



escape plan?

Local, national and world news for Bundaberg, QLD | Tuesday 10 June, 2008

A crushing blow is on the way for sugar mill

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By Clementine Norton THE future of one Bundaberg mill is on shaky ground after news emerged that not enough cane will be crushed this season to keep the doors of both operations open in the longer term. "From a Bundaberg mill area perspective, it is becoming increasingly difficult for two mills to remain viable into the future," Canegrowers Bundaberg chairman Allan Dingle said. "Throughput is a mill's livelihood in Bundaberg's case, we would need a million tonnes per mill to make it viable." Bingera Mill would be the most likely to close if Bundaberg Sugar shut one of its operations in the region. Bundaberg Sugar's local operation general manager Ray Hatt confirmed the company's two mills were currently processing about 1.65 million tonnes a year. "1.65 million is a bit low, we would like to see it higher," he said. However, he denied low tonnage was a problem, saying both mills were able to operate sustainably at that level. "If we can retain that kind of tonnage, we have no plans to close a mill," Mr Hatt said. "Certainly Bundaberg Sugar is committed to having a viable sugar industry in Bundaberg, and recent investments by our company are a good indication of that commitment." Mr Hatt said there had been a steady decline in cane planting in Bundaberg during recent years, due to the low price of sugar. Australian Workers Union organiser Tony Beers was aware of rumours that a mill may be forced to close, when contacted by the NewsMail. "I met with the company and told them about the rumours and the company said there was no truth in it," he said. "When Fairymead closed, there had been rumours going around for years beforehand, and the company denied it right up until the time they made the announcement." Mr Beers said if a mill was closed, about 100 employees would be out of work, which would have a knock-on effect for local businesses. "Given what happened with Fairymead Mill, we need to be ever vigilant because the last thing we need is another mill closing," he said. Isis Canegrowers chairman Joe Russo said there was pressure on not only growers, but also on millers. "It's a sign of the times the environment is changing, the sugar industry is changing," he said. "Last season we only crushed around three million tonnes of cane, and two mills could handle that amount quite comfortably. Mr Dingle said the future of the industry would be determined by input costs such as fuel, fertiliser and chemicals, in relation to the Aussie dollar. "It's more and more difficult for us to absorb those kinds of costs with the high Aussie dollar and the low price of sugar," he said. "You cannot keep growing a crop and keep losing money on it." One of the reasons Bundaberg mills are under pressure is the growth of operations at Isis Central Sugar Mill, recently attracting 15 farmers from the area. Isis Central Sugar Mill general manager Mark Hochen said the Childers mill would crush around 1.183 million tonnes of cane this season, which was more than last year. "As we are owned by growers, there is some attraction in that growers can participate more in the process," he said. "We also see Isis Mill as a long-term option growers want certainty about the future, and we can offer that."

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