



Cane-enabled: The Mourilyan sugar plant, south of Innisfail, was damaged by Cyclone Larry

Picture: Lyndon Mechielsen

Cyclone won't sweeten sugar prices

Sugar production

CYCLONE damage to sugar production in Australia, the world's third-biggest exporter, won't be enough to raise global sugar prices, Macquarie Bank predicts.

Australia's 4 million tonnes of exports represented about 10 per cent of the global export market, Macquarie analysts Andrew Dale, John Purtell and Andrew

IScott said in a report yesterday. A reduction in the crop would have a "relatively small" impact, the analysts said.

Raw sugar futures have gained 3.5 per cent in New York since the cyclone hit north Queensland on Monday.

Australia's sugar output might be cut by 150,000 to 250,000 tonnes, the US Department of Agriculture said yesterday.

Australia was forecast to produce 5.2 million tonnes in the year ending June 30, 2007.

"A hypothetical 20 per cent, or 1 million tonne, reduction in the Australian crop would equate to a relatively small 2.5 per cent impact on the global market," the Macquarie analysts said in the report.

Production losses would be further limited if cane crops that were knocked

down by the cyclone's winds kept growing in their flattened state.

This growth, known as lodging, would allow the crop to mature and be harvested with a reduced yield.

Sugar prices have jumped 95 per cent in the past year as Brazil, the world's biggest producer, converted more of its crop to ethanol production.

Bloomberg

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Drooping stack flags town's ills

Tony Koch

THE township of Mourilyan, population about 500, just south of Innisfail in north Queensland, depends almost totally on the local sugar mill for employment opportunities.

But yesterday the giant smoke stack drooped sadly, testament to the extensive repair work that will be required before the cane crush begins in July.

Mourilyan mill began operations in 1882. It employs about 60 people in the slack season and 120 when the harvest begins. Last year about 630,000 tonnes of cane was processed at this mill, produced by more than 200 local growers.

It has gone through the hands of a variety of owners in the past 124 years and is now owned by the French company Finne Sucre.

The force of Cyclone Larry was so great it stripped iron from the outside of the mill, but there was no damage to the heavy machinery or boilers.

Terry Nucifora, a fitter and turner at the mill for 17 years, said yesterday repairs to the mill could easily be done before July, but the real problem was out on the farms. "So much of the cane has been knocked down and this will cause real problems with harvesting," he said.

"We got this cyclone too early.

It is not going to do anything positive for the industry."

Mourilyan's main street is possibly the worst affected area in the region hit by Larry. The local hotel, other small business premises and homes are shattered.

State Emergency Service workers were yesterday clearing debris from the one main road in the township and trying to restore order. The roof of a building had to be lifted from a small sedan.

Mourilyan postmaster Joe Bricchetto said he had lived through Cyclone Winifred, but Larry was much fiercer.

However, as much as the town was affected, he expected things to get back to normal soon.

"People here have rallied, with friends helping each other in the normal way," he said. "Power poles were snapped by the wind, and lines are strewn everywhere. . . I was told this morning that we might not get power restored until May.

"But we don't have a great deal to complain about. The emergency service workers have been great and everybody who can help has given us a hand.

"We will just hang on like everybody else and do the best we can."