

Cane farmers face unsweet surrender to reality

The sugar cane industry is dying before our eyes, says **Andrew Fraser**

AUSTRALIA'S sugar industry is where globalisation and localisation collide head-on.

The sugar industry has a long history of agrarian socialism, and even today, where individual farmers in other primary industries such as cotton determine where their wares go and at what price, Australia's entire sugar crop is marketed internationally en bloc.

Yet for these bastions of localism who want to retain as much local control as possible, their main problem in life is caused by the low world price of sugar. This in turn is caused by over-production in Brazil and widespread use of subsidies by the European Union and the USA. In short, it's globalisation.

In this context, it's no wonder that Clive Hildebrand, the head of the Sugar Research and Development Corporation who recently undertook a report on the industry for the federal Government, found considerable suspicion from cane growers.

"In some places in Queensland, (I) was met with unrealistic expectations in a search for hope," he writes in the report.

"While (I) was made aware of depth of genuine difficulty facing farmers, it was also apparent that some were prepared to accept simple but undeliverable solutions uncritically, with the danger of becoming prey to demagogic proposals."

Make no mistake, Australia's sugar cane industry, 95 per cent of which is in Queensland, is in deep trouble.

Prices are about half what they were a

few years ago, and for most growers, the cost of producing a crop for the year was more than they received for it.

But economic factors are not the only ones that come into play in the sugar industry. The average cane farmer is aged 60 and the farm has been in the family for several generations. For many, it's the only way of life they know.

Hildebrand writes that he was not prepared for "the extreme degree of economic deprivation that many cane farmers are prepared to endure for the sake of continuity of the family farm".

"Lifestyle was often mentioned as one of the benefits of cane farming, which seems to translate loosely to acceptance of a significant social component in lieu of economic dividends. But prolonged economic deprivation eventually erodes lifestyle and is unsustainable."

Even though it's written in the dry language of the economist, Hildebrand's message is quite clear — if the industry hopes to survive, it needs to change.

He advocates broad change at two levels. Firstly, some of the many small farms — the average is only 80 hectares — combine to gain economies of scale.

The second is more important but harder to define. It involves changing the industry culture so there is less adversarial behaviour between millers and growers, and the best way of doing that is by focusing on the "mill area".

This is where the localism of the industry is holding it back. In an extravaganza of democracy each farmer has an equal say in how relations with the mill operate. This means that the mass of small farmers who don't want to change have the power to block change.

But even in the six weeks between presenting the Hildebrand Report and the Government's response, events are overtaking policy considerations.

Two weeks ago, the owners of the

land which has been used for sugar in the past century will now be available for other development in what is one of Australia's fastest-growing areas.

Ross Boyle, a third-generation cane farmer near Bli Bli on the Sunshine Coast says that "if it closes and nothing else happens it'll be a disaster".

But Mr Boyle concedes that some changes should be made at the local area, mainly concerning transport.

"The system that we've got at the moment is inefficient, and we've got to get the harvesting and the hauling working together so that the cane gets taken to the mill as quickly as possible."

He says the solution lies with government, and the federal Government in particular should take a more aggressive stance in trade negotiations.

"We need to be able to stand up to the Yanks and tell them that we've been their whipping boy for years in these trade wars and they always expect us to be their ally when the wars start up.

"They also need to look at local subsidies — if you had to pay a bit more to keep the sugar industry going, the public wouldn't balk at that."

The problem is that the judgment over what the public will wear will not be made by them, but by the politicians who will have to explain to the rest of Australia why they should keep supporting the lifestyles of a small number of cane farmers.

Bitter harvest

World sugar prices over past 10 years calculated during April each year



few years ago, and for most growers, the cost of producing a crop for the year was more than they received for it.

For the next 12 months, the forecast world price will be \$220 per tonne, well below the \$300 per tonne the farmers need to break even.

Unless the situation changes quickly, then over the next few months, up to 1000 of Australia's 6000 cane farmers may leave the industry.

But the problems the industry faces are at two levels — short term and long-term. Within the industry, the argument runs that unless there is a short-term solution — and that means instant government assistance of \$150 million — then there won't be a long term.

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Third-generation grower near Bli Bli on Sunshine Coast

Moreton Mill at Nambour on Queensland Sunshine Coast announced this would be the last sugar crop crushed at the mill. This means that about 150 farmers — many second and third generations growers — will no longer have their main source of income. It also means the cane fields which have been the backdrop to the Sunshine Coast for years will not be there next year.

The nearest mill is at Maryborough, two hours drive north, and too far away to be viable. Consequently, about 10,000ha of

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