

Defining year strengthens resolve

By Patrick Leahy
Australian Banana Growers'
Council President

There are no prizes for guessing the single event that will define 2006 for Australian banana producers.

Tropical Cyclone Larry wiped out 90 percent of commercial banana production when it crossed the north Queensland coast near Innisfail in March, causing banana production losses estimated at \$298 million not including on-farm infrastructure.

In the process, Larry created a once-in-a-lifetime economic windfall for those growers that had fruit to sell.

There are many lessons we can take from Larry, not the least of which is the need to ensure we maintain viable production areas outside of north Queensland.

It is clear that the tide of consumer support the industry enjoyed immediately following the cyclone quickly turned to indignant rage when banana prices soared. Accusations of profiteering were a consistent theme for talkback radio hosts and newspaper columnists who were unwilling to acknowledge that the vast majority of growers in the cyclone affected area had no income at all.

It remains to be seen what impact, if any, the negative publicity will have on consumption as supplies return to more normal levels but I suspect any consumer backlash will be short-lived.

Supply out of north Queensland had increased to 160,000 cartons by the end of November and will keep rising quickly from now on.

Nevertheless the cyclone-induced shortage has demonstrated that bananas are such an integral part of people's daily lives they are simply not prepared to do without them and we ignore this message at our peril.

The assistance package that the government put on the table after the cyclone was acceptable to ABGC,



due to our efforts working with other industry bodies. It should see most growers well placed to move forward.

For those growers who lost all, the past eight months have been a time of anguish and rebuilding. These growers are to be commended for their resolve and commitment to the industry and I wish every one of you all the best into the future.

For growers outside of the cyclone path and in other growing areas, we were lucky that supplies were able to continue – albeit at reduced volumes.

The challenge now is to look to the future and make sure that we maintain a viable and robust industry outside north Queensland.

To ensure that this occurs, some areas will have to embrace change. Growers should consider a trip to the wholesale markets to see what they are competing against, look at or change to six per layer cartons and study the specifications of their intended customers.

Congress on 14-16 June next year also presents a great opportunity to gather information, see pages 22-23 for more details about how to get involved.

Levies

As the bananas start returning to market, it is a timely reminder to growers of the need to recommit to the voluntary levies that are in place to support ABGC, Banana Industry Fighting Fund, Promotions, and Plant Protection.

Without the payment of these levies, it would have been impossible to achieve the successful outcomes we have in the wake of the cyclone.

National levy

After the defeat of the levy ballot held late last year I said that the Council would not initiate another levy ballot unless there was clear evidence of a significant level of grower support for an alternative proposal.

Since I made that statement, ABGC has been inundated with requests to develop an alternative proposal based on a set cents per carton rate, as opposed to a percentage of sale price.

In recent months ABGC has invested a considerable amount of time and effort in developing an alternative levy proposal that we believe can deliver sufficient funding for key programs in promotion, research, industry development and plant protection.

It concerns me greatly when I hear growers say they don't see the value in levy-funded programs.

There is no doubt in my mind that the only reason we are still growing bananas profitably in Australia today is because of the outputs generated by programs funded with state levies, which in the case of Queensland were abolished in 2003.

Although no firm date has been set for a ballot on the new levy proposal, I would expect it will take place in the first quarter of 2007.

Profile page 14-15

Study finds Sigatoka fungus in skins

Len Collins

ABGC Imports Committee chairman

The organism that causes the leaf disease Black Sigatoka can travel in the skin of Cavendish bananas, according to scientific research commissioned by the ABGC Imports Committee.

Because Black Sigatoka is endemic in every commercial banana-producing country in the world except Australia, this finding has significant implications for banana imports and movement of fruit between nations.

The research was carried out in Samoa and New Zealand by The Horticulture and Food Research Institute of New Zealand Ltd.

Researcher Rob Fullerton has shown that *Mycosphaerella fijiensis* (which causes Black Sigatoka disease) can be found within the skin of Cavendish banana grown in an environment where the disease is present.

The Australian industry has consistently argued the organism could be carried symptomlessly in bananas and that is a potential pathway for pathogens to be introduced if the current import ban on fresh green bananas were ever lifted.

Australia is free of the world's worst banana diseases, and when the leaf disease Black Sigatoka was detected in the Tully Valley in 2001 – arriving by means unknown – industry went to extraordinary lengths to ensure it was eradicated.

This eradication, achieved in 2004 and officially declared in 2005, is recognised as a world-first achievement which reflects a strong commitment to quarantine and included the development of valuable DNA-based leaf diagnostic tests.

As readers would know, the Philippines has applied to import fresh bananas into Australia and the Import Risk Analysis is an exhaustive,



staged process being carried out by Biosecurity Australia.

The plant diseases Moko, Black Sigatoka, Banana Bract Mosaic Virus, Freckle and Bunchy Top Virus, and mealy bug insects have been identified as the pest and diseases of quarantine concern in the Philippines.

When Cyclone Larry destroyed north Queensland plantations, Prime Minister John Howard declared that the import risk assessment process would not be compromised in any way because of a short-term interruption to supplies due to a natural disaster.

Although the importation of frozen banana pulp from Vietnam caused a stir in September, we were not unduly concerned about this skinless product – providing it adhered to the quarantine protocols of being heat-treated and snap-frozen.

Industry does not believe this was a breach of the commitment given by the Prime Minister, which clearly related to the ongoing risk assessment on fresh green bananas from the Philippines.

The ABGC imports committee has remained on alert while the quarantine regulator works its way towards the

next draft Import Risk Analysis, which Biosecurity Australia has said will be released before the end of 2006.

The IRA process is a complex business and although we would not be surprised if there were further delays, our consulting team is ready to respond whenever the report is released.

We will then have 60 days to lodge our response.

During the recent cyclone-induced chronic shortage of bananas there has been opportunistic pressure from some quarters that favour imports for their own reasons.

Those pressing for imports demonstrate an elementary failure to understand that because banana plants are all clones of each other, plantations are highly susceptible to a range of diseases which need to be managed by strict quarantine controls.

Banana importing nations such as New Zealand and Japan are not concerned about banana diseases that have no affect on human health.

Australia is the only Western nation that has a local industry to safeguard against exotic pests and diseases.

The sugar cane smut incursion which has devastated the Childers/Bundaberg and Mackay production areas provides further evidence, if it is required, of the enormous consequences of exotic disease incursions.

Failure to identify the origins of cane smut, and the earlier citrus canker and Black Sigatoka incursions, demonstrates a conservative quarantine approach is highly legitimate for an island nation such as Australia.

Thank you to the industry-minded growers who continue to support our work by paying the voluntary Banana Industry Fighting Fund Levy.

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Black Sigatoka research page 50
Please note disclaimer page 51

Bananas become hot media topic

When Cyclone Larry ripped through far north Queensland earlier this year, it was a storm felt in more ways than the obvious one.

As Australia's most-loved fruit and among the nation's top 10 grocery items, the banana shortage and price inflation resulting from the cyclone wipe-out of Australia's plantations created its own media story.

The debate as to whether Australia should import bananas from overseas, allegations of grower collusion over prices and a link between high banana prices and an increase in the consumer price index, saw banana headlines dominate national and metropolitan newspapers across the country as huge public interest surrounding the fruit shortage fuelled the media's agenda.

Throughout this, the Australian Banana Promotions Company's principal concern was to ensure the media received the most accurate and educated information relating to discussions. ABPC also aimed to ensure consumers were kept up-to-date with precise and timely information relating to the fruit's return, on behalf of growers and the Australian banana industry.

ABPC chief executive officer Craig Allen says: "Managing the media of late has been challenging and trying at times for both ABPC and growers alike. When a staple product all but disappears from supermarket shelves, it becomes a focus for the media."

"The challenge is to ensure that balanced reporting is achieved and not reporting that either sensationalises the situation or diverts attention from the real issues."

"Most important for consumers to know is that whilst they have had to endure a tough few months of high banana prices, there is light at the end of the tunnel and bananas will be returning in greater volumes and at reduced prices," Mr Allen said.

Regular ABPC media releases distributed to national print, radio and television media during the past few months have been designed to communicate the message that based on a nine-month growing process, bananas from post-cyclone plants will be ready for harvesting in December.

This will mean a return to more normal production levels, equating to a fall in prices as supply comes more in to line with demand.

In conjunction with this message, regular updates on the post-cyclone crop's progress have been used to add reassurance that Australia's most loved fruit is on its way back.

These messages have been reinforced with the help of ABPC spokesman and Melbourne Storm fullback Billy Slater, Channel Nine *Today Show* coverage in July from Mackay's Davidson Road farm in Tully, and coverage from the Sydney markets, monthly advertorials in *The Weekend Australian* and various feature articles pursued in local and metropolitan media.

The ABPC is confident that the "Remember December – for an



Australian banana summer" campaign launched in November will help reinforce this message, as word begins to spread that bananas are on their way back. **See next page**



PHOTO: Craig Allen, left, with Majella Wiemers from the *Today Show* and Barrie MacKay.

All in a day's work

Patrick Leahy has represented the banana industry through a busy and challenging period as it recovers from Cyclone Larry after the near-total wipeout of the north Queensland production areas.

He has been busy lobbying parliamentarians on behalf of growers and being interviewed by nearly every media outlet in the country since the cyclone crossed in March this year.

The Leahy's plantations in the Tully area, which Patrick runs with wife Ellen and two of their five children, Carrie and Shane, were completely flattened so there has been much work and many decisions to be made on their own business.

To help make those decisions, Patrick has developed a detailed production spreadsheet that outlines what every block on the Leahy's plantations will produce.

Patrick developed the spreadsheet in Microsoft Excel and inputs the estimated number of trees in each block on the farm, when the blocks will bear fruit, how much they are likely to produce, the likely cost of production and projected returns during the next 12 months, and the following 12 months.

In the weeks immediately after the cyclone, Patrick did a visual inspection and counted the number of damaged trees in every fourth row on the Leahy's Tully Gorge Road and Kinjun Road blocks. These counts were entered into the spreadsheet and percentages calculated on the extent of the damage to each block of bananas.

Using this information, Patrick could determine whether it was viable to allow the blocks to return and the likely cost to re-establish each block then make a decision on which blocks to keep, which to nurse sucker and which to replace.

"I did my percentages and worked out which blocks had more trees in them and were worth keeping, and which blocks were more damaged and therefore not worth keeping," Patrick says.

He can modify the production spreadsheet as the projections change, and the computer then just recalculates the totals for the affected months.

"We have taken out about a third of our farm, and are putting in new plantings and nurse suckering to ensure that we can supply bananas all year round. We had to keep some of the older blocks because of the roll out in the younger blocks, which were damaged quite a lot.

"It surprised us when we did the counts that the blocks we thought we would keep turned out to be the ones that needed to go. Looking at them visually they didn't look so bad, but when you did the count it showed us they were more affected than it appeared.

"The decisions we've made using this system will not only ensure that we have bananas all year round, they will give our business the efficiencies that it lacked due to the uneven blocks and the pattern of working the whole of our farms every week of the year.



"Making these changes will even up the blocks so that we can work those blocks over a 4-5 month period of the year. We will pick up the efficiencies when we harvest, and during general maintenance of our farms."

The weather has recently been the most dominant influence on production, with the wet conditions since the cyclone putting the Leahy's overall crop plan back at least a month.

"Because of rain, the new plantings ended up going in at least a month later than we wanted. The weather has also affected our nurse suckering because after they were cut we had colder wet weather and the suckers didn't start moving for at least three weeks."

industry

cyclone larry

However, the Leahy's have started to harvest the first bunches from the selected blocks with the least percentage of damage and while it has only been a few cartons, it means their preparation and planning is starting to come to fruition.

Patrick usually uses tissue-cultured planting material and had some ordered for September but the cyclone wiped out these supplies. In the absence of this material, the Leahys have reverted to using banana bits for the replanting of paddocks damaged by the cyclone.

The extent of damage sustained and the amount of replanting required means that for the majority of north Queensland growers, including the Leahys, it is going to be at least two years before production is back to where it was the day before the cyclone.

"While the growers are appreciative of the assistance that has been provided, it is still going to be several years before debt levels are decreased to pre-cyclone levels."

Patrick and Ellen have steadily established themselves as medium-sized growers in the industry at Tully during the past 17 years while raising five children – two working with them in the farm business, two still at school at Tully High and the eldest now married and living at Mackay.



PHOTOS: Above left, Patrick and Ellen Leahy at their home farm. Above, Patrick at the computer, and above right, son Shane preparing banana bits which were used as planting material in the absence of available tissue culture plantlets.

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Geographic point of difference

Mark Reppel is a risk-taker but when the cyclonic winds of Larry arrived just one day after his new state-of-the-art packing shed opened, he wondered if the risk had paid off. It was touch and go as to whether any fruit would survive to put through it.

Mark used to grow bananas at Innisfail and moved to the Atherton Tableland to manage a macadamia plantation before he got the “itch” to grow bananas again and planted Lady Fingers in the red volcanic soils.

Part of his reasoning for planting bananas on the Tableland was that every few years supplies in the Innisfail and Tully areas are dented by a cyclone influence.

Although everyone was surprised that Cyclone Larry penetrated all the way to Mareeba, Mark was lucky his plantations were only partly damaged with 10 percent down in one block and 75 percent in another.

Mark grows Lady Fingers, which have higher costs and lower yields compared with Cavendish, but they provide a niche opportunity for smaller growers like him who don't have large volumes to supply the bigger markets.

“The Lady Finger bunches take longer to mature but the cycling is quicker. The trees are physically so big that they walk further than Cavendish do, therefore you have to select suckers carefully,” Mark says.

“We started out on a shoestring but we now have 80 acres (32 hectares) of Lady Fingers and opportunities have opened up for us because we're now supplying fruit to Brisbane, Sydney, Melbourne and Adelaide.”

During the recent shortage, Mark has been packing in 8kg cartons to be spread around more markets, including some where consumers are only used to the Cavendish variety.

“Lady Fingers have been a large part of the available fruit in the market since the cyclone so this has been a marketing opportunity for the variety.”

“Southern consumers have been educated by the Australian Banana Promotions Company about how to eat Lady Fingers, which need to be bench-ripened for longer before eating unlike the better-known Cavendish that is ready to eat when yellow.”

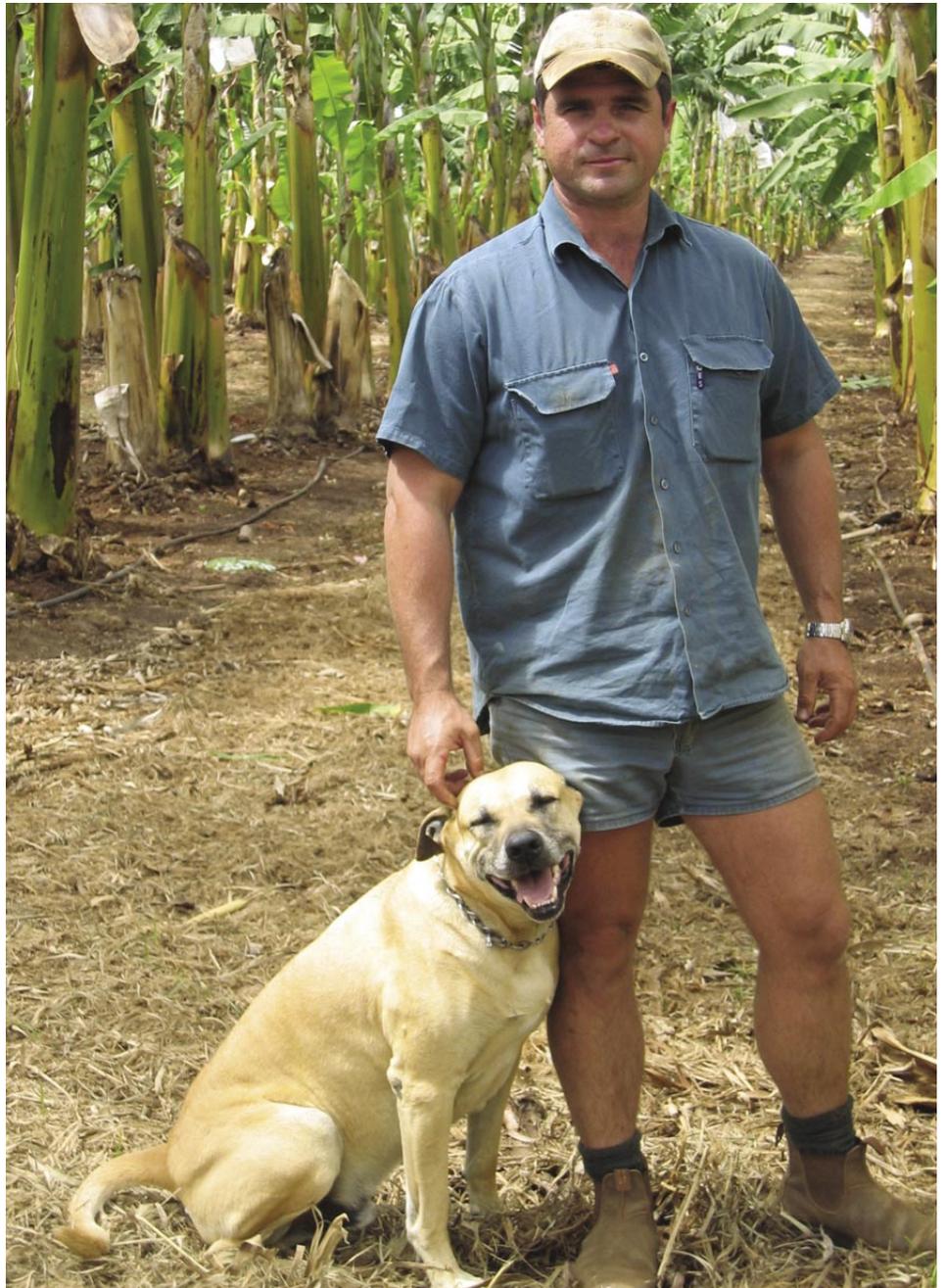
Irrigation water for the plantation comes from an 800 megalitre dam on the property, with half the trees under

drip irrigation and the other half on micro sprinklers.

Mark has been an ABGC board member for the past two years and has enjoyed the opportunity to serve the industry.

“I have benefited from mixing with people who are keen and informed.”

Mark and his wife Amanda have two young boys, aged two and five.



Winifred's lessons not forgotten

Only about 10 percent of the bananas at Rigato Farms' Mareeba plantation survived Cyclone Larry, mainly in pockets protected under or behind trees.

Dennis Rigato, *right*, says the cyclone was so big and fast that it was still a Category 3 when it hit the Tableland and only the presence of natural bushland windbreaks prevented a total wipeout.

The fruit he has been able to harvest since then has been smaller, and growing in bunches that are stunted and a bit twisted.

"We used to carry about 38 people, but now it's just eight – we're just paying for wages and some fertiliser."

This is Dennis's fourth cyclone. He lived through three others at the family's Tully plantation – the first of which was Cyclone Winifred in 1986 in his first year of growing bananas.

"I've made money in one, and lost money in three," says Dennis, who is a medium-sized grower of Lady Fingers and Cavendish bananas.

"After Winifred, we all thought we would race each other back into the market and grew the best bananas you've ever seen – only to get \$4-5 a carton for them."

"We learned from that – there's no point pouring money in to produce a crop and only getting half the money back. You're better off doing nothing."

This time Dennis is adopting a



strategic approach in returning to the market place, nurse suckering most of the plantation so that it will stagger his production.

"It will be 14 months before we get a return and it will cost us more, but we are working to position ourselves in a better place in the market."

"I'm thinking that a lot of Innisfail growers will let their bananas come straight back because that costs less and gets the quickest cash flow. We want to come in after the next glut (December to May) and the only way

to do that is nurse suckering and crop scheduling. It means we will have had to grow three crops to get a harvest – we had to grow the one the cyclone knocked down, then another one to nurse sucker, then the final sucker that will bear fruit mid next year."

"The DPI&F has put out advice about crop scheduling and I think some growers will do nothing with that advice, some will do something, and some will do a lot."

"This strategy is all about managing volume, it was never about nominating price as some sectors have claimed. We need to spread the fruit all year round as it normally would be without the cyclone disruption."

"The wage subsidy was a help, but there is still a lot of money to be spent before growers get any income from redeveloping their plantations."

Dennis believes there has been industry attrition since the cyclone with less area planted as a result of stool roll-out, fallows and departures.

"But those who missed the cyclone are reaping a bonanza, and good luck to them."

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Wishing the banana industry a strong recovery!

Cyclone gives chance to regroup

Ashley Flegler is extremely cautious about the future in bananas after his Walkamin plantation was wiped out by the cyclone.

He is changing his approach – persevering with his organic Lady Fingers, but ditching the organic Cavendish, share farming conventional Cavendish, and moving into other less labour intensive small crops.

Ashley, *right*, has been producing organic fruit for three years and has BFA accreditation and markets in Sydney, Adelaide and Melbourne.

“In the long run, your costs of production with organics get cheaper, but it is the starting out that kills you when you are learning from scratch,” he says.

Ashley developed his own organic management techniques which involve fertilising with compost every two months and applying biological foliar sprays every fortnight.

His four hectares (10 acres) of organic Lady Fingers started producing fruit again in early September, but he doesn't think things will be back to normal production until about March next year.

“Production is all over the place, we had trees snapped off and then suffered a lot of flying fox damage to bells after the cyclone because they didn't have anything else to eat.

“The fruit will come back in dribs and drabs, but we don't know how much fruit we can produce before we flood the market.

“It is just ridiculous the amount of money that has been lost in the past few years, everyone was really hurting. When you are operating below the cost of production 36 weeks of the year and only have the other third of the year to make it up, that makes it all a bit too hard.

“There is a lot of opportunity to come out of the cyclone, and I'm using it to revise my banana production and diversify into small crops.

“I'm looking at small crops where you don't need to employ people, which you can mass produce and don't need to burn a lot of diesel.”



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