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### July 2012 News Headlines

Opposition & National Farmers Federation refer to IBIS world report states that **“Farmers as price takers will not be able to pass on higher input costs on items like electricity, fertiliser, animal health products & pesticides.”** IBIS world says these carbon costs will result in a 6.4% fall in farm-gate revenue. **“The largest cost increase is 10-30% in electricity”**

JBS – largest cattle processor in Australia

- \* estimate \$6-\$8 per head in extra processing costs
- \* \$300/tonne to process grain finished beef in box in Aust compared to US \$160

Horticulture Australia – report modelling impact on increased farm costs

- \* Up to 0.8% this year (\$500k-\$4m expenses)
- \* Up to 0.94% every year to 2020
- \* Expect to pay 10% more for electricity for irrigation & cold storage
- \* Other costs affected fertiliser, chemicals, gas, freight & packaging

### Your Strategic Plan needs to focus on:

- \* Impact of increasing costs and how can you combat this?
- \* Energy efficiency (particularly irrigation) or alternative sources of electricity
- \* Awareness heavy vehicle fuel exclusion only for 2 years – ends July 2014 it will have greater impact on your costs post this date
- \* Finding products where you have more control on price
- \* Assessing markets & processors – small processors not over pollution limit may have reduced costs
- \* Assessment of land use – do you have high conservation areas of land that could receive biodiversity funding?
- \* Knowledge of your profit per acre/hectare
- \* Poor profitable land that can not be improved– is it more profitable to undertake environmental plantings of trees to earn carbon credits?
- \* Monitor continual carbon methods being approved (reducing emissions or storing carbon) to earn carbon credits to then sell.

### Other future methods being discussed to earn carbon credits

- \* Dairy’s capturing methane just been approved (only the 5th approved method of earning carbon credits) Will this also lead into non-dairy feedlots method?
- \* Reduction in fertiliser use
- \* No burning of crop stubble (burning savannahs & grasslands in tropical North is already 1 of 5 approved methods)

Information provided by Mark Edwards from Murray Nankivell at the Precision Ag Info Day in July

Ph 08 8762 1544 Fax 08 8762 3511

[www.murraynankivell.com.au](http://www.murraynankivell.com.au)



## Thinking about a new Seeder?



As part of the Clean Energy Bill the Federal Government is introducing a Carbon Farming Futures Program with \$429 million to be spent in the first six years. Included in this program is a 15% Refundable Tax Offset for the purchase of conservation tillage equipment to be used in a primary production business; this legislation was passed in November 2011.

The offset is only available on equipment purchased and installed ready for use between 1 July 2012 and 30 June 2015 and the equipment must be purchased new. The machinery must be an eligible no-till seeder and can include the following:

- Tine machines fitted with minimum tillage points designed to achieve minimum soil disturbance and less than full cut-out eg narrow points, knife points or inverted T points.
- Disk openers with a single, double or triple disc arrangement
- Disc/tine or disc/blade hybrid machine

A farmer is only eligible for the offset once they have been issued with a 'Research Participation Certificate' for the income year in which they claim the conservation tillage tax offset. To get this certificate a 'conservation tillage survey' has to be completed in the year of purchase. The survey relates to soil health, soil carbon and no-till and is intended as a way to capture information on the soil carbon issue for the government.

**Example:** If a farmer purchased eligible equipment after they had received a research participation certificate costing \$100,000 (ex GST) then the taxpayer would receive a \$15,000 refundable offset in that particular financial year. Depreciation can still be claimed on the new equipment in the normal way. For a small business entity this means that they would have a tax deductible depreciation claim of \$15,000 in the year of purchase with a \$30,000 deduction in the following financial year.

**Need more Information?** If you would like to know more about the offset and if you are eligible please contact us.

Ph 08 8762 1544 Fax 08 8762 3511 or [www.murraynankivell.com.au](http://www.murraynankivell.com.au)



**MFMG**

www.mackillopgroup.com.au

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## Grower Request Trials

In response to feedback from growers, this year we have included an additional “grower request” trial at the Conmurra site.

This trial focuses on **Weed control in Broad Beans** – an issue that is fairly unique to the South-East region.

The trial looks at various chemicals, both straight products and in mixes at varying rates. The efficacy on weed control and the effect on the broad beans are the key factors in determining the effectiveness of the mixes.

Another grower request was looking at **Dessication/Harvesting Methods of Beans**, this work is also being carried out this season but in Faba's for logistical reasons.

*Next season, we plan on extending this Grower request trial program and hope to look at a key issue around the Frances area as well, so if you have any ideas or burning issues that you think are relevant to your area, let me know.*

A visit to the broad bean weed control site will be included at Conmurra on the 31<sup>st</sup> October as part of the main MacKillop Field Days, and I would encourage all broad bean growers to attend.

I look forward to seeing you there,

Felicity Turner



## 2012 MFMG Field Days

**Frances**

**30th October**

**Conmurra**

**31st October**

*Trials available for viewing and discussion on these days include*

NVT Oats  
SARDI Barley  
SARDI Wheat  
NVT Canola  
GRDC WUE Wheat Agronomy  
Elders Knockdown  
Seedmark  
NVT Lupins (off-site)



NVT Early Wheat  
NVT Wheat  
SARDI Barley  
GRDC WUE Wheat Agronomy  
NVT Trit  
Wheat Fungicide  
TT Canola  
Elders Jumpstart  
Bean Variety  
Elders Knockdown  
Growers request Bean Herbicide



*Further information on these days will be available soon*