

Transitioning to the Future Forums

A huge thank you to the 40% of growers who attended one of our seven statewide forums in August. It was really gratifying to have such a turnout.

Appreciation and again a huge thank you to Sun Pharma, Tasmanian Alkaloids and the Tasmanian Institute of Agriculture for their support and down to earth presentations which stimulated strong discussion at most of the forums.

Just to recap on some of the presentations:

What will a successful Poppy Processor look like in 2020?

To be a successful poppy producer into the future, they must:

- Be a low cost producer
- Growing the highest producing poppy varieties possible
- Continue to work closely with Growers to the mutual benefit of both parties.
- Develop long standing relationships with customers.
- Work with customers to ensure supply and demand is balanced
- Offer the highest quality products, supported by demonstrated regulatory compliance
- Continue to invest in Agricultural R&D.

Future Market Options

Requirements for a sustainable industry

- Products that are responding to demand
- Growers receiving competitive returns
- SPIA & TA require commercial returns
- Tasmania is a high cost environment with few Government supports/subsidies
- Stable regulatory system
- Strong partnerships – especially with growers
- Companies commit many millions to breeding

- leading edge productive poppies
- Advancing new technology
- Advancing new products
- INCB states that stocks were and remain high
- Demand weak
- Very low prices
- Intense competition to secure sales
- Focus on cost and manufacturing efficiency
- USA imposes import restrictions due to Opioid crisis, which is spreading elsewhere
- Issue is critical for product reputation
- Emergence of abuse deterrents
- European grower expertise/productivity increasing
- Objective is to deliver competitive gross returns per hectare which are available to growers in their respective districts
- Acknowledged that high productivity can come with heightened risk and intensive management
- **Critical partnerships Field Officer/Grower**

Next Two Years

- Industry supply chain must continue to adjust
- Focus on Industry tonnes of Alkaloid, i.e. kgs/per Ha NOT grown hectares
- **Market will turn**

Innovation Technology—Key Messages

1. Agricultural Research and Development is critically important to the future of the Tasmanian Poppy Industry.
2. Growers are growing poppies and alkaloids and need to optimise both.
3. Good establishment is FUNDAMENTAL to good yields and returns.
4. Timing is everything (but its difficult in practice).
5. Systemic Downy Mildew **is a community disease.**

Systemic Downy Mildew Research

Dr Jason Scott, Research Fellow, Tasmanian Institute of Agriculture (TIA) University of Tasmania provided an extensive presentation in respect of the first two year 2015/16 research project and ARC Linkage Project 2017/2020.

What is “Downy Mildew”?

- Downy mildew is a group of diseases affecting a wide number of crops.
- In poppies it affects leaves, stems and capsules.
- Two forms of the disease are:
 - Localised lesions—in Tasmania since at least 1996
 - Systemic infection—first major outbreaks seen in 2013
- DNA sequencing work has confirmed both species in Tasmania.
- Need to use DNA testing as the two species are very hard to tell apart visually.

How does Downy Mildew spread?

- As a group, downy mildews spread by a combination of 3 main methods:
 - Seed
 - Soil/stubble
 - Spores in the air

The importance of each of these in poppies is a major part of ongoing research.

Where to from here?

Focussing on the unanswered questions:

- Seed transmission is low and treatment gets it even lower—is that enough?
- Crop residues in the soil are a problem and growers must have good rotations.
 - How long is a good rotation?
 - Can that be made shorter?
 - Inoculum can be measured, but what does that mean?
- Need to keep rotations at a minimum of 3+ years between poppy crop, which means 3 clear years at least from when poppies were last present in that paddock which includes volunteers/regrowth.

- Aerial spores can be a problem.
 - How far can they spread?
 - What time of year are they about?

Productivity—The Essentials of Success

Productivity one definition:

“How efficiently inputs are turned into outputs”

How is productivity measured in the poppy industry. The poppy industry measure is kilograms of alkaloid produced per hectare.

A good crop from processors perspective:

- Capsule not straw—high alkaloid material
- Weed free
- Free from alkaloid contamination via re-growth
- Harvestability
- Even capsule height and even capsule zone
- No lodging
- Good plant density and capsule size

Key areas affecting productivity

- Site selection
- Seed bed preparation and sowing
- Early establishment
- Operational timeliness and capacity

Site Selection

- Rotation
- Post harvest clean up
- Fertility and pH (soil test)
- Plan ground preparation in advance (beds, autumn cultivation to remove compaction, reducing stubble etc.)
- Drainage
- Ability to create good seed bed, i.e. manage stubble, remove compaction etc.

Seed Bed Preparation and Sowing

- Remove compaction at right soil moisture (autumn)
- Avoid compaction
- Soil conditions suit drill
- Plant when conditions are right
- Correct calibration to achieve target density

Early Establishment

- Poppies are a very small seed planted shallow
- Uniform emergence and early vigour will carry through
- Monitor and act quickly on pests (slugs, earth mites etc.)
- Crops stressed early can often suffer big yield penalty
- Maintain plant numbers

Operational Timelines

- “Just do the right things at the right time”
- Plan ahead for activities in the crop with your Field Officer
- Timing of actions is very important.
 - Examples - Weed control, Disease control, irrigation
 - Timing and Capacity to irrigate in timely manner

Utilise your field officer's experience; valuable resource to help growers maximise the outcome from the crop

Trust your Field Officer; he/she has access to the very latest research and development regarding all of the above.

We realise growers may be tired of hearing about “increasing productivity” however this was again reinforced at the ABARES Regional Outlook Conference at Devonport on Wednesday 23rd August 2017.

ABARES Senior Analyst Peter Gooday advised when presenting “*Big Picture issues affecting Agriculture in Tasmania*” that:

- Commodity prices will remain stagnant/flat over the medium term.
- Rest of the world is quickly catching up as far as productivity is concerned, Brazil, China, Ukraine, Argentina and Chile to name just a few.
- Enterprise profitability in the medium term will continue to be dependent on increased productivity.

IMPORTANT MESSAGE

What do poppy growers and race horse trainers have in common?

Perhaps the most obvious answer to this question is that both groups are to a degree playing a game of chance because neither has total control over the fruits of their labours. The relationship is somewhat deeper in that many poppy growers also produce cereal grains and straw which is used by race horse trainers for feed and bedding.

Both industries also have commonality in being highly regulated sectors. Poppies from the perspective of minimising diversion of plant extracts to illicit markets and racing from its intolerance of prohibited substances in horses presented for racing. Poppy extracts (morphine, oripavine) are prohibited substances in horse racing so their detection in horses presented for racing can have serious consequences including disqualification of the horse from the race (which it may have just won) and a range of penalties imposed on the trainer ranging from fines to periods of disqualification. All these consequences have significant negative impacts on the livelihood of horse trainers, owners and their support staff.

Grain or straw used by the racing industry can become contaminated with poppy extracts from volunteer poppy plants growing in a cereal crop from seed deposited in the paddock by a preceding licenced poppy crop. One of the important poppy licence conditions is the requirement to control poppy regrowth in subsequent crops. This is not difficult as there are a large range of herbicides that destroy poppy plants registered for use in cereal crops. The other factor driving poppy growers to control poppy regrowth is the need to remove poppy plants as a host to the systemic downy mildew fungus which can have devastating effects on commercial poppy crops. The fungus is difficult to control with the best method being elimination of its poppy plant host through effective crop rotation so as there is at least five years between poppy crops with year one being that in which no poppy plants are present in a paddock.

Given that poppy extracts found in a racing horse results in significant financial consequences for the horse trainer such detections could result in

litigation against the feed or straw provider if the prohibited poppy extract could be linked back to the feed or straw. Establishing such a link is not difficult given that feed is routinely tested by racing stewards investigating the presence of a prohibited poppy extract in a racing horse.

The above risks can be managed by providers of cereal grains and straw to the racing industry developing a third party (perhaps crop agronomist) quality

assurance program which can ensure no poppy contamination and horse trainers only purchasing grain and straw from providers with a documented effective risk management program.

As is evident from the above discussion poppy growers and race horse trainers are inextricably linked and should be working together to help manage the risks of each other's business.

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Get to know your super – it's your money!

Ever wondered what superannuation is all about? Get to know your super and your future self may well thank you.

Superannuation (or super) is a compulsory scheme that helps Australian workers save to provide income for themselves in retirement.

Are you entitled to super?

If you earn more than \$450 before tax per month, your employer must contribute 9.5% of your salary to a super fund on your behalf. This is known as the Superannuation Guarantee (SG).

Tax advantages

Super is considered one of the most tax-effective ways to save for retirement. Generally, employer contributions and any amounts you elect to sacrifice to super from your pre-tax salary (salary sacrifice) and any returns are taxed at 15%, rather than your usual tax rate.

If you make personal contributions to super using after-tax money, no tax is applied to those contributions. While investment earnings made within super attract 15% tax.

Keep all your super together

It's important to keep all your super in one account and know where it is. This is the easiest way to avoid extra fees and costs, as well as extra paperwork. You also eliminate the risk of losing track of accounts.

Know your account balance

Watch your super grow and ensure your employer is making regular contributions. Most super funds have online account access, just like accessing your internet banking.

Check how your super is invested

Super funds offer a range of investment options and you have the freedom to choose the option best suited to your needs. If you don't make a choice, your money will be

invested in a MySuper generic option. Either way, your retirement savings will be managed by professional investment managers.

Maximise your super

Making additional contributions from your pre-tax or after-tax money. Even small regular contributions can make a big difference to the value of your savings in retirement. There are also two government initiatives designed to help you save for retirement. The government co-contribution scheme and the low income super contribution scheme. Both are designed to help low to middle income earners grow their super. If you qualify, the government will contribute up to \$500 on your behalf (conditions apply). See ato.gov.au/super for more information.

Insurance

Insurance is an important part of your super account which provides protection for you and your family should the worst happen.

It is common for death and total and permanent disability insurance to be automatically provided with your super account and the cost of cover (the premium) deducted from your account balance. Insurance through super may be lower than insurance purchased directly from an insurer.

How much super is enough?

This depends on a lot of things and is different for everyone. Industry group ASFA* suggests you need \$545,000 when you retire to maintain a comfortable lifestyle – but this may not suit everyone.

Get help from those in the know! Visit primesuper.com.au or call 1800 675 839 to find out more.

*AFSA Retirement Standard 2016

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