

**Lamb feedlot crackdown to hurt small producers, 30 Jul 08**

A South Australian lamb industry leader says a new code of practice for feedlots will disadvantage small producers.

The new code of practice brings environmental and welfare standards for lamb feedlots into line with the poultry and pig industry.

Chair of SA lamb development, Glen Tilley, says people who have cheap temporary feedlots during good seasons won't operate any more, because of the tighter regulations.

"You'd have to get consultative reports in and obviously get some professional advice, all of those costly things," he says.

"So you'd want to be doing the feedlotting on a reasonable scale to justify that, so perhaps 90 per cent of the producers aren't near that scale." (ABC Rural)

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**US beef shipment arrives in Korea, 30 Jul 08**

The troubled South Korean beef market has welcomed its first import shipment from the United States.

For some months the country has been in turmoil over a government decision to allow US beef, with huge protests and three resignations from cabinet ministers.

The crisis was defused after the government negotiated extra safeguards.

The 1.5 tonne shipment will go on sale after a quarantine inspection that could take up to two weeks. (ABC Rural)

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**AWB slams single desk revivalists, 29 Jul 08**

AWB chairman Brendan Stewart has slammed the Wheat Growers Action Group, saying its real agenda is to use AWB as an agri-political platform to resurrect the single desk.

Mr Stewart cited a WGAG media release issued yesterday which states that "AWB could have a stronger role in grower advocacy for its grower shareholders as it becomes evident to our political masters that the current export arrangements are found wanting".

Mr Stewart said this statement shows that WGAG are intent on using AWB as an agri-political platform, rather than helping AWB to compete on an equal footing with bulk handling companies and international traders in the new wheat export marketing environment.

"The WGAG comprises six disenchanted wheat growers in NSW who have failed to succeed in their opposition to the abolition of the single desk," Mr Stewart said.

"The WGAG appears to be trying to cling to the old wheat export marketing system in which they had some political influence.

"They fail to realise that the world has changed. They simply have no vision for the future.

"If AWB remains the only company on the Australian Stock Exchange with an out-dated and costly dual shareholding structure, it will fall behind and be unable to offer Australian wheat growers competitive prices and services in the new deregulated wheat export marketing environment." (Stock & Land)

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**AWB holds 2008/09 pool forecast steady, 29 Jul 08**

AWB's 2008/09 estimated pool return has been left unchanged from its last review a fortnight ago.

The EPR range for APW wheat is \$350-\$370 per tonne (FOB, GST exclusive) and the Western Australian noodle grade wheat is now at \$355-\$375/t.

AWB Australia commodity division general manager, Mitch Morison, said a reduction in US wheat futures market was largely offset by a decline in the Australian dollar late last week, resulting in no change to the EPRs.

"The Northern Hemisphere winter wheat harvest continues to progress well in the Ukraine and Russia with excellent wheat yields however, there is some quality concerns regarding the Ukraine harvest," Mr Morison said.

"Winter wheat crops in the US and EU continue to look in good condition and recent good rains in Canada has improved the outlook look for the Canadian wheat crop.

"The outlook for wheat exports from the Black Sea continues to be strong this season, and this will set the benchmark for world wheat cash pricing to many key import markets going forward."

Growers have again been reminded by AWB that the 2008/09 EPR is not supported by a hedging program and will continue to fluctuate by price movements in international wheat markets. (Stock & Land)

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#### **Record grain harvest predicted for south-coast, 24 Jul 08**

A Western Australian grain handler says the south-coast is on track to producer one of the biggest harvests on record. Co-operative Bulk Handling is predicting an eight to 10 million tonne harvest this season. Albany is expected to produce over one quarter of that total.

Operations manager Colin Tutt says Albany should top its previous record of 2.7 million tonnes of grain, based on increased plantings and good rainfall.

Mr Tutt says canola plantings have increased by 30 per cent this year, with growers keen to cash in on high grain prices.

"The Albany zone is just fantastic. They've probably had one of their best starts and there's enormous amounts of plantings this year, in comparison to previous years so that area is set for record production if we can get the rains to keep coming as they have been," he said.

However for those in the Esperance district say the seasons harvest is expected to be more than half a million tonnes down on last year.

CBH Esperance Zone Manager Mick Daw says the low harvest is due to a lack of rain.

"An average year would be around 1.5 to 1.6 million tonne over the last three or four years," he said.

"We got 1.6 million tonne and the year before that was 1.35, so yeah we're a little bit below average." (ABC News)

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#### **Australia clears NatFoods bid for Dairy Farmers, 24 Jul 08**

Australia's competition watchdog cleared a joint bid for Dairy Farmers by National Foods, owned by Japan's Kirin Holdings and Warrnambool Cheese and Butter Factory, accepting their moves to ease competition concerns.

National Foods proposed two weeks ago to sell two milk processing plants and license key brands to help win approval.

"The undertaking adequately addresses concerns over National Foods' ability to use its position in these markets post acquisition to put in place a sustained price rise or otherwise reduce the quality of its goods or services, or its trading terms with raw milk suppliers," the commission said on Thursday. (Reuters)

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#### **Organic beef set for bright future in Qld, 23 July 08**

The nation's largest organic beef project says its optimistic about the future of the organic food sector both in domestic and international markets.

New figures have shown organic food sales have grown by more than 80 per cent over the last four years.

OBE Beef sells organic beef from Queensland's Channel Country.

Manager Simone Tully says the company's properties have helped Australia account for the largest amount of certified organic farmland in the world.

"Seven million hectares of that figure can be attributed to OBE rangelands. So we

feel that we really have led the world and helped put Australia on the map for organic production," she said.

"We feel it's a very good future, I think that consumers are becoming much more knowledgeable about food production and wanting to make more choices." (ABC News)

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#### **AWB company changes endorsed in new report, 22 July 08**

AWB has released a new report which claims its planned changes to the company's constitution will allow it to leave behind the Iraq kickback scandal and make more money.

The wheat exporter wants to end grower-elected control of the company at an extraordinary general meeting next month.

The research, compiled by Value Enhancement Management and paid for by AWB, says changes to the constitution will give AWB better access to equity capital, increase the company's share price and generate greater investment.

The report also claims the creation of a single class of shares will instill greater community confidence in AWB.

It says many existing and potential stakeholders are looking for corporate governance change at the wheat exporter, and maintenance of the existing structure will prolong reputational damage.

Under current arrangements, A-class shareholders, or growers, control up to nine positions on the 12-member board. Attempted reform of the company's constitution failed at AWB's AGM last February. (ABC Rural)

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#### **Russia bans contaminated Aussie meat, 22 July 08**

Decrease Increase Email article: Email Print article: Print July 22, 2008 10:25am  
RUSSIA has banned imports of meat processed at four Australian plants because of microbial contamination.

Meat and Livestock Australia (MLA) said the move against three kangaroo meat processing plants and one beef plant was not a blanket ban on Australian imports. Processing plants in seven other countries - Denmark, France, Germany, Italy, Brazil, Argentina and Spain - were also targeted in the Russian crackdown. (Herald Sun)

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#### **National Foods lodges bid for Dairy Farmers, 21 July 08**

National Foods, the Australian food producer owned by Japan's Kirin Holdings (2503.T: Quote, Profile, Research), has lodged a final bid for Australian dairy producer Dairy Farmers, a source familiar with the situation said on Monday. Analysts have said the deal for Dairy Farmers, which makes Dairy Farmers brand milk, Coon cheese and Ski yoghurt, could be worth A\$800 million to A\$1.0 billion (\$780-\$975 million). The group is owned by some 2,000 Australian farmers. (Reuters UK)

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#### **Argentina Blocks Farm Export Tax , 21 July 08**

Argentina's Senate narrowly rejected the agricultural export tax increases that caused a nationwide farmer rebellion when the country's vice president sided with agriculture producers early Thursday and cast the deciding vote against the measure.

Farmers in Buenos Aires on Thursday celebrated the rejection by the Argentinian senate of the grain-export tax package.

The Senate voted 37 to 36 to reject the system of floating-rate taxes that the government of President Cristina Fernández de Kirchner imposed in March without first consulting with her nation's Congress.

The vote was a stunning turn of events in the four-month-old conflict that has roiled Argentina, one of the world's major agricultural exporters. And it was a stinging repudiation of Mrs. Kirchner's insular and confrontational style of governing that portrayed farm groups as enemies of the state bent on destabilizing her seven-month-old government.

Yet while the vote means that Congress rejected Mrs. Kirchner's attempt to make the higher taxes law, it did not revoke the new system, which will remain in place for now, analysts said. That leaves the beleaguered president with a tough political decision: continue to insist on the taxes and risk further political damage to her Peronist bloc's hold on Congress, or give up the \$3 billion to \$4 billion in additional revenues a year that the higher taxes are reaping for the treasury. (NY Times)

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#### **ABB ready to compete in wheat, 17 July 08**

ABB Grain's experience in bulk exports of grains other than wheat and work in the containerised wheat market since August will mean it will step into the deregulated bulk wheat export market as a ready-made player, according to its general manager of marketing Peter Jones.

Mr Jones said the company had forged strong links with international companies, both with its work as an exporter of barley and more recently exporting containerised wheat and that the deregulation of the wheat market came at the perfect time for the business.

"We've been involved in wheat pools for over 10 years now, and for us, the transition from a domestic marketer to an international marketer is seamless," Mr Jones said.

"Our customers in the containerised wheat market have been very happy so far and we expected this will translate into bulk wheat exports."

ABB's focus will be on Asia, Mr Jones said, but they would look further afield if there was a big Australian harvest.

"Obviously, the freight advantage makes Asia the obvious target, and we are well positioned there, but if the Australian crop is bigger and the freight rates are favourable we could go into other areas." (Stock & Land)

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#### **Carbon scheme means pain and gain for agriculture, 16 July 08**

The Federal Government has decided agriculture will not have to pay for its carbon emissions until at least 2015, under the carbon emissions trading scheme announced by the Climate Change Minister, Penny Wong.

It's going to decide in 2013 whether the problems of getting thousands of farms to count their emissions, and the carbon they're storing on their properties in soil and trees, have been overcome in time for agriculture to join the scheme two years later. The Government is going to keep 10 per cent of the permits (to emit greenhouse gas at no cost) for agriculture until it comes into the scheme. However, as agriculture creates 16 per cent of emissions, the industry is clearly going to have to reduce its emissions or find offsets like planting trees on properties.

At this stage, the Government doesn't know whether or how carbon stored on farms in soil could be included.

Before farmers come into the scheme, they will be able to sell tree plantings as carbon offsets to other polluting sectors.

Farmers and forestry operations which plant trees will be able to join the scheme to sell offsets on a voluntary basis, but the logging industry is also being left out for the moment. (ABC Rural)

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#### **WA's biggest grain grower slashes planting by 20,000ha, 16 July 08**

Merredin grain grower John Nicoletti has reduced his 2008 planned cropping program by 20,000 hectares due to the persistent dry conditions over the past few months.

His Esperance and eastern Wheatbelt properties have been the hardest hit. The dry conditions are now also threatening his final yield and ability to cover his \$10 million dollar expenditure on the cropping program. In March, Mr Nicoletti made national and international headlines when Farm Weekly broke the story of his plans to plant a whopping 100,000ha crop. At the time it was reported to be the biggest individual cropping program ever undertaken in the history of Australian farming. (Farm Weekly)

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#### **US corn prices keep rising, 15 July 08**

The US Agriculture Department's latest estimates reflect continued price rises for grains, caused by last month's massive flooding and rains in the US Midwest. USDA's World Ag Outlook Board Chair Gerald Bange says the floods put the 'squeeze' on acres in the corn belt, shifting planting into lower-yield areas in the plains states. He says lower corn yields and strong global demand for soybeans are helping support grain prices, overall.

"We recorded a record price in 2007/08 of \$6.48, to be exact, and this year, we're looking at a mid-point price forecast for the 2008-09 year, of \$7.50. So we're looking for a record, on top of a record, you might say."

US wheat stocks are forecast up, but still low, and more wheat is replacing corn as feed, due to higher corn prices. (ABC Rural)

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#### **Rain helps secure Australia's canola crop-industry, 15 July 08**

Widespread rain in eastern Australia has boosted the prospects for a large canola crop this season, industry body the Australian Oilseeds Federation said on Tuesday. The organisation, which represents producers, users and marketers in the oilseeds industry, kept its forecast of Australia's 2008/09 canola crop at 1.66 million tonnes, up from drought-affected production of 1.07 million tonnes last season. Drought hit Australia's canola crops hard in the past two years, chopping production in 2006/07 to 573,000 tonnes from 1.4 million tonnes the year before. Before one of Australia's worst droughts struck in 2002, canola production amounted to over 1.7 million tonnes a year.

Australia is normally the second-biggest canola exporter, after Canada, selling mainly to Asia for use as a cooking oil.

"Crops across New South Wales remain patchy, but the recent rain has helped secure crop potential," the federation said in its latest forecast.

Recent good rain had also boosted prospects for the crop in Victoria and South Australia states, it said.

But after an excellent start, the crop in Western Australia had been hit by dry conditions in May and June.

"Good rain in July is needed to consolidate the crop that has been planted," it said.

The government's Australian Bureau of Agricultural and Resource Economics last month forecast the canola crop in 2008/09 at 1.67 million tonnes. (Reuters)

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#### **Wheat growers split on proposed AWB reforms, 15 July 08**

AWB has filed documents with the Australian Stock Exchange, outlining its case for constitutional reform at next month's extraordinary general meeting.

The wheat exporter wants the removal of A-class shares, and with it, grower-elected control of the company.

The changes failed at AWB's February meeting, getting 60 per cent of votes when 75 per cent were needed.

Shareholder activist, Stephen Mayne, says he expects the reforms to get through this time, but not everyone will be happy.

"It's a commonsense proposal to bring AWB into the corporate governance

mainstream," he says.

"Already, the transition to fertiliser, finance and everything Landmark represents, has taken place in terms of the value of the company.

"This makes it more ridiculous that growers deny that reform is needed, particularly after Federal Parliament has so comprehensively abolished the single desk."

AWB managing director Gordon Davis is in Western Australia at the moment trying to convince more shareholders to vote for the abolition of 'A' class shares, but four of his 12 board members want to keep them.

The new board members argue that A Class shares encourage grower loyalty, but Mr Davis disagrees.

"We saw WA growers quite rightly voted with their hip pocket when they had a chance to export via bulk permit with CBH who were offering a higher price," he says.

"We've seen, in the eastern states, the national pool essentially being used as an option for big years.

"Growers in the end quite rightly will deliver their wheat to people who are providing the best price, the appropriate service and a high level of security." (ABC Rural)

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### **AWB hosts wheat marketing seminars**

The Australian Wheat Board (AWB) says a series of seminars to be held this month will help farmers understand Australia's new wheat marketing system.

This month, the Federal Government abolished the single desk system, allowing growers to sell their wheat into a deregulated export market.

AWB is hosting the seminars, which are being held across Western Australia's wheatbelt region this month.

Chris Melican from AWB's Esperance office says it is important wheat growers understand the new arrangements.

"Well the single desk has been in place for a long period of time," he said.

"So it is a changing era for growers and for the wheat industry in general.

"What it means for certainly participants in that industry, particularly growers, is all important.

"[It is important] for growers to actually come along and hear what it means for them and indeed their business and how to structure their business around these changes." (ABC News)

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### **Durum wheat on the up, 9 July 08**

Durum wheat prices are on the rise, and one grain marketing advisor thinks they could reach last year's record highs.

Kevin Schwager says that despite a big worldwide crop, high demand internationally is still pushing prices.

"The Italian durum crop looks as though it could be a near record one, close to five million (tonnes) but the condition of it is a little indifferent," he says.

"Things are pretty good in the States as far as their spring durum crop is concerned. But things are very tight supply and demand wise in the US and we're seeing that there's going to be reasonable demand for durum again this year." (ABC Rural)

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### **EU alert on biofuel targets, 9 July 08**

The European Parliament has called for the European Union to lower its targets for developing biofuels, which are thought to be driving up food prices.

The environment committee of the European bloc's parliament recommended the EU aim to make renewable sources account for between 8 and 10 per cent of transport power sources, with biofuels to account for just half of this share.

The EU's ambitious energy plan, unveiled last year, says no less than 10 per cent of

all the fuel powering vehicles must come from renewable energy by 2020. An earlier reading of the EU plan had set a target by which this 10 per cent would consist only of biofuels. EU ministers later said the plan had been misread and the 10 per cent encompassed other renewable energy sources. But the EU's executive branch, the European Commission, maintains that the 10 per cent target will effectively mean 10 per cent biofuels, since other sources, such as electricity and hydrogen fuel, are not yet considered viable means of powering vehicles. The parliamentarians have also recommended a midway target by which renewables would account for 4 per cent of transport energy sources by 2015, with biofuels to make up only a fraction of this. NSW is the only Australian state or territory to mandate a minimum level of biofuels in petrol, with plans to boost the level to 10 per cent by the end of 2010 from the current 2 per cent. It will also become the first state or territory to mandate a required level of biodiesel in vehicles, at 2 per cent. Queensland has signalled its intention to introduce a 5 per cent ethanol mandate by 2010. Victoria ruled out mandating biofuels in February following a parliamentary inquiry. (The Australian)

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#### **Burke tour to include talks on GM crops, drought, climate change, 7 July 08**

Agriculture Minister Tony Burke is touring WA. Federal Agriculture Minister Tony Burke is touring WA and speaks on climate change and drought. The Federal Minister for Agriculture, Tony Burke, says he will discuss the benefits of drought resistant genetically modified crops with his state counterpart today. The West Australian Government has a moratorium on the development of genetically modified crops. Mr Burke is in Western Australia and will hold talks with the State Minister for Agriculture, Kim Chance, before touring the north west. Mr Burke says he is hopeful the WA will reconsider its position on GM crops. "I've said for some time now that I do believe that genetically modified crops will provide one piece of the jigsaw in dealing with climate change," he said. "Now these decisions that the state ministers have been making in consultation with their own growers, I've previously made my view clear to Minister Chance." (ABC News)

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#### **Grain off the rails, 7 July 08**

Up to 5000 extra truck journeys could be required to move the approaching grain harvest through southern Riverina and northern Victorian roads and streets. Grain growers in the Oaklands, Yarrawonga and St James area are expected to lose access to the rail system from November as a result of a Victorian Government decision to change the gauge of the Seymour to Wodonga line. Farmers are worried about the extra costs of moving their grain and shires can see northern Victorian roads and bridges deteriorating under the extra weight of up to 70 000 tonnes of grain being moved from the Yarrawonga and St James depots. Moira Shire chief executive Gavin Cator also raised the spectre of up to 3000 extra heavy trucks crossing the Murray River and driving through Yarrawonga's main street. Yarrawonga farmer and VFF District Council president Geoff Campbell delivers wheat and canola every season to the Yarrawonga silos and said it didn't make sense to cut off rail access. (Country News)

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### **Dairy farmers switch to grain feeding**

A quarter of all the cows milk we drink in Australia now comes from cattle fed on grain - and it's not just due to the drought.

Once dairy farmers fed grain to cows to get through dry times, but increasingly the change in diet is to boost milk supply and protein content.

Steve Little, from Dairy Australia, says just four per cent of dairy farmers rely solely on grass anymore.

"Tasmania has the lowest level of grain feeding, they're at about 1.2 tonnes per cow per year and the highest regions are South Australia, northern New South Wales, south-east Queensland and other areas in New South Wales." (ABC Rural)

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### **US agency to buy mostly corn for N.Korea**

The U.S. government plans to ship mainly corn to North Korea during the next year to ease food shortages at a cost of \$300 million to \$350 million, including shipping, Jon Brause, USAID's expert on North Korea, told Reuters in an interview on Wednesday.

The U.S. Agency for International Development will buy about 50,000 tonnes of food a month through mid-2009. The corn will be milled into corn flour, not fed to livestock, he said.

North Korea is facing a food shortage due to flooding last year, higher commodity prices and political wrangling with major donor South Korea. Famines a decade ago killed an estimated 1 million people, experts have said.

"Government rations have almost been reduced to zero over the last few months," said Brause, who was part of a U.S. delegation to North Korea. "If there isn't an augmentation of the food supply, you're going to see some problems. Their harvest isn't until the fall."

In May, the United States said it would provide 500,000 tonnes of food aid to North Korea to fight food shortages, with most of the food distributed by the World Food Program (WFP).

About 400,000 of the 500,000 tonnes will be bulk grain, predominantly corn with some wheat, Brause said. The remaining 100,000 tonnes will be vegetable oils, pulses, and corn-soy blends for children. (Reuters)

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### **Iraq to sue AWB over oil-for-food program**

The Iraqi government has launched a civil lawsuit against wheat exporter AWB in the United States.

The lawsuit has been filed against 94 companies which the government alleges to have participated in the United Nations oil-for-food program.

The Iraqi government's lawsuit alleges violations of the US Racketeer Influenced and Corrupt Organizations Act by the 94 companies that participated in the oil-for-food program.

AWB is one of the 94 companies mentioned in the lawsuit.

AWB said today that the matters were already the subject of litigation in other civil actions before the US District Court for the Southern District of New York.

"AWB will vigorously defend its position if the case proceeds," AWB said today.

AWB shares were steady at \$2.41 at 12.37pm. (West Australian)

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### **Lamb finishing crucial to quality?**

A two-week finishing period pre-slaughter with a medium energy ration is critical for lamb meat eating quality, according to Robin Jacobs, from the Department of Agriculture and Food, Western Australia.

Outlining lamb finishing strategies at the Cooperative Research Centre for Sheep Industry Innovation forum last Thursday at Naracoorte, he said producers had a part

to play ensuring consumers had a pleasant eating experience every time by managing the muscle glycogen levels of their lambs on-farm. Low levels of muscle glycogen post-slaughter lead to dark cutting carcasses but feeding lambs on a high-quality pasture, or high-concentrate diet to ensure weight gains of 100-150 grams a day in first and second cross lambs – or 200g/day in Merinos – in the fortnight before slaughter maximised muscle sugar levels. (FarmOnline)

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**Majority of S.Koreans oppose US beef deal - survey, 2 July 08**

The majority of South Koreans are unhappy with the government's new deal for the re-import of U.S. beef but said the nightly rallies against President Lee Myung-bak should stop, a newspaper survey published on Tuesday said.

South Korea and the United States said at the weekend they had reached a private-sector deal to restrict trade in U.S. beef to cattle under 30 months and forbid exports of parts that are thought to pose a higher risk for mad cow disease.

But the revised deal, which followed more than a month of rallies against an original agreement that mushroomed into broader protests against Lee, has not stopped the nightly street demonstrations.

Over the weekend, some of the thousands of South Koreans who had held a candle-light vigil erupted into violence in central Seoul, clashing with police and smashing police buses set up to block protesters from marching to the presidential office. Online message boards have been filled with posts by users wondering if the private-sector agreement is enough to prevent meat they feel poses a high risk for mad cow disease from entering the country.

In the survey conducted by the conservative Dong-a Ilbo newspaper, 52.9 percent of the 726 people polled said the revised deal should not be accepted. Just over 38 percent approved it.

Trade Minister Kim Jong-hoon, said the U.S. private-sector export restrictions were a binding mechanism under the U.S. Department of Agriculture Quality System Assessment programme and Seoul had the right to return any product not in compliance.

The April beef deal was meant to help a separate bilateral free-trade accord that U.S. congressional leaders threatened to block unless South Korea opened up its market to beef imports. (Reuters)