More mill mergers on the cards

SWEET TALK
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CORPORATE aspirations and concerns about sugar price volatility, rising costs and competition for land point to continuing rationalisation of Australian sugar milling. Ambitious Maryborough Sugar Factory (MSF), cock-a-hoop after securing Mulgrave mill, has joined with Tully Sugar Ltd to evaluate the benefits of combining their businesses. MSF CEO Mike Barry describes the recent takeover of Mulgrave, south of Cairns, as “the first step” in MSF’s strategic growth in Far North Queensland. Tully chairman Dick Camilleri sees a need and an opportunity to consolidate the industry, Tully wants to identify potential benefits to shareholders of a merger. “We must provide our growers with security and confidence to continue growing cane into the future.” He believes Tully is Far North Queensland’s most profitable mill, but is worried that price volatility and land use changes could change that.

QSL’s new structure and grower pricing should mean greater stability, but Tully can’t afford to be complacent, he says. Hence, recent efforts to replace lost traditional cane areas by expanding north and south. Last year Tully showed interest in a proposed marriage with Mulgrave and Bundaberg mill, crushing just under 2mt this year. Now in the hot seat is former deputy James Jackson, a grazer with merchant banking, stockbroking and commercial experience. New MSF directors are former Mulgrave chairman Jim Hesp, whose family has Mulgrave and Burdekin cane interests, and former Mulgrave deputy chairman Brett Moller – solicitor and cane grower. MSF now owns over 34 million G-class shares in Sugar Terminals Ltd and its total holding of over 49m grower and Miller shares represents 12 percent of STL’s issued capital.

Precision ag targeted

THE Burdekin, Herbert and Central regions are collaborating in a major SRDC-funded program that will identify management zones in cane paddocks where best practice can be applied. This is an essential foundation for precision agriculture. Zones will be identified by mapping features using satellite imagery, soil electromagnetic induction, soil tests and yields. Data will be analysed in a GIS system that combines data from various sites at different times. Resulting maps will enable development of site-specific variable rate best management practices for cane production and environmental stewardship. Burdekin Productivity Services Ltd chairman Paul Sgarbossa says his district’s GPS base station is working well. Over the past year, BPS has encouraged adoption of controlled traffic by subsidising grower GPS purchases from $472,760 of SRIP regional and community projects funding. The scheme ended June 30, but growers who move quickly can still get a 5pc BPS discount plus 5pc from the equipment supplier.

Booklets boost BMP

THE Canegrowers organisation has sent growers the first of a series of booklets on best management practice. Future booklets will address practical issues such as management of fallow/land, plant cane, harvesting/ratoons, riparian/wetlands, and total farm management. The SmartCane BPM booklets were developed by Canegrowers, BSES and the State Government. Canegrowers CEO Ian Ballantyne says Canegrowers also has distributed a ‘Cane Talk’ CD to inform growers on key issues, such as forward pricing, emissions trading, the environment, and farm economic viability.
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other districts. Trials at 15 sites over five years will assess performance under field conditions and analyse sugar production and quality. Promising lines will be selected for possible commercial release, subject to further approvals. UQ’s Prof Robert Birch began conducting GM research in 2004 with financial help from CSR.

Brisbane terminal sold
SUGAR Terminals has signed a $40m sale contract for its 120,000t capacity Brisbane terminal, redundant as a result of industry deregulation and rationalisation. Settlement is due by December 15. Chairman Michael Brown says Queensland Sugar Ltd and STL now have a month-by-month tenancy agreement, pending the outcome of talks on long-term arrangements. STL will announce its next half-yearly dividend term arrangements. Settlement is due by December 15. Chairman Michael Brown says Queensland Sugar Ltd and STL now have a month-by-month tenancy agreement, pending the outcome of talks on long-term arrangements. STL will announce its next half-yearly dividend.

CSR fertiliser win
IT must have been satisfying for former Mackay Sugar chairman Graham Davies to see CSR Ethanol pick up a DuPont Aust/NZ Innovation Award for its renewable fertiliser Liquid One Shot plus Phosphate (LOS+P). CSR ag-services business manager David Parker says Graham and son Bruce, big Mackay growers, convinced former CSR Sugar CEO Ian McMaster to build the plant at its Sarina distillery to make the fertiliser from biodunder – a by-product of ethanol distilling. CSR now sells products to cane growers between Carmila and Ayr.

WTO meltdown warning
CLARE’s Mafia group is preparing for a time when green cane harvesting may be compulsory. The growers, in collaboration with BSES Burdekin, are trialling a modified finger wheel rake that cleans trash out of every second furrow, enabling flood irrigation of paddocks cut green. It was invented by Bundaberg grower Neville Loeskow. Four Clare growers have used it successfully this season and one has built his own version. Others can try the unit on their farms for $12/ha.

Tully sugar mill – holding talks with Maryborough Sugar Factory about a possible merger.

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