



CANEGROWERS

Annual Report 2021/22



OUR
VOICE
GROWING
QUEENSLAND

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Vision

To ensure a secure and profitable future for cane growers.

Mission

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

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

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



CHAIRMAN'S REPORT

It was a great honour to be elected your Chairman on 24 May 2022. I will never underestimate the importance of this role and the faith that you, our members, have placed in me over the next three years.



Owen Menkens
CANEGROWERS Chairman

The role of Chairman of an organisation as large as CANEGROWERS comes with great challenges, but I am ready for the task ahead.

Working on behalf of our members to ensure a secure and profitable future, as well as representing the sugar industry at local, state, federal and international level is an integral part of the organisational vision of CANEGROWERS.

The 2021 season was long and involved a crush of 29 million tonnes.

Most areas were affected by wet weather and poor mill performance. The COVID-19 lockdowns certainly created some difficulties for some districts due to staff shortages.

There were some areas, notably Rocky Point, Mackay and Maryborough, that were unable to harvest their entire crop, which is disappointing given the substantial increase in the world sugar price.

There was also a large increase in fertiliser, chemical and fuel prices later in the season, which did eat into the higher cane revenues.

Overall, though, it was a successful crush with some renewed optimism starting to creep back into the industry.

The world sugar market strengthened during the season due to smaller-than-expected crops in Brazil and Thailand, and a decrease in exports from India.

This was good news for growers, as the price rallied from \$500 to above \$610 in September 2021.

This allowed growers to achieve reasonable results in the harvest pools, as well as being able to lock in some good prices for the seasons ahead.

We are lucky in our industry to have the ability to lock in prices two or three years in advance.

This gives Queensland growers a competitive advantage when it comes to budgeting and planning, which is not available to growers in other countries.

CANEGROWERS has embarked on a process of providing growers with some training through a business resilience course.

This course looks at business management, risk management and succession planning, and stems from earlier work that looked at the basics around pricing essentials.

The key question for growers is, what is the best price to lock in? But the only way to know the answer is to truly understand your cost of production, as well as your risk profile.

I would encourage all members to attend these courses when they come to your district.

One of the most important issues currently emerging in the world market is the importance of sustainable sugar.

Due to the work previously carried out in developing the Smartcane BMP system, we have a framework to provide consumers with an independently audited sustainable farming methodology.

Achieving alignment with ProTerra and Czarnikow Vive for our Smartcane BMP program provides an opportunity to position our Smartcane BMP accredited cane within a sustainable sugar supply chain that our marketing partners can sell to the world.

Although there is no higher price for growers at present, we hope that in the future there will be.

CANEGROWERS commissioned an independent report by Synergies into the Sugar Code of Conduct.

This report identified that growers needed the Code to help even-up the imbalance that exists in regard to the market power of millers.

We have continued to outline to the new Federal Government the importance of the Code to the long-term stability and confidence of the sugar industry.

CANEGROWERS also initiated and was instrumental in the creation of the Sugar Plus 2030 roadmap.

This process was developed in consultation with state and federal governments, as well as all parts of the industry including CANEGROWERS, ACFA, AgForce Cane, and ASMC.



The Roadmap was launched in July 2022 and was a big step forward in the way we look at how we can remain profitable into the future.

The basis of the document is to firstly look at producing sugar as efficiently as we can.

The roadmap recognises that sugar production will be the mainstay of our industry profitability for decades to come.

The next part is about setting up a framework to enable the alternative use of the sugarcane plant.

There are multiple uses for the plant, from bioplastics to hydrogen production and the Roadmap is about creating the connection between industry, government and commercial investors.

There are many different projects in the pipeline, so it is important that we can make the most of all the opportunities.

I would like to take this opportunity to recognise the retirement of my predecessor Paul Schembri (*pictured*).

Paul is a giant of the industry who has been representing growers for over 40 years.

It has been a great pleasure to work with Paul during his role as Chairman of CANEGROWERS over the past nine years.

He has been a great mentor and friend to me in my time as a director.

He approached the role with great energy and passion, but also with a sharp sense of humour.

I wish him and Sally all the best in the future.

I would also like to thank all those who contributed to the CANEGROWERS organisation during the 2021/22 year.

This includes the Queensland Cane Growers Organisation Ltd Board and Policy Council, as well as the district directors who help drive the policy and strategy of the organisation.

Our staff, at district level as well as those working in the Brisbane office, are an integral part of

our organisation, without whom we wouldn't be able to offer our members the services or support they require.

I would like to acknowledge their contribution to the success of our organisation, as well as the outstanding work of our CEO Dan Galligan, in helping to carry out our strategies and policies whilst keeping the show on the road.

Above all else, it is important for CANEGROWERS to work together for the benefit of our members now and into the future.

I appreciate the members support and look forward to working for you over my term as Chairman.

CEO'S REPORT

Looking back at last year's annual report, I see that we projected we were nearing the end of the COVID 19 pandemic. In hindsight, that was perhaps naive optimism. The pandemic continued to impact our lives and industry throughout 2021 and into the 2022 season.



Dan Galligan
CANEGROWERS CEO

Perhaps the lesson to be learnt is that with good preparation and collaborative effort, what can seem like enormous and potentially insurmountable disruption, can be managed to such a degree that what once felt unworkable has become part of normal business.

With the support of our members, CANEGROWERS has continued to achieve positive outcomes for growers and industry.

This annual report should serve as a catalogue of activities and achievements that mean something to all readers and in particular our grower and district community.

Nothing is achieved by the organisation without the support and contribution of the growers and their families.

It is the time and effort volunteered by people across the industry that gives energy and life to the work of the organisation and the much-needed inspiration to the staff and leadership.

It is the people that drive our organisation.

Amongst the many outcomes from the year there are a number of milestones that point to the evolution in culture and strategy that we see across CANEGROWERS as we adapt and innovate in line with the continual adaptation and innovation by farmers.

The Queensland Cane Growers Board adopted a new organisational strategy during the year. The strategy identifies key initiatives that focus on supporting a more profitable and adaptable industry.

As should be the case, there is a mix of defensive strategies to protect the interests of growers, matched by ambition and innovation to anticipate change and support our desire to try new approaches.

The gentle evolution within our strategy is within *how* the Board want the organisation to go about our work. To deliver on key themes which include:

- *Providing superior advocacy*
- *Outstanding service to members*
- *High quality organisation collaboration*
- *Robust industry partnerships*
- *Progressive and innovative industry evolution*

In future years we hope you will see our efforts against these objectives in real time and as we report on them.

We can already see how CANEGROWERS is delivering new approaches to traditional challenges.

Of note over this past year was our work to deliver cost of production training and business essentials workshops to support better

understanding of profit drivers on farms, the release of our new workplace health and safety guide, and supporting the development of the next generation by releasing our first curriculum aligned primary school education resource.

These are real tangible examples of tackling some big issues that we face as an industry. This report details many more.

Just as importantly, the Board has been proactive in demonstrating collaborative leadership, taking our work to establish the Sugar Industry Leadership Forum to the next level as we progress through the project to be on the verge of delivering a new industry roadmap, Sugar Plus.

The roadmap will assist us to contribute to the national objective of growing agriculture to a \$100bn industry.

But our objective is to see industry evolution, and options for diversified incomes to be realised in parallel with supporting our robust existing sugar supply chain and associated communities and partners.

We must grow and evolve from our strong base to firstly optimise how we use our existing assets, and then encourage and attract new investment opportunities.

Assets are often considered to be predominantly bricks and mortar or land and machinery.

Our strategy to analyse and report on the rating practices of all relevant local governments over the past three years, and our competitive offerings through CANEGROWERS Insurance, is a demonstration of our plans to support the value of growers' asset base.

More proactively, our support and development of our most important asset – our people – has also been on show over the past 12 months.

Evolution has been apparent as we see long-serving and, undoubtedly, one of our most respected leaders, Paul Schembri, decide to retire as CANEGROWERS Chairman.

District elections and the resulting election of our new Board and new Chairman in Owen Menkens has provided a rewarding demonstration of the deep desire of many growers from across the districts to emerge into leadership roles in the industry.

All new directors have shown a genuine interest in being part of setting the organisation up to support the future needs of growers and the industry.

They have clearly listened to the messages from Paul as he shared his motivation to be part of something important, something that gives purpose for the grower community over the coming three-year term and into the future.

While every year we see new changes and challenges, I am confident that CANEGROWERS has a depth of human capital across the industry who want to work together to deliver better outcomes for everyone.

I am excited to see this new leadership group step up and make their mark on the direction of the organisation.

I know they, like all of us, will respect the lessons of the past

while being clear minded about charting a course for the future.

I would like to thank all growers and staff for their support during the year.

I would like to especially note the commitment by the QCGO Board, especially retiring directors like Paul Schembri, Allan Dingle and Michael Pisano.

I would like to extend my appreciation and gratitude to the staff at CANEGROWERS at district and state levels, who despite coming from many different backgrounds and skill-sets, all believe and give passion and commitment to this tremendous organisation on a daily basis.



ABOUT THE INDUSTRY

A total of 30,122,877 tonnes of sugarcane were harvested and transported by road and rail to be crushed at 22 mills in Australia's sugar regions during the 2021 season which ran from May to December.

The cane was harvested on 342,900 hectares of farmland from Mossman in far north Queensland to Grafton in northern New South Wales.

The average Commercial Cane Sugar (CCS) achieved for the season was 13.46 units.

In Queensland, 28,512,374 tonnes of sugarcane was harvested from 328,977 hectares.

This was a decrease of around 818,000 tonnes on the 2020 season's result, due to a 10,450 ha reduction in cane area harvested, mostly in the southern region.

In Australia, the 2021 harvest and crush proceeded unhindered with strategies in place to manage the COVID pandemic.

Export destinations for 85% of Australia's raw sugar production included South Korea, Japan and Indonesia. The remainder was refined for domestic consumption.

The world sugar market is volatile and growers are able to manage their price risk and moderate some of the impact through sugar marketers.

A strong rally in sugar prices during the harvest season was enjoyed by growers.

A share of expected sugar production remains unpriced until the harvest to manage production risk so most growers would have had been able to benefit from favourable pricing to some extent.

Futures prices for the following season were also above the long-term average.

The CANEGROWERS Marketing Information Service is also available to keep growers informed about the major market drivers.

Recognising a need to work together to stabilise the industry and achieve improved productivity and profitability, leaders from the Australian sugar supply chain worked together to develop a unified industry vision.

TABLE 1

Australian Production of Cane and sugar in the 2020 and 2021 seasons

Mill area	Tonnes of cane crushed		Tonnes of sugar IPS (est)		CCS		Hectares harvested	
	2020	2021	2020	2021	2020	2021	2020	2021
Mossman	757,788	733,290	81,448	76,957	12.98	12.29	9,610	9,108
Tableland	486,217	536,946	85,765	76,251	14.35	13.98	5,346	5,571
Mulgrave	1,002,143	943,354	169,173	111,344	12.41	11.62	11,403	11,264
Innisfail	1,771,356	1,477,840	182,465	168,927	12.23	11.41	21,708	21,684
Tully	2,463,558	2,513,802	326,604	317,336	12.95	12.38	28,210	28,863
Herbert River	4,250,399	3,797,258	581,287	484,884	13.19	12.73	55,225	54,986
North Qld	10,731,461	10,002,490	1,426,743	1,235,699	12.94	12.38	131,500	131,475
Burdekin	7,905,092	7,883,080	1,198,377	1,173,826	14.62	14.40	66,201	65,505
Proserpine	1,535,660	1,556,299	224,466	227,227	14.36	14.43	20,240	19,901
Mackay	5,152,241	5,334,837	737,078	745,097	14.12	13.73	65,326	63,666
Plane Creek	1,234,483	1,367,692	182,312	194,226	14.25	14.37	18,374	17,487
Central Qld	7,922,384	8,258,828	1,143,856	1,166,550	14.19	13.97	103,940	101,054
Bundaberg	1,047,595	936,828	153,032	129,725	14.67	14.18	13,744	11,893
Isis	808,815	711,959	123,851	100,215	14.81	13.71	10,127	8,876
Maryborough	633,914	469,125	90,595	66,459	14.49	13.76	10,066	7,391
Rocky Point	281,109	250,065	38,614	35,050	13.80	14.14	3,848	2,783
South Qld	2,771,433	2,367,977	406,093	331,449	14.58	13.95	37,785	30,943
Queensland	29,330,370	28,512,374	4,175,068	3,907,523	13.89	13.53	339,427	328,977
Condong	519,107	459,077	61,043	56,372	11.61	12.21	4,428	4,198
Broadwater	657,065	588,541	81,192	76,161	12.20	12.67	5,561	5,039
Harwood	567,863	562,885	67,869	68,319	11.80	11.90	4,685	4,686
New South Wales	1,744,035	1,610,503	210,103	200,852	11.89	12.27	14,675	13,923
Australia	31,074,405	30,122,877	4,385,171	4,108,375	13.77	13.46	354,101	342,900



Sugar Plus

The Sugar Plus vision and roadmap was developed in partnership by sugar industry organisations and with support from the Cooperative Research Centre for Developing Northern Australia (CRCNA) and the Queensland Department of Agriculture and Fisheries.

The roadmap includes initiatives to support better business-as-usual in the near term, add value and create new revenue streams in the medium term, and become a bioeconomy powerhouse in the longer term.

The sugarcane plant is one of the most resilient and adaptable plants on Earth – it is the perfect ingredient to help fuel the future of Food, Energy and Fabrication.

Food is where it all starts – raw sugar will continue to play an important role in feeding the world over the long term, and sugar is an important feedstock for the new generation of animal-free foods.

Energy that builds on current cogenerated power and ethanol production to provide the next frontier of sustainable mobility and power – the sugarcane plant is one of the best natural sources for transforming into renewable energy and biofuels for heavy transport and aviation

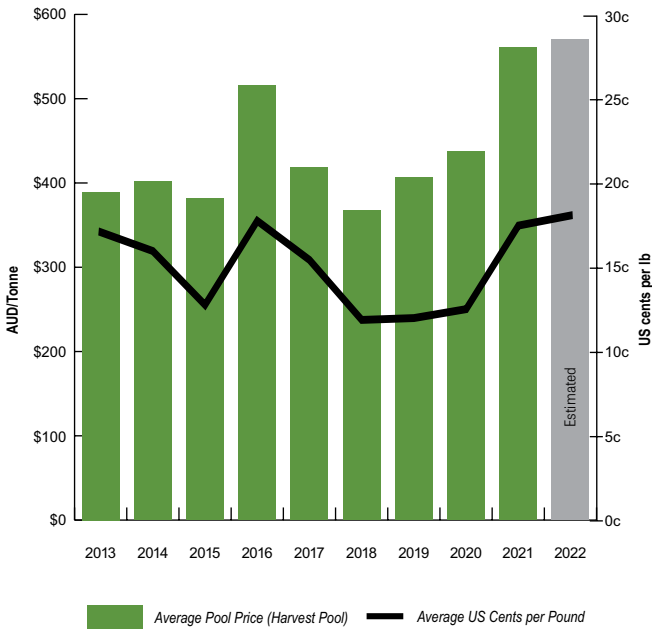
Fabrication for the future – making products that enable a more sustainable way of life, including much-needed replacements for the many plastic items that are produced and used every day.

Realising the opportunities will take significant effort and collaborative action across the industry, supported by our partners in the State and Federal governments.



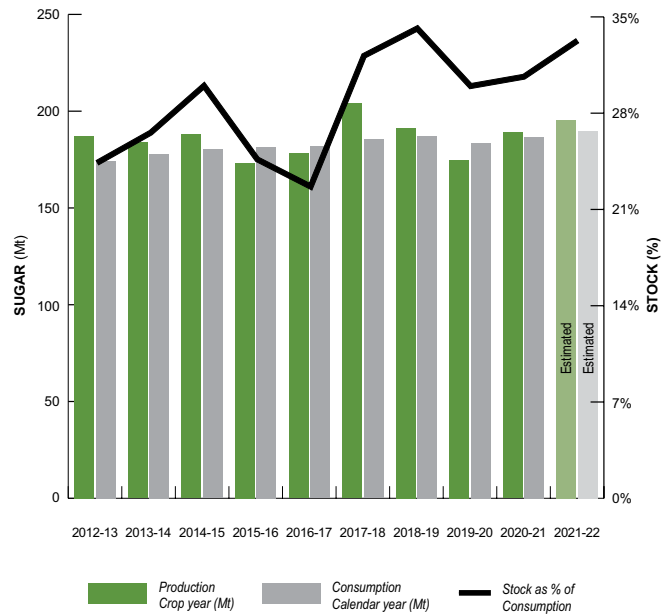
GRAPH 1

World sugar price



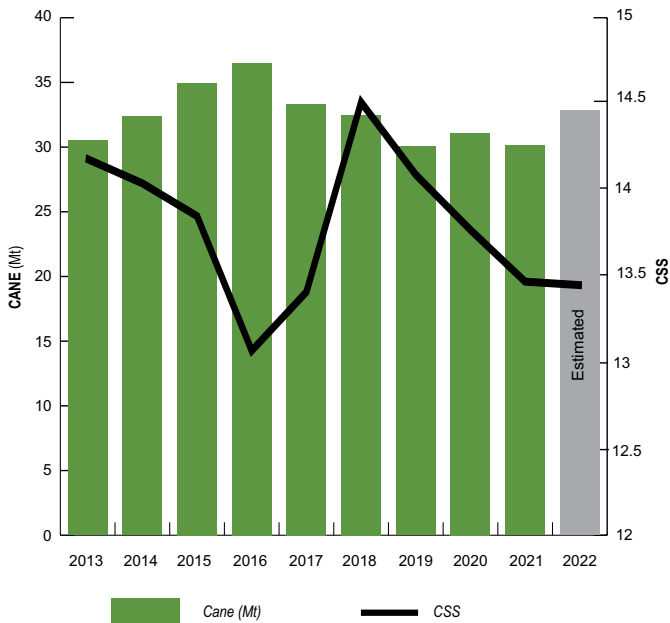
GRAPH 2

World sugar production and consumption



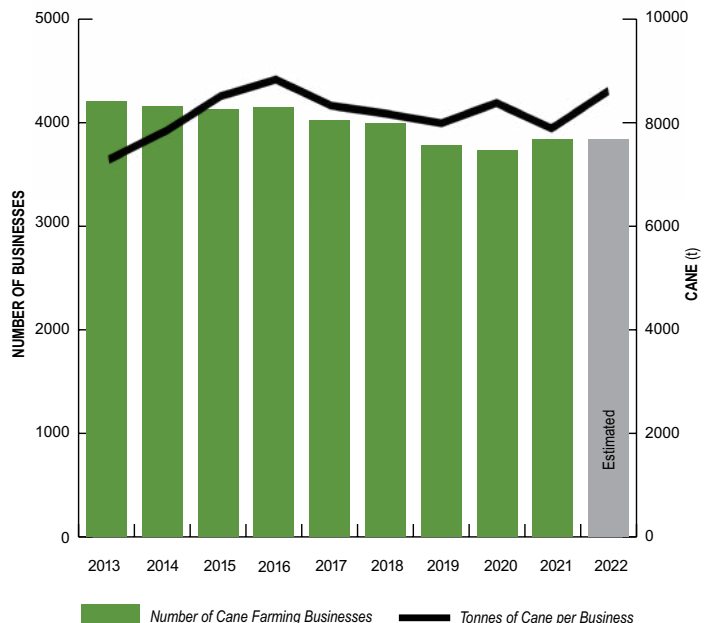
GRAPH 3

Australian production



GRAPH 4

Australian industry trends



Statistics compiled sourcing data from Czarnikow, United States Department of Agriculture, CANEGROWERS Australia and the Australian Sugar Milling Council.

ABOUT CANEGROWERS

CANEGROWERS is a not-for-profit public company with the sole purpose of promoting the interests of sugarcane growers. It comprises the state company (Queensland Cane Growers Organisation Ltd) and 13 districts.

CANEGROWERS members are represented by 85 elected directors and almost 100 dedicated professional staff providing grower services, industry advocacy and communications.

Board: The Queensland CANEGROWERS Board is comprised of eight Directors elected from the Policy Council with at least one director from each of the four (Far North, North, Central and Southern) cane growing regions. May 2022 was the start of a new triennial term and the election of a new board.

The Board performs the core functions of corporate governance, financial and risk management, audit and compliance. The Board sets the company's strategy and corporate policy and delegates responsibility for management to the CEO.

The Board is required to meet at least quarterly or at such other times as required to fulfill its obligations to the company and its grower members. Video conferencing has been used during the year where travel has been

restricted due to the COVID-19 pandemic, to ensure the Board continued to meet as and when required to perform its role.

Policy Council: The CANEGROWERS Policy Council is made up of 20 growers nominated by the district companies.

As the preeminent grower representative forum, the Policy Council provides strategic guidance for the CANEGROWERS group and industry policy as it relates to the grower community.

The strong regional representation ensures industry-wide views and issues are brought forward for consideration and solutions can be collaboratively discussed.

The Policy Council formally meets three times a year with frequent and ongoing communication on key issues at other times. CANEGROWERS district managers meet monthly and generally also after each Policy Council.

In May 2022, the newly elected Policy Council began a new term. Each councillor will represent their district and hold a position on the Policy Council for three years.

Policy Committees: CANEGROWERS convenes three Policy Committees made up of members of the Policy Council and staff; Economics and Trade,

Environment and Sustainability and Farm Inputs and Research.

The role of the committees is to investigate emerging issues and take recommendations to the Policy Council with a view to establishing industry policy positions as they relate to growers' needs and to guide strategic decisions.

Membership

CANEGROWERS represents the producers of more than 70% of the available sugarcane tonnes grown in Queensland.

Membership strategies are guided by a dedicated Membership Reference Group that is formed by both participants from inside and outside the Policy Council.

The strength of this voluntary membership shows the relevance and need for a cane industry specific organisation led by growers.

This stable membership also reflects the value that CANEGROWERS offers to growers through products, services, advocacy and benefits.

This value starts with the district representatives and is bolstered by staff in Brisbane.

The membership fee schedule, based on a levy placed upon each tonne of cane produced.

FINANCIAL HIGHLIGHTS

NET ASSETS

as of 30 June 2022

\$32.2 million

TOTAL ASSETS

as of 30 June 2022

\$37.4 million

TOTAL LIABILITIES

as of 30 June 2022

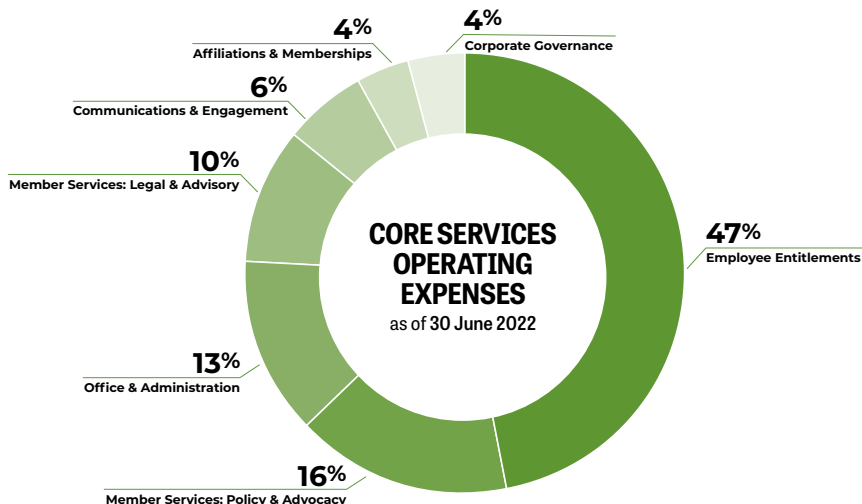
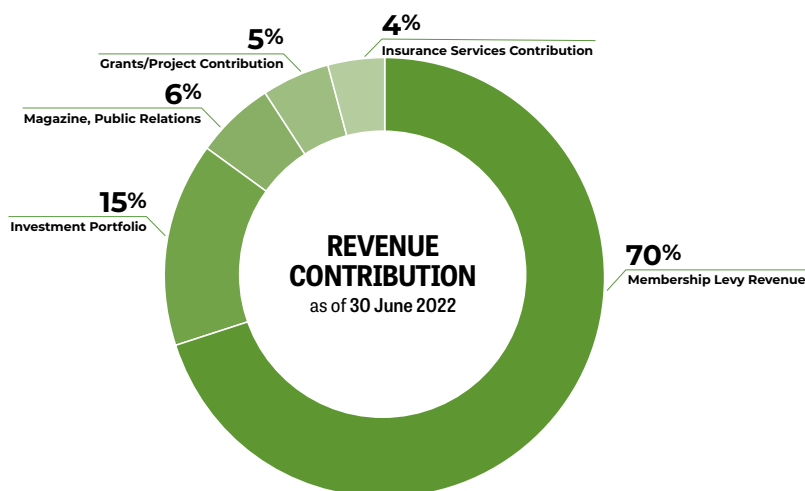
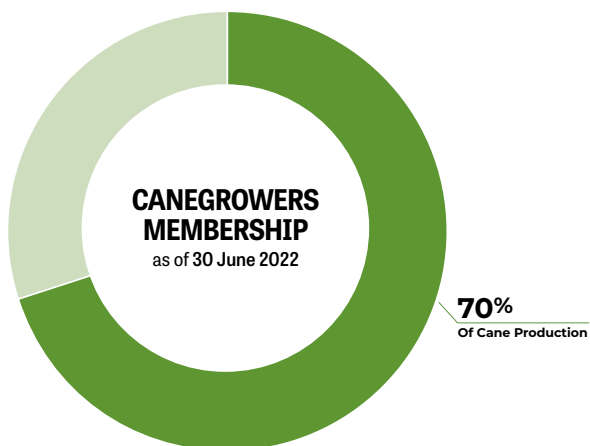
\$5.2 million

Queensland CANEGROWERS maintained its CAP on membership fees so that no grower pays more than the equivalent of 50,000 tonnes regardless of their production.

Membership policy has developed around several principles:

- Membership is voluntary
- Membership is conditional on the applicant meeting eligibility criteria

- Membership relates to financial contributions being made in each season on all tonnes of cane supplied by the member's farm or farms irrespective of mill area
- The membership fee is struck at a rate per tonne of cane supplied to the relevant mill and is for the aggregate of the state and local companies. The levy can be made up of the company component, crop insurance and cane testing



A focus in 2021-22 was the continued implementation of priority activities from the membership engagement strategy developed in 2020.

This included regional member meetings, the delivery of surveys, and focus groups with key membership segments.

Partnerships

Australian Cane Growers' Council:

The Australian Cane Growers' Council (ACGC) is the forum for the nation's sugarcane producing states of Queensland and New South Wales.

ACGC presents a common voice in national and international forums on behalf of cane growers. ACGC is a controlled subsidiary of CANEGROWERS.

CANEGROWERS Chairman Owen Menkens is Chairman of ACGC while the Directors include growers, Mark Mammino, Joseph Marano and Ross Farlow (NSW).

Due to limitations on travel during the COVID-19 pandemic, representation and participation at both national and international forums has been largely undertaken via video conferencing.

Australian Sugar Industry Alliance:

CANEGROWERS plays a lead role in the Australian Sugar Industry Alliance (ASA).

ASA aims to bring the industry together on matters of common industry interest.

These have been identified as trade and market access issues, protection and support for the industry social license to operate and guidance to support industry research and development.

Owen Menkens and Mark Mammino represent CANEGROWERS, and Kevin Borg is a grower representative of his region.

CANEGROWERS has continued to provide financial support to ASA for both operational and project-based issues. Extensive in-kind support is also provided by CANEGROWERS staff through participation in key strategy meetings and workshops.

Affiliations

Queensland Farmers' Federation:

Queensland Farmers' Federation (QFF) is a united voice for the 13,000 producer members of 21 organisations in intensive, semi-intensive and irrigated agriculture. As a tier 1 member, CANEGROWERS works with QFF on issues such as water and energy pricing and efficiency, affordability of insurance, land use planning, rural employment and skills, and workplace health and safety.

CANEGROWERS' representative was Kevin Borg, who attended meetings of the QFF members' council along with CANEGROWERS CEO Dan Galligan.

National Farmers' Federation:

CANEGROWERS, through ACGC, is a founding member of the National Farmers' Federation (NFF), the peak national representative and lobby group for 130,000 Australian farmers. NFF provides a vital forum for cane growers to influence national policy. CANEGROWERS Chairman Owen Menkens is a Members' Council representative of the NFF.

During 2021-22 the NFF continued to lead national discussions on the manner in which agriculture can continue to operate under evolving policies to deal with the COVID-19 pandemic. The NFF has policies across a range of areas including climate change, biosecurity, trade, industrial relations and workplace health and safety.

The NFF and its members have a

vision for Australian agriculture to exceed \$100 billion in farm gate output by 2030. The Roadmap identifies the opportunities and challenges, along with policy and actions to achieve it. A Roadmap Report Card is prepared each year.

CANEGROWERS works in partnership with the NFF on its Diversity in Agricultural Leadership Program which seeks to support the development of female leaders in the sector.

World Association of Beet and Cane Growers:

CANEGROWERS is a member of the World Association of Beet and Cane Growers (WABCG) which unites 30 national and regional sugarcane and sugar beet producer associations on five continents. CANEGROWERS out-going Chairman Paul Schembri will hand over the duties and responsibilities to new Chairman Owen Menkens.

Due to travel restrictions CANEGROWERS attended a virtual WABCG conference in May 2022.

Australian Farm Institute:

CANEGROWERS is a corporate member of the Australian Farm Institute (AFI), created to carry out a strategic role on behalf of Australian farmers. It utilises funding provided via membership fees to carry out or commission research projects on strategic policy issues of importance to Australian agriculture. The AFI holds annual policy forums to discuss research findings and to allow opportunities for industries (growers and staff) to collaborate on complex issues.

Primary Industries Education Foundation Australia:

CANEGROWERS is a member of the Primary Industries Education Foundation Australia (PIEFA), a not-for-profit company formed to promote educational information and resources within schools through the provision of credible and relevant material to teachers.

CANEGROWERS worked closely with PIEFA during the year to produce a curriculum-aligned primary school education resource that is now available to schools across the country.

Services

Insurance: CANEGROWERS, in partnership with local district offices, has qualified insurance brokers in cane growing regions to provide independent insurance advice, a wide range of insurance options (covering farm, commercial, business, liability, vehicle, home, landlord and contents products) and service for members and local communities at competitive prices.

Members automatically have access to the Crop Insurance cover as part of their membership.

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

Chris Cooper assists individual growers through a phone-in legal service that is provided free of charge to members.

Mr Cooper provides advice and assistance to CANEGROWERS district companies with issues including the renewal of cane supply agreements.

Mr Cooper informs incoming and existing Board members throughout the CANEGROWERS organisation about corporate governance obligations and their legal duties and the expectations of their roles as grower-elected representatives.

CANEGROWERS Marketing Information Service:

CANEGROWERS developed the Marketing Information Service (MIS) to assist members to navigate the competitive landscape of marketing services and products.

The service provides weekly and monthly updates (including a video briefing), which has been designed to provide a consistent format focussed on the main market drivers that can help growers follow the complex sugar market using consistent logic to cut through to the more fundamental market drivers. CANEGROWERS has expanded this service by building in a business essentials training course that supports growers to understand their cost of production.



CANEGROWERS



CANEGROWERS Business Essentials course held in Mackay on 29 and 30 March 2022.

YEAR IN REVIEW

CANEGROWERS activities, programs and projects

How your organisation has served you

Through a wide range of tailored and targeted programs and services, CANEGROWERS works for members, and their improved productivity and profitability.

Agricultural Chemicals

CANEGROWERS promotes the safe and effective use of agricultural chemicals, based on science and the advice of the national regulator - the Australian Pesticides and Veterinary Medicine Authority (APVMA).

CANEGROWERS continues to be part of the Executive Committee of the National Working Party for Pesticide Application (NWPPA). The NWPPA deals primarily with issues around spray drift. It includes representatives from spray manufacturers, grower groups, spray applicators and research and development corporations across viticulture, horticulture and broadacre agriculture.

CANEGROWERS is also a member of a new national forum designed to improve liaison with the APVMA. Some of the issues under discussion include:

- Review of the Agvet Regulatory System

- Further development of a spray drift management tool
- Improving the process for obtaining Emergency Use Permits
- Accommodating autonomous spraying technology.

During 2021-22, seasonal conditions led to significant infestations of vine weeds. In areas with lodged cane, aerial application of herbicide was the only practical option. However, approved products effective against the particular vine species require large downwind buffer zones, making this option impractical. CANEGROWERS successfully applied for an emergency permit for aerial application of MCPA to meet this need in the first half of 2022. However, there remains no suitable product available for any repeat of these conditions in the future. Hence, CANEGROWERS is working with SRA to identify potential options and find the resources for any field data required to obtain approval from the APVMA.

Biosecurity

Biosecurity awareness and preparedness is critical for the ongoing profitability of

the Australian sugar industry. CANEGROWERS is the industry member of Plant Health Australia (PHA) and the signatory to the Emergency Pest Plant Response Deed (EPPRD). This deed is administered by PHA and determines the cost-sharing and management of responses to any pest or disease incursion. CANEGROWERS works closely with Sugar Research Australia (SRA) on these matters.

A review of the Sugarcane Industry Biosecurity Plan is underway by SRA and PHA with support from CANEGROWERS. This plan identifies industry's priorities for actions and investments that will minimise the risk of incursions by new pests while also maximising the chances of an effective response to such an incursion.

Red Witchweed (RWW) is a parasitic plant that attaches to the roots of certain grasses and can impact the cane, grains and grazing industries through trade, market access and risk of further spread. The first phase of the five-year RWW eradication program at Habana, Mackay was completed in 2019, with a significant reduction in the annual emergence of plants and good progress in reducing

the amount of seed in the soil. Success of the program has only been possible due to the excellent cooperation and assistance of the growers in the area.

A second phase of the program commenced in late 2019 and is due to finish in 2025. The cost-sharing arrangements with government and industry partners for this additional phase was agreed to, with the cane industry continuing to contribute 10% of the costs. Progress to date with eradication is very promising, including an 85% reduction in the soil seedbank of RWW and elimination of the seedbank expected within two to three years. Consequently, there are now very few detections of germinated plants.

Business Essentials

The CANEGROWERS Business Essentials series was rolled out under the Farm Business Resilience Program, which is a government-funded initiative to provide professional development opportunities in strategic business management. CANEGROWERS has been contracted by the Queensland Department of Agriculture and Fisheries to deliver a tailored program to all sugarcane growers.

Under the program, a series of Farm Business Essentials two-day workshops were rolled out in districts that enjoyed a total attendance of 78 growers who enthusiastically participated and added further skills, knowledge, and tools to their capability. The workshops took participants through aspects of farm business financial management, risk management, and sugar market assessment and strategies for pricing. Growers were provided with useful tools that they could take away and put into practice on their farms.

Business Essentials workshops will continue to be provided after the conclusion of the harvest season.

Cane Analysis Auditors

Cane analysis at the mill is an essential part of determining a grower's cane payment and the auditing of this analysis ensure its

integrity. CANEGROWERS Cairns skilled personnel are contracted to provide an advisory service to the auditors and district offices. This includes weekly scrutiny of audit reports, on-call troubleshooting, workshops to share information, proactive activities to encourage and promote good analysis programs, and general advice on cane analysis programs. The annual cane analysis auditors' workshop was held in June and attended by auditors and district managers.

Cane Burning

Cane burning remains an important management tool for many growers in Australia. CANEGROWERS liaised with Queensland Fire and Emergency Services (QFES) to maintain the Notification for Burning of Sugar Cane in Queensland, which allows the burning of sugarcane provided all the conditions of the Notice are met. If all the conditions cannot be met growers must obtain a permit from the local fire warden.

Disaster Management, Recovery and Resilience

CANEGROWERS provided information to the Department of Agriculture and Fisheries on estimated damage to sugarcane growing areas due to natural disasters. The overall level of damage determines the category of assistance and recovery provided under the Natural Disaster Relief and Recovery Arrangements (NDRRA). Ex-Tropical Cyclone Seth (2-10 January 2022), and South East Queensland rainfall and flooding (22 February - 5 April 2022) were both declared as Category C events. This provides grants and loans through Queensland Rural and Industry Development Authority (QRIDA) to affected growers in the regional council areas of Bundaberg, Fraser Coast and Gold Coast.

CANEGROWERS was part of a trial to streamline the process to determine the extent of disaster damage as accurately and quickly as possible, with an online disaster impact survey application developed by the Department of

Agriculture and Fisheries spatial team which growers or industry bodies can access and add information to.

CANEGROWERS was consulted by the Drought Reform Industry Working Group which provided recommendations resulting in the Queensland new drought assistance measures available through QRIDA.

Diversification

The CANEGROWERS policy objective is to supplement growers' income from raw sugar sales with significant alternate income from farmland and sugarcane without risking mill closure through lack of supply. To this end, options for alternate uses of sugarcane are always of interest and discussions were held with a number of organisations. IRO Resource Pty Ltd was one of the companies with large scale and ambitious aims of being the first commercial scale producer and supplier of ultra-clean synthetic fuels in Australia.

Further to this, CANEGROWERS has focussed on improving grower profitability through increasing growers' financial management with an upgraded budget tool for growers and business planning with forward pricing as focus. This has been done through the Business Essentials workshops. CANEGROWERS has met with several accountants with the aim of obtaining sufficient information to provide financial benchmarking for growers.

CANEGROWERS is further looking to the future for diversified grower income through leadership to develop Sugar Plus initiatives.

Electricity

CANEGROWERS, as a member of Queensland Farmers' Federation, National Farmers' Federation and the Australian Agricultural Industries Electricity Taskforce, is continuing its efforts to secure lower and efficient electricity prices for food and fibre production.

Tackling electricity sector reform is complicated. There are many different decision makers at the state and federal level with differing

motivations and objectives. At every opportunity, CANEGROWERS makes submissions, appears at hearings and puts forward the case for change.

CANEGROWERS briefed QCA on the AER electricity network performance report 2021. The AER report reinforces CANEGROWERS analysis which shows the current regulated approach results in a substantial, persistent, and systematic bias towards excess network returns and supports our recommendation that a robust error correction feedback loop be included in the regulatory process that sets the Rate of Return.

To encourage the development of retail competition in regional Queensland, in its submission to the QCA Determination of Regulated Retail Electricity Prices in regional Queensland for 2022-23, CANEGROWERS renewed its call for QCA to recommend to government that the Community Service Obligation (CSO) paid to Ergon Retail to implement the State's uniform tariff policy be redirected to Ergon Network.

CANEGROWERS is working with alternative retailers to develop a model whereby irrigators can take full advantage of the price opportunities arising from what has become the characteristic daily wholesale electricity price pattern. Taking advantage of changes to the non-reversion policy change that enables small electricity users (NMI's with annual usage less than 100MWh) to shop around for alternative electricity retail providers and return to Ergon at a later date should they wish to do so, the energy cost component plus retail margin of the model is significantly less than 8c/kWh. The work suggests that regulated energy charges should be significantly below those that presently apply.

The now closed Energy Savers Plus Program provided growers with an energy audit and the opportunity to apply for a grant to make improvements to electricity infrastructure.

The fixed component of electricity prices is increasing sharply in

response to both rising interest rates and the significant additional capital costs of transmission and distribution network augmentation. CANEGROWERS is exploring options to make the best use of on farm electricity generation and storage.

CANEGROWERS is represented on the Powerlink Customer Panel, a panel which informs Powerlink's decision-making processes of consumer issues, such as those associated with access to land for new and existing transmission corridors.

CANEGROWERS has updated our electricity pricing tool to assist growers to make informed decisions about their tariff selection.

It is pleasing to report that many growers are now using the small business (interruptible supply) Tariff 34 for irrigation, introduced following work with CANEGROWERS and trials by growers. From 1 July 2022, T34 offers growers variable and fixed charges 25% and 8% below those that apply for the main small business alternative, Tariff 20.

Environment and Sustainability

The work of CANEGROWERS aims to build and secure the industry's reputation for environmental stewardship and social responsibility - to maintain and build community confidence, to minimise government regulations, and to demonstrate the sustainability of Queensland sugar to domestic and export supply chains.

CANEGROWERS works collaboratively with members, grower leaders, millers, researchers, advisory services and the sugarcane value chain to improve the sustainability of the cane growing industry. It argues against regulation of farming practices and promotes voluntary approaches for supporting practical and cost-effective management changes that will have lasting benefits for both farms and the broader environment.

CANEGROWERS works for policy settings that recognise and reward improvements in farm productivity and environmental management. During 2021-22, work continued to focus on strengthening the industry's social licence to operate and to meet the sustainability requirements of markets. Key actions have focussed on:

- Increasing grower participation in the Smartcane BMP program
- Ensuring policies and programs for reef water quality are voluntary, evidence-based, realistic and fair.
- Effectively reporting and communicating industry's sustainability credentials
- Meeting the emerging, worldwide demand for sustainably sourced sugar
- Managing biosecurity risks
- Ensuring grower access to safe and effective pesticides

Industry Sustainability Credentials

Off-farm impact on water quality is the major environmental issue influencing perceptions of our industry's sustainability credentials, through its influence on the biodiversity of waterways, estuaries and inshore waters of the Great Barrier Reef (GBR). However communities and markets are also interested in issues like greenhouse gas emissions, the health and safety of workers, and fair work practices. Consequently, Smartcane BMP has modules that cover these and other issues related to environmental stewardship and social responsibility.

To facilitate a common approach to reporting the sustainability credentials of our industry, SRA has commissioned a scoping study that will evaluate the need for whole-of-industry reporting and draft an appropriate framework for this. CANEGROWERS is helping coordinate this study to ensure outputs complement the role of Smartcane BMP.

At the same time, the NFF is developing a sustainability framework for Australian agriculture.

This is intended to inform high-level communications between the Federal Government and our trading partners on the credentials of Australian farm produce as a whole. This would be informed by each industry's relevant information and, importantly, will be managed carefully to avoid duplicating and confusing commodity-specific trade and supply chain negotiations.

CANEGROWERS is actively supporting an SRA project that is updating the industry's environmental footprint using Life Cycle Analysis.

Influencing Public Policies and Programs on Reef Water Quality

CANEGROWERS continues to encourage, initiate and collaborate in voluntary programs and projects that support growers to make cost-effective practice changes that reduce the risk to downstream environments. We participated in a number of relevant forums including:

- The Reef 2050 Advisory committee which includes all key stakeholders and advises government on the design, implementation and evaluation of reef programs, including those related to water quality
- A broad stakeholder group providing advice to the government review of land management targets for Reef water quality

The government review of farm practice targets within the 2050 RWIP was in response to persistent lobbying from CANEGROWERS.

The existing practice adoption targets were unrealistic and uneconomic and have set growers up for failure. This is reflected in the governments' annual reef report cards which have, in turn, been used to justify regulation of growers.

The industry now has the opportunity to ensure realistic and practical targets are put in place. We participated in meetings of a broad stakeholder group which tried to ensure the review process met stakeholder needs.

Early work on the review appeared to be sound. However, the subsequent work was rushed to meet deadlines, at a cost to both the quality of work and meaningful industry consultation. Consequently, CANEGROWERS has indicated to the Federal and Queensland Environment Ministers that the review falls well short of what is required to develop robust and credible targets that are relevant to each cane district and its basin(s). An alternative process has been proposed by CANEGROWERS.

The five-yearly review and update of the government's Scientific Consensus Statement on Reef water quality commenced during the year. This statement has a major influence on joint-government policies, such as the need for regulation and the design of voluntary incentive programs. CANEGROWERS lobbied for a transparent and inclusive process that focussed on key questions from stakeholders, including a re-assessment of the degree of risk from water quality to ecosystems within the GBR, and the importance of this risk relative to other factors such as climate change. Previous statements have failed to critically address these questions.

CANEGROWERS will advocate for additional reforms to the 2050 WQIP as the government embarks on reviews of other components, such as water quality targets, the Paddock to Reef program, and spatial prioritisation of investments. These reviews are to be undertaken during 2022-23.

Changes to regulation of N and P management, passed in 2019, took effect from the end of 2021. CANEGROWERS sought legal advice on the regulations with respect to the need to engage an 'appropriate person', such as an agronomist, to develop and sign off on each grower's N and P management. The legal opinion from the Queen's Counsel asserted that growers are eligible to be considered an appropriate person and, importantly, that this eligibility is not confined to those who have undergone training or certification recognised by the government. In

short, it is the person's ability to complete an N and P budget that is the primary consideration.

The Australian Government's Reef Trust program has been the primary mechanism for delivering the water quality objectives of the Reef 2050 Plan. Current Reef Trust funding is invested via the GBR Reef Foundation, through the Reef Trust Partnership (RTP). Several of the CANEGROWERS district organisations are coordinating or otherwise contributing to RTP projects to further reduce losses of nitrogen and pesticides from cane farms in the following basins: Pioneer, Plane Creek, Burdekin, Herbert, Johnston, Tully, and Mulgrave-Russell. These projects commenced during 2020-21.

An environmental payments scheme, Reef Credits, was launched in 2020 to use government and private sector funds to pay landholders in Reef catchments for changes in management that should improve water quality. While a useful concept, we have long-standing concerns which have not been addressed, including potential impacts on cane supply, promotion of spurious approaches to nutrient management, and an invalid method for estimating payments to the farmer.

The draft of a new methodology for reef credits, using constructed wetlands to sequester dissolved inorganic nitrogen (DIN), was released during the year. Our submission to Eco-Markets Australia indicated in-principle support, on the condition that the methodology was independently reviewed for technical soundness. We also emphasised the need for growers to be fully informed about the likely effectiveness of each candidate site for capturing DIN before they commit to the costs of design and construction.

Membership Engagement

CANEGROWERS continued to implement the priority activities from its Membership Engagement Strategy, including regional member meetings in all districts and undertaking a member survey in late 2021.

CANEGROWERS worked around the intermittent COVID-19 restrictions to hold face-to-face meetings with growers across all districts in the 2021-22 calendar year. The CANEGROWERS Chairman and CEO attended most meetings and they continued to be well supported by growers.

CANEGROWERS 2021 member survey was delivered in July 2021 and designed to provide quantitative, reliable data on the industry outlook, business needs, cane grower practices, and satisfaction with CANEGROWERS. Members ranked sugar prices, input costs, and regulations and compliance as the most important issues facing the industry. Mill performance was important across all regions. There was a desire from members for CANEGROWERS to focus on industry unity and value to revitalise the industry.

There was strong satisfaction with CANEGROWERS' services, with 62% of members being highly engaged by using three or more of CANEGROWERS products.

The results of the 2021 CANEGROWERS member survey supported further research on the early career growers (under 30 and 30-45) and over 20,000+ tonne grower demographics. This additional research was completed in December 2021 and March 2022 respectively.

The result, greater insight to the needs of these members and opportunities for targeted member products and services.

The Membership Reference Group met regularly through the year and provided valuable insight, ideas and advice to guide activities and initiatives for the Membership Engagement and Innovation portfolio, particularly member research.

Member Benefits

As a member, growers have access to the long-standing crop insurance product underwritten by CGU. Members are covered for crop loss due to fire, hail or transport losses.

Member benefits continued to provide value add deals on farm

inputs and health insurance. This includes BOC and Queensland Country Health Fund, reciprocal member benefits from QFF and member only benefits including marketing information services, workplace health and safety guides, legal services, cost of production tools and general insurance.

Professional Development and Engagement with Younger Growers

CANEGROWERS Brisbane assisted CANEGROWERS Cairns Region to facilitate the Cairns Young Farmers Group visit to Brisbane between 26 and 28 April 2022.

The group met with staff from the CANEGROWERS Brisbane office and then visited SRA in Woodford and growers in the Rocky Point District. The three-day visit was part of the professional development opportunities CANEGROWERS Cairns Region is undertaking within the district.

CANEGROWERS has provided representatives for NFF's Young Farmers' Council and National Agricultural Leadership Program. The Young Farmers' Council is a new program to increase NFF's engagement with the diverse youth networks within agricultural industry bodies across Australia. The National Agricultural Leadership Program is a flagship leadership and capability development program targeted at people in agriculture under 35 and offers direct

experience with policy development, advocacy, governance, communication and media.

Research, Development and Extension

CANEGROWERS works closely with Sugar Research Australia (SRA) to provide a view on RD&E strategic direction to ensure the sugarcane industry remains world competitive. SRA has been through significant change and CANEGROWERS has supported the current SRA Strategic Plan 2021-2026 which is being implemented. Input was also provided to the consultation phase in developing the SRA Annual Investment Plan 2022-2023. The SRA District Productivity Plans have been developed and CANEGROWERS has a keen interest in seeing all stakeholders pulling together to ensure these are implemented successfully.

CANEGROWERS provided input to the Federal Department of Agriculture, Water and the Environment – Levies Legislation which seeks to streamline and modernise agricultural levies legislation. The SRA levy collection process was deemed to be adequate for sugarcane industry.

CANEGROWERS is a member of the SIX EASY STEPS Advisory Committee (SESAC), which reviews relevant Australian Society of Sugar Cane Technologists' (ASSCT) papers and other publications for possible recommendations



The Cairns Young Farmers Group visited Rocky Point where they met with fellow young growers, visited farms, discussed alternative practices and visited Rocky Point mulching with Ben Spann and Josh Keith.

to enhance the guidelines. The CANEGROWERS-managed project *Support of Cane Farmer Trials of Enhanced Efficiency Fertiliser in the Catchments of the Great Barrier Reef (EEF60)* was deemed to be suitable quality research and based on this the Six Easy Steps toolbox will be updated with recommendations for the use of enhanced efficiency fertilisers.

CANEGROWERS worked with SRA on a number of projects including the scoping of CaneMAPPS, the lifecycle assessment of raw sugar manufacturing, and sugarcane diversification opportunities, and provided input for the 'making informed decisions when input costs are high' workshop.

Support for ASSCT is ongoing and CANEGROWERS currently provides the Australian representative to the International Society of Sugarcane Technologist.

Smartcane BMP

Smartcane BMP is the industry's platform for (1) demonstrating its sustainability credentials to both the community and the supply chain, and (2) supporting appropriate changes to farm management.

The Smartcane BMP Program surpassed 150,000 hectares of accredited land during this reporting period, taking the

percentage of accredited cane area in Queensland to over 38%. This year also saw the largest number of reaccreditations since the inception of the program in 2014, with over 100 enterprises successfully extending their accreditation for another five years.

With such buy-in to the Smartcane BMP program from Queensland cane growers, the viability for the long-term production of sustainable sugar has been cemented.

A community survey was commissioned in late 2021 to determine the appetite for sustainable sugar in Queensland. More than 80% of community respondents to the survey recognised sugarcane as being good for Queensland. Almost 70% of respondents said they believed that sugarcane should be farmed sustainably in order to protect the environment, including the Great Barrier Reef.

An external (independent) evaluation of the program was conducted in late-21 – early-22, with the following findings reported:

The Smartcane BMP program has had a very positive impact. The cane industry is in a much better position than would have been the case if the program was not available. The program provides a credible means to

achieve regulatory compliance and a pathway towards more formalised approaches beyond accreditation. Smartcane BMP provides measurable evidence of growers embarking on practice change and has over-achieved on benchmarking and accreditation targets. It is also helping meet some end user sustainability requirements. Smartcane BMP can demonstrate it is 'best-practice' particularly in terms of third-party auditing and accreditation processes and through use of experts to review and update modules. It has also increased the use of farm record keeping and has enabled leading growers to have a 'seat at the table' for constructive discussions with government.

The Smartcane BMP program has been supported by the Queensland Government since its inception, providing funding for facilitators, auditing and administration of the program. Phase 3 of the program was due to cease in June of 2022, however an extension of funding for Phase 3 was granted in late June, allowing the Smartcane BMP program to continue until 31 December 2022 and provide time for industry and government to develop a longer-term funding model.



Tom and Col are recently accredited growers and they have embraced the Smartcane BMP system to review and improve their farming operation.

Sugar Code of Conduct

The Post-Implementation Review of the Federal Sugar Code of Conduct (the Code) conducted by the Department of Agriculture, Water and the Environment, acknowledging different views across the industry, found the Code has delivered a net benefit to the Australian sugar industry because it provides a mechanism for resolving potentially lengthy and costly negotiation deadlocks.

During the review, CANEGROWERS argued that the benefits of the Code exceeded any costs and that it should continue in its present form.

In light of this review, the Federal Government maintained the Code unaltered. The Code, in place since 2017, guides the conduct of growers, mill owners and marketers in relation to contracts and agreements.

CANEGROWERS engaged Synergies Consulting to do an independent review of the benefits and costs of the Code. Synergies consulted milling and marketing companies in completing the reviewing. The report concluded that the code provides much needed confidence and stability for growers in the industry.

Sustainable Sugar

The need to show provenance and traceability of ingredients including sugar, remains important to food and beverage manufacturers, customers and consumers. Meeting sustainability criteria and Environmental, Social and Governance (ESG) factors is important for business credibility and investor confidence.

From a global perspective there are multiple standards and future market opportunities. Nevertheless, the majority of sugar end-users have developed sustainable sourcing policies that require the procurement of sustainably sourced sugar by 2020 and beyond.

Since 2015, CANEGROWERS has been working with Smartcane BMP to develop a pathway for sustainable sugar. This uses the Smartcane BMP as a pathway to

sustainable sugar for a system to deliver a verifiable sustainable supply chain in Australia.

In February 2022, Czarnikow acknowledged Smartcane BMP as equivalent to the VIVE program.

This alignment offers a pathway to demonstrate sustainable sugar to end-buyers using Smartcane BMP accreditation as the on-farm component.

The alignment work between the ProTerra sustainability standard and Smartcane BMP for sustainable sourced sugar was completed in June 2022.

CANEGROWERS continued to engage with Bonsucro on sustainable sugar. Bonsucro has revised their sustainable sugar standard and CANEGROWERS is pursuing options for cross-certification between Smartcane BMP and Bonsucro's platform to reduce costs and improve traceability opportunities for Queensland sugar.

The Coca Cola Company continues to recognise Smartcane BMP as meeting its sustainable sourcing requirements.

Coca Cola has requested Smartcane BMP accreditation data for the 2021 season which was provided in February 2022.

Traceability of Sustainably Grown Australian Sugar

CANEGROWERS has demonstrated that blockchain technology can be used by the Queensland sugar industry to show traceability of sugarcane accredited by the Smartcane BMP program. The intent is to support market access, identify opportunities for value creation in the supply chain and deliver value back to sugarcane growers.

CANEGROWERS has worked with KPMG Australia to help determine how blockchain technology can be used to demonstrate the sustainability credentials and provenance of Queensland sugar.

Phase 3 of a four-phase project tested the capabilities of the KPMG Origins blockchain platform in real time using grower and

mill data. The work followed the journey of sustainable sugar in both the Tully region for the export market and the Mackay region for the domestic market. The pilot involved collaboration among 10 organisations and captured, permissioned and shared data between participants that included growers, CANEGROWERS, mills, marketers and a bank. Four Smartcane BMP accredited farms, who sell to the participating mills and marketers, were involved.

The pilot sourced data from Smartcane BMP certification, soil tests and mill data including rake information. The data was uploaded to the traceability platform, across nine different events, from the point of harvest through to the marketer receiving ownership of raw sugar. The pilot successfully traced 27,412 tonnes of sugarcane delivered to the mill in 231 rakes and proved the traceability, data standardisation and permissioning capability of the KPMG Origins platform.

The platform ingested grower and miller data as well as organic soil-carbon data that could create options for financing products and future carbon markets. Feedback from growers, mills and the marketer on the platform were positive and suggestions of functionality and value creation were offered.

The scope of Phase 4 traces an end-to-end shipment of Smartcane BMP sugar from the grower to the customer in Asia. A successful trial would deliver a fully operational blockchain platform with digitised Smartcane BMP and mill data for farm to mill, mass balance calculations for calculating sustainable sugar and full end-to-end traceability which demonstrates provenance, provides market access and should create new opportunities for value for growers.

Trade Policy and Market Access

Sugar is produced in more than 120 countries and in many of them it is an industry viewed as politically sensitive resulting in a range of tariffs, import quotas, production quotas, price supports, subsidies

and other support measures. These combine to make sugar one of the world's most distorted commodity markets.

An important strategic priority for CANEGROWERS is to improve market access opportunities for Australian sugar by substantially reducing market access barriers and reducing trade distorting domestic supports and export subsidies, distortions that adversely impact world sugar prices.

Working closely with government, the essence of the strategy is twofold; to ensure new market access opportunities for sugar are included in all new trade agreements (multilateral, regional and bilateral) and to ensure trade rules are enforced.

The Panel established in the World Trade Organisation (WTO) to investigate whether India's trade-distorting sugar support measures and export subsidies were consistent with its WTO obligations found comprehensively in favour of Australia and its co-complainants, Brazil and Guatemala.

Since the decision India has not provided further direct export subsidies. Nonetheless, it has appealed the decision. In the absence of a WTO appeals mechanism, CANEGROWERS is working with the government to support a negotiated outcome.

CANEGROWERS was jointly successful with the Australian Sugar Milling Council in securing a grant under the federal government's Agricultural Trade and Market Access Cooperation (ATMAC) program to assist the development of trade agreements and market access strategies, such as bilateral trade discussions with India and World Trade Organisation actions, diversify exports into non-traditional markets, improve hi-pol sugar testing of sugar destined for Japan and alignment of Australia's verified sustainability credentials with international frameworks.

Seeking sound implementation arrangements for the Australia-UK Free Trade Agreement (AUK FTA) in relation to sugar, CANEGROWERS' submission to the Department of Agriculture,

Water and the Environment supports a sugar quota allocation mechanism that ensures all producers receive a proportionate share of access to the UK quota based on their production level and that the marketers of GEI and MEI sugar receive unfettered access to a share of quota certificates based on marketer allocations.

The terms of the Australia-UK FTA for sugar set an important precedent for a future FTA with the European Union (EU) and CANEGROWERS is making the case for the full inclusion of sugar. To this end briefings and material has been provided to the Australian Government negotiators to support the industry's sustainable sugarcane production credentials.

CANEGROWERS meets regularly with Australia's Minister for Trade and senior government officials to ensure trade issues affecting sugar are fully understood and to support Australian government efforts to secure a more favourable and profitable export market environment for Australian sugar.

CANEGROWERS works closely with QSL and collaboratively with the Australian Sugar Milling Council to improve the terms of trade for Australian sugar and coordinates and manages the activities of the Global Sugar Alliance of exporting countries with a like minded approach to trade policy.

Transport

CANEGROWERS sits on the Queensland Ministerial Freight Council which receives updates on general issues within the Department of Transport and Main Roads (TMR).

The main issues during this period were the review of planned bridge upgrades, the development of the Queensland Freight Action 2023-2024, and general freight operational difficulties with COVID restrictions. A common issue across all freight sectors was lack of suitably skilled workforce.

As members of the National Farmers Federation transport working group, common federal level issues across agricultural were highlighted. This included the

difficulty for farmers to navigate the complexity of the National Class 1 Agricultural Vehicle and Combination Mass and Dimension Exemption Notice Operator's Guide and National Heavy Vehicle Regulator (NHVR) permit portal and the need for federal assistance to local government to assist them to fulfill their role as road managers.

CANEGROWERS and other agricultural commodity groups met with the Queensland Transport Logistics Council to discuss options for transport research.

CANEGROWERS worked with NHVR and TMR to assist growers with the National Agricultural Notice and the permit portal and was successfully granted approval from the road managers to obtain permits to crush into the Christmas curfew period.

The CANEGROWERS 2013 Guidelines for Loading of Sugar Industry Cane Haulage Units for Travel on Public Roads was not supported by TMR or NHVR, as it was considered not to meet the National Load Restrain Guidelines 2018. This is an issue being addressed.

CANEGROWERS continues as a member of the Fuel Tax Credit (FTC) Coalition, which includes mining, tourism, fisheries, forestry and agriculture to counter claims that the FTC is a subsidy.

Water

Despite the second year of La Niña, irrigation water is the lifeblood, sustaining agricultural and economic activity and local communities in many cane growing districts.

CANEGROWERS seeks that regulated prices for water are efficient and do not impose an unnecessary burden on irrigators.

Consistent with the National Water Initiative (NWI), water prices should signal the prudent and efficient cost of delivering water, leaving irrigators to choose how to best use it. Prices should not be set based on the crop to which the water is applied.

The July 2021 water price reductions introduced following

CANEGROWERS advocacy provided some welcome relief for irrigators.

The Farm Water Futures project has continued to be managed by CANEGROWERS. The project delivers assistance and provides advice towards water use efficiency on farms.

Water Quality

In response to serious and long-standing flaws in the Reef 2050 Plan for Water Quality Improvement (2050 WQIP), the cane industry has developed a new policy position on Reef water quality. In effect, CANEGROWERS will continue to support measures to further reduce water quality impacts where these are:

- Voluntary
- Proportionate to the environmental risk
- Consistent with an economically sustainable cane industry

Importantly, the policy position outlines the significant reforms required in the arrangements under the 2050 WQIP if industry confidence is to be restored and its ongoing participation secured.

Workforce Development

Due to COVID restrictions the shortage of suitable workforce has become an issue for the sugarcane industry. Of particular concern was an expected shortage of haulout drivers. CANEGROWERS mounted a communications campaign to attract workers from across the country. CANEGROWERS also met with representatives of the Department of Home Affairs and the Pacific Labour Facility to discuss options for securing haulout drivers and other workers. The Pacific Labour Mobility Programs (PALM) and the use of labour hire organisations was the focus. Further discussions were held with a labour hire company to understand the process and options for providing haul out drivers for the 2022 season and beyond.

CANEGROWERS, as members of the Rural Jobs and Skills Alliance (RJSA), had a final input into the Queensland Agricultural Industry Workforce Plan 2022 – 2027, which provides a platform for engagement with government and training providers. RJSA is run by QFF and provides leadership and advice to government, service providers and other organisations on employment, skills, industry training

and workforce planning issues on behalf of Queensland's agriculture industries.

Workplace Health and Safety

The safety of members, their families and workers is a critical issue for CANEGROWERS. The CANEGROWERS Workplace Health and Safety Guide for sugarcane farms was finalised and launched. This is a tailor-made guide to the safe management of sugarcane growing processes. It is a starting point for growers to become aware of, and compliant with, legislative requirements and provides guidance for growers, their families, staff and visitors to be safe.

CANEGROWERS remained a member of the Office of Industrial Relations (OIR) Rural Industry Sector Standing Committee, which provides advice to the Work Health and Safety Board who in turn advise the Queensland Government. Issues raised included the use of drugs in regional communities, the possible increased mental health issues due to COVID, the proposed WHS regulations for quad bikes, and the increased possibility of fatigue issues with the labour shortage leading to increased hours of work.



As part of National Safe Work Month, the CANEGROWERS Workplace Health and Safety Guide for Sugarcane Farms was published in October 2021. Jeffrey Plath, Dan Galligan and Peter McLennan discuss WHS practices on Jeffrey Fairnsfield's farm.

DISTRICT REPORTS

Mossman

Although COVID-19 was still a part of everyday life, business operations and the movement of people started to open-up once again. CANEGROWERS Mossman continued with their core business representing growers and members at local and state level while providing growers with assistance, information and advice where needed.

The 2021 season was the third year of operations for Far Northern Milling (FNM). Unfortunately, the Mossman crushing got off to a very rough start on 16 June. The first four weeks were plagued with factory maintenance issues and while outside workers were again in short supply due to COVID restrictions both the mill and harvesting contractors managed quite well.

The FNM 2021 season crop estimate was 785,476 tonnes of cane which was slightly higher than the final 2020 tonnage. The 2021 final tonnage came in at 94% of estimate at 733,290 tonnes of cane with Mossman mill processing 639,890 tonnes of cane and MSF Sugar Ltd toll-crushing 93,400 tonnes of cane.

Mossman mill finished crushing 3 November, 20 weeks after starting while the cane toll-crushed started on 1 June and finished on 9 November. Due to the poor start to the crushing, average factory availability was very low at 75.9%. The major areas of lost time were attributed to boiler control and steam generation issues, crystallisation issues, feeding the milling train and wet weather interruptions. There was also 70.2 hours attributed to running out of cane. Mossman mill averaged 275.5 tonnes of cane per hour which was about 5.5 tonnes an hour less than 2020.

The CCS was very disappointing in 2021 with Mossman mill averaging only 12.29 CCS for the season. The average for coastal growers was extremely concerning reaching

only 11.86 CCS for the season. Mossman tableland growers averaged 13.82 CCS. This lower result meant a drop in the sugar made for Mossman mill which was 76,957 tonnes IPS and 13,403 tonnes IPS for the toll-crushed cane.

FNM contracted cane was harvested across 9,108 ha, with the coast averaging 73 tonnes of cane per hectare and tableland averaging 100 tonnes of cane per hectare.

Coastal final mill average sugar price was \$564 and the most positive thing about the 2021 season. The final mill average cane price for 2021 was \$40.56 per tonne of cane. However, as the FNM Collective Cane Supply Agreement is in place the \$2 per tonne of cane towards the mill sustainability levy was deducted from most growers.

CANEGROWERS Mossman provided local growers and members with assistance in harvesting contract preparation and monitoring of various activities under the Supply Contract through the Industry Management Group.

Towards the end of the 2021 financial year, the triennial elections for the CANEGROWERS Mossman Board were held. The Chairman, Mr Glen Fasano, did not stand for re-election, and CANEGROWERS wish him well back on the farm. A ballot was required as five nominations were received for four positions. The new board consists of Mr Matthew Watson (Chair), Mr Michael Giudice (Deputy Chair), Mr Scott Fasano and Mr Ben McClelland. We acknowledge and thank Mr Rodney Rasmussen for his time and service on the CANEGROWERS Mossman Board.

CANEGROWERS Mossman continued its involvement with the Local Douglas Marine Advisory Committee, the Wet Tropics Waterways Partnership, the Douglas Chamber of Commerce and staff and directors attended various bargaining agent meetings

and QCGO Policy Council meetings. CANEGROWERS Mossman continue to promote CANEGROWERS Insurance and Smartcane BMP accreditation and sponsored the local show and the Next Gen Show cane display, Mossman mill productivity presentations and the Mossman Christmas street party.

Tableland

Tableland mill commenced crushing on 31 May and finished crushing on 21 November. Total crush through the Tableland mill was 630,508 tonnes in 25 weeks which included 91,911 tonnes of toll crush cane.

The 2021 crushing season commenced at the Mossman mill on 15 June and concluded on 3 November. A total of 639,777 tonnes was crushed through Mossman mill in a 21-week season. Total Far Northern Milling (FNM) crush between Mossman and Tableland mills was 731,688 tonnes.

Tableland cane crop averaged 99tc/ha with 60% of farms by ABN achieving yields above 98tc/ha. The seasonal average relative CCS was also above average at 13.94. This season saw a reduction in tonnage and CCS across the district.

The Production Awards night was held in May and both mills (Tableland and Mossman) suppliers were present. Once again, this event was supported by local businesses, through their excellent sponsorship.

John Barbetti continues to work with local cane growers as they continue their Smartcane BMP accreditation journey. There are 20 accredited businesses totalling 3,540 ha of cane. Smartcane BMP is a useful tool to help meet the requirement of record keeping for the Reef regulations. There have been three reaccreditations put in place. Reaccreditations are due every five years. N and P budgets need to be in place before the start of next season and the main solution to meet all

these requirements is good record keeping. John was set to retire at the end of June but remained available to those growers wishing to work with Smartcane BMP until the end of December 2022.

Drewe Burgess, Extension Officer, is running trials for new varieties of cane. Drewe has SRA3, SRA27, SRA32, Q256, Q240, SRA28, KQ228, Q208 with an aggregate of 170 tonnes of seed cane available to members.

During the past 12 months, members were represented on various committees and working groups including the Tinaroo Water Committee (previously Mareeba Dimbulah Irrigation Area Council), CANEGROWERS Electricity Committee, Ergon Energy Irrigation Tariff Forum, Policy Council for CANEGROWERS, Harvest and Transport Council for FNM.

Cairns Region

CANEGROWERS Cairns Region, being committed to the future of the sugar industry locally, sees the continuing support of the younger growers of the region to be vital.

The Young Grower Group events have continued during this financial year. The group focus has been on professional development and engagement with the wider cane growing community. A group trip to Brisbane was held in April and included a visit to the Woodford SRA Pest and Disease Research Centre, a day with QCGO policy staff providing the opportunity to discuss current challenges followed by a field trip to the Rocky Point region. This allowed the young growers to discuss different farming practices and pressures within different environments, as well as observing the diversification that has taken place within that region.

Following on from the Young Grower field trip, Career Motivate was contracted by CANEGROWERS Cairns Region to run a professional development workshop for members of the group.

CANEGROWERS Cairns Region's implements continue to be popular with members, allowing access

to the three-row spreader and a direct drill bean planter without the burden of capital purchase costs and has proved a great service for members. In the twelve months period the three-row spreader has covered 277 hectares while the direct drill planter assisted members to plant 200 hectares of fallow ground.

The organisation remains active within the catchments as the Project Coordinator for the Russell-Mulgrave Great Barrier Reef Foundations Water Quality Project.

CANEGROWERS Cairns Region staffed a booth at the Cairns Youth and Careers Expo aimed at encouraging students and school leavers into career paths within the sugar industry. Pathways included agronomy, lab technician, sugar chemist, farm succession or just taking a job on the farm and learning new skills.

We have identified a shortage in the industry particularly around agronomy which remains so important to grower productivity and profitability. In addition, continuing to interact within primary education where possible, to promote the proactive practices farmers are implementing and to encourage some balance in the curriculum surrounding farming in reef catchments.

CANEGROWERS Cairns Region remains engaged on multiple fronts and with a cross section of stakeholders while focusing on the long term sustainability of the industry within the region.

Innisfail

The South Johnstone mill commenced crushing on 21 June with wet weather causing delays not uncommon for the Far North at that time of year. In total the South Johnstone collective supplied almost 1.48 million tonnes with 250,000 tonnes transferred to the MSF Sugar Ltd Mulgrave mill for processing.

Considering the weather conditions leading up to the 2021 harvest, initial crop projections were for an average 78 tonnes per hectare and CCS of around 12. Unfortunately,

actual productivity figures fell short of this forecast with average yield just below 70 tonnes per hectare and CCS a disappointing 11.41. The 24-week season concluded on 23 November with a total of 768 hours lost to wet weather.

In September the Wet Tropics Major Integrated Project (MIP) came to an end after almost four years operating in the Tully and Johnstone regions. The project trialled innovative solutions to improving water quality and collected and communicated locally relevant sub-catchment and paddock scale water quality data to growers in the cane, banana and pawpaw industries.

In April, the MIP was a finalist in the Banksia Awards as part of the Agriculture and Regional Development category. While the project was unsuccessful, it is quite an achievement to be recognised at this forum, amongst some of the Australia's most innovative.

After an extensive process, CANEGROWERS Innisfail successfully secured funding through the Great Barrier Reef Foundation for a two-and-a-half-year term and the Cassowary Coast Reef Smart Farming Initiative was launched. This collaborative initiative is a win-win situation for industry and water quality with tailored extension improving growers' productivity and therefore reducing the opportunity for nutrient losses.

SRA, Innisfail Babinda Cane Productivity Services, MSF Sugar Ltd and CANEGROWERS Innisfail will continue to work together for the duration of the project to address declining productivity in the region. This process started with the identification of productivity constraints, knowledge gaps and opportunities for productivity improvement.

CANEGROWERS Innisfail once again participated in the Cassowary Coast Careers Expo with students from Innisfail and Babinda schools attending. Staff also supported MSF Sugar Ltd in their first ever Careers in Sugar Day which had the dual purpose of encouraging school leavers to consider a career

in sugar as well as encourage job seekers to apply for positions within the industry. The event was a success with plans to make it an annual occurrence.

Feral pig populations continued to escalate with some sections of the Innisfail region reporting significant crop losses as a result. CANEGROWERS Innisfail worked closely with Cassowary Coast Regional Council to improve outcomes for growers.

Tully

The 2021 crop of 2,513,802 tonnes was harvested and crushed between 11 June and 4 December. As predicted the dry conditions of 2020 followed by Cyclone Niran early in 2021 impacted on yields and CCS in parts of the Tully District. Overall, the yield was marginally above the long-term average, while CCS was disappointing at 12.36.

Favourable growing conditions and a moderate wet season resulted in a large crop for 2022 with the current estimate above 2.9 million tonnes. The earliest start for many years on 27 May allowed 850,000 tonnes to be harvested and crushed by the end of July, however crushing is expected to continue well into December.

CANEGROWERS Tully, Tully Cane Productivity Services and Tully Sugar have been working with Sugar Research Australia (SRA) on a local expert analysis to determine priorities for 2022 and future seasons. These priorities include data management, pest and diseases, agronomy, crop maturity and harvesting. Technology and implementation of current research findings have been the focus points which will be developed within the Tully District Plan.

The reduction in the number of harvesters and increased group size, along with managing the public expectations on Reef targets, without impacting on industry profitability are being considered in this process.

The adoption of Smartcane BMP is continuing to progress and with over 80% of the area accredited

with significant resources required for re-accreditation and maintenance of accredited growers.

CANEGROWERS Tully has been working with Terrain NRM, SRA and industry organisations to implement projects aiming to improve the water quality entering the Great Barrier Reef by identifying and managing constraints to farm productivity.

The CANEGROWERS Tully Board was re-elected without change and will continue to work on behalf of growers for the next three-year term. The Board recognises the contribution of Paul Schembri, the previous Chairman of QCGO and looks forward to the next three years working with the new CANEGROWERS Chairman Owen Menkens, QCGO Board and Committee members.

Herbert River

Last year was the fifth year of harvest under the new Cane Supply Agreement's negotiated under the choice in marketing legislation.

Growers are becoming even more familiar with grower managed pricing through engaging the marketers and utilising the CANEGROWERS Market Information Service.

Review of the 2021 Season

Late 2020 saw some dry conditions which impacted the plant, coupled with some high rainfall in parts of the district from the effects of cyclone Niran in late February which contributed to a poor return on tonnes and CCS. This resulted in a decrease in the size of the harvested crop from the 2020 season by 450,000 tonnes and delivering 3.8 million tonnes for 2021 season. The average yield for the Herbert River district for the 2021 season was 69.1 tonnes per hectare with 54,986 hectares of cane harvested and an average CCS of 12.73.

The mill had undergone a capital project in the slack to install a new evaporator at Victoria mill. Although this project was to increase the crushing rate, the mill's transport sector struggled to keep the cane up to the mill and late bins were

a prominent issue throughout the 2021 season for the harvesting sector. This caused the season length to still be around 23 weeks even though the tonnes were down for the season.

CANEGROWERS Herbert River members in the Abergowrie, Long Pocket and Lannercost areas formed a new branch, the Abergowrie Branch in December. The branch is chaired by Glen Cristaudo and the secretary is Joe Crisafulli.

Lower Herbert Great Barrier Reef Foundation (GBRF) Program and Major Grants Project

As the Lower Herbert Partnership Coordinator, CANEGROWERS Herbert River launched the Lower Herbert Great Barrier Reef Foundation (GBRF) Program in April at the Tyto conference centre. CANEGROWERS Herbert River was also successful in obtaining funding within the program to coordinate and manage the Major Grants Project. Grower Incentive Grants are part of the Major Grants Project which aims to improve the quality of water flowing from the Herbert River catchment to the GBR lagoon while at the same time improving productivity and profitability of the Herbert sugar industry. CANEGROWERS Herbert River Board and management believe it is vital for CANEGROWERS Herbert River to be involved in this program to ensure the Herbert River district and sugar industry are at the forefront and productivity and profitability are not jeopardised.

Smartcane Best Management Practice (BMP)

Completion of the three core modules for Smartcane BMP satisfy all the requirements of the reef regulations and position a grower to consider the remaining modules that are all about business improvement.

Smartcane BMP is really a win-win for the farmer and the environment. Through an excellently facilitated program growers are given some valuable templates for use to keep records.

Record keeping workshops delivered by Maria Battoraro have assisted with grower's uptake of this important requirement for reef regulations.

Figures to date show the Herbert now has 99 accredited growers covering 27,010.4 hectares. There is 58,213.9 hectares of cane area in the Herbert benchmarked.

Sugar Research Australia (SRA)

CANEGROWERS Herbert River note the appointment of Phil Patane as the District Manager for SRA in the Herbert River in June. Phil's role is to not only guide the SRA staff in the district but also to focus on the priorities that are pertinent to the Herbert River district.

SRA have continued to maintain the Regional Advisory Group (RAG) which consists of growers from CANEGROWERS Herbert River including Chris Bosworth and Jeff Cantamessa, mill representatives and Herbert Cane Productivity Services Limited representatives. The RAG come together to discuss and mutually agree on the direction for SRA in the Herbert district to improve productivity, profitability and sustainability for growers.

Burdekin

The 2021 season commenced on 8 June and finished on 9 December. A crop of 7,883,079 tonnes was crushed and CCS of 14.40 was lower than forecast due to early season rain. Mill performance on the North Bank was good finishing between 9 – 12 November. Growers who supplied Inkerman mill on the South Bank did not finish until 9 December due to poor mill performance mainly around number one boiler.

The high sugar price in 2021/22 provided growers with a good financial reward for their efforts and this was also reflected in another period of buoyant farm sales. The trend of consolidation continues as is new entrants coming into the Burdekin attracted by the climate and water security.

CANEGROWERS Burdekin (CBL) organised two Pilot/Escort courses in July and March which were well attended. We arranged for

BBIFMAC to present to the Board to gain insight into the 20 Water Quality Monitoring sites installed in the Burdekin. In October, we celebrated the Invicta mill centenary and Wilmar and the Giru community hosted a memorable day. At our AGM we were honoured to have CANEGROWERS Chairman Paul Schembri as our guest speaker as he had announced his retirement from representative life. Wilmar senior management also attended our AGM where they outlined what the causes were for Inkerman mill's boiler failure and their capex and maintenance plans were for all factories.

As part of National Ag Day in November, the Board met with a Year 7 class at Home Hill State High School to highlight the diverse employment opportunities that working in the agricultural sector can provide and presented certificates to their Ag Ambassador students.

In December CBL participated in a mediation meeting with Wilmar over the 2020 season Inkerman Alternator Stop. The outcome of this mediation was that Wilmar engaged an independent engineering consultant to investigate electrical risk management measures for transients and alternator protection. Wilmar facilitated a good report and were implementing the majority of the recommendations.

March saw the Burdekin host the CANEGROWERS Environment Committee involving a field trip by the Lower Burdekin Water Board which gave committee members an understanding of the magnitude and complexity in managing water infrastructure. In April, CBL hosted the Business Essentials workshop which helped growers understand their cost of production, market, pricing and business risks.

CBL expanded its service offering with the employment of Mindi Lennon to help members complete N and P budgets and this is proving to be an important service for members with their regulatory obligations.

CANEGROWERS triennial elections were held and the Burdekin was

seeking two new Directors to replace retiring Board Directors Phil Marano and Roger Piva after many years of dedicated service. CBL welcomed Charles Papale and Rian Swindley to the Board members and in what was a first for the Burdekin district, Owen Menkens was subsequently elected as the CANEGROWERS Chairman.

In May, we hosted a members update meeting with Dan Galligan, CANEGROWERS CEO who provided an update on what the peak body is doing for the industry. He was followed by Wilmar senior management who briefed growers on their maintenance and capex program and what the 2022 season was shaping up like.

For the 2022 crop, the Burdekin experienced a very dry wet season with decent rainfall not falling until late April which caused extensive lodging of crops. The start date for the 2022 season was pushed to the week of 14 June due to wet weather with some mills not being quite ready. It has the makings of an interesting season.

CBL would like to thank the members for their ongoing support and loyalty which is always appreciated and will continue to do the best for growers.

Proserpine

Despite some early promise, Proserpine growers endured another below average season, the fifth consecutive year in which the crop struggled to exceed 1.5 million tonnes. At just over 1.55 million tonnes, the crop was only marginally better than the previous year. CANEGROWERS Proserpine members contributed over 90% of the cane supplied. District average CCS was 14.43 which was the highest in the state and a small improvement on the previous year. The district's plant cane averaged 91.6 tonnes per hectare and ratoon cane 75.7 tonnes per hectare resulting in a district average yield of 78.2 p/hectare – a minor increase, but still well below district potential.

Mill performance was similar to the previous year, the smaller crop ensuring the crush was completed

within 20 weeks allowing growers to concentrate on their 2022 crop. As part of its Cane Supply Agreement obligations, CANEGROWERS Proserpine carried out weekly visits to the mill to administer the Cane Analysis Program. No major issues were identified, and the NIR spectrology which underpins the program provided additional confidence in the program's integrity.

The organisation's triennial elections were held in April. Long term CANEGROWERS Proserpine director Peter Quod did not seek re-election and was succeeded by Bessie Orr. Peter had a distinguished period with CANEGROWERS having chaired the local board for two terms and headed the productivity unit during its formative years. His contribution to the industry over the last 20 years has been greatly appreciated.

During the year, CANEGROWERS Proserpine hosted a two-day Business Essentials workshop which provided members with professional development opportunities in strategic business management, farm risk assessment, natural resource management and personal and social resilience.

CANEGROWERS Proserpine, in conjunction with Sugar Services Proserpine continues to promote the industry's Smartcane BMP program. However, the loss of the Program Facilitator and the absence of funding security slowed accreditation growth. The program continues to operate with in-kind support from the local industry.

The insurance business continues to function in an extremely competitive and challenging environment. CANEGROWERS Proserpine acknowledges and greatly appreciates the support provided by the Cairns Regional Insurance Manager to deliver insurance services to our members.

CANEGROWERS Proserpine continued to provide administrative and secretarial support to the district's productivity company, Sugar Services Proserpine and to Kelsey Creek and Six Mile Creek water supply schemes.

Given the district's increased reliance on irrigation, CANEGROWERS Proserpine assisted members with water trading and permit requirements. There has also been an increase in leasing enquiries over the past year and CANEGROWERS has helped facilitate these arrangements. The organisation also maintained an active role in industry affairs representing growers on a range of community, regional and industry-related boards, and committees.

Mackay

Mackay and Plane Creek districts endured a long harvest in 2021, with a mid to late December finish in both Plane Creek and Mackay milling districts.

Owing to significant mill maintenance issues and wet weather impacts, the 2021 harvest season in the Mackay district was pushed into the Christmas curfew period to 29 December, resulting in a season length of 30 weeks. Tonnage across Mackay Sugar's Racecourse, Marian and Farleigh mills totalled 5,334,837.07 tonnes of cane at a season average of 13.73 CCS.

Wilmar Plane Creek Mill commenced the 2021 season on 15 June 2021 with the last of the cane crushed on 12 December 2021. Season total of 1,367,453.6 tonnes of cane. Plane Creek's season average CCS slightly higher than Mackay's at 14.34. Unseasonal rain across both milling districts

contributed to continued crop growth, resulting in yield exceeding estimates.

CANEGROWERS Mackay staff continue to work hard across grower services, agricultural economy, industry advocacy, and participation in regional economy decision making.

Major projects this year have reached across irrigation, water quality, labour, regional economy and biofutures.

The intent of CANEGROWERS Mackay's multi-year Mackay Irrigation Project (funded by the Great Barrier Reef Foundation through the Mackay Whitsunday Water Quality Program) is to practically improve Nitrogen Uptake Efficiency (NUE) and hence off-farm dissolved inorganic nitrogen (DIN) losses to the environment. To achieve this, CANEGROWERS Mackay agricultural economist John Eden devised a project plan that incorporates energy audits to improve pumping and system efficiencies and ensure profitability. The project considers all on-farm options available to meet crop water demand and Water Uptake Efficiency (WUE) to determine best-fit irrigation strategies to maximise crop nutrient and water uptake. The ultimate goal is to achieve improved productivity, profitability and environmental outcomes.

Labour for the Crush was an intensive recruitment drive to attract harvest labour for the region's growers, reaching out



Haulout Operator training courses held in the Mackay region in May 2022.

across traditional and social media to attract workers from within the region, and travelling workers including backpackers, grey nomads and traditional seasonal workers from other ag sectors. The campaign was a collaboration between CANEGROWERS Mackay training and communications staff and the Queensland Agricultural Workforce Network (QAWN) Central Queensland officer. A core component was the annual Haulout Operator training course. This is traditionally led by a valued grower-member, providing practical knowledge on the use of farm equipment, teamed with an RTO trainer and assistants. This year, thanks to support by QLD Department of Agriculture and Fisheries through QAWN adding to our regular funding base, the *Skilling Queenslanders for Work* program, places available to new recruits to the industry doubled from 10 to 20.

CANEGROWERS Mackay continues to offer a range of training across pilot escort licensing, chemical accreditation and business skills delivered significant support to growers across various issues, including negotiations with millers, utilities, local government and government departments. Including undertaking economic analyses for compensation due to members affected by disruptions to farming activities by construction of the *Mackay Ring Road* and *Walkerston Bypass*.

CEO Kerry Latter also represents the organisation in the Greater Whitsunday Biofutures Leaders Group, Mackay-Isaac-Whitsunday Agribusiness Future Alliance Project, within the Healthy Rivers to Reef Program, Mackay Whitsunday Water Quality Program management committee, Great Barrier Reef Foundation (GBRF) Steering Committee and the CANEGROWERS Trade and Economics Committee.

Bundaberg

During the 2021-22 financial year Bundaberg CANEGROWERS staff and directors continued a focus of being proudly member-focussed and farmer biased. They provided

representation, leadership and services while promoting unity in the interest of growers. Bundaberg CANEGROWERS resourced strong advocacy campaigns targeting sustainable electricity and water pricing, water security and availability, transport, cane-firing and water quality-related issues including reef regulations. Continued leadership has ensured that federal, state and local government politicians were in no doubt about the impacts of policy on members as well as the community, and members' concerns in relation to these issues.

Bundaberg CANEGROWERS provided support to Katter Party Member, Nick Dametto in the pursuit of reversing the *Environmental Protection (Great Barrier Reef Protection Measures) and Other Legislation Amendment Bill 2019* that included the Burnett Mary region in the reef regulation process for the first time in 2019.

The inclusion of the Burnett Mary catchment is scientifically unjustifiable primarily because the district cannot impact the reef which at its most southern point is at least 80 kilometres to the north east of local river systems and the prevailing currents predominantly flow south, not north. Meaghan Scanlon, Minister for the Environment & The Great Barrier Reef and Bundaberg MP Tom Smith met with representatives in Bundaberg in June to receive a presentation on the sustainable measures that Bundaberg CANEGROWERS has been doing for a considerable time and outline why the inclusion of this region in the reef regulations is unjustifiable.

The Bundaberg district was drought declared until April 2022 when the drought declaration was revoked due to good rainfall over summer, most water storages having overflowed at some point and receiving some good groundwater recharge.

Following a concerted effort, Bundaberg CANEGROWERS achieved a better outcome for the drought revocation date and drought relief from electricity charges was extended to 31 May and ceased from that date onwards.

Bundaberg CANEGROWERS provided assistance to individual growers to ensure they were on the correct tariff at the time of the drought status being revoked.

Following the November and January rain events there were two disaster declarations for the Bundaberg Regional Council area where growers are able to apply for Disaster Assistance grants up to \$50,000. A further disaster declaration for the February to April event was made at a later date though this event caused less damage than the initial two disaster events.

Bundaberg CANEGROWERS has a contingent of auditors at Millaquin mill to ensure growers are receiving a fair deal. Arrangements continued with Oreco and assistance continued to be provided on behalf of Bundaberg growers to ensure payments and administration of the Oreco contract continued as arranged. Bundaberg CANEGROWERS continued to build relationships with Bundaberg Sugar Services Limited, Bundaberg Regional Irrigators Group and the Grain in Cane Co-operative to create synergy and minimise duplication.

Rainfall events resulted in an increase to water allocations for both groundwater and surface water schemes although the downside was that Bundaberg was left with approximately 15,270 tonnes of grower cane and 35,980 tonnes of miller cane standover. The CCS for the year achieved was 14.25, disappointing but understandable considering the growing year and the wet end to the harvest.

The 2021 Season was the first time Bundaberg crushed with only one mill and saw some great achievements gained for the Bundaberg sugar industry.

Bundaberg Sugar was able to achieve a very credible performance by Millaquin mill with the integration of the north-side and south-side crop and three different modes of cane transport. Bundaberg CANEGROWERS assessment was that mill availability was around 93%.

The 2021 season crop estimate

was 953,000 tonnes with the final tonnage being 936,828 tonnes from a total area harvested of 11,892.52 hectares.

The 2021 seasonal pool price was based on a final pool price of \$519.36 plus \$7.34 US quota premium and \$45.91 shared pool premiums, to give \$572.61 per tonne of IPS.

Isis

The 2021 crushing season commenced on 29 June, with a pre-season crop estimate of 720,000 tonnes. Isis district growers were joined by Maryborough growers for the first time, who also supplied Isis Central Sugar Mill under a toll crushing agreement with MSF Sugar.

The last bin for the 2021 season was tipped on 23 December with 711,750 tonnes crushed from the Isis district and a total tonnage for the season inclusive of Maryborough was 1,175,746 tonnes. An average combined CSS of 13.73 was realised for the season.

CANEGROWERS Isis saw a new CEO at Isis Central Sugar Mill with the appointment of Peter Hawe and a change of management within the CANEGROWERS Isis office. Angela Williams after serving the district for five years moved on into another local agricultural appointment and Joanne Hall moved into the manager's role.

The CANEGROWERS Isis triennial elections were held, and all five directors were returned to their representative positions. This was very timely and meant there was no interruption to the Cane Supply Agreement review and negotiation of the next six-year contractual period.

CANEGROWERS Isis Chairman, Mark Mammino, was also appointed to the Queensland CANEGROWERS Board as Senior Vice Chairman.

An independent review of the Cane Analysis Program (CAP) was conducted which showed the Isis CAP was comprehensive in nature and exceeded many standards. CANEGROWERS Isis implemented

the recommendations from the review and actively worked with Isis Central Sugar mill staff to improve the reports and data.

Irrigation and energy assessments remained a key focus during the year. CANEGROWERS Isis concentrated efforts on ensuring growers were supported with electricity tariff selection, completion of on-farm irrigation assessments and implementing recommendations.

The Paradise dam saga continued to occupy a lot of resources, especially for the Chairman and Deputy Chairman, both of whom have been heavily involved in representing members at numerous reference groups meeting around the impacts to the whole agriculture community as well as the general community.

It is pleasing to see that there is now support from both the State and Federal Government to return the dam wall to its original height in a much safer condition, at a cost of \$1.2 billion to be shared equally between both levels of government. CANEGROWERS Isis continues to lobby for this to occur in the shortest possible time with minimum impacts to irrigators.

The biggest news of the year was the breaking of the drought and the lifting of drought declaration after three very long years.

The district went from one extreme to another with three disaster assistance programs announced over four months. CANEGROWERS Isis has advocated for time extensions to the programs as members have been unable to complete reinstatement works because of persistent rain events.

As part of National Safe Work Month, the CANEGROWERS Workplace Health and Safety Guide for sugarcane farms was launched at local grower Jeffrey Plath's Farnsfield farm. A CANEGROWERS Isis key work area has been to assist members to reduce potential risks by assisting them with resources helping to revise and manage farming practices to avoid workplace incidents.

Maryborough

2021 season was the first of two years of operating under a toll agreement between MSF Sugar and Isis Central Sugar Mill.

With very little time between completion of the construction of a transloader facility and the start of the 2021 season there were bound to be issues. And there were.

Combined estimate was 1.2 million tonnes with 520,000 tonnes representing the Maryborough district growers (including sunshine Coast).

Early issues with weather and transloader operation put things well behind and it became necessary to look for ways to transfer more cane via another channel to have any chance of getting the crop in. A second site was built at the back of Isis Central Sugar Mill to accommodate additional truck delivery and became active around week 12.

Volumes increased enough to achieve harvest of 467,621 tonnes by the completion of the season on 23 December.

CCS was down on previous years with 13.76 the combined result for Maryborough and Sunshine coast. With substantial standover left, and a bumper growing season, the 2022 season estimate now sits at 655,000 tonnes and will put significant pressure on the transport logistics to successfully harvest the whole crop for 2022.

The weather has been very active in the 2022 growing season with no less than three floods along the Mary River and a number of growers impacted through the district. While some losses have occurred the overall benefit to the dry land areas has kept the estimate up.

Isis Central Sugar mill began discussions on a Cane Supply Agreement (CSA) which in turn linked to the review of the existing Isis CANEGROWERS CSA. The process was ongoing into 2022 until an approach for a potential buyer of the Maryborough mill was received.

The district board has been

carefully working through the details of the buyer and as at the end of financial year, negotiations for the sale are continuing.

Maryborough Cane Productivity Services has successfully operated under CANEGROWERS Maryborough management throughout the 2021 season with Tony working very well with growers throughout the district. Isis Productivity Services had a rapid turnover of staff in the early part of the year and Tony's support to the new staff of Isis Productivity Services has been appreciated by the wider grower community.

The triennial elections in April 2022 for the Maryborough District Board saw changes to the directors.

Jeffrey Atkinson stood down from chairman after 12 years in the seat and 19 years as a board member. The new chairman is Roger Bambling with Isaac Schmidt moving into the Vice Chair role. The board opted to run as a four person board with Ashley Petersen and Adam Doyle also continuing their positions.

The long awaited 126 year anniversary dinner for sugar crushing in Maryborough finally found a way past COVID restrictions and was held on 2 June at the Carriers Arms Hotel with an excellent attendance and a few old faces coming back to reminisce over the large number of photos.

Rocky Point

The 2021 Rocky Point harvest got underway on 26 July with an initial estimate of 334,174 tonnes of cane.

The season began with constant breakdowns at the cogeneration plant, which continued for the duration of the season. With approximately 45% lost time, the 2021 season came to an early finish, with dry conditions on 18 December. At this point, 30% of the crop was left standing in the paddock. It was extremely disappointing not to be able to capitalise on the strong global sugar prices and only have 70% of the crop harvested.

A total of 250,732 tonnes were crushed at a season average

CCS of 14.14 over 21 weeks. The final 2021 sugar price for the Rocky Point Regional Sugar Pool (RPRSP) was \$506.71.

The first half of 2022 saw consistent rainfall, and at the end of February, there was major flood across the district. The flood was slightly smaller than the 1974 flood and caused considerable crop losses in low sections of cane fields. The continual wet conditions will have a detrimental impact on the entire crop but will only be revealed once the crop is harvested. Large areas of soybean were also lost during the flood.

The Negotiating Team of CANEGROWERS Rocky Point has attempted to put in place a new CSPA over the last quarter of 2021 and the first half of 2022, with no result. Our plan was to be able to price sugar into 2023 and 2024 while prices are strong. The mill is keen to see the 2022 season underway before negotiations begin for 2023 and beyond.

CANEGROWERS Rocky Point has priced 70% of the sugar allocated to the RPRSP for 2022. The mill and cogen will need to put in a strong performance to see growers reach this volume in a timely manner. The hope is that now that the Heck family owns the Cogen plant, reliability will improve. Otherwise, the industry will struggle to survive.

In September, CANEGROWERS Rocky Point signed a Services Agreement with Sugar Research Australia to provide productivity services to members. While it has been challenging and time consuming building a productivity plan for the district, there has been some positive results for growers with a good working relationship with local SRA Southern District Manager, Lisa Devereaux and growers benefiting from on the ground delivery of more relevant industry information for Rocky Point.

CANEGROWERS Rocky Point is still struggling to obtain sufficient assistance from Biosecurity Queensland for an increasing problem with fire ants in the area. Biosecurity Queensland has

provided small quantities of bait to growers to spread, but not in the quantity required to combat the problem. Biosecurity Queensland is no longer supplying officers to bait fire ants in the district; instead, leaving this increasing problem in the hands of the farmers to find time for surveillance and baiting. CANEGROWERS Rocky Point will continue to lobby Biosecurity Queensland and are currently working on an agreement for the supply of bait under a new program, the Fire Ant Suppression Taskforce (FAST). The most appropriate and most efficient way to combat these ants would still be by aerial treatment. This type of application will not be allocated to Rocky Point for a number of years, until such time as this area becomes the focus of an eradication program rather than just suppression.

The unimproved land values of Rocky Point were increased another 15% on 1 October, effective 30 June 2022. This was on the back of a previous lengthy objection process (where values increased 55% across the district) which commenced in 2020 and was finalised in October 2021. It was disappointing to see increases across the district again so soon. CANEGROWERS Rocky Point has objected to this latest round of increases and are currently awaiting the outcome of these objections.

Farming at Rocky Point is becoming more and more challenging.

CANEGROWERS BOARD

(1 May 2019 to 30 April 2022)



Chairman, Paul Schembri



Senior Vice Chairman, Kevin Borg



Vice Chairman, Owen Menkens



Allan Dingle



Joseph Marano



Mark Mammino



Michael Pisano



Stephen Calcagno

CANEGROWERS POLICY COUNCIL

(1 May 2019 to 30 April 2022)



Mossman - Glen Fasano

Tableland - Claude Santucci

Cairns Region - Stephen Calcagno

Innisfail - Joseph Marano

Tully - Bryce Macdonald

Herbert River - Michael Pisano and Chris Bosworth

Burdekin - Roger Piva, Steve Pilla, Phil Marano and Owen Menkens

Proserpine - Glenn Clarke

Mackay - Paul Schembri, Kevin Borg, Greg Plath and Tony Ross

Bundaberg - Allan Dingle and Mark Pressler

Isis - Mark Mammino

Maryborough - Jeff Atkinson

Rocky Point - Michelle Fischer

Brisbane - Dan Galligan, CEO and Jodie Mittelheuser, CFO.

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CANEGROWERS