

Prime Focus

Official Newsletter of QRAA
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Rural Queensland set to benefit from interest rate cut



These loans are funded by the Queensland Government and delivered by QRAA.

Interest rates on our Sustainability and First Start Loans are now as low as 3.11 per cent - with existing and next generation farmers set to benefit.

Under the scheme, Sustainability Loans allow established producers to invest in property expansions, improved water infrastructure, energy efficient equipment and alternative energy systems. First Start Loans allow aspiring agriculturists to purchase their first property or buy into an existing enterprise.

“I am thrilled that our First Start Loans are being taken up by budding farmers as young as 19, or being used to facilitate rural succession,” QRAA’s Chief Executive Officer, Cameron MacMillan said.

“What was once a relatively simple matter of inheritance is now a complex issue for rural Queensland,” he said.

“QRAA’s First Start Loans, and the

abolishment of stamp duty on family farm transfers, present an incredible opportunity to implement succession plans sooner rather than later.”

Since 2010, QRAA has approved over \$187 million in First Start Loans – allowing more than 470 Queenslanders to achieve their dream and make a start in agribusiness.

In addition to concessional interest rates, First Start Loans currently feature lending limits of up to \$650,000, no fees or charges and repayment terms of up to 20 years.

Primary producers also have the option of using joint lending with commercial banks if they need additional finance beyond \$650,000.

Producers who are thinking about succession planning, or ways to improve their productivity and sustainability are encouraged to contact us on **Freecall 1800 623 946**.

Stamp Duty Abolished

The Duties Act has been amended to remove transfer duty from family farm transfers - saving producers tens of thousands of dollars.

This has made succession planning easier and more affordable than ever.

QRAA’s First Start Loans can assist next generation farmers purchase part or all of the family property. Our recently reduced interest rates make it the ideal time to investigate these options. Contact QRAA on **Freecall 1800 623 946** to discuss this further.

New interest rates (First Start & Sustainability Loans)

1 year fixed	3.24%
3 years fixed	3.11%
5 years fixed	3.22%

Current for loans drawn down from 1 July 2016 and subject to change 1 January 2017.

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From the CEO's desk



QRAA CEO, Cameron MacMillan

There are very exciting times ahead for QRAA and for rural and regional Queensland, following the recent Queensland State Budget announcements.

QRAA has welcomed plans to expand our role, increase our lending capacity, improve our products and the proposed changing of our name to the Queensland Rural and Industry Development Authority (QRIDA).

All of these changes mean we can do more for agriculture and regional Queensland.

The recent removal of stamp duty for family farm transfers is terrific news for our next generation of farmers and producers looking at succession to secure the future of their farming family.

Our agriculture sector needs more young, smart farmers to innovate, stimulate and lead the way – QRAA is ready to be part of this journey.

“All of these changes mean we can do more for agriculture and regional Queensland.”

Full details of the assistance available from QRAA is on our website.

To stay informed of new developments at QRAA, sign up for email updates, follow us on our social media channels or **Freecall 1800 623 946**.

Follow #QRAA

Keeping up with the latest news from QRAA is now easier than ever, with the recent launch of our official social media profiles.

Join the conversation and follow us on Twitter or LinkedIn for event information, financial program updates, industry news and behind the scenes updates.



www.twitter.com/QRAAMedia



www.Linkedin.com/company/qraa

Biosecurity Changes

Protecting the Queensland economy, environment and community from pests, diseases and contaminants through good biosecurity is everyone's business and responsibility.

As of 1 July, new biosecurity laws are in effect in Queensland.

Find out about the changes at www.biosecurity.qld.gov.au

BMP drives greater cane farm efficiency

Efficiency gains for improved profitability have come hand in hand with environmental sustainability for Innisfail cane growers Morrie and Jeanette Spina.

They're among the growing number of sugarcane businesses, covering 26,418 hectares, to be accredited in the core modules of Smartcane BMP, the industry's best management practice program. A further 232,868 hectares are benchmarked and moving towards accreditation.

Morrie and Jeanette have three farms and in 2015 cut 12,800 tonnes of cane.

Jeanette says the Smartcane BMP process made them look at their operation differently and identify efficiencies.

“Fuel and time especially - how many times Morrie would pass up and down a row was a big thing to try to cut down,” she says.

They found that changes which gave them cost or time efficiencies have also had environmental gains. For example, fewer passes through the paddocks mean less soil disturbance affecting soil and crop health and less chance of erosion into the nearby creeks and rivers which run to the Great Barrier Reef.

Guinea grass is a constant weed problem but by moving from broad-scale spraying to spot spraying they are using less chemical for a better and more accurate result.

“We do the spot-spraying with a quad bike which uses a lot less fuel than the tractor,” Jeanette says.

“And we no longer wait for the guinea grass to get high,” Morrie adds. “I can jump on the quad bike when it's small and it takes less time.”

Their drive for production efficiency and environmental best practice had



Morrie and Jeanette Spina with their Smartcane BMP accreditation

already seen them move to subsurface application of fertilisers, ensuring that the expensive input stays exactly where it needs to be, in the crop's root zone, and doesn't wash away.

“Farmers are the best conservationists - because of what we get for our cane, we can't afford to be wasting time or money,” Morrie says.

Article provided by CANEGROWERS

*Smartcane BMP is a government best management practice system for cane growing in Queensland. Contact 1800 623 946 to find out how low interest loans available through QRAA can help you meet module requirements within the program.

Drought Loans extended



QRAA Client, Greg Dennis, with daughter Jewel, son Jack and wife Trish

The Australian government recently announced an extension of the Drought and Drought Recovery Concessional Loans Schemes in Queensland. QRAA has been allocated an additional \$15 million, and the closing date for the schemes is now 31 October 2016.

The changes will allow even more Queenslanders to access vital funds to maintain, improve and revitalise their operations.

One operator who has benefitted from the scheme is Greg Dennis - a Beaudesert dairy farmer with a keen interest in keeping up to date with technology and changes in dairy farming practices.

Greg's dairy business began operating in the 1930's, when his Great Uncle Henry bought the land to run dairy cattle. A well established succession plan saw the farm business handed down to the next generation.

"It has always been a family business," Greg said.

In 2010, after visiting two Lely robotic dairy farms in Victoria, Greg began operating the first Lely robotic milking system to be built in Queensland. In 2013, he opened his business - Scenic Rim 4Real Milk.

Just three years later, severe drought conditions made it necessary to

"Refinancing with a Drought Concessional Loan placed our farm business in a better position."

purchase extra feed for the dairy cattle, so Greg started to look at lending options.

"Our area was in a 1 in 20 year drought. 2013/14 saw the driest summer period since the farm started operating," he said.

Greg researched QRAA and met with his local Client Liaison Officer, who helped him apply for a Drought Concessional Loan.

"We had to look at where money would be coming in - how we could find more feed."

Greg refinanced with a Drought Concessional Loan and can see clear benefits from the low interest rates.

"Refinancing with a Drought Concessional Loan placed our farm business in a better position. We could buy extra feed that we would normally not be able to afford.

"The low interest rate provides peace of mind - there is not a high level of pressure. They assist in repayments

that can otherwise get on top of you," Greg said.

With financial pressures at bay, Greg was able to turn his focus to the continued evolution of his business, including expanding tourism on the farm with regular dairy tours.

"I think that part of the problem for farmers is that often refinancing can be put into the too hard basket and that's where it stays. I found QRAA's application process fairly self explanatory, and QRAA was very good at providing direction and making it clear."

"The low interest rate provides peace of mind - there is not a high level of pressure."

Interest rates for Drought Concessional Loans like Greg's are available at 3.05 percent, and Drought Recovery Concessional Loans as low as 2.71 percent (falling to 2.66 percent from 1 August).

These schemes are funded by the Australian Government and administered by QRAA.

Visit www.qraa.qld.gov.au for full details.

QRAA in the regions



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Carrying capacity improving

Whilst a broad area of Western Queensland has received good rainfall, the drought hasn't broken and parts of the region remain eligible for Drought Concessional Loans. It doesn't rain money, and these loans enable producers to bolster their cashflow in times of limited earning capacity and support their recovery efforts.

I was also privileged to have the QRAA Board visit Longreach and Barcaldine in May. It was great for the Board to see the positive impact Sustainability Loans are having on grazing enterprises, especially through the funding of exclusion fences. Graziers are encouraged to contact me to discuss the funding opportunities to improve their property's carrying capacity.

Partnering with professionals

There has been significant loan activity pre-harvest this year, with a number of family successions taking place and existing producers expanding their operations.

As operations expand and more funding is required, QRAA works closely with commercial lenders and accountants to find the best possible lending solution for their clients.

I regularly talk with accountants and commercial lenders about the advantages of accessing QRAA's low interest rate loans and am always encouraged at the recognition by these professionals of the difference First Start and Sustainability Loans make to their clients.



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Reef best practice is sweet

Sustainability Loans are purpose built for assisting cane growers with their Best Management Practice initiatives. Sustainability Loans can be used for machinery purchases or enhancements - QRAA have approved a number of loans assisting with investment in GPS controlled traffic equipment and machinery designed to reduce chemical use when spraying or optimise fertilizer use. It has been very satisfying to work with clients who are not only passionate about growing cane but passionate about doing their bit in improving our catchments.

Sugarcane prices worldwide have bounced in the past month and the outlook for Queensland growers is the best it has been for a number of years.

Can't see the loans for the trees

Bundaberg is booming! Known for its production of vegetables and sugarcane, the region has seen a number of QRAA clients using Sustainability Loans to diversify their production mix and build a more resilient business against commodity price fluctuations. We have also funded a number of expansions into macadamia and avocado production throughout the Wide Bay.

With up to two years interest only, Sustainability Loans are perfect for investment in tree crops where there will be some delay in production of commercial quantities. Diversification into these products have also allowed First Start clients to continue to develop their enterprises whilst maintaining their off-farm incomes, providing for ongoing positive cash flows.



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Legendairy

It has been terrific to see the renewed optimism amongst dairy producers in my region. Not only are branded milk sales increasing demand for high butterfat and protein milk from processors, but there is new motivation by producers to bridge the milk supply shortfall. QRAA have funded several new dairy installations and upgrades in recent months providing those farms with greater efficiency and the ability to milk more cows.

QRAA are also looking at how we can fund young dairy farmers into their first farm, transitioning from managing or sharefarming existing operations into their own. If your herd is your asset, we are keen to find ways to let you take the next step.

Recovery builds capacity

It has been really encouraging to see the physical and economic recovery in a number of areas within my catchment after floods and cyclones in recent years. I have been working with a number of families as they implement their succession plans after their properties have recovered. Market improvements are also stimulating optimism and promoting the next generation into the business.

I am currently assisting with First Start loans in families where the present managers have used QRAA's assistance in the past to build a sound platform of a viable, sustainable and resilient enterprise. This hard work thereby presents the next generation with a strong foundation to their primary production future.



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First Starts at Farmfest

Enquiry for QRAA's product offering was the strongest experienced at this year's Farmfest. It was terrific to discuss how QRAA's loans can assist producers, especially when they had travelled from as far as Rockhampton, Bundaberg and Charleville.

Many producers had already thought about how QRAA loans could help with improving on-farm infrastructure and succession - it was a pleasure to meet with farming families and discuss what our First Start loans have to offer.

I really encourage producers to utilise their local Client Liaison Officers when applying. We are here to help and can ensure all relevant information is submitted.

Time to invest in the future

Producers in my region are enjoying excellent commodity prices with cattle, sheep and wool all delivering solid returns. On the back of improved climatic and feed conditions, clients are beginning to feel more confident to make capital purchases and improve their existing operations.

Sustainability Loans provide the perfect low interest answer for investing in exclusion fences, improving water and livestock handling infrastructure and diversifying into alternate animal production systems. Renewed interest in sheep with improved wild dog management provides a number of opportunities to access QRAA loans.



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