

# NEW SOUTH WALES SUGAR MILLING CO-OPERATIVE LIMITED

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## ***MEDIA RELEASE***

### ***Whole Crop Trials***

The use of the whole of the sugar cane crop to generate additional fibre for the generation of electricity in the recently commissioned cogeneration plants is a world first and is being keenly watched by sugar industry participants from many countries.

Being the first of its kind operation has meant we are going through a very steep learning curve.

The New South Wales Sugar Industry have been undertaking a series of trials in recent weeks with the assistance of the Sugar Research Institute aimed at identifying all of the impacts of whole crop from harvesting, infield transport, transport to the factory and factory impacts on crushing rates and recovery. This trial is being funded by the Sugar Research Development Corporation as it is seen as a critical industry step moving forward. The trials have been based around assessing whole crop against burnt extracted and burnt non-extracted cane. These trials have meant that growers are once again burning their cane.

The results of the trial will be critical in determining the next step in being able to process all of the crop. The community can be assured that the targeted outcome of the project is to ensure that all fibre is delivered to the factory with a consequence that there will be no further cane fires. This however may not be possible in the short term.

The trials are also aimed at identifying cost impacts in the field. It is very important that we ensure that all sectors are appropriately compensated to ensure the future viability of the project. The growing, harvesting, the cooperative's operations and the joint venture partners interest all need to be considered to ensure the ongoing success of the cogeneration project.

### ***RET legislation***

The political games that are being played at the moment with the Renewable Energy Target legislation has also had an impact on the project. The Renewable Electricity Credits have dropped dramatically in value with the uncertainty surrounding the legislation.

Representatives from all mill regions across northern NSW and Queensland, appeared in front of the Senate Economics Committee which has reviewed the Bill in recent weeks. The submissions and evidence presented to the Senate Committee from the milling industry demonstrated the importance of the RET legislation.

The NSW cogeneration plants were one of two case studies highlighted showing the major detrimental impact the delay in RET Legislation was having on the existing cogeneration scheme

The Coalition and the then Opposition made commitments during the lead up to the last election which would have given stability and ongoing security to the projects. The subsequent delays have done nothing but destabilise the renewable energy market.

The projects improve the overall security of electricity supply within their adjacent communities, provide a more efficient source of power without the losses associated with long transmission distances and also dissipate some of the State Government community service obligations.

The move to decouple the RET Bill from the Carbon Pollution Reduction Scheme is at last a recognition that politics should take second place to sensible legislation supporting the communities, environment and renewable energy investors. It cannot be passed with enough haste.

### ***Sugar Market***

The dramatic surge in world sugar prices to near record levels is welcome news. The prices which are expected to be volatile and move around considerably will see the local industry receiving considerably higher income than has been seen for many years. The local industry sells all of its sugar through their refinery to the domestic market and it will be important to ensure the local markets reflects the higher prices. Growers have seen an increase in their advance prices in recent weeks and it is expected that further increases will be made as the higher prices roll through to the domestic market.

The encouraging thing is that the higher prices are reflected out into the futures market and prices in 2010 and 2011 are all very attractive.

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