

# 2000 to quit sugar despite handout

Greg Roberts

JOHN Howard's sugar reform package to be unveiled tomorrow was unlikely to stop an exodus of up to 2000 canegrowers from the industry over the next two years in the face of depressed world prices.

Canegrowers general manager Ian Ballantyne said the exodus was inevitable, as the Prime Minister prepared to travel to Bundaberg in the marginal National Party seat of Hinkler to announce details of the package.

The departure of 2000 growers would reduce the

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Canegrowers general manager

industry by 30 per cent, slashing annual export earnings by \$350 million. Mr Ballantyne said the exodus could be even larger if low commodity prices persisted beyond 2006.

Mr Howard is expected to announce as much as \$280 million in extra federal funding for the industry in an attempt to avert a backlash the Coalition fears could cost it a string of marginal seats in Queensland and northern NSW at this year's election.

The federal Government has previously announced funding of \$120 million, about \$20 million of which has been spent in welfare assistance. The Queensland Government has pledged an additional \$30 million.

The industry had asked for \$590 million after sugar was excluded from the free trade

deal struck with the US earlier this year, but industry leaders are understood to be happy with the final package.

Mr Ballantyne said growers were satisfied Mr Howard had given them a good hearing.

"I am confident the package will deliver what we have sought," he said.

While some growers leaving the industry would be able to diversify to other crops, many others, especially in wet tropical areas, would not.

But Mr Ballantyne said some political backlash was inevitable, even with a generous package.

"If you are 55, you've been on the land for 40 years and for no apparent reason your livelihood is threatened, you get angry about it," he said.

Mr Howard's package will include aid for farmers who want to diversify, incentives for ethanol and other alternative cane industries, and interest rate subsidies for mills in financial difficulty.

The Government is also expected to offer separation packages worth about \$100,000 to struggling farmers willing to quit the business.

Mr Howard said yesterday the package would recognise that many growers did not want to leave the industry.

"The great majority, they just want the opportunity to make a fair living," he said. "The package will be designed more to help them than anybody else."

He refused to detail the package but acknowledged it would not meet all the demands he received from canegrowers, millers and the Sugar Industry Reform Committee during a recent visit to Cairns.