrogen use efficiency is an important area of research for both productivity and the environment.

A substantial RD&E program within the Australian sugar industry focuses on nitrogen in the sugarcane crop cycle and the environment. This includes work being done on enhanced efficiency and slow release fertilisers, climate forecasting, application technologies, precision agriculture and options to target variability at various scales.

CANEGROWERS has been involved in many discussions and debates on this issue. In May 2016, CANEGROWERS collaborated with SRA and the University of Southern Queensland (USQ) to coordinate a workshop to document a way forward for nitrogen R&D.

The workshop heard updates from various R&D and extension/adoptions projects and activities and provided input to the development of a ‘roadmap’ on how to achieve improved productivity and profitability for growers and millers, and reduced losses to the environment and improve water quality.

**Great Barrier Reef Water Science Taskforce**

The Queensland Government established a Great Barrier Reef Water Science Taskforce as a mechanism to develop policy for the Great Barrier Reef. The Taskforce consisted of scientists who were specialists across water quality and technical issues associated with the Reef and it was chaired by the Queensland Chief Scientist Dr Geoff Garrett.

The Taskforce developed an Interim Report in December 2015 with recommendations and considered a mix of tools such as regulations, market-based trading, incentives and on-ground support to find the best approach to meet water quality targets. CANEGROWERS provided a submission which offered comments on the recommendations as well as identified issues and ideas to deal with these issues.

One of the key issues for CANEGROWERS was the consideration of draft regulations on agricultural, urban and industrial activities within Reef catchments. The term ‘nitrogen capping’ was used as an initial option by the Taskforce to improve water quality and meet nitrogen targets. CANEGROWERS did not support the terminology or the approach which led to further consultation.

CANEGROWERS met with the Office of the Great Barrier Reef and Department of Environment and Heritage Protection (EHP) to discuss the matter and subsequently provided advice in writing and held discussions with Taskforce members. Dr Geoff Garrett addressed the CANEGROWERS Board, Policy Council and elected representatives at a panel session at the CANEGROWERS Induction meeting in Townsville on 27 May 2016.

The Taskforce’s Final Report made 10 recommendations that include enhancing communication, increased levels of agricultural extension and innovation, expanded monitoring, financial and other incentives, and staged and targeted regulations.

Recommendation 5 of the Final Report focused on regulations to reduce water pollution through Reef regions, however nitrogen capping was not included in the recommendation. CANEGROWERS will continue to work with the Queensland Government in this matter.

**Reef Regulations**

The Great Barrier Reef Protection Amendment Act 2009 established regulations to protect the Great Barrier Reef from chemicals and fertilisers. The Reef protection requirements were brought in under the Environmental Protection Act 1994 and the Chemical Usage (Agricultural and Veterinary) Control Act 1988 and associated regulations.

The regulations required all cane growers in the Great Barrier Reef catchments. The term ‘nitrogen capping’ was used as an initial option by the Taskforce to improve water quality and meet nitrogen targets. CANEGROWERS did not support the terminology or the approach which led to further consultation.

CANEGROWERS had been negotiating to ensure growers who have engaged in the Smartcane BMP program were not affected by the regulations and the outcome has been:

- Growers who are accredited in Smartcane BMP will not be the focus of the compliance program.
- Growers who are actively working towards accreditation will not be visited by a compliance officer for up to 12 months, giving them time to achieve accreditation.
- Growers who are not engaged in Smartcane BMP will need to demonstrate to the compliance officers how they meet the regulations.

**Behaviour change through valuing farmers**

Despite widespread knowledge of the importance of farmers’ agricultural behaviours in promoting Great Barrier Reef health, relatively little attention has been paid to how to bring about change by valuing and recognising farmers in their role as custodians of the land.

For the sugarcane industry, the emphasis on water quality and the Reef has seen a number of plans, proactive programs and regulatory approaches rolled-out to hasten practice change. The challenge is that while growers have invested significant amounts of money, time and resources to improve practices, the language and messaging coming from stakeholders can be detrimental to ongoing practice change and long-term continuous improvement.

A project to investigate how the principles of behavioural science could be applied commenced in November 2015 and was implemented in May 2016. The project focused on the overarching belief that valuing, acknowledging and reinforcing farmers for their positive farming behaviours is pivotal to improving Reef water quality outcomes. Results are expected in the latter half of 2016.
Sub-surface fertiliser application on Joe Zappala’s Innisfail farm
In the 2015 crushing season Mossman Mill again had over one million tonnes of contracted cane. Mill owner Mackay Sugar negotiated a deal with MSF Sugar to toll crush some of the crop and 256,726 tonnes of cane was sent to the Tableland Mill. This helped to reduce the load on Mossman Mill which processed over 956,000 tonnes of cane for a final mill average of 12.56CCS. Of this total, Mossman coastal, Julatten and Atherton growers sent in 601,082 tonnes of cane for an average of 12.11CCS and Mareeba growers sent in 540,072 tonnes of cane for an average of 13.69CCS.

Given the high tonnages, Mossman Mill still started early, on 11 May 2015. Much of the first cane delivered was standover from the 2014 crushing season.

Mossman Mill completed the 2015 crushing on 26 November 2015 which was 28.4 weeks after starting. This was a great improvement over the 2014 season and gave the crop a longer growing period to recover for the 2016 season.

A very small amount of forward pricing undertaken by the Mossman Pricing Group was still in place for the 2015 season but this was the last season. Now growers choose their own Long Term and Short Term pricing options.

The final average sugar price for the 2015 season, excluding any individual ‘Secure the Future’ pricing, was $411.81 per tonne IPS. With the final mill average 12.56CCS, this equated to a final average of $32.30 per tonne of cane. However, with the coastal, Julatten and Atherton growers final mill average of 12.11CCS, the equivalent cane price is $30.64 per tonne of cane. This is lower than the previous season.

Mossman produced 151,277 tonnes IPS sugar in 2015 and lost 1,330 hours to cane supply (268) and mechanical (1,062) issues which was still very high but an improvement on 2014. 97.6% of the crop was cut green. The average commercial harvest price across the Mossman coastal district was $9.41 per tonne of cane plus GST and including fuel.

CANEGROWERS Mossman provided local growers and members with assistance in harvesting contract preparations, monitoring of various activities under the Supply Contract through the Industry Management Committee and Bargaining Agent meetings and representation on a number of local and industry-wide issues.

In the 2015 season, CANEGROWERS Mossman continued its involvement with the Douglas Marine Advisory Committee, the Reef Cane Industry Working Group, the Wet Tropics Sugarcane Industry Partnership and the local Disaster Management Group. CANEGROWERS Mossman also continued to promote general insurance through the CANEGROWERS NAS Insurance business and held its triennial company elections in early 2016. The Mossman District celebrated its first Smartcane BMP accreditations for two growers.
Tableland
The 2015 season was completed at Tableland Mill on 18 November with a total of 638,801 tonnes being crushed, comprising 382,075 tonnes of MSF Sugar contracted cane and 256,726 tonnes of Mackay Sugar toll crush cane. The mill average CCS for MSF contracted cane was 14.36.

Mossman Mill completed crushing on 26 November with 955,061 tonnes crushed through Mossman and a further 256,726 tonnes toll crushed through Tableland Mill, making the total contracted crop 1,211,787 tonnes.

CANEGROWERS Tableland had another busy 12 months working with Mackay Sugar to secure toll crushing at the Tableland Mill along with the harvesting and transport necessary to accommodate the arrangement. Being able to supply Tableland cane to the Mossman Mill during wet weather in the Mossman area was also an important issue which was worked through along with details of how stale cane would be handled during this period.

Bin consignment was an issue which took up a lot of CANEGROWERS Tableland and Mossman Mill staff time throughout the 2015 season. Problems were rectified during the off season and this is no longer an issue.

CANEGROWERS Tableland worked closely with the Katter’s Australian Party and CANEGROWERS in the drafting of the Sugar Industry (Real Choice in Marketing) Amendment Bill 2015 and worked to secure the support of the independent Member for Cook Billy Gordon, whose vote resulted in the bill being passed through parliament on 2 December 2015.

The Parkerhouse / Mackay Sugar / CANEGROWERS Tableland case which had been ongoing since 2013, was settled out of court. During the year members were represented on various committees and working groups including the Mareeba Dimbulah Irrigation Ares Council, Mareeba-Dimbulah Local Management Arrangements for irrigation channel management, Reef Rescue Cane Industry Working Group, Queensland CANEGROWERS Electricity Committee, Barron Resource Operations Plan review, Local Disaster Management Group, Smartcane BMP and the Mareeba Rodeo Sugarcane Competition.

Cairns Region
CANEGROWERS Cairns Region has continued to provide strong member representation at local, state and federal levels as well as a continued commitment to grower services. Membership levels remain high and the organisation has welcomed new investors to the industry.

The 2015 crushing season was challenging. In the Babinda area early conditions indicated that the crop would be less than average but rain in April and May saw yields increase from an anticipated 78 tonnes per hectare to over 100 tonnes per hectare resulting in a late season finish for those supplying South Johnstone Mill.

The impact of this increase was also felt in the Mulgrave area with inter-mill transfers being increased accordingly. This increase, along with ideal growing conditions in Mulgrave, led to an extended season length and the Mulgrave season length clause being initiated for the first time.

As a result of a lobbying effort by CANEGROWERS Cairns Region Directors, Project 25 was launched enabling growers to be involved in the collection of water quality data from within local catchments. This program is in its early stages but it is unique for the area in that it will gather water quality data from all land users within the catchment.

CANEGROWERS Cairns Region continues to support and be a major stakeholder in Reef Water Quality programs such as the Wet Tropics Sugar Industry Partnership, Smartcane BMP and Reef Rescue to promote sustainable agriculture in the Wet Tropics through profitability, productivity and environmental stewardship.

Innisfail
South Johnstone Mill commenced crushing on 7 July, 2015 after a wet weather delay and finished on 21 December, 2015. The total tonnage crushed at South Johnstone Mill was, 1,700,955. There were 380,790 tonnes of South Johnstone Mill contracted cane crushed at Mulgrave Mill, making the total cane supply to South Johnstone Mill reach 2,077,099.14 tonnes which was a record. Seasonal CCS was a very disappointing 11.8441.

A significant feature of the 2015 season was the amount of time lost at the start of the season and more than 480 hours of delays attributed to wet weather during the season. The crop continued to grow and the pre-season estimate of 74 tonnes per hectare increased to a final yield of 94 tonnes per hectare.

MSF Sugar is to be congratulated for crushing 99.9% of the crop by Christmas. South Johnstone Mill ceased crushing on the 23 December 2015 with 1,701 tonne of cane left in the field. Grower representatives negotiated successfully to obtain an ex-gratia payment for the unharvested cane.

In 2015, out of the 358 grower-owned farms supplying cane to South Johnstone Mill in the Innisfail Supply Area, 273 were farms owned by members comprising 75.26% of supply compared with 79.03% in 2014. MP Australia farms continued to be Affiliate Members in 2014.

IDCGOL continued with the Management Rights Agreement over the Sugar Heritage Centre.

CANEGROWERS Innisfail Payroll Services continues to provide a high level of professional advice and management of salaries and wages for more than 59 clients and processed over $14.5 million in wages in 2015.

This was an outstanding achievement by the dedicated and skilled staff. The two Payroll Consultants are now fully qualified under the requirements of the Tax Practitioners Board, allowing the Payroll Services to be registered as a BAS agent. While the company does not undertake completion of business activity statements, the registration is required to cover provisions of the operation of the Payroll Service.

Independent Cane Analysis Auditor, Lyn MacDonald, was again employed at South Johnstone Mill through CANEGROWERS Innisfail, with the costs covered by MSF Sugar. She undertook checks for 65 inquires during the season, mainly on CCS analysis.
CANEGROWERS Innisfail, together with all other districts from the Herbert region north, was involved in the Wet Tropics Sugar Industry Partnership (WTSIP).

This was instrumental in securing $1.9 million in funding to implement a training and extension program to support participants in the Australian Government Reef Programme/Reef Rescue rounds six to eight. The program successfully facilitated the completion of Nutrition Management Plans and Integrated Weed Management Plans for 88 funded and 30 unfunded growers.

With the Australian Government Reef Programme/Reef Rescue all but completed, 192 projects received funding. The region received $3.8 million for approved projects with growers contributing $5.3 million of their own funds.

Smartcane BMP that has been well taken up in the district with many growers already self-assessed and accredited. Currently there are 126 farming businesses undertaking or completing the self-assessment process and 22 businesses accredited meaning 31% of the South Johnstone growing area is accredited and 40% of the area is actively working towards accreditation.

**Tully**

The crop for 2015 was 2,898,000 tonnes of cane from a record area and harvesting and crushing activities extended into January 2016. It was an exceptional year with no wet season to speak of and a relatively dry crush that allowed for the extended harvest and held CCS levels right to the season end.

The final results of 2,897,999 tonnes of cane, 12,83CCS and 373,560 IPS tonnes of sugar were all records for Tully. It was a tremendous effort from all involved – growers, harvester crews and the mill.

Despite the late finish, the 2016 crop estimate is even higher than 2015 and, with some additional plantings, the crop is forecast at around 3,000,000 tonnes.

Matching crushing capacity to the cane production area is becoming a major issue for Tully and as the sugar price rises and suitable land is available, this will become the focus of Cane Supply Contract negotiations. Despite the favourable harvest seasons of 2014 and 2015, the typical Tully season is determined by the timing and severity of the wet season.

Cane Supply Contract negotiations for the 2017 season have been complex and prolonged. CANEGROWERS Tully had an objective to complete the negotiations by July 2016, however this was not possible.

A number of growers have continued with trials of growing rice and about 400 hectares was successfully harvested. There have been a lot of learnings as growers look towards alternate or supplementary crops. The CANEGROWERS Tully involvement, in a partnership with the Terrain NRM group, has delivered some beneficial training and extension outcomes for district growers.

Locally, by working together with staff of Tully Cane Productivity Services Ltd, Sugar Research Australia and Tully Sugar, services have been provided to facilitate the Reef Rescue and Australian Government Reef Programme projects, Smartcane BMP and Terrain-funded training and extension.

By focussing on improved nutrient and herbicide management, the required outcomes of the Reef Plan are being addressed. The adoption of Smartcane BMP is gaining momentum and accreditation targets are improving. The long crushing seasons mean there has been less time available to commit to this important project.

**Herbert River**

A new Collective Cane Supply Agreement with Wilmar Sugar, after the Singapore-based milling company cancelled the previous three year rolling CSA in March 2015, remains the foremost priority for CANEGROWERS Herbert River almost two and a half years after Wilmar announced its intention of pulling out of its Raw Sugar Supply Agreement with QSL.

The passage of amendments to the Sugar Industry Act that formalised the recognition of Grower Economic Interest sugar and a pathway for choice in marketing was welcomed by growers as addressing a shortcoming in the arrangements put in place when the industry transitioned to voluntary marketing arrangements.

Growers remain deeply concerned by Wilmar’s delays and their inability to price for the 2017 season and at tactics aimed at controlling sugar in the terminals that have been two thirds paid for by growers.

Growers are resisting enticements to consider a non-negotiated individual agreement and remain united behind CANEGROWERS Herbert River, and with other collectives across the Wilmar milling districts, in their bid to have their choice of GEI marketer.

The Wet Tropics Sugar Industry Partnership (WTSIP), formed by industry-owned entities in the Wet Tropics to deliver training and extension to cane growers under a principal contract with Terrain NRM with Australian Government Reef Programme funding has successfully achieved all of its milestones and targets.

Water quality targets in reef catchments under Reef Plan, a Commonwealth/Queensland government protocol, have been instrumental in driving a new Commonwealth initiative, Reef Trust III in which the Wet Tropics and sugar industry have been identified as a priority for reduction in Dissolved Inorganic Nitrogen.

The WTSIP has been reshaped to include Terrain NRM as a partner and deliver a further three-year project with emphasis on extension and tailored nutrient management. There are also components for Innovation and Incentive Grants under the Reef Alliance led by the Queensland Farmers Federation. Funding has been provided to deliver trials of a new Nutrient Management Plan template to minimise nutrient runoff without detriment to productivity and profitability.

This project calls for extension officers to be recruited which should provide a good boost to the extension capability for the industry in coming years. The new WTSIP model of industry working with the NRM group is registering interest to deliver further aligned work in the region as the Queensland Government has also identified the Wet Tropics region as one of two priority regions for its part in Reef Plan.

Smartcane BMP is gaining momentum with Herbert growers as a stewardship protocol that addresses public misconceptions about crop production as well as the increasing interest from sugar buyers in sourcing sugar that is produced under sustainable farming systems.

It also provides growers with a system for benchmarking their farming operations against best industry practice and a first class auditable record keeping system. A side benefit is that Smartcane BMP meets all the requirements of the Queensland Government’s reef regulations.

Facilitator Maria Battoraro has been supported by two fully accredited directors as she works through small group sessions to introduce
growers to the system and support them in their initial self-assessment and benchmarking.

CANEGROWERS Herbert River maintains a good relationship with Sugar Research Australia (SRA) and is especially pleased to see SRA delivering on all of the recommendations of a review in early 2015.

Apart from the significant commitment to solving the Yello Canopy Syndrome mystery, CANEGROWERS Herbert River is also pleased to see the positive work being done to identify harvesting losses so that, in time, actions will be taken to rein in those losses across the value chain.

**Burdekin**

The 2015 crop was an increase of 217,000 tonnes on the previous year for the region at 8,278,390 tonnes. Cane yield increased to 117 tonnes per hectare and CCS averaged 14.92 with average fibre at 15.3. In response to Wilmar’s significant investment in capital improvements and maintenance, all four mills performed well with an average reliability of 90% and an hourly crush rate of 2,567 tonnes. Rain stops were less than a day across the region. The 2015 crush was completed in 22 weeks, ending on 12 November.

Another failed wet season resulted in growers irrigating without the benefit of rain breaks and the region being drought declared in November 2015.

The 120% increase in the cost of electricity over the past seven years has really hit home, resulting in CANEGROWERS Burdekin and CANEGROWERS Bundaberg working together to initiate the community lobby group ARC-UP with the goal of reducing all regulated tariffs by 33%.

It is deeply regrettable that at a time when we all should have been working together to confront the numerous issues that are challenging the future of our industry, 2015/16 was a year that growers and representative bodies energy and resources continued to be consumed fighting to stop Wilmar from stripping growers of their rights to utilise QSL.

Separately, our grower’s litigation case against Wilmar, relating to the 2010 weather-induced crop shortfall, was heard by the Supreme Court and the Judge’s decision is pending.

The 2016 election process saw a changing of the guard with CANEGROWERS Burdekin Directors David Lando, Russell Jordan and Arthur Woods not seeking re-election and Greg Rossato welcomed to the Board.

Finally, the official estimate for the 2016 crop has been revised upwards from 8.3 to 8.7 million tonnes and all at CANEGROWERS Burdekin remain optimistic about the future as a truly effective, enduring and unifying force in maximising the profitability, productivity and sustainability of cane growers in the Burdekin.

**Proserpine**

CANEGROWERS Proserpine had another busy year representing members on a wide range of issues. As expected, marketing arrangements dominated the organisation’s agenda for most of the year.
Considerable effort was expended in support of the Sugar Industry (Real Choice in Marketing) Amendment Bill and the successful passage of the legislation through the Queensland Parliament was testament to the commitment and support from all levels of the organisation and the determination of growers.

As a consequence of the sugar marketing debate, a strong working relationship has developed with our colleagues in Herbert River, Burdekin and Plane Creek. This relationship continues to prove beneficial as the organisations seek to negotiate workable collective cane supply agreements for 2017 and beyond.

CANEGROWERS Proserpine delivers a number of important programs on behalf of the local industry. Smartcane BMP remains a cornerstone program, assisting growers to maintain or increase productivity and profitability while at the same time being responsive to environmental pressures such as water quality.

Assistance has also been provided to growers in developing projects which align with the Federal Government’s Water Quality Improvement Program. With the program now completed, discussions are at an advanced stage on a new project which aims to build on the previous success.

The Rural Water Use Efficiency Irrigation Futures project continued for another year with the installation of soil moisture monitoring equipment and weather stations. The equipment is now linked to a central website and provides real-time information for irrigators.

The insurance business continues to operate in an extremely competitive environment. The move to a brokerage model has enabled members to access a variety of alternative underwriters and risk management products.

However, the industry developed CanePol insurance remains a key component of our insurance offering. Commission from the insurance operations provides a diversified cash flow for the organisation which directly benefits all members.

CANEGROWERS Proserpine continued to provide administrative and financial management support to Sugar Services Proserpine, Kelsey Creek Water Cooperative and Six Mile Creek Irrigators Cooperative.

CANEGROWERS Proserpine also maintained an active role in industry affairs representing growers on a range of industry, regional and community related boards and committees.

CANEGROWERS Proserpine continues to enjoy strong support with a 95% membership rate.

**Mackay**

This year CANEGROWERS Mackay has been very productive and successful in terms of the representation of members with industry-wide campaigns and issues to address, changes on the MCL (Mackay Canegrowers Limited) Board, a changing political arena and the progression of significant initiatives through representation and our submissions.

Among these is the progression of our world-class, industry-developed Smartcane BMP (best management practice) program, our industry input into significant state-wide government strategic planning and initiatives, as well as our input into local government planning and strategies.

CANEGROWERS Mackay continues to play a significant role within the state-wide team, combining our efforts to secure federal and state political involvement particularly in the area of the grower choice, pro-competitive, pro-free market sugar marketing model needed to ensure a balanced, competitive future for our members. The resultant state legislation has set a framework in which many millers and growers are progressing to ensure choice is delivered.

There have been many other significant matters of government policy to negotiate across the areas of water resources, electricity and transport. We are proud to be a part of the state-wide team advancing and securing a more sustainable and profitable industry for our members. These larger issues and actions complement the integral and efficient day-to-day activities of the CANEGROWERS Mackay management team and staff.

We proudly provide a comprehensive list of member services including financial, technical, grower business operations and economic analysis, insurance and training services all of which are focussed on supporting members’ businesses and their families’ futures.

In the CANEGROWERS triennial elections in early 2016, Gregory Plath, Paul Schembri, Paul Vassallo, William MacDonald, Anthony Ross, Joseph Borg and Michael Degusara were elected by the Mackay Area Committee(MAC) to fill the seven positions as nominees for Directors on the Board of Mackay Canegrowers Limited. The Plane Creek Area Committee’s (PCAC) nominees were Kevin Borg and Serg Berardi. The nine Directors were appointed to the Board for a three-year term ending April 30, 2019. Kevin Borg was voted as Chairman and Anthony Ross voted as Deputy, both for their second terms.

The staff of CANEGROWERS Mackay was successful in negotiating with the Transport and Main Roads Department (TMR) for an extension of...
permits for the continued use of double 5&6 tonne cane bin trailers. Applications were submitted on behalf of members to TMR for over-width vehicles. Other services afforded to members included land resumption and compensation issues, easements for tramlines and sidings, representation to Ergon on electricity matters and assistance in response to enquiries relating to bin weights and CCS and PRS impacts following mill breakdowns.

Agreement was again reached with Mackay Sugar for the payment for cane under 7PRS and 75% purity following a difficult start to crushing due to inclement weather conditions and milling performance. Negotiations have continued with Wilmar Sugar on the implementation of Grower Choice in a new Cane Supply Agreement.

A review of competency levels in the Cane Audit Service was conducted and training programs implemented where necessary. Procedure manuals were updated to ensure the high standard of the Cane Auditing Service was maintained. Administrative support was provided to MAC and PCAC and PCPSL (Plane Creek Productivity Services Ltd).

Geoff Youngs and Dorothy Anderson reported a busy and successful year despite still being restricted in the number of insurers that will deal in North Queensland. Berkshire Hathaway however has entered the domestic marketing bringing benefits to our members. The insurance team’s portfolio growth is encouraging not only with farm insurance, but also with growth in all other sectors.

With funding through the State Government’s Skilling Queenslanders for Work initiative, CANEGROWERS Mackay was able to offer a fully subsidised course for this year’s 12 sugar cane haulout participants. For the first time, the five-day course included the introductory unit of competency ‘Operate a cane harvester’.

Other courses scheduled throughout the year included three Chemical Accreditation courses with one course delivered by Mackay Area Productivity Services supported by Sugar Research Australia. SRA also supported two Chemical Refresher courses delivered by MAPS. Our Registered Training Organisation for these was Queensland Agricultural Training Colleges.

Other courses included Pilot/Escort Vehicle Driver Courses Level 1 & 11 (RTO Transqual), Smartcane BMP information and registration sessions, AgDat and FEAT courses and Workplace Health and Safety workshops with Queensland Occupational Health and Safety.

Pre-harvest training included in-field assessments for haulout operations, harvest safety inductions, first aid and farm safety management as well as providing computer training to sugar industry clients and the wider community.

CANEGROWERS Mackay assists seasonal workers seeking employment in the sugar industry through listings on the website. This facility also is used by growers to register to find workers.

Media coverage has been consistent encompassing and increasing the profile of not only our branch elected members, Chairman and Board and many individual members, but also our programs, causes and our organisation achieving a positive image of our industry and confirming our significance in the region to all levels of government but also across all sectors of community.

There have been many issues helping us to keep a high profile including marketing, weather, harvest, Smartcane BMP, transport, elections, electricity and many others. Firmly embedding this positive position has been our regular appearance at, and support of, various community events throughout Mackay and Plane Creek, the introduction of digital weekly CEO Updates, social media and our revamped monthly magazine, The Billet.

Bundaberg CANEGROWERS Bundaberg is proudly member-focused and farmer-biased. Our Board and staff take the task of providing representation, leadership, services and the promotion of unity very seriously.

We fiercely advocate on behalf of our members on an individual as well as collective basis and this has been demonstrated over the past year.

Bundaberg grower Kelvin Griffin installed a bank of solar panels to tackle rising electricity prices
During the 2015/16 financial year CANEGROWERS Bundaberg resourced a strong advocacy campaign targeting sustainable electricity, energy, transport and Reef-related issues.

This leadership ensured that federal, state and local government politicians were in no doubt about the impacts of policy on our members as well as our community, and the concerns we have in relation to these issues.

This advocacy approach has led to tangible outcomes including the removal of onerous restrictions on moving excess dimension agricultural vehicles around the road network and acknowledgement of the work done by Bundaberg district cane growers to reduce their potential impact on the Great Barrier Reef with their farming practices.

CANEGROWERS Bundaberg continues to provide assistance to individual growers to progress through the Smartcane BMP program. Throughout the year assistance was available in the office every Thursday, no appointment necessary.

Smartcane BMP was at the local Cane-Trends display at the AgroTrend field day and two workshops, on BMP Workplace Health and Safety and BMP Cane Grub and Weed Management, were held.

Colin Mobbs continued to provide insurance advice to growers and ensure growers are adequately covered and are receiving value for money. He continues to assist with renewals, endorsements and claims where necessary.

After nine years of holding Cane-Trends at Tegege and one year of Cane-Trends as a full day of field site visits, it was decided to base Cane-Trends at AgroTrend in 2016.

The new format included half-day field site visits to Griffin Farms’ new solar plant and a demonstration of mapping crop health using drones conducted by Southern Drones.

After a lunchtime presentation on pricing by QSL, growers attending Cane-Trends were then able to enjoy the rest of the day inspecting other displays at AgroTrend.

CANEGROWERS Bundaberg continued to build relationships with Bundaberg Sugar Services Ltd, Bundaberg Regional Irrigators Group and the Grain in Cane cooperative to create synergy and minimise duplication.

A key outcome was the mill area-wide nutrient soil testing and management plan joint program with Bundaberg Sugar Services team.

**Isis**

The year in review highlights a number of significant achievements for members in the Isis cane supply area.

The CANEGROWERS Isis Board was involved in negotiations with Isis Central Mill Management on a number of fronts, including the acquisition of the CANEGROWERS building, night harvesting
allowances for growers, Cane Supply Agreement and clean cane/harvester loss trials.

The purchase of the CANEGROWERS building in Childers in January 2016 was the culmination of two years of negotiations and secures the future home of CANEGROWERS Isis.

For growers with an obligation to harvest at night in the Wallaville/Gin Gin areas, the Board secured a $2/tonne payment for cane harvested between the hours of 8pm and 5am. This payment helps to offset the losses associated with implied night time harvesting arrangements.

The Board entered into serious negotiations over a new Cane Supply Agreement for the 2017 season and agreement was reached at the end of June.

CANEGROWERS Isis, as a party to the Isis Sugar Partnership, is involved in harvesting loss trials being undertaken involving Sugar Research Australia and a select group of growers and contractors. All efforts are focused on cleaning up the cane supply and regaining at least 5% of cane loss in the field. Harvester design is also being examined.

The third and final year of the Australian Government Reef Programme ended in June with a further 20 growers receiving landholder financial incentive payments to improve farming systems leading to improving the quality of farm run-off reaching the Reef.

CANEGROWERS Isis, as a not-for-profit limited liability company, also was registered as a charity during the year. A consequence of this registration was no stamp duty was paid on the land and buildings purchase.

The Board engaged in discussions with SunWater over unsold Burnett water allocations in Paradise Dam. CANEGROWERS Isis submitted that until the water allocations are sold, SunWater should always use the unsold allocations to top-up Announced Allocation water entitlements for South Side irrigators. SunWater should also consider making the water available as Seasonal Assignment in years when water is in limited supply.

CANEGROWERS Isis has continued to lodge written submissions on behalf of local growers. The recipients of the submissions included: the Queensland Competition Authority (standing offers, tariffs structures, network and tariff costs), Queensland Productivity Commission (marketing, GEI sugar, value of premiums & industry investment), Ergon Energy (tariffs, changing tariffs and smart meters), Queensland Agriculture and Environment Committee (Sugar Marketing Amendment Bill), and the Australian Energy Regulator (network distribution resets, demand forecasts and renewable energy sources).

The CANEGROWERS Triennial Elections saw local Chairman Joe Russo stand down after 27 years of dedicated service to the organisation and local growers. Joe served at local, state and national level and was a great advocate for growers.

CANEGROWERS Isis provides the following services – communication, payroll, insurance, GPS hire, crop insurance, capacity building workshops, secretarial and finance services to Isis Productivity Limited, Central Harvesting Cooperative Limited and Isis Landcare Group Inc. and the delivery component and milestone reporting for the Australian Government Reef Programme and the Smartcane BMP program.

During the 2015 season the Maryborough Sugar Mill crushed a crop of 861,144 tonnes which is the largest crop produced by the district since the 2006 season. CCS was 13.58 and sugar produced was 118,316 tonnes IPS. The mill commenced crushing on 23 June and finished on 3 December. 91% of the cane was cut green.

Yellow Canopy Syndrome was found in the district for the first time during the year however to date it has not had a major impact on cane yields.

The CANEGROWERS Maryborough Board has successfully negotiated a new Cane Supply Agreement for the next three years and these have now been signed.

This will enable growers to have a choice of marketer for their Grower Economical Interest sugar for the 2017 and subsequent seasons. Almost all growers have chosen MSF as their preferred marketer.

Growers have a range of pools available for the pricing of their sugar, one of which is a forward pricing pool administered by a local sugar pricing committee. This pool has returned excellent returns for growers over a number of years.

The Australian Government Reef Programme was again well supported by local growers.

24 applications for funding were received this financial year with 16 projects being successful. Total funding of approx. $131,000 has been provided through this project.

Geoffrey Wormwell has been appointed to the position of Chairman of the Local Management Committee for the Lower Mary Irrigation area.

Darryl Cronau did not seek re-election for a position on the Board at the last CANEGROWERS election. He served six terms on the Board from 1998 and has been replaced by Roger Rambling.

Rocky Point

Rocky Point’s 2015 harvest commenced earlier than usual, on 14 July and concluded on 21 December. Production for the season was 382,867 tonnes of cane, amounting to the largest crop for Rocky Point since 2001 (432,855 tonnes). CCS was a reasonable 13.65.

Unfortunately, while the tonnes were up, the final price obtained by our pricing committee was $382.11. We were disappointed with this final sugar price. The miller refused to allow us to price sugar until the CSPA negotiations were signed off, which resulted in all of our sugar for the July contract (approximately 13% of our sugar) going to close at a dismal $325 per tonne, when an earlier sign-off could have achieved around $450.

Crop prospects for 2016 are reasonable with an estimate of approximately 300,000 tonnes in the field. At the time of writing, the cogeneration plant, which powers the Rocky Point Mill is in a state of disrepair and financial difficulties are inhibiting the required repairs.

While the mill is unable to crush, Condong Mill in New South Wales has agreed to accept two-year-old cane for processing, a total of around 40,000 tonnes of cane. We thank all those involved for assisting us with this process.

Growers have agreed to contribute $1.2m towards a rescue package for the cogeneration plant which will be raised by a levy of $2.50 per tonne of cane for the next two seasons. Even if weather conditions are favourable, it is unlikely that more than 70% of the crop will be processed. The best hope is to have the cogeneration plant and mill operating by the first week in October.

The Board engaged in discussions with SunWater over unsold Burnett water allocations in Paradise Dam. CANEGROWERS Isis submitted that until the water allocations are sold, SunWater should always use the unsold allocations to top-up Announced Allocation water entitlements for South Side irrigators. SunWater should also consider making the water available as Seasonal Assignment in years when water is in limited supply.

CANEGROWERS Isis has continued to lodge written submissions on behalf of local growers. The recipients of the submissions included: the Queensland Competition Authority (standing offers, tariffs structures, network and tariff costs), Queensland Productivity Commission (marketing, GEI sugar, value of premiums & industry investment), Ergon Energy (tariffs, changing tariffs and smart meters), Queensland Agriculture and Environment Committee (Sugar Marketing Amendment Bill), and the Australian Energy Regulator (network distribution resets, demand forecasts and renewable energy sources).

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the BOARD

Chairman, Paul Schembri

Senior Vice Chairman, Allan Dingle

Rajinder Singh
Joe Marano
Michael Pisano
Vice Chairman, Kevin Borg
Owen Menkens
Mark Mammino
the POLICY COUNCIL

CANEGROWERS Chairman Paul Schembri presents outgoing Board and Policy Council members Russell Jordon, Steve Guazzo and Joe Russo with commemorative cane knives.

Drew Watson
Mossman

Rajinder Singh
Tableland

John Ferrando
Cairns Region

Joe Marano
Innisfail

Tom Harvey
Tully

Michael Pisano
Herbert River

Jeff Cantamessa
Herbert River

Phil Marano
Burdekin

Roger Piva
Burdekin

Owen Menkens
Burdekin

Steven Pilla
Burdekin

Glenn Clarke
Proserpine

Tony Ross
Mackay

Kevin Borg
Mackay

Greg Plath
Mackay

Paul Schembri
Mackay

Mark Pressler
Bundaberg

Allan Dingle
Bundaberg

Mark Mannino
Isis

Jeff Atkinson
Maryborough

Michelle Fischer
Rocky Point
## CANEGROWERS District Offices

### CANEGROWERS Mossman
Mossman Canegrowers Ltd.
ABN: 55 111 943 616
Centenary Building, Shop 1, 1 Front Street
PO Box 789, MOSSMAN Q 4873
Manager: Evelyn Matthews
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### CANEGROWERS Innisfail
Innisfail District Canegrowers Organisation Ltd.
ABN: 11 111 471 124
Maurilyan Sugar Industry Museum, 18-22 Bruce Hwy
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### CANEGROWERS Tableland
Tableland Canegrowers Ltd.
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### CANEGROWERS Cairns Region
Cairns Canegrowers Ltd.
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### CANEGROWERS Tully
Tully Canegrowers Ltd.
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### CANEGROWERS Herbert River
Herbert River Canegrowers Ltd.
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### CANEGROWERS Burdekin
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### CANEGROWERS Proserpine
Proserpine District Canegrowers Cooperative Ltd.
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### CANEGROWERS Mackay
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Bundaberg CANEGROWERS Ltd.
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32 Bourbong St
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CANEGROWERS Isis
CANEGROWERS Isis Ltd.
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CANEGROWERS Maryborough
Maryborough Canegrowers Ltd.
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CANEGROWERS Rocky Point
Rocky-Point District Cane Growers Organisation Ltd.
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WOONGOOLBA Q 4207
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CANEGROWERS Queensland
Queensland Cane Growers Organisation Ltd.
ABN: 94 089 992 969
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CEO: Dan Galligan
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