

Growers dispute that sugar trade argument

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Lindsay Mischke in his cane fields at Woongoolba

SUGARCANE growers have disputed Bob Katter's claim that deregulation destroyed Australia's sugar industry, fearing a return to protectionism would only deal more damage to the export-dependent sector.

The independent MP, whose Kennedy electorate covers part of north Queensland's cane fields, has criticised Labor and Coalition governments for eliminating trade barriers on sugar, which he says has rendered thousands of canegrowers unprofitable.

"The sugar industry was the industry that pulled us out of the Great Depression. It employs 50,000 people and it was shattered and wrecked by the removal of tariffs," he told parliament in June. "Government is here to help, to ensure that our industries win. Government is not a spectator sport."

But Ian Ballantyne, chief executive of sugar industry group Canegrowers, said the country's producers had much more to gain from international trade than hiding behind a tariff wall. "We are a nation of sugar traders. We export 80 per cent of our production — the majority to Southeast Asia — and it would be very hard to sustain a trading arrangement with those countries

if we maintained our trade barriers," he said.

"If you were to put up the tariff wall on Australian sugar, you could charge more for domestic supply — which is the other 20 per cent — but you would damage the other (exports) side."

Lindsay Mischke's family has farmed sugar at Woongoolba, 25km southeast of Brisbane, since the 1970s. He was always uneasy about deregulation, but said he faced bigger issues than the occasional foreign import.

"The price hasn't been good for the last 10 years, but we've adjusted our farming practices to suit that," he said.

"I think the environmental red tape is harder to deal with, and so is the cost of fuel and equipment, but you find new ways to do things."

Mr Ballantyne also cast doubt on Mr Katter's push for governments to subsidise the conversion of sugar to ethanol, for use as fuel.

"It's just not viable without a massive government intervention, and our feeling is neither side of politics has indicated its willingness to invest excessive amounts of money in ethanol," he said.

JARED OWENS