

S. C. Simpson

21-3-08.

Senator The Hon. Bill Jefferson.

Dear Sir,

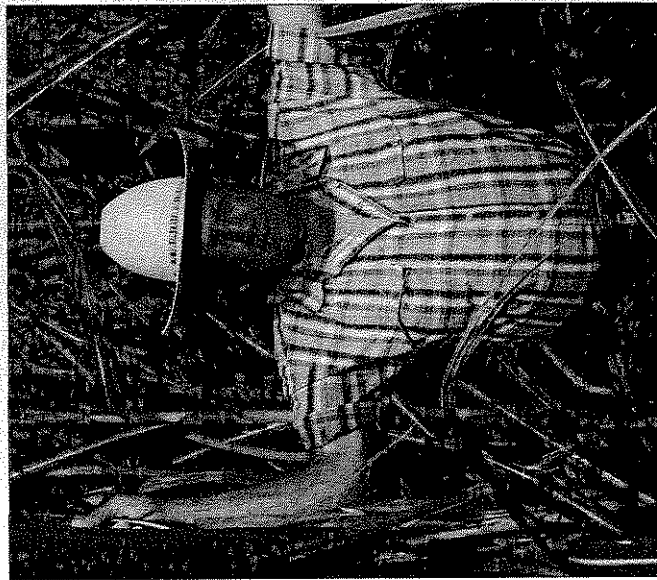
My name is Sam and I have been Cane Farming for 50 years. I am well aware of the ripoff Incitec Pivot has been doing to farmers since they took over the old fertilizer company we had in Cairns. Over the years we had quite a few small fert. companies who were quite fair with their prices. Down the track Incitec would drop its prices break the company down and take over. Up would go the prices. I am sending you the add Incitec Pivot put in the cane growers magazine where they boasted about the huge profit they made. In the last six years they put up their prices when they wish and if we want to grow a crop we have to pay or go broke. There are no other companies in the North so we have to abide by their prices or else no crop. The ACC have done nothing over the years why we pay them I don't know. This country is going down hill very fast the Government and this Country eventually is going to pay a big price because lots of farmers are going broke some committing suicide and some are selling for development.

or other products like trees.

I hope that the Hon. Bill Heffernan and his new team of members in his new committee will succeed in giving the farmer in this country some prosperity. The paper work I am sending you can be put over the media or where ever you can use my name I don't care anymore. I am an old 78 year old man still trying to farm but I am totally fed up with what all the companies around ~~at~~ us do to us. Enough is enough.

Sam or wife

# Fertiliser probe call



**Unaffordable:** Gordonvale cane farmer Sam Nuncifora is pleading with the competition watchdog to investigate high fertiliser profits.

A GORDONVALE cane farmer has called on the consumer watchdog to investigate fertiliser company Incitec Pivot.

Sam Nuncifora wants the Australian Competition and Consumer Commission to explore the company's conduct after it announced a \$82.8 million profit in November, a 73 per cent increase on the previous year.

Mr Nuncifora said Incitec Pivot had a history of swamping the market with cut-price fertiliser, which would be followed by a buyout of its competitors.

He said after the buyout the company raised the price of fertiliser beyond farmers' reach.

He used the takeover of rival company Pivot in 2003 by Incitec as an example.

"The ACCC should look into this fertiliser company," he said.

"When they are boasting a 73 per cent profit, it is a disgrace that farmers cannot afford to pay for fertilisers."

Mr Nuncifora said farmers were being forced to pay top dollar in a

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competition vacuum and it was impacting on productivity.

Incitec Pivot corporate affairs adviser Neville Heydon said Mr Nuncifora's complaint had no grounds and the company's activity in the market place was not anti-competitive.

"Both the merger of Incitec Fertilizers and Pivot in 2003 and IPL's acquisition of Southern Cross Fertilisers in 2006 were considered by the ACCC," he said.

"Neither was found to be anti-competitive. The fact is fertiliser is an internationally traded commodity and its price is set by global market forces."

Mr Heydon said the company was not trading in a monopoly environment.

"A range of manufacturers, importers, wholesalers and distributors ensured the Australian fertiliser market remained competitive," Mr Heydon said.

## **Big profit jump**

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Fertiliser company Incitec Pivot Limited (IPL) has reported a net profit after tax of \$82.8 million for the year ended September 30 - a 73% increase on that of the previous year. Increased profitability for 2005-06 came as a result of the success of the first phase of an ongoing cost-reduction and efficiency program, coupled with improved manufacturing performance, says IPL Managing Director Julian Segal.

Mr Segal said the company restructure, which started in 2004-05, had underpinned the delivery of competitive returns to shareholders, despite difficult seasonal conditions for farmers which impacted on fertiliser sales. Phase one of the efficiency program produced savings of \$30 million in 2005-06, 50% above target. Further savings are expected in 2006-07 as the program realises a full year of benefits. ■