



High prices expected for sugar land

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A BURDEKIN River Irrigation Area land auction on June 25 could raise more than \$13 million for the Queensland Government.

The scheme's first farms were sold just over a decade ago and 173 properties have since gone under the auctioneer's hammer, raising tens of millions of dollars.

The area is highly prized and has attracted spectacular bids. All blocks in the upcoming auction are in the scheme's newly developed Haughton section and range from 88ha to 163ha.

As at previous BRIA auctions, cashed-up cane farmers will be out in force and competition is likely to be fierce. More than \$8 million was raised from the sale of just eight properties at the last auction in April.

Joint marketing agent John Glover, of agency Honeycombes at Ayr, said farmers with adjoining blocks had been among the keenest bidders because of the economies of scale and ease of access they could achieve.

At the last auction, prices averaged more than \$7000 a ha, but analysts are tipping that prices in the final sale could be between \$7500 and \$8500 a hectare.

Auctioneer Bruce Vidgen, of Vidgen Auctioneering in Brisbane, said that at the first BRIA auction in 1988 "everyone sat on their hands", but market sentiment had turned dramatically since then, with all blocks offered since being sold and many going to repeat buyers.

The scheme's water supply was regarded as one of the nation's most

reliable, because the Burdekin Dam was fed by seven large rivers draining central and northern tropical Queensland. Other irrigation schemes were fed by only one or two rivers.

"I think many people really are now just looking at the cold, hard commercial calculations," Mr Vidgen said.

"The way to farm in the next century will be to minimise the variables and unknowns — and here you have got the major factors of location, soils and absolute peace of mind about water security.

"If and when the sugar market ever goes into reverse, the area lends itself to a diversity of cropping. It is on the rail line and the Bruce Highway, with the Port of Townsville just an hour down the road."

Mr Glover said the area, 70km south-east of Townsville and near the towns of Ayr and Home Hill, offered warm winters and ample sunlight.

"These conditions enable double cropping and the production of horticulture for southern markets during winter," he said.

"The particular advantages for cane growing are higher yields, higher CCS (commercial cane sugar) levels and a generally dry harvesting season."

As at previous auction, the Government is offering terms designed to help farmers cope with initial set-up costs by delaying full repayments until 2004. No payments are required in the first year. The Department of Natural Resources notes that cane and sugar yields in the Burdekin are the nation's highest.



Crushing the opposition: Cane and sugar yields in the Burdekin are the highest in Australia