

Global shortfall lifts sugar price

# Cane crush to set record

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ANOTHER record sugar-cane harvest is expected this year, with the combined NSW-Queensland crush likely to top 40 million tonnes, a new report says.

HTW Valuers' October Rural Supplement says this year Queensland will produce more than five million tonnes of sugar, a figure not expected to have been reached until 2000.

"Earlier industry predictions that sugar prices/profits were to be significantly reduced over the next five years have been pleasantly contradicted with a recovery in the world sugar price, currently around US11¢ per pound (33¢ per kilo) on the New York Futures Exchange," a report by HTW's Townsville-based valuer Peter Honnef says.

The sugar price improvement was related to the forecast world consumption of 125.2 million tonnes, outstripping world production of 123.3 million tonnes.

"The Indian sugar industry has a lack of exporting facilities and is diversifying into other industries, resulting in diminished production of 80 million tonnes in 1995 to a predicted 11.7 million tonnes for 1997," the report says.

Drought in Thailand also means its 1997 crop will be lower than the previously forecast 48-50 million tonnes — compared with 56 million tonnes last year.

Mr Honnef said the cane farm market in north Queensland continued to be firm, although activity was subdued as growers were occupied with harvesting.

The Asian currency crisis had created much concern in the live cattle export trade.

"Demand for cattle is the lowest since the establishment of the (live export) industry, but to date cattle prices are at previously established levels of \$1.05 per kilogram ex-Cloncurry and \$1.25 per kilogram ex-Darwin," Mr Honnef said.

"It may sound too positive, but these circumstances could not have come at a better time, with demand for cattle from within Australia presently strong and supplies pres-



Sweet Diversification in India and a drought in Thailand have firmed the export market

ently very low due to the usual seasonal fluctuations. Economic trends are cyclical and Asian monetary prices will again improve. The test for the live cattle export prices will be at the end of the next wet season, when supplies of cattle will be strong."

The sale of most of the Bankers Trust portfolio to Stanbroke Pastoral Co was a "significant vote of confidence" in the future of the beef industry, according to HTW chairman Kerry Herron.

HTW was involved in valuing all the BT and Heytesbury properties.

Mr Herron noted the problem of a

shortage of suitable cattle for the live export trade and the "heartening news" that the beef index has climbed higher than 110.

Central Queensland valuer John Compton said the successful BT dispersal to Stanbroke and the Acton family, particularly after the Heytesbury/Prudential sales and the sale of Glenprairie at Marlborough, were "all large properties sold at good values".

"It will be interesting to know the price of the 195,000ha Moray/Doongmabulla aggregation, re-sold to the Acton family on a walk-in, walk-out basis, after the BT pur-

chase in 1994 at \$10.7 million on a similar basis," Mr Compton said.

Toowoomba-based valuer Peter Payne said that one of the BT properties sold, the 49,600ha Kindon Station near Goondiwindi, was the largest single holding in south-east Queensland and included some "extremely good belts of country".

"Kindon will provide a very good base for backgrounding cattle prior to receipt into Stanbroke's Bottle-Tree feedlot near Chinchilla," Mr Payne said.

HTW's Dubbo manager Robin Gardiner said there had been rain over much of central western NSW

last month, extending as far as Tamworth to the north-east.

However, some northern areas around Walgett and Moree had received less rain. Agents generally reported an increase in inquiry for mixed properties after the rain.

Mr Gardiner said Australian Bureau of Statistics figures illustrated the decline of agriculture as a proportion of the national economy.

Agriculture now accounts for only 3.8 per cent of GDP, down from 16 per cent 45 years ago. Agricultural accounts for only 20 per cent of total exports, compared with 74 per cent 45 years ago.