



GRAINS COMMITTEE 2010/2011

Mark Hoskinson (Chair)
mhh1@bigpond.com

Peter Cannon (Deputy Chair)
peterjcannon@hotmail.com

Mark Swift
markswift@gmail.com

Rod Hatty
rodhatty@harboursat.com.au

Martin Honner
mhonner@activ8.net.au

Jock Munro
the_brae@bigpond.com

Ross Durham
radurham@skymesh.com.au

Rob Eassie
robeassie@hotmail.com

Jason Hunt (Young Farmer)
jrfhunt@hotmail.com

NSW FARMERS' STAFF

Ben Mason
Policy Manager
Cropping and Business, Economics and Trade
T: 02 8251 1827
masonb@nswfarmers.org.au

T: 02 8251 1700
F: 02 8251 1750
Level 25, 66 Goulburn Street,
Sydney NSW 2000

Member Service Centre
1300 794 000

www.nswfarmers.org.au

Dear Grain Grower Members,

Thank you for taking the time to complete the NSW Farmer's Grain Grower Survey during such a busy time of year. The Survey received almost 300 responses. NSW Farmers is currently collating the results prior to making the results available to the membership.

A large portion of the State received much needed rain last weekend to allow the continuation of sowing the winter crop, however the mouse plague continues to affect many areas, as does the shortage of mouse baits.

Please read on to see how NSW Farmers is working for you.

Kind regards

Mark Hoskinson
Chairman – NSW Farmers' Grains Committee

Mouse Plague

With favourable climatic conditions, there have been large increases in mice numbers across wide areas of NSW in the last month.

Current situation

- Areas of greatest activity centre around the Riverina area, with other reports from the Darling, Central West and Central North LHPAs. Concentrations have also been recorded in the Dubbo and Nyngan areas.
- Mice numbers are 5 times bigger than anything seen in the last 15 years.
- There have been widespread reports of damages to new crops.
- More information and maps on current activity are available on the DPI website <http://www.dpi.nsw.gov.au/agriculture/pests-weeds/vertebrate-pests/mice>

Control

- There are two rodenticides currently permitted or registered for field use:
 - Zinc phosphide (for in crop use) is available through rural merchants
 - Bromadiolone (for boundary baits) is available through LHPAs.
- There are other baits available for around buildings.



- DPI have a factsheet on Mouse monitoring and baiting
http://www.dpi.nsw.gov.au/data/assets/pdf_file/0008/387719/mouse-monitoring-and-baiting.pdf

Chemical Availability

- There has been a spike in the last week in the demand for zinc phosphide from 150 tonnes to 800 tonnes.
- There is currently at least a 7-10 day wait to be able to access pre-mixed zinc phosphide.

Human Health Issues

- Mice are one of the many different animals that can harbour *Leptospira* bacteria in their kidneys.
- Leptospirosis is a bacterial disease of humans and animals. It is caused by *Leptospira* bacteria that are found in infected animal urine and animal tissues.
- Transmission can occur after contact with infected animal urine or flesh, soil, mud, or water that has been contaminated with animal urine, or by eating contaminated food or drinking contaminated water.
- For more information see the NSW Health website
<http://www.health.nsw.gov.au/factsheets/infectious/leptospirosis.html>

What NSW Farmers is doing

- NSW Farmers has written to the APVMA supporting an application from Western Australian chemical company 4farmers requesting access to the active ingredient Zinc Phosphide for appropriately accredited and trained chemical users to apply to grain for use as mouse bait, and has raised the issue that there are significant shortages of supply of existing control measures such as Mouseoff.
- NSW Farmers has been speaking with DPI on the availability of chemical and any support mechanisms that are available for farmers.

NSW Farmers is also investigating the possibilities of mice plagues falling under either natural disasters or pests management support programs. DPI has informed NSW Farmers that Mice aren't declared pests, as they aren't as mobile as locusts and therefore posing less of a community concern.

- NSW Farmers has been speaking with the Rural Doctors Association and NSW Health regarding the health implications. At this stage these organisations have not noted any significant increase in cases however they are aware of the matter and are willing to work with NSW Farmers to promote any messages.

Global Economic Outlook

Within this quarter we've seen the global economy start to show its first signs of faltering since the post-GFC resurgence. This has resulted in overarching ramifications for agriculture and all other industries. The reduction in growth levels has been witnessed across the US, Europe and even China- who has seen an unusual hiccup in growth partly due to their continuing battle with inflation. China's economy, despite attempting to insulate itself from the increasingly volatile Western demand, remains exposed. The decrease in demand for Chinese exports will flow onto finite commodity prices, easing pressure on the Australian dollar. This process will be somewhat counterbalanced by the impending rate rises by the Reserve Bank later this year and the negligible net savings announced in the coming financial year's budget.

Worse than expected climatic conditions in US have seen the price of wheat remain resolute in the face of global uncertainty, with the other core grain commodity prices retaining strength in future and spot markets. Opinions are divided, however the overall outlook for the grains sector remains cautiously optimistic, with the dollar expected to gradually decline below parity over the next 12 months, and prices remaining relatively high due to supply insecurities and consistent demand.

Alternative Fuels Legislation

NSW Farmers has provided evidence to the House of Representatives Standing Committee on Economics welcoming the introduction of new alternative fuels legislation introduced by the Assistant Treasurer, the Hon Bill Shorten MP on 12 May 2011 that will see current taxation arrangements for renewable fuels (ethanol, biodiesel and renewable diesel) continue for the next 10 years as a valuable contribution to energy security in this country.

Whilst not supporting mandatory percentages of biofuels, NSW Farmers supports a viable domestic alternative fuels industry given that Australia's dependence on foreign oil will increase from 55 per cent to over 80 per cent in less than 10 years under a business as usual scenario. If Australia's willingness to rely on overseas oil to fuel its economy continues, it could leave the nation with an oil trade deficit of over \$25 billion by 2020.

Given Australia's relatively minor position in the world oil economy an over reliance on fuel from overseas is a major risk to national security and economic and social stability. Agriculture will be particularly vulnerable to diesel shortages.

The reduction in the ethanol excise originally proposed was from the current 38.14 cents per litre down to 12.5 cents per litre over 5 years, with the petrol excise staying the same. At the same time imported ethanol would have started from a low point of 25 cents to 12.5 cents over 5 years.

NSW Farmers had concerns with the unnecessarily generous excise regime for imported ethanol, and the grave consequences this would have had on domestic production and the Australian alternative fuels industry in general.

It would have resulted in approximately \$520 million lost revenue to Federal Treasury based on 20 billion litres of fuel used in Australia, with 10% ethanol – therefore 2 billion litres at 26 cents per litre = \$520 million.

The majority of Australian ethanol is produced utilising waste starch as a bi-product of sugar refinery and flour milling, and is not in direct competition for food resources, unlike ethanol made in the US from corn and in Brazil from sugarcane. Brazilian sugarcane is a major contributor to deforestation.

Australian ethanol indirectly provides an extra market for grain growers to sell into and provides the maintenance of many Australian jobs.

NSW Farmers has also called for more Research and Development into secondary biofuel technology such as lignocellulosic technology.

Australian Wheat Supply

It is estimated that around 21.3 million tonnes of wheat were held in stock in Australia at the start of April 2011, compared with 23.2 million tonnes at the start of March 2011.

Wheat stored by the bulk grain handlers fell by around 1.6 million tonnes to 18.7 million tonnes at the start of April 2011, after falling by 1.8 million tonnes in the previous month. Wheat stored by the bulk grain handlers comprised around 10.3 million tonnes of milling grade wheat and around 8.5 million tonnes of feed grade wheat, compared with around 11.6 million tonnes and 8.8 million tonnes, respectively, in March 2011.

Around 1.8 million tonnes of wheat were estimated to be stored by growers and around 800,000 tonnes by wheat users at the start of April 2011. Around 515,000 tonnes of wheat were used domestically in March 2011. Wheat committed for domestic use was around 1.3 million tonnes in March 2011.

Australian wheat exports

The volume of wheat exported in March 2011 fell by 160,000 tonnes to around 1.7 million tonnes, but was around 16 per cent higher than March 2010. It is typical for the volume of wheat exported in any month to fluctuate relative to the previous month. Increases and decreases can be attributed to various factors such as harvest dates and volumes in Australia and other exporting countries, fluctuations in world prices and exchange rates, and the private selling and buying decisions of wheat exporters and buyers.

Around 5.6 million tonnes of wheat were committed for export in March 2011, a fall of around 762,000 tonnes from February 2011. The volume of wheat committed for export in one month is generally greater than actual exports in the preceding month.

Bulk shipments fell by 184,000 tonnes to around 1.4 million tonnes in March 2011. The largest markets for bulk wheat exports in March 2011 were Indonesia, Bangladesh and Iraq. Wheat shipped in

bags and containers rose by 24,000 tonnes to around 248,000 tonnes in the same month. Vietnam and Chinese Taipei were the largest markets for wheat shipped in bags and containers.

Canola Crop Report

	2010/11		2011/12 May	
	Interim Harvested Area (hectares)	Final Production (tonnes)	Estimate Area Planted* (hectares)	Estimate Production (tonnes)
NSW	310,000	610,000	395,000	630,000
Vic	240,000	440,000	370,000	600,000
SA	200,000	360,000	245,000	375,000
WA	845,000	705,000	830,000	830,000
Total	1,595,000	2,115,000	1,840,000	2,435,000

Source: Industry Estimates 13/5/11

Meeting with Hon Duncan Gay MLC

On Wednesday 18 May NSW Farmers met with Minister for Roads and Ports, Duncan Gay to discuss transport and infrastructure matters. A range of issues relating to the transports of grains were covered. NSW Farmers left confident that the Minister understood our concerns, and hopeful that required changes to policy would be made. The 25 May announcement that temporary exemptions for cotton pickers to help harvest a bumper year of cotton is a welcome step forward by the Minister. Hopefully this common sense approach continues, with permanent exemptions granted for the movement of all necessary agricultural equipment.

Hay Bales

NSW is the only major hay producing State which does not have width limits of 2.7 m for hay bales. Victoria, South Australia and Western Australia all have 2.7 m. NSW Farmers asked the Minister to amend the NSW legislation move from the current width limit for Hay Bales of 2.5 metres to the Victorian standards of 4.6 metres high and 2.7 metres wide.

Grain Harvest Management Scheme

In Queensland there is a Grain Harvest Management Scheme ('GHMS') which permits those drivers registered in the scheme a degree of flexibility in truck masses. NSW Farmers requested that this scheme be implemented in NSW with a flexibility of 10% for accredited participants. Due to vagaries associated with loading grain ex-farm at harvest time, this flexibility would better enable compliance with road transport legislation, and the

opportunity for NSW farmers to compete on a level playing field with other States.

Grain Augers

NSW Farmers sought an amendment to the Grain Auger Combination Exemption Notice 2010 to allow auger combinations up to 35 metres in length and a rear overhang maximum of 60% instead of the current 53%.

NSW Grain Freight Review

The NSW Grain Freight Review recommended the NSW Government set up a Grains Industry Coordination Forum to remedy identified gaps in the grain road network to ensure Higher Mass Limit (HML) operation is possible on all critical grain routes. NSW Farmers stressed the need for Government to act on the findings of this review.

National Heavy Vehicle Regulator

From 1 January 2013 the Heavy Vehicle National Law will be introduced in an attempt to provide consistency across states. Recently NSW Farmers put in a submission to the National Transport Commission outlining our views on the proposed National Heavy Vehicle Regulator.

NSW Farmers supports the establishment of a single national system of laws for heavy vehicles to improve efficiency and reduce the administrative burden for heavy vehicle operators. However there are concerns that the Regulator and the Law could result in another layer of bureaucracy which will make it difficult for state based organisations such as ourselves to have realistic access to decision makers. Great uncertainty remains around the funding and structure of the Regulator, as well as the final makeup of the proposed Law.