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MEMBERSHIP FEE CHANGES

By Warrick Thorpe, Chairman

At our AGM, held on Thursday, 4 September at the Keith Institute, members unanimously voted in favour of changing the current Lucerne Australia membership fee structure. The proposed changes for grower members are as follows (ex gst):

- Levy calculated on 'clean', saleable seed for growers (not 'uncleaned')
- \$250.00 grower administration fee (up from \$200)
- Levy proposed at \$0.00425/kg (down from \$0.0045/kg)
- Growers producing less than 20 tonne of clean seed charged admin fee, but no levy
- \$750.00 maximum limit charged to growers
- For cashflow, two invoices/year: admin fee in February, levy in August

For associate members, membership will rise from \$250.00 to \$275.00. All other membership fees remain the same.

This new fee structure will be enacted from the 2015-16 financial year. Therefore, you will see the changes in your next membership invoice, due for distribution in August 2015.

Benefits to Members

These changes clearly benefit grower members by converting from 'uncleaned, dirty' seed tonnages to 'clean, saleable' seed tonnage, a saving of about 20 per cent for growers – in a normal year.

There is also a reduction in the levy from 0.45c per kg (on uncleaned seed) to 0.425c per kg (on cleaned seed) to give a significant benefit to all members.



Warrick Thorpe, Chairman

To attract new members with smaller tonnages, the levy will not be charged to those who produce less than 20 tonnes per annum.

MEMBERSHIP FEE CHANGES ARE NECESSARY TO DRIVE AN INCREASE IN OUR REPRESENTATION WITH BOTH GROWERS AND TONNAGE OF AUSTRALIA'S LUCERNE SEED

To attract larger growers, there will be a maximum limit charged by the levy of \$750.00. This will keep overall membership fees to \$1000.00 per annum.

The administration fee to growers will rise from \$200 to \$250. Similarly, the associate membership fee will rise from \$250 to \$275 the first increase in admin expenses over the past nine years.

Our Financial Position

We find ourselves in a sound financial position with cash reserves equivalent to two years of income.

These membership fee changes are necessary to drive an increase in our representation with both growers and



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tonnage of Australia's lucerne seed. This is particularly important as we are not only a grower group, but an incorporated industry body set-up to represent you nationally.

In addition, many projects and activities are not directly related to on-the-ground productivity improvements. For example we also have close links to government to highlight industry issues and discuss future research priorities. To do this with influence, we must be truly representative of the industry.

We believe that this membership fee structure will assist to attract more members – from small to large – and ensure that Lucerne Australia is more truly representative in the eyes of our stakeholders as well as continuing to be financially secure.

WE BELIEVE THAT THIS MEMBERSHIP
FEE STRUCTURE WILL ASSIST TO
ATTRACT MORE MEMBERS

Executive Committee 2014-15

Four executive committee members were re-elected at the AGM. They include grower executive committee members Bruce Connor (Tintinara) and Adam Desmazures (Tintinara), and associate executive committee members Josh Rasheed (Naracoorte) and Lisa Charlton-Fatchen (Tintinara). I thank them all for their energy and commitment to Lucerne Australia.

Finally, I wish to thank you for your continued support to our organisation.

MARKETING SEMINAR SUMMARY

By Nicola Raymond, Executive Officer

We held a seminar on Thursday, 4 September at the Keith Institute. The theme was "The Australian Lucerne Seed Industry: market history, present-day situation and outlook" and was moderated by Chairman Warrick Thorpe.

Speakers include David Hudson from SGA Solutions Pty Ltd, Max Jongebloed from Ag Consult and Tim Teague from Teague Australia. In addition, three major marketers also participated, representing Seed Genetics International, Heritage Seeds/Seedmark and PGG Wrightson Seeds.

The seminar aimed to have more information available to growers about the history, current situation and outlook for the lucerne seed industry. It also aimed to improve the understanding of the Australian and international lucerne seed industry from those who work within the supply chain.

I am pleased to provide a summary of messages from each of the speakers at this event for your interest.

Speaker 1: David Hudson

David was the author of the 2013-18 RIRDC Pasture Seeds Program five-year plan. To write the plan, David completed desktop analysis using published data from ASA, DAFF and ABARES, and research reports from MLA and RIRDC. He also gathered industry information from Lucerne Australia, Teague Australia and the Australian Seeds Federation and also did interviews with seed companies, seed certification agencies, seed cleaners, merchants and industry organisations.

David identified NSW as having the largest area of temperate pasture legumes in Australia, and the largest area to lucerne, *as per the figure 1. on the following page.*

David also outlined the temperate legume commercial trade planting seed market, which shows lucerne as the largest in both export planting seed and domestic planting seed.

David also outlined how that in 1999, there were 366 growers with certified lucerne seed in production, whereas in 2012 this had fallen to 267 growers. This compares with 69 growers with sub-clover and just 17 with medics in 2012.

There are currently between 50-60 lucerne seed varieties – public and proprietary – available on the market. About 85-90 per cent of these are proprietary varieties.

According to David, when interviewing seed certification agencies, they estimated that of the total seed tested, the percentage of certified seed is 55-60% and uncertified 40-45%. Whereas, when he interviewed industry stakeholders, they estimated certified seed made up 70-75% of the total.

IN 1999, THERE WERE 366
GROWERS WITH CERTIFIED LUCERNE
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GROWERS

His key message from the presentation was that the Australian pasture seed industry is lacking in comprehensive industry data for all stakeholders to utilise. A potential future R&D project might involve industry data collection and the development of better processes to collect data.

Speaker 2: Max Jongebloed

Max attended the seminar to provide an historical perspective of the lucerne seed industry focusing on the main trends between 1970 and 2000. He focused on the various countries that purchased Australian lucerne seed, citing Argentina as one of the largest.

He also focused on the European Union, and how they were a low-cost, low-return user of lucerne, especially markets such as Italy who would resell to countries such as Greece. However, over the period 1970-2000 they took large tonnages.

THERE ARE CURRENTLY BETWEEN
50-60 LUCERNE SEED VARIETIES –
PUBLIC AND PROPRIETARY

In Saudi Arabia, he stated that there is no financial advantage for them to produce their own seed and therefore he doesn't see that as a threat. Whereas Argentina has been producing about 2,500 tonne of lucerne seed a year, using Aurora variety – yet they don't compete with Australia.

His main take-home message was that the industry needs to focus on continuing to improve marketing and packaging of Australian lucerne seed in order to compete with the USA as our biggest competitor. And the USA has strong marketers through trade missions and big marketing dollars and Australia has to compete against that.

He also stated that wherever the USA goes to sell lucerne seed, Australia can go, but our production costs must remain low to be competitive.

Speaker 3: Tim Teague

Tim has been an international seed and grain broker since 1987, and he outlined the current trends in the lucerne seed export market.

There are about 20 countries that Australia currently exports lucerne to. When broken down into individual countries, just four countries took 81 per cent of Australia's lucerne seed in 2011 – Saudi Arabia, USA, Argentina and Morocco. The same four countries took 86 per cent of Australia's total in 2012.

In 2013 four countries took 80 per cent of Australia's lucerne seed – Saudi Arabia, USA, Argentina and The Netherlands.

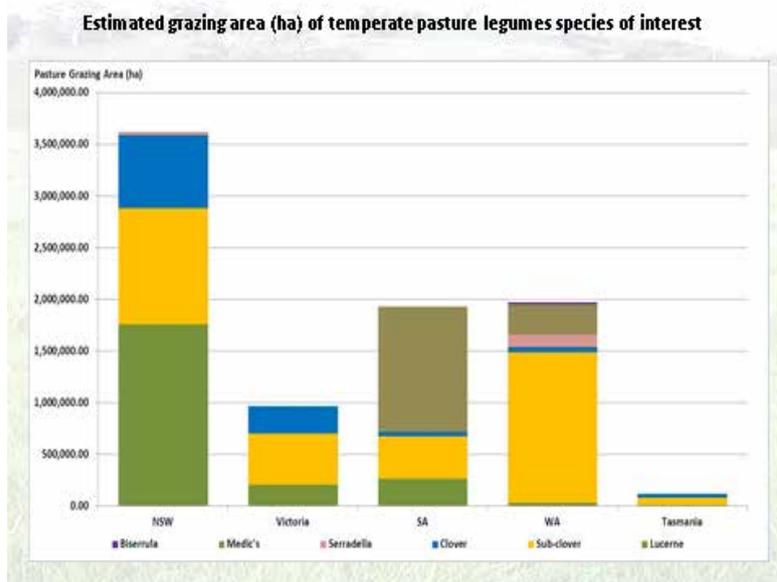
So far in 2014, 63 per cent of Australia's lucerne seed has been sold to Saudi Arabia, USA, Italy and The Netherlands. The Italian interest is as a result of the lower prices as it's all on-sold.

Tim stated that there are many opportunities for Australian lucerne seed. We compete favourably with the USA on quality and more companies are looking at contract production in Australia, due to our current GM-free status and that this is unlikely to exclude us from some markets.

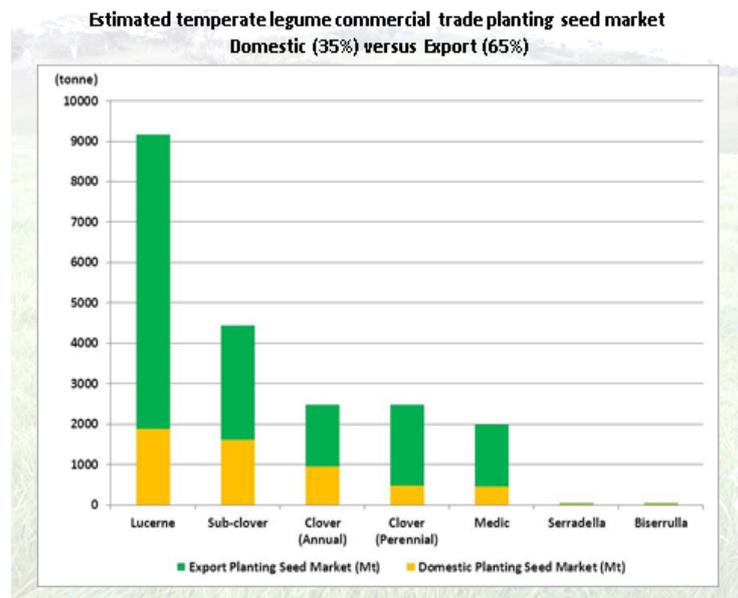
The marketers provided a snapshot of where the market is headed in the next few years. Some of the positive messages included:

- Seed genetics and ongoing genetic improvements are important and will continue.
- Production of lucerne seed in California is in decline, partly due to water availability and pollination cost.
- Production cost in California is higher than Australia.
- The USA domestic lucerne seed market is much larger than Australia's.

One outcome of the day was the proposal to have stronger linkages with the Department of Foreign Affairs and Trade (DFAT), to promote the Australian lucerne seed industry and increase awareness by overseas buyers. Lucerne Australia will look into being a conduit in this approach.



Above: Figure 1.0, Graph shows the largest area to Lucerne



Above: Figure 2.0, Graph shows lucerne as the largest in both export planting seed and domestic planting seed.



David Hudson from SGA Solutions Pty Ltd



The audience of 50 asks questions to the speakers



(L-R): Anthony Quilter (PGG), Dennis Jury (SGI), Craig Myall (Heritage/Seedmark) & Chairman Warrick Thorpe

To the Lucerne Australia membership,

The Australian lucerne seed industry rollercoaster ride has not been for the faint hearted over the past 10 years. Over this period we have seen a massive variation in price from year-to-year but also seed yields which have been greatly affected by climatic variability and pest infestations. Sadly, a major and long-term seed company has closed down, causing a significant amount of pain for many, resulting in financial losses. The follow-on effect has caused other businesses to close their doors. It has not been a sustainable trading environment for anyone involved.

The Australian Seed Federation (ASF) - is the peak industry body for the Australian seed industry at the local, state, national and international level. The ASF represents its members internationally as a member of the ISF (International Seed Federation). The ASF's vision is to maintain and protect the interests of ASF members and to increase the prosperity of members through superior leadership and management of issues critical to the Australian Seed industry.

ASF core values include:

- Harness and improve communication,
- Advocacy, and
- Debate amongst its members and key stakeholders.

Lucerne Australia - is the peak industry body for the lucerne seed industry in Australia and it has over 80 grower members and 45 associate members. Lucerne Australia aims are to incorporate all relevant sectors of the Australian lucerne seed industry and has formed a membership body that acts in the best interests of the industry as a whole. Lucerne Australia focuses on research projects which will benefit the sector long-term, as well as issues such as noxious weeds and pests.

Seed Marketing – Some food for thought

The market is only as strong as the weakest seller! This goes for both the grower level and marketing levels both domestic and international. Several factors determine the weakest seller. Financial pressures, cash flow, structure of contract payments, other farm income. Being farming is not an exact science, seasonal conditions play a major factor. 70-80 per cent of Australian's lucerne

seed production needs to be exported. This places us in a unique position which can be a positive and a negative. If lucerne is short worldwide then we are often the beneficiary of achieving stronger prices. However if there is weakness, over production or market negativity prices can soften quickly.

Often the question is asked, why do US farmers get paid a more for their lucerne seed? As a rule, the USA market can consume a large proportion of its domestic production and they are not always reliant on importing seed to make up the shortfall. US farmers also have the option of producing a number of other high value crops (including cotton and fresh vegetables) which can compete with gross margins returned from producing lucerne seed. In the Keith and surrounding areas, this is not a readily available option as water quality and salt levels have a detrimental effect on crop production and yields. The demand for high quality conserved forage, ie lucerne, from cattle feedlots, dairies also keeps hay/silage price levels strong which places upwards price pressures on lucerne seed pricing. Production costs for producing lucerne seed in California are higher than the cost of production here in Australia. Pollination costs in particular, are significantly higher than we pay here in Australia. As an estimate, leafcutter bees are between \$700-900 per hectare as opposed to \$100-200 per hectare for bee pollination here and that's even if bees are required at all.

The biggest change in marketing in the last 15 years has been the significant increase in area of proprietary products. With the exception of Siriver for export and Aurora domestically, the majority of public varieties have fallen by the wayside. Another change has been the fact that pool systems were much in use a decade ago and are no longer as prevalent when dealing with public varieties. A well run pool system had the ability to take the peaks and troughs out of the market and gave stability and regular returns to grower, conversely they are costly to run and difficult to administrate, so a back-to-back 30 day or negotiated sale terms have become the norm. With proprietary material contract payments are spread over a few months or can be in a pool. Proprietary varieties are here to stay. We need to adapt and evolve as an industry to find a model which works better and offers more reliable cash flow for growers and marketers.

Long term positives

- There are only two countries in the world that regularly produce surplus seed of non-dormant

lucerne varieties that needs to be sold into export markets, USA (California) and Australia (Keith and surrounds). In the USA there is talk of potential ground water allocation reductions in California which can only be a long-term positive for lucerne seed production here. Other countries such as Argentina, France, Italy and South Africa also produce non-dormant seed but in much smaller quantities and is usually uncertified and operate at the lower end of the market.

- Lucerne hay exports out of California to Asia and the Middle East are booming, largely driven by meat and dairy industries. Is this an opportunity for more hay production for export here?
- Climate change. Lucerne being one of the only deep rooted evergreen summer perennials will increasingly have a fit in forage systems, nationally and internationally. Recently at a climate presentation one speaker spoke of animals grazing lucerne as having one of the lowest methane emissions because of its green feed through summer. Watch this space as an emerging story!
- The Aussie dollar has been at historic high level high level and history suggest at some stage what goes up must come down which can only be a good thing for lucerne seed exports and Australia's ability to compete.

Important questions we need to ask ourselves as an industry are:

Are we producing too much lucerne seed?

- Probably not. However, can we better manage the production (supply) and market demand (volatility) then certainly the answer has to be yes.

Is the 7000-10,000 tonne of certified lucerne produced annually a sustainable level?

- Yes, but as an industry we need to be better prepared to carry the seed through responsible marketing, grower/marketer communication. This is why it is all the more important to work closely with your lucerne seed marketer and industry as a whole to make sure production levels are kept in line with reasonable sales prospects so the dream of a sustainable lucerne seed industry for all can be a reality.

Is the volume of uncertified lucerne seed produced annually devaluing the certified product?

- As dryland uncertified lucerne production is an opportunist crop for some and can deliver

excellent returns if done well, it is hard to mount a case of why it should stop. There is no doubt it gives traders an opportunity to participate in the lucerne industry at a non proprietary level. As most of this seed ends up largely in the US (as most other major markets need certified seed) where it can be blended or used to make up shortfall in US production or blended to average out more expensive stock. Whilst this can be seen as potentially devaluing the proprietary lucerne market uncertified seed does play an important role in the world lucerne markets.

Is my farming enterprise financially equipped to deal with the lucerne market fluctuations? If not how? FMD's, pool payments, cash price contracts, less risky contracts, change marketers or growing niche varieties.

- Possibly a bitter pill to swallow reading this due the pain inflicted by the demise of Keith Seeds and the seed wasp year. However a very important facet is to recognise and embrace for long term sustainability.

Do our financial institutions understand the finance required to really aid in the long term investment in being a lucerne seed producer?

- 10,000kgs sold one year for \$5/kg compared to \$3.00/kg potentially the next is a big hole in the budget. Is this worth being discussed further, ability to share the pain as opposed the growers/marketers wearing the pain?

An outline of the major players

Seed Genetics International – (Formally Seed Genetics Australia) - A breeder and marketer of primarily highly winter active lucerne varieties. Has a breeding focus on high seed yielding lines to improve grower returns per hectare. Aligned to the export markets and payments based mainly on pool systems with long term contracts of up to ten years. As 80% of Australian lucerne seed produced is not consumed domestically the industry is very reliant on companies like SGI to move large volumes of seed into the major export destinations. They are part of the greater S&W group which has been formed through mergers and acquisitions and now turns over more than 50 million dollars in lucerne/alfalfa sales annually. This association with S&W gives SGI the resources to better manage the volume of seed produced by its growers.

Heritage Seeds/Seedmark - Domestic and international marketer of the SARDI, NSW DPI, and Alfamaster lucerne seed ranges through Heritage Seeds nationally, and both the Heritage Seeds and Seedmark brands

globally, whilst also performing large scale contract lucerne seed production on behalf of Forage Genetics International (FGI). Heritage Seeds also supports two lucerne seed breeding agreements (SARDI and Grasslanz), focusing on the breeding of highly desirable traits for the seed grower and end user alike. Heritage Seeds varieties have an excellent track record for continuity of both price and production whilst the length of contract can be tailored for differing situations. Heritage Seeds are also active on commons "public" seed marketing, trading large volumes of the still relevant common varieties including, Siriver, Sequel, Aurora, Hunter River, Trifecta and Hunterfield.

PGG Wrightson Seeds- Abreeder and proprietary marketer of a full range of lucerne varieties. PGG Wrightson Seeds operates two cleaning and packing operations, one based in Forbes, NSW and the other at Keith, SA in the heart of the lucerne seed production area. This enables full vertical integration from production to end customer. On top of their own requirement for lucerne production they also handle production and logistics on behalf of international companies including Alforex Seeds. PGG Wrightson Seeds has a strong presence domestically with a national footprint of distribution and logistics and marketing agreement for the Stamina GT range of lucerne and actively competes in commons procurement and marketing in many export markets. PGG Wrightson Seeds has had involvement in the Australian seed industry for nearly 80 years.

Naracoorte Seeds/SA Seed Marketers - Has been operating in the local region for over 50 years. Conducts contract seed production on behalf of several companies including, the SARDI varieties for Heritage Seeds and Magna varieties for Alforex Seeds. Since the collapse of Keith Seeds, it has increased the volumes of lucerne seed traded domestically and internationally. Generally back-to-back sales with contracts with overseas clients. Works locally with clients to find pricing levels where a mutually beneficial deal is reached.

Teague Australia- Are professional International seed and grain brokers. Only work with the trade and do not deal direct with growers. The Managing Director, Tim Teague, has been in business for over 25 years. Has developed a vast and extensive network of clients throughout the world with whom he works to find the most competitive prices available.

Seed Distributors - Breeder and Marketer of proprietary and commons lucerne material. The Pasture Genetics program was first to release Multileaf lucerne in Australia.

Incorporating of the Pioneer Hi-Bred lucerne Program with the Pasture Genetics R&D arm now encompasses a full suite from dormancy 3 to 10. The further addition of a partnership with NSW DPI is now seeing a release of 7 & 9 dormancy material. The extensive pipeline of germplasm now offers customers of the Seed Distributors brands one of the largest and complete lucerne programs in the Australian domestic market.

The companies' vision to expand its offering to existing legume export customers has increased over the past three years. The further expansion into commons based lucerne's for this segment is an expanding area for Seed Distributors and our key contract seed producers.

Zuelzer - An international seed broker

SeedForce - A proprietary seed company

Alfagreen Pty Ltd - Alfagreen is a locally own company involved in the production of Flairdale (PBR) lucerne and it's marketing for domestic and international sales. Flairdale is a semi winter active variety (7), naturally selected over ten years in the Keith area of SA.

Conclusion

The Australian lucerne seed industry encompasses growers, cleaners, marketers, service providers, contractors, apiarists and many more people. It is worth fighting for and it is definitely worth aiming for it to be sustainable long-term. Industry, through Lucerne Australia, the Australian Seeds Federation and Private Enterprise needs to work together to ensure the long-term viability so that all parties involved can make a dollar.

The aim of this piece is so all involved can take in the bigger picture. The industry is indeed a global one that is complex right from the grower level through to the production/cleaning/marketing and end users. Certainly with the increase in demand from publics to proprietary varieties it is an ever evolving matrix of supply/demand/price which is often hard to get right. The current generation of lucerne producers have a thirst for knowledge and are heavily invested both financially and emotionally more than ever before; so it pays as marketers to be open and transparent, so that as an industry the ride can be taken together.

Without seed growers there is no seed and without seed there is no industry!

Regards,
ASF Southern Region Members

SEEDMARK AND HERITAGE SEEDS MARKET REPORT

By Craig Myall, International Business Manager, Ph: 0407 620 580

Markets which were quite buoyant over the May to July period have now begun to slow a little with buyer interest declining of late. However shipments of confirmed contracts continue to depart our shores at a very good rate. The main selling period has seen a good amount of stocks from the recent 2014 harvest cleared as well as carryover stocks from the prior 2013 harvest. This is great news for producers and companies alike as it generates much needed income and cashflow for all concerned whilst setting the industry up for the 2015 harvest.

Public variety pricing continued to decrease over the past three months. However it seems to have now plateaued and even perhaps slightly increased in recent weeks as stocks again become scarce of these varieties.

Exports for the first half of calendar 2014 totaled 3236mt, almost in line with the 3214mt in the corresponding period in 2013 and 649mt up on same period in 2012 (2587mt).

Heritage seeds



better seeds, better choices

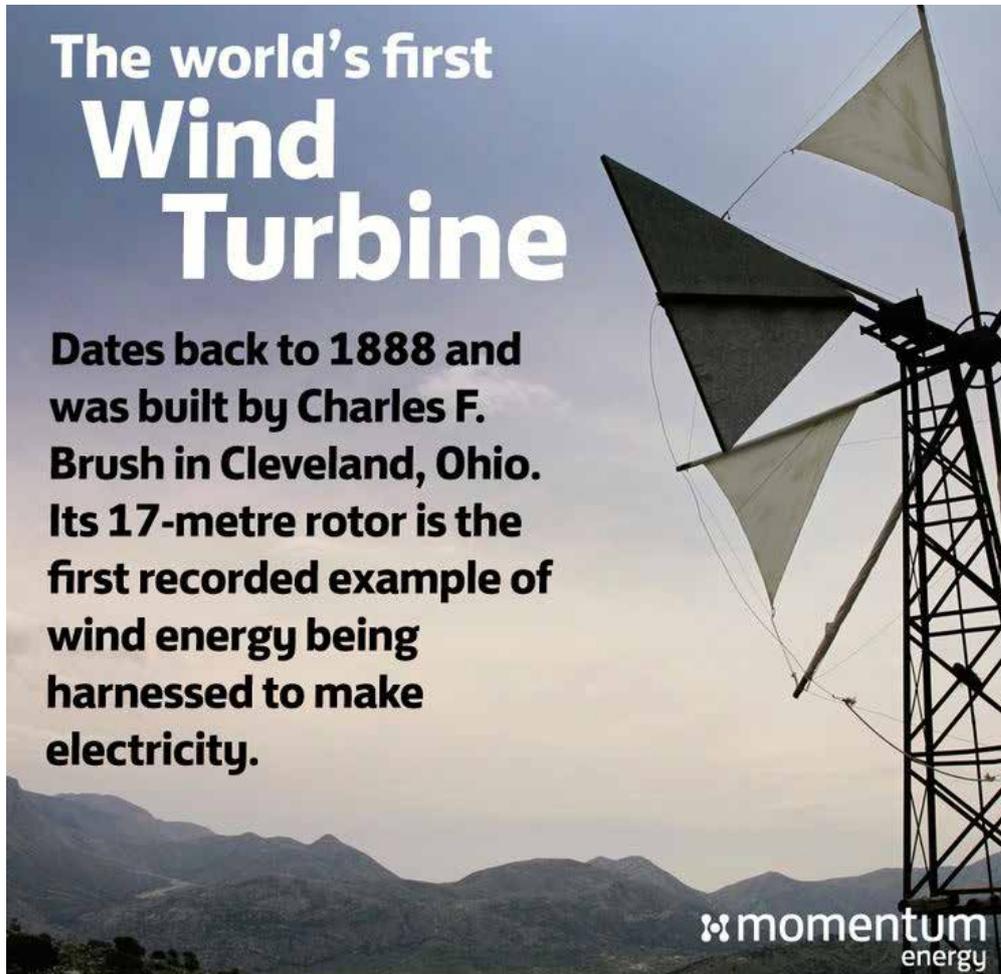
Given the amount of seed that I expect to be forward sold at present, I would estimate the second half of 2014 will at least mirror the action of the first half year. Major destinations of these seed shipments have been to the USA 733mt (23% of total), Saudi Arabia 620mt (19%), Italy 510mt (16%), Netherlands 215mt (7%), Argentina 214mt (7%) and South Africa 160mt (5%).

EXPORTS FOR THE FIRST HALF
OF CALENDAR 2014 TOTALED
3 2 3 6 MT

Domestically, we are about to enter the spring season for sales which historically has been a good period for sales. However, the last couple of seasons have been a little indifferent. The outlook for sowings is favorable this year and we are looking to return to good levels of demand once again as a result.

Should anyone be looking at planting new areas of lucerne seed production, Heritage Seeds has a vast array of its own and Forage Genetics (FG) varieties for placement.

For further information or an on-farm visit to discuss, please contact our lucerne specialist **Nathan Smith** on **0408 655 220**. For those looking to trade Publics, **Tim Pepper** is your contact point on **0417 500 911**.



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Contact:

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Temperate Commons Manager

0407 620 580
0403 465 515
0421 585 644
0417 338 078
0408 655 220
0417 500 911

Forthcoming Events for your Diary

Grain Storage Workshop – 30 September

You are invited to a grain storage workshop to protect your grain quality and value during storage. This will be held with guest speaker Peter Botta, a grain storage specialist, from 8-10am on Tuesday, 30 September at Naracoorte Seeds.

At this workshop you will learn grain storage options — advantages and disadvantages, how to use silos and grain bags successfully, preventing and controlling weevils in stored grain, aerating grain for cooling and drying, pressure testing silos and storage of pulses, oilseeds and pasture seeds, including lucerne.

Peter works for PCB Consulting and has 21 years experience working with on-farm grain storage. He specialises in the practical issues associated with grain storage, including the risks associated with storing grain for both on farm use and the domestic and export market. The workshop/field day will cover practical ways to manage existing and future storage systems.

This workshop follows a very successful, similar event held with Peter near Keith back in April.

Keith and Tintinara District Show – 11 October

Lucerne Australia will once again have a presence at the Keith and Tintinara District Show on Saturday, 11 October. Come and visit our stand, meet the executives who can answer questions about the Australian lucerne seed industry.

Sprayer Day – Tuesday, 28 October

Sprayer specialist Bill Gordon from Lawrence in NSW, will be guest speaker at a Lucerne Australia Sprayer Day at the Bordertown Football Club on Tuesday, 28 October. Over breakfast from 8am, Bill will

outline spraying application and practices to stop spray drift. This will be followed by presentations and demonstrations from the leading machinery dealers in the district.

Irrigation Workshop – October (TBC)

In partnership with Natural Resources South-East, Lucerne Australia will host an irrigation workshop with guest speaker and irrigation expert Michael Zerk. It will be held at the Keith Institute in October (exact date TBC) from 8:30am to midday. Michael will cover aspects of both surface irrigation and centre pivots, in particular:

Surface Irrigation: Aspects of design that affect water use efficiency, suggestions for improving system performance and system management/monitoring/auditing.

Centre Pivot: System capacity, application efficiency and water distribution and system auditing.

Irrigation system attributes will be discussed in the context of Crop Water Use, Net Irrigation Requirement and Irrigation Scheduling. The presentation will include information gathered from irrigation trial sites at Coombe. Look out for more information in due course.

Every time you call us,
you're speaking to
someone close to home.



FAIR WORK COMMISSION DECISION—ANNUAL WAGE REVIEW 2013–14, CASUAL LOADING, SUPERANNUATION



By Chas Cini, MERS

The following changes take effect on the first full pay period commencing on or after 1st July 2014.

1. Today the Fair Work Commission has handed down its Annual Wage Review 2013–14 resulting in an increase in modern award minimum wages by 3 per cent to be effective from 1 July 2014

2. The minimum ADULT fulltime employee increases to \$640.90 or \$16.87 per hour for ordinary time. Employees whose classification is above the lowest classification in the award are to receive an increase of 3% on their current rates.

3. Casual employees are to receive the 3% increase. The casual loading for all casuals is to be 25% at 1st July 2014.

4. The Superannuation Guarantee payment will also increase from 9.25% to 9.5% also effective on 1st July 2014.

5. These increases apply to all employees bound by an Award or Agreement



Lucerne Exports Statistics from Australia January 2010 to June 2014 Quantities below are in kg

Month	2010	2011	2012	2013	2014	Year to date Difference 2013 & 2014
January	813,822	501,139	310,144	245,741	687,172	+441,431
February	350,273	317,070	445,793	118,025	518,553	+841,959
March	439,554	479,471	130,625	269,091	334,033	+906,901
April	387,218	183,775	385,262	424,057	171,816	+654,660
May	608,247	51,539	594,069	647,509	495,472	+502,623
June	1,124,046	271,574	721,122	1,509,605	1,029,000	-22,018
July	884,697	503,509	951,685	1,510,278		
August	1,069,250	568,791	430,924	1,482,357		
September	1,004,594	482,668	726,310	811,667		
October	1,310,180	433,397	509,447	719,882		
November	1,198,600	300,364	169,450	363,877		
December	1,389,586	330,326	483,832	397,122		
Total	10,580,067	4,423,623	5,858,663	8,499,211	3,236,046	

This summary was produced using data supplied by the Australian Bureau of Statistics.

We thank Teague Australia, an associate member of Lucerne Australia, for Supplying these figures.

IN OTHER NEWS....

By Nicola Raymond, Executive Officer

Grain Producers Australia (GPA) meeting

Executive Committee Member Owen Croser is Lucerne Australia's representative on the GPA Small Seeds Committee. They held a face-to-face meeting in Melbourne on 16th July.

In attendance was Chairman Bruce Goss and committee members Hugh Roberts, Chris Martin, Penny Hendy and Owen. Bruce has represented Tasmania for 10 years and chaired the GPA Small Seeds Committee for six years. He has a mixed farm business with seed production and is vice president of TFGA. Hugh has been involved in seed committee of NSW Farmers for many years, and thus involvement in GCA. Chris Martin is based in WA and has a seed cleaning business and a farm and is on the RIRDC Pasture Seeds Advisory Committee.

Grain Producers Australia (GPA) has been established following the demise of Grain Council of Australia. The meeting also included a report by Australian Seed Authority (ASA) CEO Lindsay Cook and also Andrew Weidemann, GPA President. Owen reported back at LA's August meeting.

AFIA Tour to South-East SA

Nicola and Owen represented Lucerne Australia when the Australian Fodder Industry Association (AFIA) visited the upper south-east in early-August.

This three-day tour took AFIA members from all over Australia to the south-east, visiting properties and businesses in the Meningie, Robe and Naracoorte region, before visiting lucerne seed properties in the upper south-east. As part of this tour, Lucerne Australia

hosted a casual luncheon at the Keith Hotel on Sunday, 3 August where Nicola provided an insight into Lucerne Australia and its role as a grower industry body and Nicola and Owen networked with about 35 fodder growers.

AS PART OF THIS TOUR, LUCERNE AUSTRALIA HOSTED A CASUAL LUNCHEON AT THE KEITH HOTEL ON SUNDAY, 3 AUGUST

Insights from Tim Teague

Tim Teague from Teague Australia joined the LA August executive committee meeting at Tintinara to discuss the Australian lucerne seed industry, supply chain and markets.

Teague Australia is an associate member of Lucerne Australia and was formed in 1987. Based in Adelaide, the business is an international seed and grain broker, involved in both domestic and export marketing of seeds and grains, including lucerne.

Tim outlined the business, current international markets and trends for lucerne seed and responded to questions from the executives. With Tim's knowledge, he was also invited as a guest speaker for the Market Seminar (and AGM) to be held at Keith on 4th September.

Did you know?

On January 1st 2014 it was two degrees warmer on the surface of Mars than in Winnipeg, Canada.

momentum energy



SOUTH AUSTRALIAN APIARIST ASSOCIATION CONFERENCE 2014

By Warrick Thorpe

The SAAA held their annual two-day bee conference at the St Francis Winery in Reynella in June this year attended by approximately 60 per cent of the commercial beekeepers in South Australia.

The topic at the forefront of the bee industry is biosecurity with an emphasis on varroa mite.

Although varroa mite is still a potential threat if (or when) it reaches Australia's shores, the bee industry continues to be proactive in planning, research and commitment to put Australia in the best position to detect, manage and/or eradicate any incursions (even though no other country in the world has been able to prevent varroa mite from taking hold where they have been found).

Adding to the unknown is that there are different types of varroa mites as well as differing diseases that the mites carry from relatively harmless to very destructive.

As growers, we need to continue:

- Allowing enough time for insecticide sprays to dry on plants before bees start working on day break. (e.g. droplets of spray sitting in flowers where the bees feed).
- Fresh water access for bees e.g. keeping salt levels down.
- The awareness of neonicotinoids used on seed (mainly canola), that effect bee survival.

Lastly I encourage you to work with your bee keeper and inform them of the amount of production you have for the coming season (well before lock up date's e.g., end of winter). This will help to keep pollination at its best, allowing time for bee keepers to manage bee numbers in managing hive strength, feed requirements, numbers of bees required and transportation of bees to lucerne crops.

PLEASE ASK YOUR BEE KEEPER(S),
HOW THEY ARE PREPARING TO
LESSEN THE IMPACT, SHOULD
VARROA MITE ENTER AUSTRALIA.

FOR THE SEASON JUST GONE,
PRODUCTION OF HONEY IS
DOWN APPROXIMATELY 70 PER
CENT ACROSS AUSTRALIA

Varroa Mite

Jody Gerdts from Apicultist at Bendigo gave an excellent presentation on how the bee industry can continue to improve on the biosecurity and viability relevant to apiarists with or without a varroa mite incursion. Like any production system, the balance between money invested, labour units per unit of production, yields and pricing are all just as relevant, along with some information for bee keepers to find their sweet spot to optimise profits.

Nadine Chapman from the University of Sydney reported on gene lines that identify strains of bees from around the world which are either more or less susceptible to varroa mites. The common strains currently used in Australia have shown to have less resistance than others with the research completed so far.

Honey Production

For the season just gone, production of honey is down approximately 70 per cent across Australia, with some honey flows returning in isolated locations over the past couple of months.

With pollination of lucerne crops from honeybees being advantageous to the lucerne seed industry, there is a recognised appreciation for our two industries to continue to work together.

I ENCOURAGE YOU TO WORK
WITH YOUR BEE KEEPER AND
INFORM THEM OF THE AMOUNT
OF PRODUCTION YOU HAVE FOR
THE COMING SEASON

Bees, like any other livestock, require a constant well-balanced diet for optimum performance, both leading up to and during high workload periods when pollinating crops.



LUCERNE AUSTRALIA WORKING WITH THE BEE INDUSTRY

CEO Addresses Crop Pollination Association

Nicola travelled to Mildura on 16 June, to address delegates at the 22nd Crop Pollination Association Inc Annual Conference. She met President Bryn Jones and Treasurer Ken Gell and spoke to the bee keepers about the Australian lucerne seed industry and pollination. She also heard presentations from the Almond Industry Association and Onions Australia.

Australian Bee Services

Danny LaFeuvre from Australian Bee Services, based at Yorke Peninsula, was invited to address the executive committee at the June meeting. Danny has undertaken a number of research projects involving bees and pollination and he was invited as a result of 'pollination' featuring highest as an R&D priority by grower members in the 2013 grower member survey. There was a robust discussion with many questions posed,

and he outlined research he has done and offered useful contacts from organisations such as CSIRO.

Zadow Apiaries, Tintinara

Ian Zadow addresses the executive committee members at the July meeting. Ian is a bee keeper based in Tintinara and also Chairman of the Australian Honey Bee Industry Council (AHBIC). He outlined the Australian Honey Bee Industry Council (AHBIC) and its role as a national industry body.

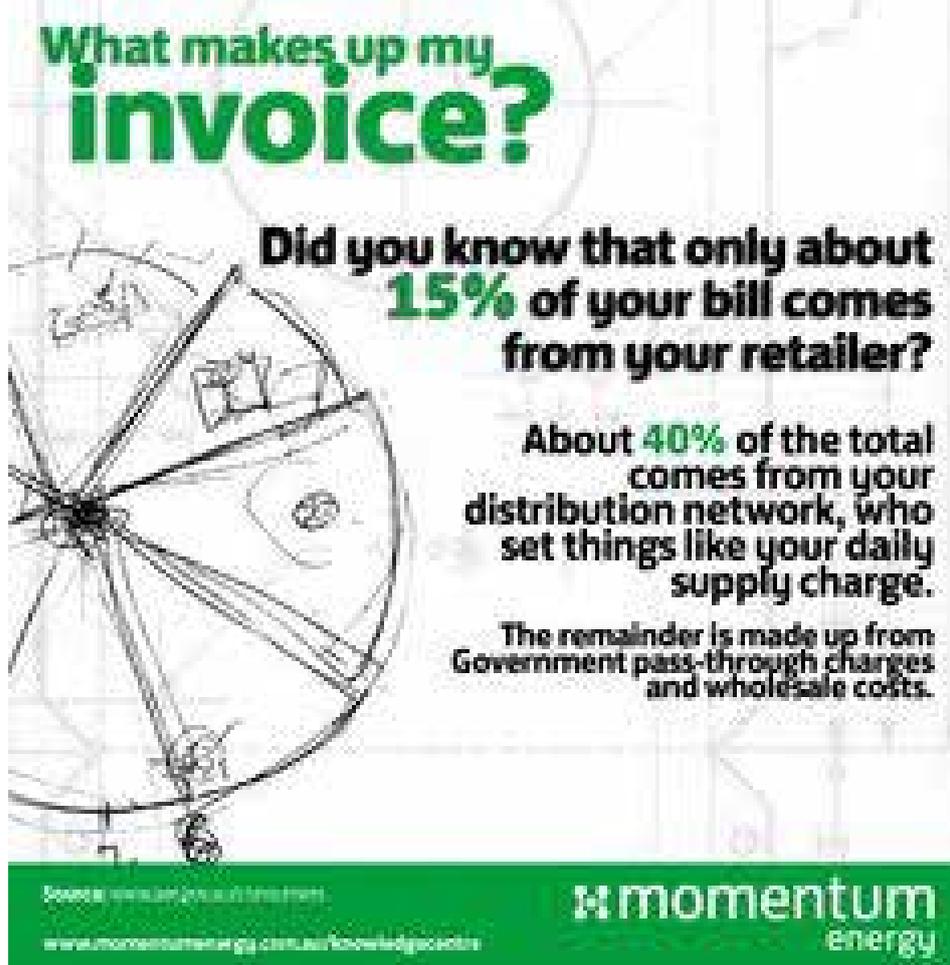
Ian explained how there is a honey levy reform currently underway, with the biggest increase in levy rate since the 1960s to help create a bee biosecurity program. There is to be an increase in the levy and the threshold of honey produced and sold at retail. This will be lead and administered by industry in partnership with government. There is a draft program which is likely to be adopted as industry is generally supportive

of the plan. It will identify exotic pests and assist in the control and eradication of pests such as varroa mite.

THERE IS A HONEY LEVY REFORM CURRENTLY UNDERWAY, WITH THE BIGGEST INCREASE IN LEVY RATE SINCE THE 1960S TO HELP CREATE A BEE BIOSECURITY PROGRAM

Research

RIRDC has supported a new research project into neonicotinoids which will commence next year and be carried out in WA. It will replicate a similar study from overseas and provide some Australian data.



What makes up my invoice?

Did you know that only about 15% of your bill comes from your retailer?

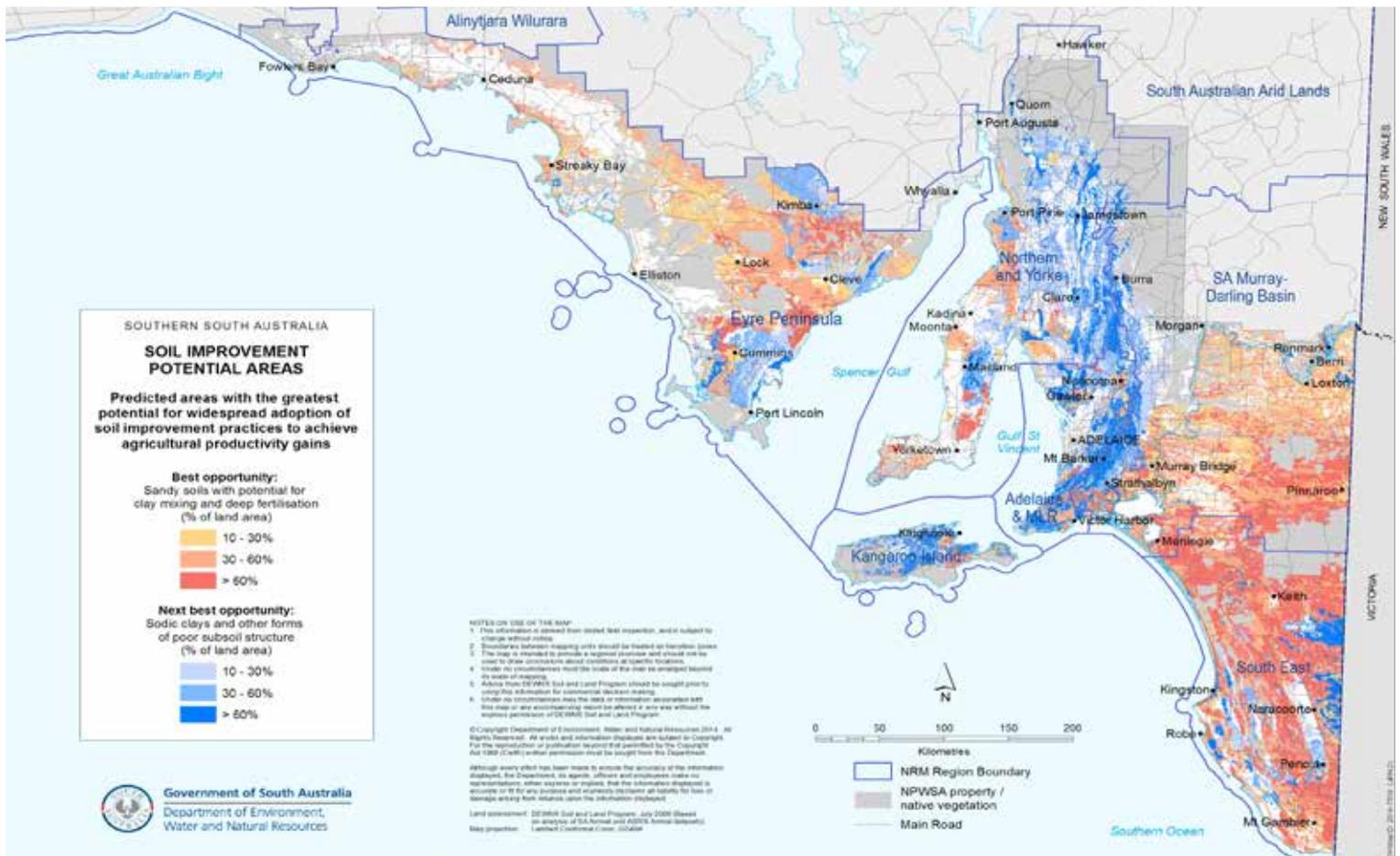
About 40% of the total comes from your distribution network, who set things like your daily supply charge.

The remainder is made up from Government pass-through charges and wholesale costs.

Source: www.lucerne.com.au | www.momentumenergy.com.au/knowledgecentre

momentum energy





NEW HORIZONS - THE NEXT REVOLUTION IN AGRICULTURAL PRODUCTION

South Australian broad-acre farmers have a strong and proud history as innovative leaders in farm management practices.

ABOUT 40% (4.1 MILLION HA) OF THE AREA UNDER BROAD ACRE AGRICULTURE IN SOUTH AUSTRALIA HAS SOIL ISSUES

The increasing global demand for food and premium grade products creates real opportunities for South Australian grain growers if they can increase production in a sustainable manner. Grains are a highly valuable export commodity. The Gross Food Revenue value for the South Australian grains industry in 2012-13 was \$4.3 billion and each year much of the South Australian grains crop is exported.

Through the New Horizons Program, the South Australian government will grow the capability of our dryland farmers to significantly increase crop and pasture

production on poor performing soils. About 40% (4.1 million ha) of the area under broad acre agriculture in South Australia has soil issues which limit agricultural production that can be addressed through the New Horizons Program. These include low fertility soils, poorly structured soils, sandy soils and sodic clay sub-soils which are hostile to plant growth. There is compelling evidence from recent advances in soil science that such limitations can be addressed through making modifications to the top 50 centimetres of soil.

The New Horizons Program is establishing experimental sites and a demonstration program to uncover the benefits of modifying the top 50 centimetres of the soil profile to improve root growth, plant vigour and water use efficiency. Early evidence suggests that increases in yield of 20% to 200% (70% average) can be achieved with these new farming practices.

The New Horizons Program will improve our understanding of the processes in the soil that contribute to increased yield so that the benefits of soil modification can be

reliably predicted. The ability of farmers to know how and when they could increase crop yields by 70% on average across much of South Australia would represent a new revolution in farm management in this state.

The New Horizons Program will involve a mix of fundamental and applied research, extension and regional site trials to develop an effective soil management package and technology guidelines.

Working closely with broad-acre producers, New Horizons is being delivered by PIRSA in partnership with:

- South Australian Farming Systems Groups
- Adelaide University
- The University of South Australia
- The Department of Environment, Water and Natural Resources (DEWNR)

CHINESE GRAIN MISSION TO SOUTH AUSTRALIA

By Nicola Raymond, Executive Officer

Last month, a Chinese delegation travelled through South Australia to explore potential trade and investment opportunities in the State's grains and seed industries.

The delegation from a range of Chinese companies joined representatives from Austrade and PIRSA for the four-day visit through Bordertown, Keith and the Southern Mallee region.

They toured Blue Lake Milling and Lucerne Australia's associate members Tatiara Seeds in Bordertown and PGG Wrightsons in Keith.

They then met Lucerne Australia grower member Charlie Hilton at Carousel, Bordertown to see lucerne grown in the paddock. They asked questions about lucerne seed production and got an overview of the industry from Lucerne Australia's Executive Officer.

China is already South Australia's largest trade partner, contributing more than \$3.3 billion to the State's record \$12.4 billion in exports in the 12 months to May.



The Chinese delegation



Charlie Hilton (left) with the Chinese delegation



Charlie digs up a lucerne plant to show the root system

DO YOU KNOW THE EXECUTIVE COMMITTEE MEMBERS?

Got a question for Lucerne Australia? Contact the Executive Officer or any of our Executive Committee Members who will be happy to help.



Warrick Thorpe, Chairman

Warrick grew up at Meadows in the Adelaide Hills where the family-owned business runs a dairy farm. The business has expanded to the Upper South-East and now includes a property at Coombe producing lucerne hay and seed. Contact: 0400 852 010.

Lisa Charlton, Vice Chairman

Lisa has lived and worked as an agronomist in Tintinara for 11 years, specialising in dryland lucerne seed, broad-acre cropping and pasture renovation. Lisa is also involved in transport company Frank Fatchen Pty Ltd at Tintinara. Contact: 0408 856 445.



Guy Cunningham, Grower Member

Guy farms with his wife Sarah and family near Willalooka. The business comprises a 300-cow stud beef cattle herd, dryland winter cropping and lucerne production, mainly aimed at seed with some hay sold off farm. Contact: 0429 875 422.

Bruce Connor, Grower Member

Bruce was born on the family dairy farm at Mt Compass. He relocated to a property at Tintinara in the late-1970s to grow out replacement heifers. He and his family now farms beef cattle, cropping, dryland and pivot irrigated lucerne for hay and seed. Contact: 0428 835 310.



Owen Croser, Grower Member

Owen has farmed near Keith since 1983 growing wheat, barley, beans, canola and triticale. There are also beef cattle, sheep and a small feedlot. They have flood irrigation and grow lucerne for seed and hay production. Contact: 0407 718 761.

Adam Desmazures, Grower Member

Adam runs the family-owned business with wife Michelle, a young family and parents. The mixed farm has a self-replacing Merino flock, beef cattle and dryland lucerne for hay and seed, which is south of Tintinara. Contact: 0427 560 091.



Nathan Smith, Associate Member

Nathan lives at Naracoorte and is Pasture Production Manager at Heritage Seeds. His main focus is to act as the principle point of contact for lucerne production growers. Prior to this, Nathan spent seven years as a field agronomist. Contact: 0408 655 220

Josh Rasheed, Associate Member

Josh was appointed as the Contract Cropping Manager and Pasture Advisor at Naracoorte Seeds in 2011. In his role, lucerne is one of the major crops he is involved with. He was previously a Real Estate Agent at the family business in Meningie. Contact: 0427 790 655.



Nicola Raymond, Executive Officer

Nicola is a communications professional with 16 years' experience in the agricultural industry in both the UK and Australia. She is a farmers' daughter from a 3,000 acre farm in Wales. Nicola travelled to Australia in 2007 as part of a Nuffield Farming Scholarship and became an Australian citizen in 2011. She resides with her partner on a property south of Keith. Contact: 0439 538 332.

Associate Members/ Bronze Sponsors:

AJ Cotton & MA McDonald	Imperial Valley Milling Company	Pinkerton, Palm, Hamlyn & Steen
Alpha Group Consulting	Incitec Pivot	Rabobank Australia
ANZ	JJ O'Connor E. Sons Pty Ltd	SA Apiarists Association
Archards Irrigation	Jolpac Rural Supplies	Seed Distributors
Asure Quality	Kongal Seeds	Seed Services Australia
Clovercrest Consulting	Landmark Keith	Seed Genetics International
Cox Rural Keith	Lawrie & Co	South East Seed Exports
Crop Monitoring Services	Mellor Olsson	Tatiara Seeds
Elders Keith	Momentum Energy	Teague Australia
Farmers Centre	NAB Murray Bridge	Vermeeren Bros Manufacturing
Forage Genetics International	NAS Agribusiness	WFI
Frank Fatchen Pty Ltd	Naracoorte Seeds	Wickham Flower
Gibbs Agricultural Consulting	Peracto SA	Wise Farm Equipment
Heritage Seeds/Seedmark	PGG Wrightson Seeds	Zadow Apiaries

Welcome to New Members:

Karatta Pastoral, Paskerville

Sponsors:

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Gold sponsor of Lucerne Australia



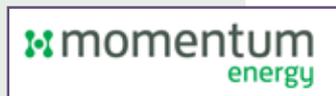
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Providing financial advice



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