

# CSR leaves sour taste at cane farms



**Pain harvest:** Failing CSR infrastructure is reportedly exacerbating severe wet-season problems for cane growers

Picture: Marc McCormack

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Agriculture

WHILE the ill winds of drought blow across much of Australia, sugar cane farmers in far-north Queensland are bracing for weather of a different kind.

And it couldn't come at a worse time.

The onset of the wet season is nothing new, but repeated failure of key infrastructure owned by sugar-milling giant CSR is really testing their patience.

Trains to cart harvested sugar cane to the mill are derailing almost daily, the key Victoria Mill is underperforming and there is a shortage of cane bins.

Farmers complain CSR has not kept up with their mechanisation of harvesting and delivery and its transport and milling infrastructure has been found wanting again this year.

Bigger 11-tonne bins that improve crushing rates have not replaced all 4-tonne bins, and that's just one example they cite.

Veteran Herbert River region cane grower Stephen Fortini, one of the bigger sugar cane growers in Australia, said it would be a miracle if the full crop got to the milling stage before heavy summer rains.

In 1998, about 1 million tonnes of crop was left on the ground in the bleakest period for the sugar industry in recent times. The start to this year's season was pushed back because of rain in June and wet weather throughout the crushing season has made things worse.

Mr Fortini agreed that farmers are in a race against time to get the crop off before

Christmas: "It's really bad, it's as simple as that. CSR's transport system is letting them down badly."

"We have had so many meetings with CSR that I'm sick of talking to them. We are at their mercy, none of us know what to do about it."

"Cane-bin derailments happen daily, sometimes three times daily."

"CSR have run their assets down to the ground and we have reached a stage where everything is a piece of junk."

"We are waiting until 7pm some nights for available bins, which means we don't get home until 10pm, and we are up again at 4am. It's physically draining."

"My family have to reassess our future, I don't see how we have any choice."

Cane-growers have already been delayed by unseasonal rain causing harvesting delays, just when sugar prices are at historic highs.

CSR has a 120-year association with the region, where it is a monopoly when it comes to sugar milling. It cut its earnings guidance by 10 per cent on September 7, blaming falling sugar prices and an unseasonably wet start to the year.

It said 30 per cent of the problems for farmers this year could be traced back to the company, with the remainder attributable to the weather.

In the Herbert region, 500mm of rain fell in September, compared to a 37mm average.

CSR's sugar business made \$124 million in earnings before interest and tax for its March 31 financial year, or about one-third

of all EBIT. Rumours that it has a works program for the Herbert region in the offing will not appease farmers until they see action on the ground.

While CSR Herbert Region general manager John Pratt declined to put a price on updating infrastructure, he briefed management in Sydney on needs.

Farmers respond that any works program might not kick in until after March 31, the end of CSR's financial year, posing the same kind of problems next season.

"This season has proven to be very difficult due to unseasonable wet weather," he said. "During these times, harvesting can't be undertaken and the mills have to be shut down."

"So far this season, we have been shut down for more than three weeks due to wet weather, which is something we can't control. Whilst our plant availability has improved over previous season, we readily acknowledge the need to improve further."

"To achieve this, we are in the process of developing a targeted works program to improve the operational reliability of our transport system and mills."

"After having been through a lean period with poor crops and a low sugar price, we are now looking to the future."

The biggest mill in the Herbert Region, the Victoria Mill, is operating at about 86 per cent availability. Farmers say the co-operatively owned Tully Mill in the sugar cane growing region 100km to the north is averaging 95 per cent, a benchmark that growers want CSR to match.