



CANEGROWERS ISIS

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2 April 2008

Committee Secretary
Senate Select Committee on Agricultural and Related Industries
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Committee Secretary

Re: Senate Inquiry into Agricultural and Related Industries – Fertiliser Pricing

Last year when CANEGROWERS was looking at importing fertiliser through a Canadian importer, CANEGROWERS Isis Directors considered that for local growers it would be better to approach the local fertiliser companies to try and put in place a bulk purchase arrangement. The purpose of the bulk purchase arrangement was to deliver savings on fertiliser for growers whilst maintaining sales for local distributor/retailers as well as the major fertiliser companies.

On 5 July 2007, I emailed both Incitec Pivot Pty Ltd (IPL) and HiFert Pty Ltd seeking consideration of a CANEGROWERS Isis proposal to reduce the price of fertiliser helping to maintain long term sustainability of canegrowers in the Isis Mill cane supply area. Copy of my letter to both IPL and HiFert accompanying the email is attached as Appendix I.

Subsequently, IPL addressed the Isis Board on 2 August. Apart from claiming that product pricing was affected by international pricing cycles reflecting global supply and demand patterns, he proposed changed farming practices as a way to reduce input costs. In other words, telling growers how they should be farming. The rudimentary question of how to save money by implementing a bulk purchase arrangement was not a matter IPL was prepared to discuss, claiming that it was a matter for their local distributor/retailer to offer. The document tabled at the Board meeting is attached as Appendix II.

On 9 August, HiFert came to Childers to address the question of bulk purchasing. HiFert said HiFert wanted to build market share in the area but HiFert was conscious of any repercussions that could be initiated by IPL. IPL could retaliate by dropping the price and sales (at set discounted prices) would flow away from HiFert.

When pushed, [redacted] said he was prepared to consider the CANEGROWERS proposal and agreed to meet again to discuss an offer (price saving) for CANEGROWERS organising the bulk purchase orders.

CANEGROWERS Isis circulated growers with request forms (Appendix III) for bulk orders and the response is summarised in Appendix IV.

While growers responded accordingly to the situation, HiFert, HOWEVER, delivered a message through the local distributor that high level negotiations had quashed any chance of a bulk purchase arrangement with CANEGROWERS Isis.

Consequently, growers were forced to purchase their fertiliser at the high prices although some individuals were able to negotiate some savings based on the size of their operations. Some growers purchased fertiliser in bulk (not 1 tonne bags) which delivered savings of up to \$30/tonne.

Despite the efforts of CANEGROWERS Isis to facilitate bulk orders, the fertiliser companies were not prepared to enter into any arrangement. They (the fertiliser companies) were firm in their knowledge that growers had limited options but to buy the fertiliser at the prices charged. Incitec Pivot Pty Ltd through acquisitions and mergers has all but removed the competition in Queensland and can manipulate the market.

In 2008, the price of fertiliser has continued upward and many growers will have no option but to cut back on fertiliser use to the detriment of production. In Isis, 12 bulk fertiliser pits have been installed and growers will be encouraged to purchase in bulk to at least achieve a \$30/tonne saving over the 1 tonne bag price.

We trust that the Senate inquiry will fully investigate the matter of fertiliser pricing and the lack of interest demonstrated by fertiliser companies to deal with growers where genuine attempts have been made to reduce the cost to companies by bulk purchasing arrangements.

CANEGROWERS Isis would like the opportunity to provide further evidence at public hearings if the Committee was so inclined to offer the invitation.

Yours faithfully



Wayne Stanley
MANAGER

Attach (4)



CANEGROWERS ISIS

48 Churchill Street Childers 4660
PO Box 95 Childers 4660
Phone (07) 4126 1444 Fax (07) 4126 1902

4 July 2007

Mr Andrew Chapman
Regional Sales Manager
Incitec Pivot Limited
PO Box 140
MORNINGSIDE QLD 4170

Dear Andrew

The Board of CANEGROWERS Isis Limited concerned by the current futures contract price for sugar and the need for growers to reduce costs to maintain viability, wishes to canvass with you all options available to reduce the cost of fertiliser to our members.

CANEGROWERS is the peak body representing the majority of growers supplying the Isis Central Sugar Mill located near Childers. The area of supply stretches across the Childers, Bundaberg, Wallaville and Gin Gin region.

If CANEGROWERS was to coordinate individual grower demand, place a bulk order on behalf of growers, and pay cash for the fertiliser would this then translate into significant savings? Of course, the logistics of delivery and timing would need to be resolved to our mutual satisfaction.

The fertiliser our growers would be interested in is as follows –

Fertiliser	Fertiliser	Type of Mix
DAP		Planting
CK55 (S)	GF451	Planting
CK50/50	GF540	Planting/Ratooning
CK50/50 (S)		Planting/Ratooning
NITRA K	GF505	Planting/Ratooning
CK140 (S)	GF506	Ratooning
NITRA K (S)	GF554	Planting/Ratooning

The Board would be interested in hearing your views on our proposal and the quantities that Incitec Pivot would need to deliver cheaper fertiliser prices to Isis canegrowers.

If you have any questions please do not hesitate to contact me otherwise I await your reply.

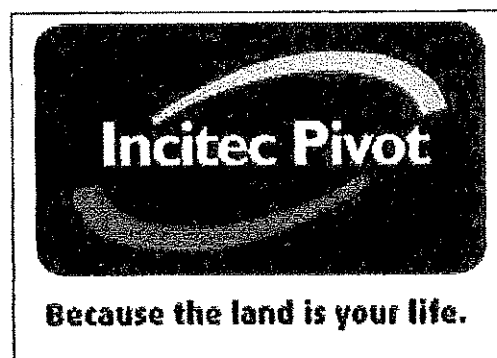
Yours faithfully

Wayne Stanley
MANAGER

**Isis CANEGROWERS
Board Meeting**

2 August 2007

**Options to Reduce
Fertilizer Input Costs**



Objective

To evaluate a range of planting and ratoon fertilizing options, and to determine the most cost effective method of applying the targeted nutrients.

NUTRIENT MANAGEMENT GUIDELINES FOR SUGARCANE IN THE BUNDABERG DISTRICT

Nitrogen

N mineralisation index	Organic C %	Baseline N rates (kg/ha)
VL	< 0.4	150
L	0.41 - 0.80	150
ML	0.81 - 1.20	140
M	1.21 - 1.60	130
MH	1.61 - 2.00	120
H	2.01 - 2.40	110
VH	> 2.40	100

Legume crop	Fallow crop dry mass (t/ha)	% Total N contribution (kg N/ha)	N contribution if grain harvested (kg/ha)
Soyabean	8	3.5	120
	6		90
Cowpea	4	2.8	60
	2		30
Lablab	8	2.3	100
	6		75
	4		50
	2		25
	8		80
	6		60
	4		40
	2		20

Modifications to N rates are recommended where mill by-products have been used. Mill trash applied at 150 wet t/ha. Subtract 30 kg N/ha from plant, 40 kg N/ha from 1st ratoon and 30 kg N/ha from 2nd ratoon. Nutrient mixture applied at 150 wet t/ha. Subtract 50 kg N/ha from 1st ratoon, 40 kg N/ha from 2nd ratoon.

Crop and fallow management	N mineralisation index and N application (kg/ha)						
	VL	L	ML	M	MH	H	VH
Replant cane and ratoon after replant	150	140	130	120	110	100	100
Ratoon crops	160	150	140	130	120	110	100
Plant cane after grass/bare fallow	140	130	120	110	100	90	80
Plant cane after poor legume crop	90	80	70	60	50	40	30
Plant cane after good legume crop	0	0	0	0	0	0	0
Plant cane after good legume crop harvested for grain	70	60	50	40	30	20	10
First ratoon after a good legume crop	180	150	140	130	120	110	100
Second ratoon after a good legume	180	150	140	130	120	110	100

N mineralisation index	VL	L	ML	M	MH	H	VH
Estimate of mineral N (mg/kg) at the end of winter	5	10	14	18	20	22	24

Phosphorous

CEC (me%)	Texture class
< 4.0	Sand
4.0 - 8.0	Loam
> 8.0	Clay

P sorption class	PBI
Low	< 140
Moderate	140 - 280
High	> 280

% Org C	Sand (<24% clay/loam)	Clay (>36% clay)
< 0.6 %	Low	Moderate
0.6 - 1.2 %	Low	Moderate
1.2 - 1.8 %	Moderate	High
> 1.8 %	High	High

Modifications to P rates are recommended where mill by-products have been used. Mill trash applied at 150 wet t/ha. Apply all P for at least 2 crop cycles. Nutrient mixture applied at 150 wet t/ha. Apply all P for at least 2 crop cycles.

These guidelines are a summary of the tables that are included in "Nutrient management guidelines for sugarcane in the Bundaberg district" (Bernard Schroeder, BSES Limited; John Panitz, BSES Limited and Andrew Wood, CSR Sugar Ltd.).

BSES P (mg/kg)	Old land		New land (first crop cycle)	
	P sorption class	P application (kg/ha)	P sorption class	P application (kg/ha)
> 60	All	NfI for at least 2 crop cycles	All	NfI for 1 crop cycle
50 - 60	All		All	
40 - 50	Low	20	Low	20
	Moderate	20	Moderate	20
	High	20	High	20
30 - 40	Low	20	Low	20
	Moderate	20	Moderate	20
	High	20	High	20
20 - 30	Low	20	Low	20
	Moderate	20	Moderate	20
	High	20	High	20
10 - 20	Low	30	Low	30
	Moderate	30	Moderate	30
	High	30	High	30
5 - 10	Low	30	Low	30
	Moderate	40	Moderate	40
	High	50	High	50
< 5	Low	40	Low	40
	Moderate	60	Moderate	60
	High	80	High	80



NUTRIENT MANAGEMENT GUIDELINES FOR SUGARCANE IN THE BUNDEBERG DISTRICT

Potassium

Table 5 - Estimate of soil texture class from CEC

CEC (me%)	Texture class
< 4.0	Sand
4.0 - 8.0	Loam
> 8.0	Clay

Table 9 - Potassium fertiliser guidelines

Nitre K (me%)	Plant (kg/ha K)		
	< 0.20	0.21 - 0.25	0.26 - 0.30
< 0.70	80 (sand) 100 (loam) 120 (clay)	50 (sand) 80 (loam) 100 (clay)	50 (sand) 80 (loam) 100 (clay)
> 0.70	80 (sand) 100 (loam) 100 (clay)	Nil (sand) Nil (loam) 50 (clay)	Nil (sand) Nil (loam) Nil (clay)

Nitre K (me%)	Explant and Nitron (kg/ha K)		
	< 0.26	0.26 - 0.30	0.31 - 0.35
< 0.70	100 (sand) 120 (loam) 120 (clay)	80 (sand) 100 (loam) 100 (clay)	50 (sand) 80 (loam) 80 (clay)
> 0.70	100 (sand) 100 (loam) 100 (clay)	50 (sand) 50 (loam) 50 (clay)	Nil (sand) Nil (loam) 50 (clay)

Modifications to K rates are recommended where mill by-products have been used. Mill mud applied at 150 wet t/ha. Substrate 40 kg K/ha on first crop. Mudwash mixture applied at 150 wet t/ha. Apply no K on second or first two crops.

Ameliorants

Table 11(a) - Lime guidelines for acid soils (when pH water < 5.5)

CEC (me%)	Lime application (tonnes/ha)
< 4.0	2.5
4.0 - 8.0	4
> 8.0	5

Table 11(b) - Lime requirements based on exchangeable Ca

Soil calcium	Lime application (tonnes/ha)
0 - 0.2	3
0.2 - 0.4	2.5
0.4 - 0.8	2
0.8 - 1.1	1.5
1.1 - 1.5	1
> 1.5	0.5

Table 13 - Gypsum guidelines for sodic soils

ESP (%)	Gypsum rate (tonnes/ha)
< 5	0
5 - 10	2
10 - 15	4
> 15	6

Table 15 - Silicon guidelines for plant cane

Test	Sulphuric acid	Calcium chloride	Rating	Suggested application rate
Si (mg/kg)	< 70	and	Low	Calcium silicate at 4 t/ha or Cement at 3t/ha or Mill mud/ash at 150 wet t/ha

Modifications to lime rates are recommended where mill by-products have been used. Mill mud applied at 150 wet t/ha. Substrate 2 t/ha Ag Lime from next application. Mudwash mixture applied at 150 wet t/ha. Substrate 2 t/ha Ag Lime from next application.

Sulphur

Table 10 - Sulphur fertiliser guidelines (kg/ha) for plant and ratoon crops

Sulphate S (mg/kg)	N mineralisation		N mineralisation	
	VL - L	ML - M	MH - H	
< 6	25	20	15	
6 - 10	15	10	5	
11 - 15	10	5	0	
> 15	0	0	0	

Modifications to S rates are recommended where mill by-products have been used. Mill mud applied at 150 wet t/ha. Substrate 10 kg S/ha from the first two crops. Mudwash mixture applied at 150 wet t/ha. Substrate 10 kg S/ha from the first two crops.

Magnesium

Table 12 - Magnesium guidelines for plant crops

Soil test (me % Mg)	Mg rate (kg/ha)	125	100	75	50	0
< 0.05	150	125	100	75	50	0
0.05 - 0.10						
0.11 - 0.15						
0.16 - 0.20						
0.21 - 0.25						
> 0.25						

These guidelines are a summary of the tables that are included in "Nutrient management guidelines for sugarcane in the Bundaberg district" (Bernard Schroeder, BSES Limited, John Paritz, BSES Limited and Andrew Wood, CSR Sugar Ltd).

Micronutrients

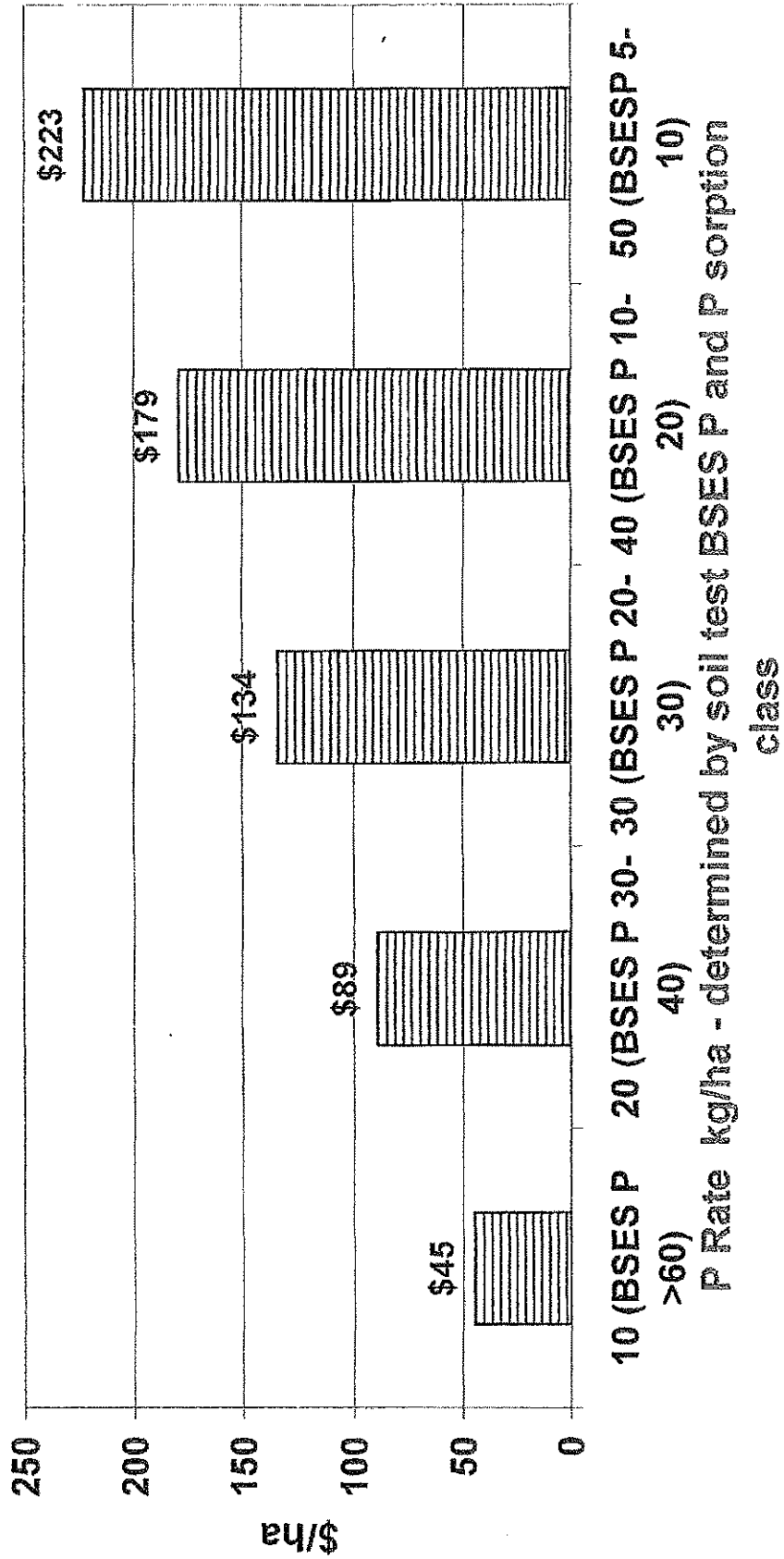
Table 14 - Copper and zinc guidelines

Micronutrient	Soil test value	Application rate
Copper	< 0.2 mg Cu/kg	10 kg Cu/ha once per crop cycle
Zinc	< 0.3 mg Zn/kg	10 kg Zn/ha once per crop cycle
	BSES zinc test	
Zinc	< 0.8 mg Zn/kg	10 kg Zn/ha once per crop cycle



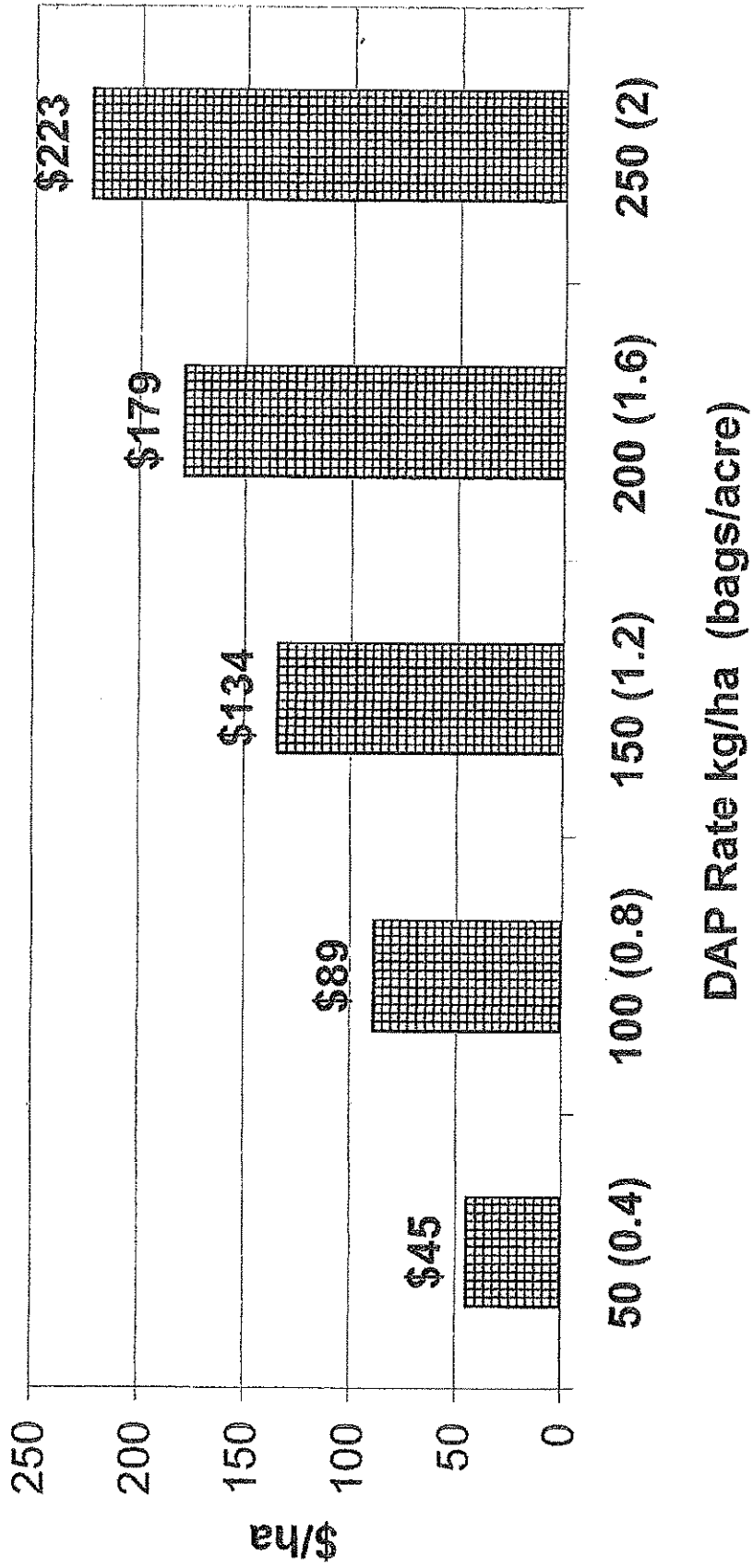


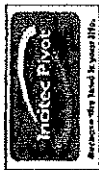
Applied P Cost Comparison



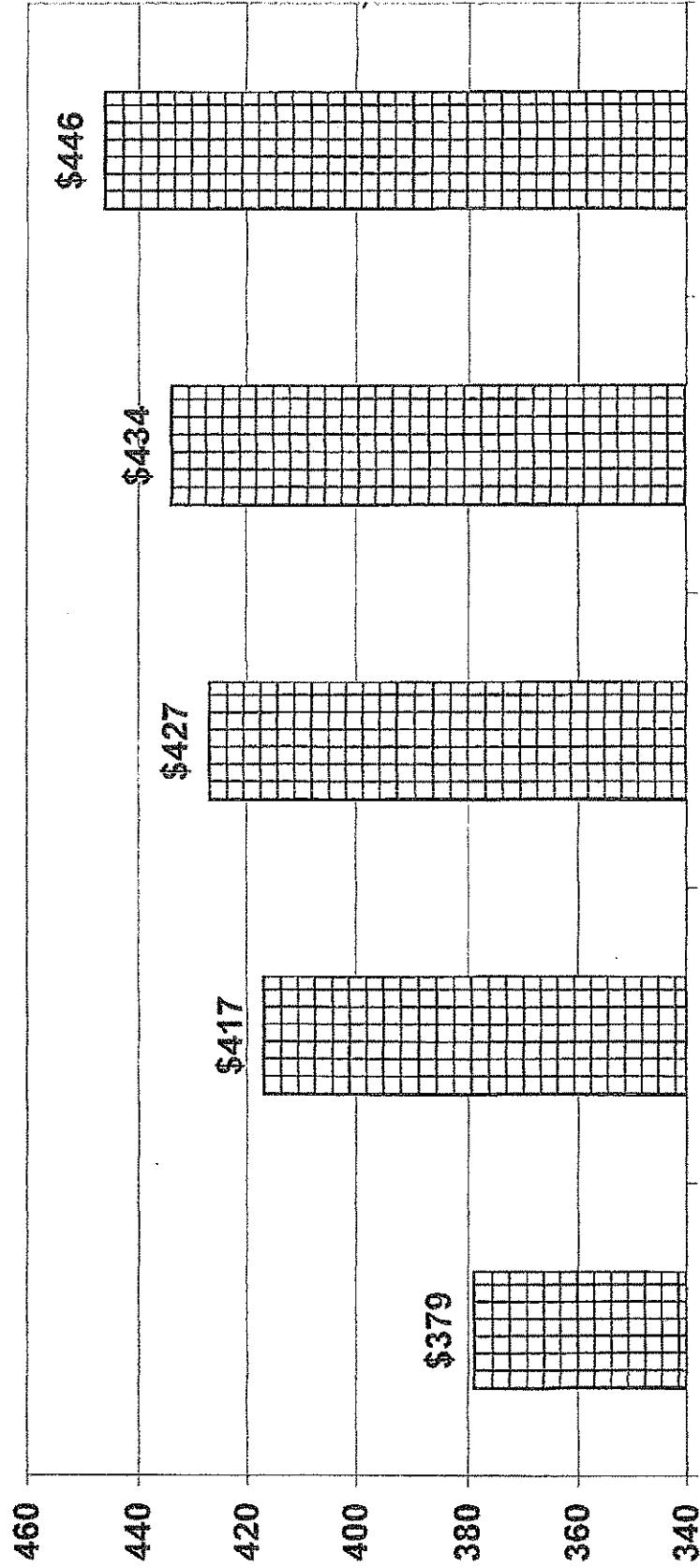


DAP Cost Comparisons





Planting Fert Options for :140 N; 0-10 P; 100-120 K; 25 S



Nil P Option 1 10 P Option 2 10 P Option 3 10 P Option 4 10 P Option 5

PLANTING OPTIONS - SUMMARY

NUTRIENT	N	P	K	S
TARGETS (kg/ha)	140	0-10	100-120	25



Option 1	Rate kg/ha	Rate bags/acre	N	P	K	S	\$/ha
Plant	0	0	0	0	0	0	\$ -
Side dress	550	4.4	140	0	102	19	\$ 379
Total			140	0	102	19	\$ 379

Option 2	Rate kg/ha	Rate bags/acre	N	P	K	S	\$/ha
Plant	50	0.4	9	10	0	1	\$ 45
Side dress	540	4.3	137	0	100	18	\$ 372
Total			146	10	100	19	\$ 417

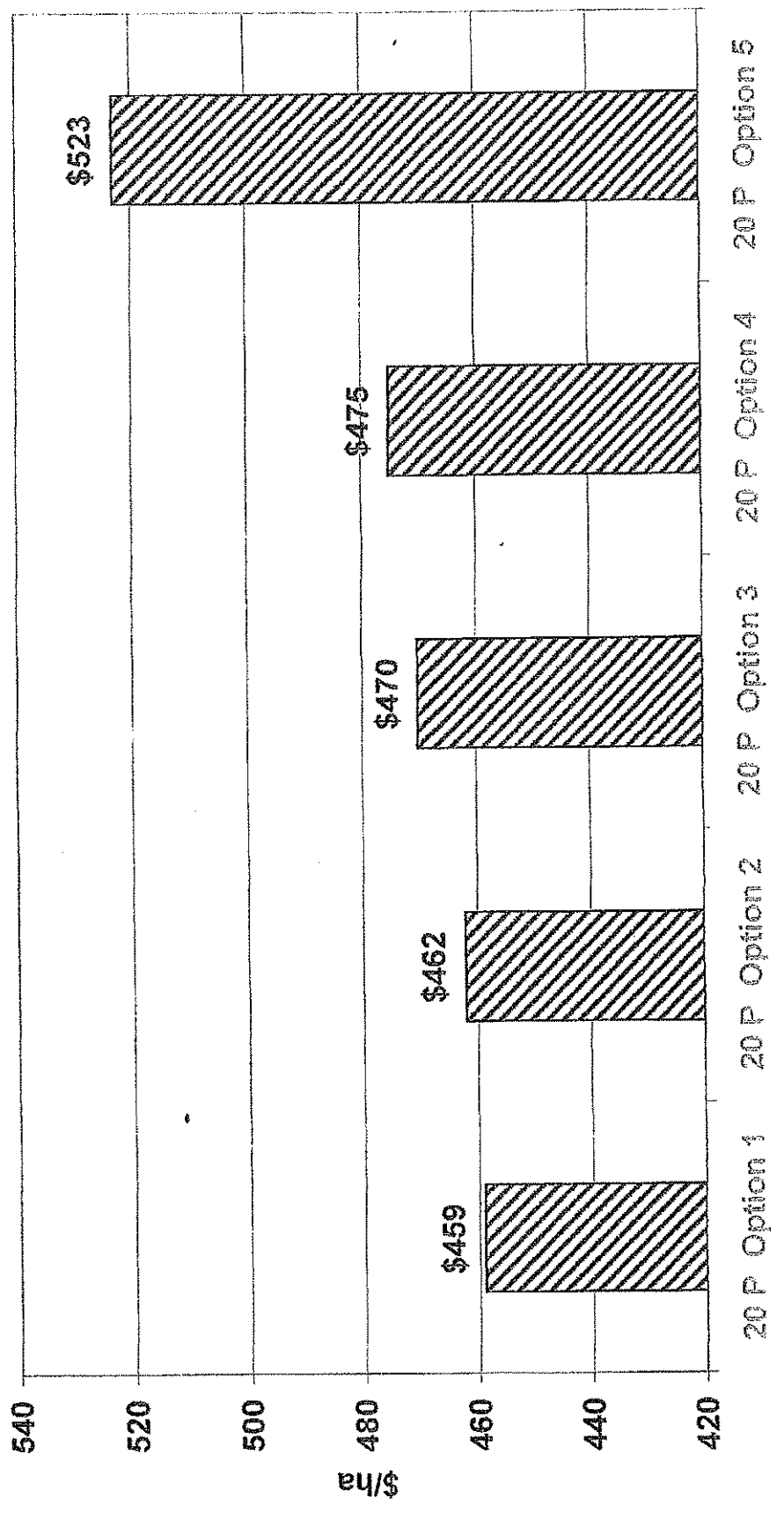
Option 5	Rate kg/ha	Rate bags/acre	N	P	K	S	\$/ha
Plant	185	1.5	22	10	26	11	\$ 138
Side dress	450	3.6	123	0	76	14	\$ 308
Total			146	10	102	25	\$ 446

Option 3	Rate kg/ha	Rate bags/acre	N	P	K	S	\$/ha
Plant	70	0.56	9	10	9	1	\$ 55
Side dress	330	2.6	137	0	100	18	\$ 372
Total			146	10	108	19	\$ 427

Option 4	Rate kg/ha	Rate bags/acre	N	P	K	S	\$/ha
Plant	70	0.6	9	10	7	5	\$ 62
Side dress	540	4.3	137	0	100	18	\$ 372
Total			147	10	107	23	\$ 434



Planting Fert Options for : 140 N; 20 P; 100-120 K; 25 S





2/08/2007

PLANTING OPTIONS - SUMMARY

NUTRIENT	N	P	K	S
TARGETS (kg/ha)	140	20	100-120	25

Option 2	Rate	N	P	K	S	\$/ha
Plant	Rate kg/ha	18	20	0	2	\$ 89
	bags/acre	0.8				
Side dress	Rate kg/ha	119	0	118	24	\$ 372
	bags/acre	4.4				
Total		137	20	118	25	\$ 462

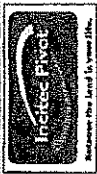
Option 5	Rate	N	P	K	S	\$/ha
Plant	Rate kg/ha	46	20	54	23	\$ 283
	bags/acre	3				
Side dress	Rate kg/ha	96	0	59	11	\$ 240
	bags/acre	3				
Total		142	20	113	33	\$ 523

Option 3	Rate	N	P	K	S	\$/ha
Plant	Rate kg/ha	20	21	16	10	\$ 132
	bags/acre	1.2				
Side dress	Rate kg/ha	124	0	91	17	\$ 338
	bags/acre	3.92				
Total		145	21	107	27	\$ 470

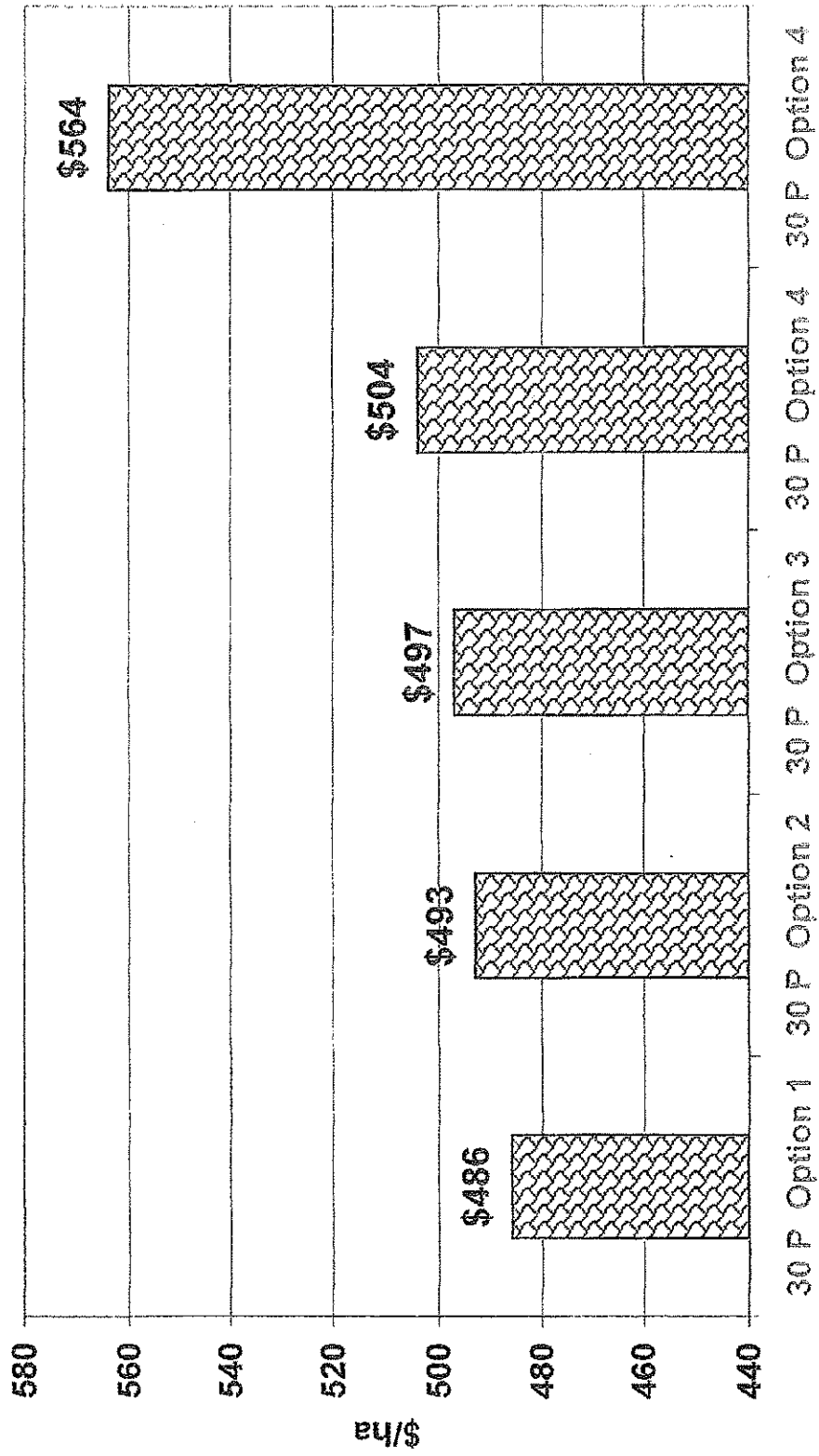
Option 4	Rate	N	P	K	S	\$/ha
Plant	Rate kg/ha	23	19	0	9	\$ 103
	bags/acre	1				
Side dress	Rate kg/ha	119	0	118	24	\$ 372
	bags/acre	4.4				
Total		142	19	118	33	\$ 475

Option 1	Rate	N	P	K	S	\$/ha
Plant	Rate kg/ha	18	20	18	2	\$ 114
	bags/acre	1.1				
Side dress	Rate kg/ha	127	0	93	17	\$ 345
	bags/acre	4.0				
Total		145	20	110	19	\$ 459

CANE FERT COST COMPARISONS 2007.xls



Planting Fert Options for : 140 N; 30 P; 100-120 K; 25 S





PLANTING OPTIONS - SUMMARY

NUTRIENT	N	P	K	S
TARGETS (kg/ha)	140	30	100-120	25

Option 2	Rate	N	P	K	S	\$/ha
Plant	DAP	150	30	0	2	\$ 134
Side dress	GF 541 CK 50/50 S	530	0	114	23	\$ 359
Total		141	30	114	25	\$ 493

Option 5	Rate	N	P	K	S	\$/ha
Plant	Nitrophoska	500	26	71	30	\$ 373
Side dress	GF 505 Nitra-K	270	0	50	0	\$ 191
Total		138	26	120	30	\$ 564

Option 4	Rate	N	P	K	S	\$/ha
Plant	GF 451 CK 55 (S)	220	30	23	15	\$ 194
Side dress	High K Ratooner S	450	0	83	15	\$ 310
Total		144	30	107	30	\$ 504

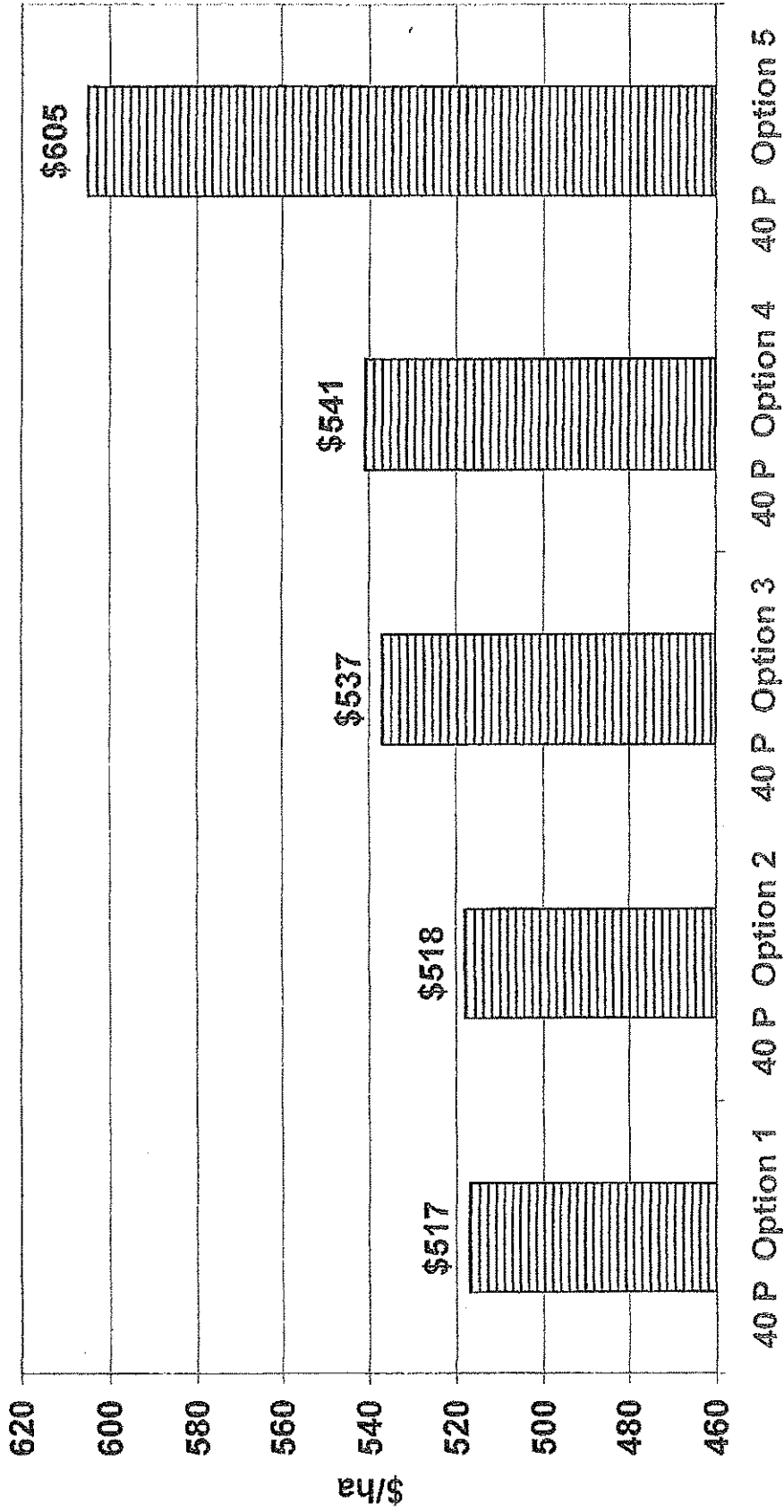
Option 3	Rate	N	P	K	S	\$/ha
Plant	CB 34028	200	30	0	14	\$ 165
Side dress	GF 541 CK 50/50 S	490	0	105	21	\$ 332
Total		143	30	105	35	\$ 497

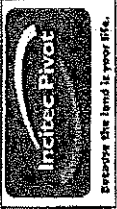
Option 1	Rate	N	P	K	S	\$/ha
Plant	GF 301/ CK 55 (MO)	200	29	26	2	\$ 169
Side dress	High K Ratooner S	460	0	85	16	\$ 317
Total		143	29	112	18	\$ 486

CANE FERT COST COMPARISONS 2007.xls



Planting fert Options for : 140 N; 40 P; 100-120 K; 25 S





PLANTING OPTIONS - SUMMARY

NUTRIENT TARGETS (kg/ha)	N	P	K	S
	140	40	100-120	25

Option 1	Rate	bags/acre	N	P	K	S	\$/ha
Plant	1.6	200	36	40	0	3	\$ 179
Side dress	4.0	500	108	0	108	22	\$ 339
Total			144	40	108	25	\$ 517

Option 4	Rate	bags/acre	N	P	K	S	\$/ha
Plant	2.4	300	40	41	32	20	\$ 265
Side dress	3.2	400	102	0	74	14	\$ 276
Total			142	41	106	34	\$ 541

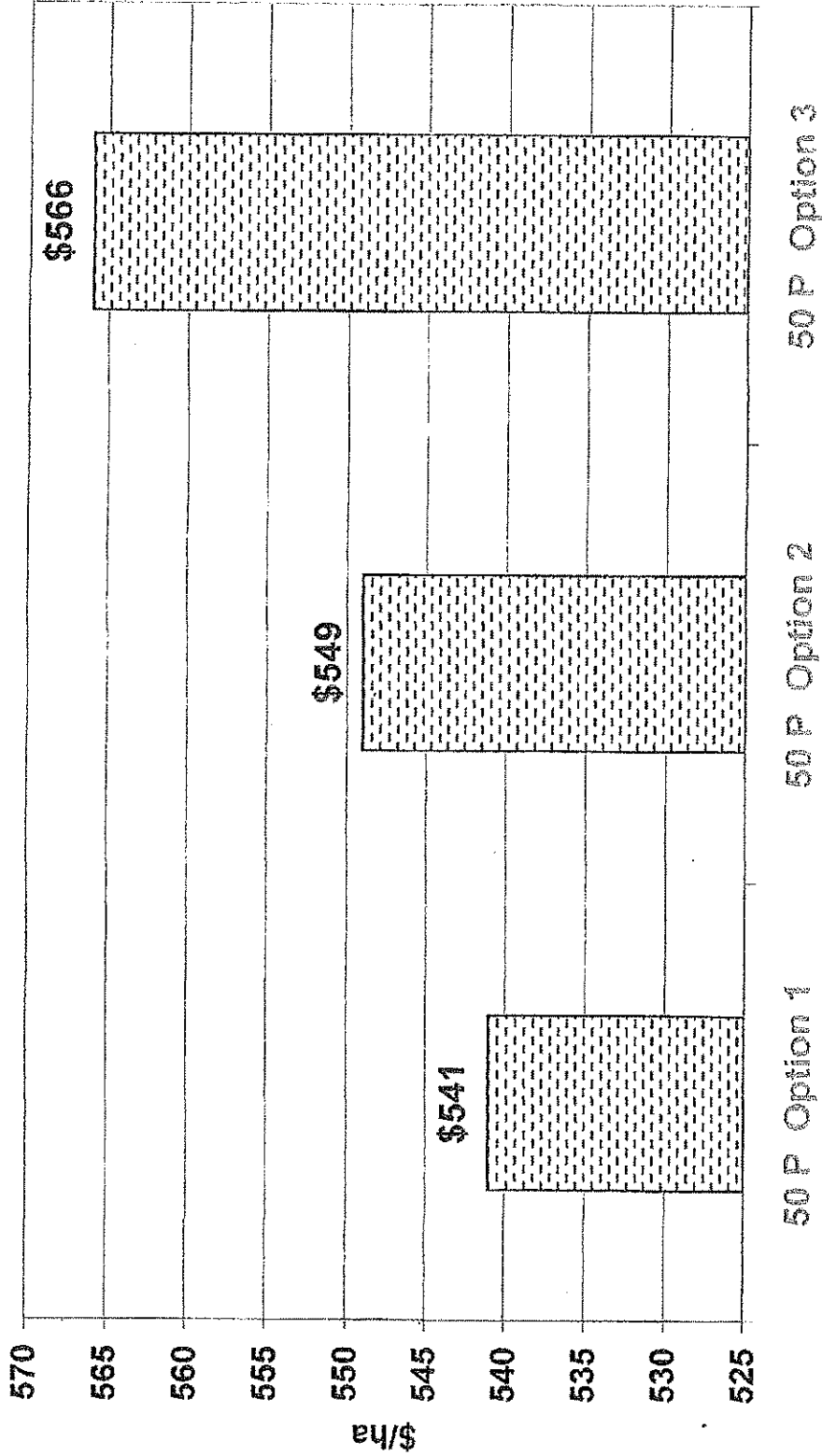
Option 3	Rate	bags/acre	N	P	K	S	\$/ha
Plant	2.12	265	49	40	0	19	\$ 219
Side dress	3.8	470	102	0	101	20	\$ 318
Total			151	40	101	39	\$ 537

Option 5	Rate	bags/acre	N	P	K	S	\$/ha
Plant	4	500	60	26	71	30	\$ 373
Side dress	2.6	320	80	9	47	12	\$ 232
Total			140	35	118	42	\$ 605

Option 2	Rate	bags/acre	N	P	K	S	\$/ha
Plant	2.2	270	36	40	36	3	\$ 228
Side dress	3.4	420	107	0	78	14	\$ 289
Total			143	40	114	17	\$ 518



Planting fert Options for : 140 N; 50 P; 100-120 K; 25 S





2/08/2007

PLANTING OPTIONS - SUMMARY

NUTRIENT TARGETS (kg/ha)	N	P	K	S
	140	50	100-120	25

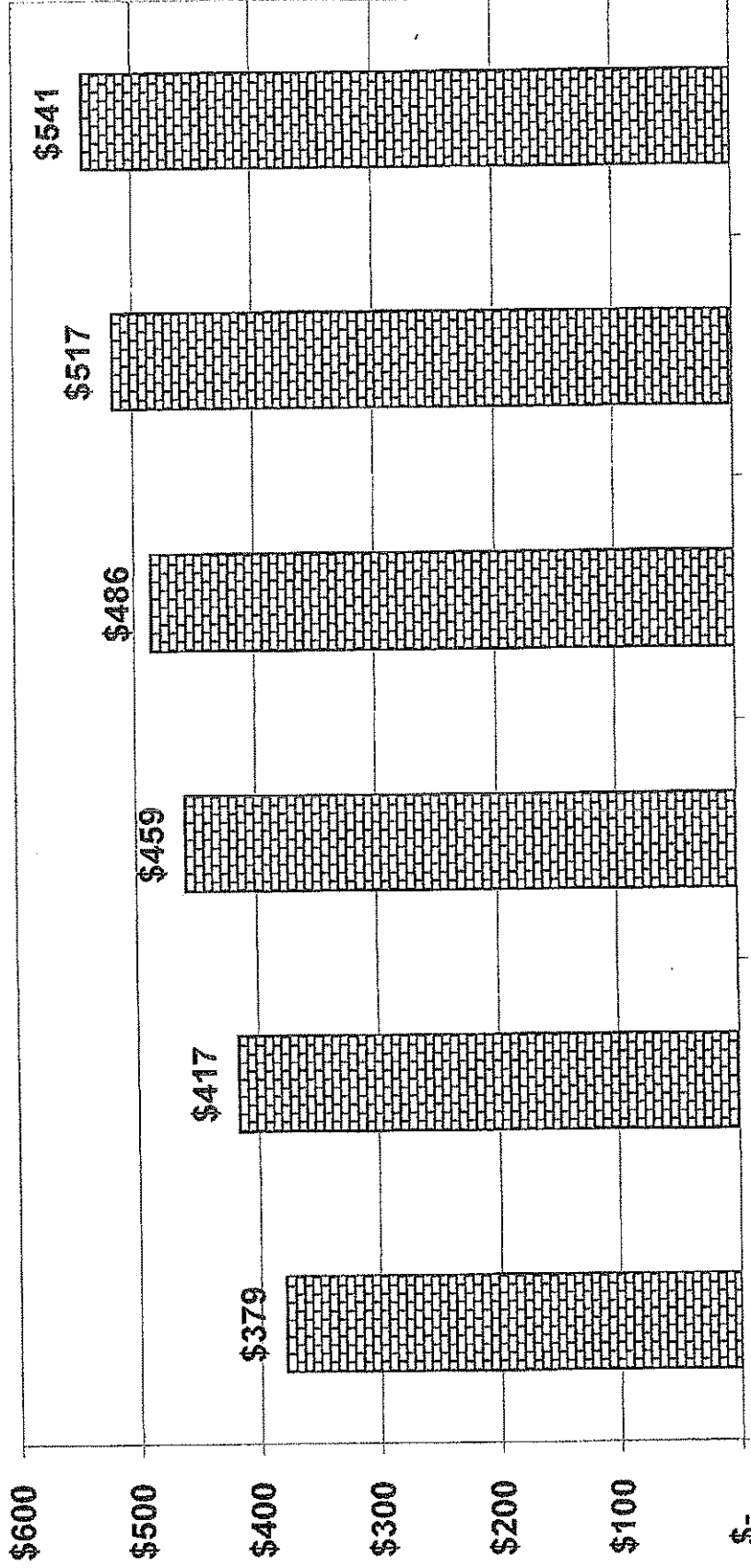
Option 1	Rate kg/ha	bags/acre	Rate				\$/ha
			N	P	K	S	
Plant	250	2	45	50	0	4	\$ 223
Side dress	470	3.8	102	0	101	20	\$ 318
Total			147	50	101	24	\$ 541

Option 3	Rate kg/ha	bags/acre	Rate				\$/ha
			N	P	K	S	
Plant	360	2.9	48	49	38	24	\$ 318
Side dress	360	2.88	91	0	67	12	\$ 248
Total			140	49	105	37	\$ 566

Option 2	Rate kg/ha	bags/acre	Rate				\$/ha
			N	P	K	S	
Plant	340	2.7	45	50	45	4	\$ 288
Side dress	380	3.0	97	0	70	13	\$ 262
Total			141	50	115	17	\$ 549



Planting Fert Lowest Cost for P Options - \$/ha



0 P Option 1 10 P Option 2 20 P Option 1 30 P Option 1 40 P Option 1 50 P Option 1

\$per t cane

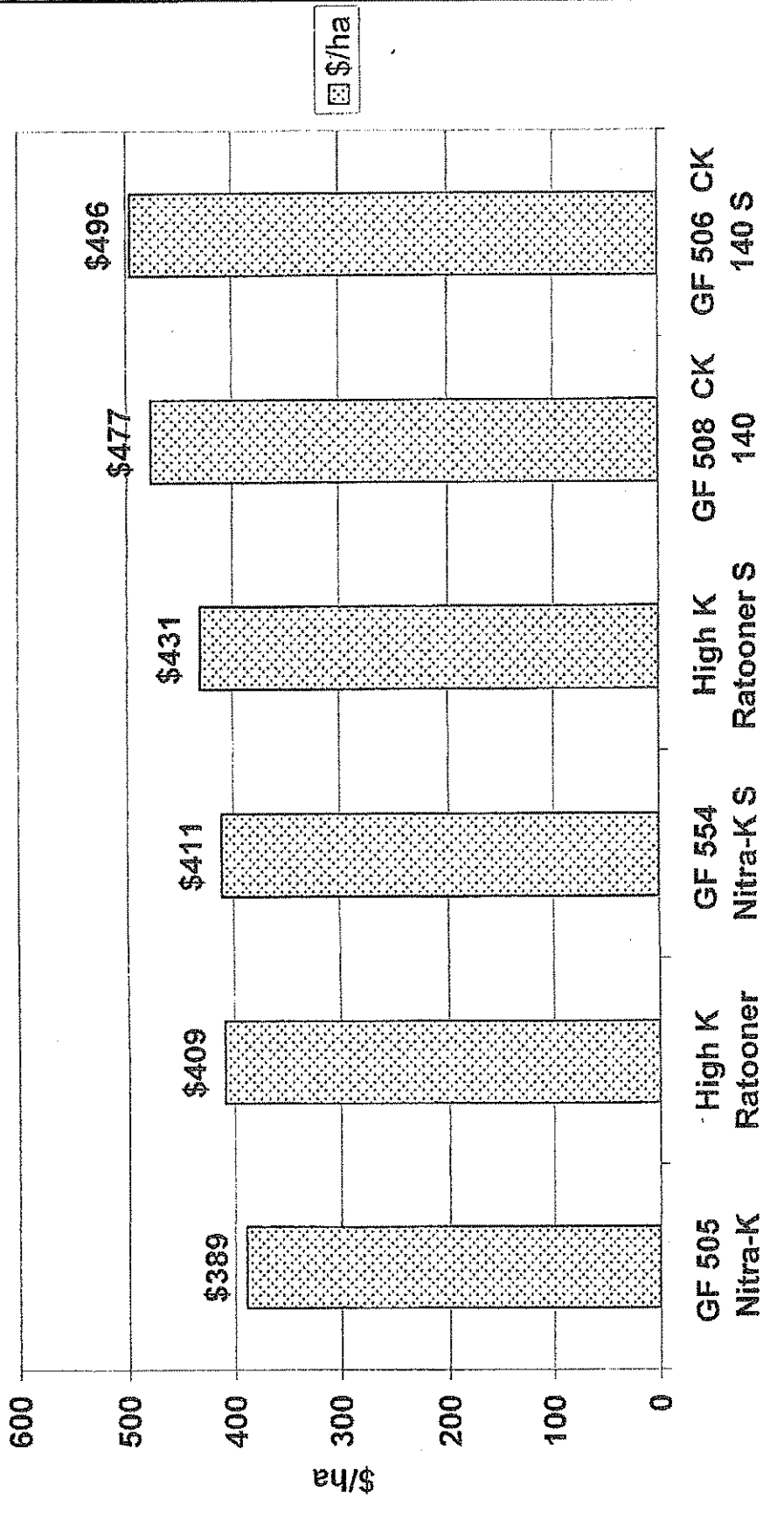


Planting	\$/ha	\$/t cane at 70 t/ha	\$/t cane at 80 t/ha	\$/t cane at 90 t/ha	\$/t cane at 100 t/ha	\$/t cane at 110 t/ha
Lowest cost options x P input						
0 P : Option 1	379	\$ 5.41	\$ 4.74	\$ 4.21	\$ 3.79	\$ 3.45
10 P : Option 2	417	\$ 5.96	\$ 5.21	\$ 4.63	\$ 4.17	\$ 3.79
20 P : Option 1	459	\$ 6.56	\$ 5.74	\$ 5.10	\$ 4.59	\$ 4.17
30 P : Option 1	486	\$ 6.94	\$ 6.08	\$ 5.40	\$ 4.86	\$ 4.42
40 P : Option 1	517	\$ 7.39	\$ 6.46	\$ 5.74	\$ 5.17	\$ 4.70
50 P : Option 1	541	\$ 7.73	\$ 6.76	\$ 6.01	\$ 5.41	\$ 4.92

NUTRIENT	N	P	K	S
TARGETS (kg/ha)	140	0 - 50	100-120	0-25



Ratoon Options for : 160 N; 0-20 P; 100-120 K; 0-25 S





Ratooris

2/08/2007

RATOON OPTIONS - SUMMARY

NUTRIENT	N	P	K	S
TARGETS (kg/ha)	160	0 - 20	100-120	0-25

GF 505 Nitra-K	Rate					Cane Yield tonnes/ha	Fert Cost \$/t cane
	kg/ha	bags/acre	N	P	S		
	550	4.4	160	0	102	80	\$ 4.87

GF 506 CK 140 S	Rate					Cane Yield tonnes/ha	Fert Cost \$/t cane
	kg/ha	bags/acre	N	P	S		
	700	5.6	159	14	120	80	\$ 6.20

GF 508 CK 140	Rate					Cane Yield tonnes/ha	Fert Cost \$/t cane
	kg/ha	bags/acre	N	P	S		
	650	5.2	160	16	116	80	\$ 5.96

GF 554 Nitra-K S	Rate					Cane Yield tonnes/ha	Fert Cost \$/t cane
	kg/ha	bags/acre	N	P	S		
	600	4.8	164	0	101	80	\$ 5.14

High K Ratooner	Rate					Cane Yield tonnes/ha	Fert Cost \$/t cane
	kg/ha	bags/acre	N	P	S		
	580	4.6	160	0	116	80	\$ 5.12

High K Ratooner S	Rate					Cane Yield tonnes/ha	Fert Cost \$/t cane
	kg/ha	bags/acre	N	P	S		
	625	5	159	0	116	80	\$ 5.38

\$per t cane



Ratoon options	\$/ha	\$/t cane at 70 t/ha	\$/t cane at 80 t/ha	\$/t cane at 90 t/ha	\$/t cane at 100 t/ha	\$/t cane at 110 t/ha
GF 505 Nitra-K	389	\$ 5.56	\$ 4.86	\$ 4.32	\$ 3.89	\$ 3.54
High K Ratoonner	409	\$ 5.84	\$ 5.11	\$ 4.54	\$ 4.09	\$ 3.72
GF 554 Nitra-K S	411	\$ 5.87	\$ 5.14	\$ 4.57	\$ 4.11	\$ 3.74
High K Ratoonner S	431	\$ 6.16	\$ 5.39	\$ 4.79	\$ 4.31	\$ 3.92
GF 508 CK 140	477	\$ 6.81	\$ 5.96	\$ 5.30	\$ 4.77	\$ 4.34
GF 506 CK 140 S	496	\$ 7.09	\$ 6.20	\$ 5.51	\$ 4.96	\$ 4.51

NUTRIENT	N	P	K	S
TARGETS (kg/ha)	160	0 - 20	100-120	0-25

2/08/2007



Savings of N inputs following a legume crop.

Baseline N rate e.g 140 kg/ha N. N rate assumes a low mineralisation index.

Price RTB delivered on farm Incl GST \$/t	\$/kg N
Urea	\$1.58

Plant cane after poor legume crop

Baseline N kg/ha	N Requirement kg/ha	N Saving kg/ha	\$/ha saving
140	80	60	\$95

Plant cane after good legume crop

Baseline N kg/ha	N Requirement kg/ha	N Saving kg/ha	\$/ha saving
140	0	140	\$221

Plant cane after good legume crop, harvested for grain

Baseline N kg/ha	N Requirement kg/ha	N Saving kg/ha	\$/ha saving
140	60	80	\$126



**CANEGROWERS
ISIS**

10 August 2007

FILE REFERENCED	
PLEASE CIRCLE	
6m 1yr 2yr 5yr 10yr	
Archive	
DESTROY	
File -	48 Churchill Street Childers 4660 PO Box 95 Childers 4660 Phone (07) 4126 1444 Fax (07) 4126 1902 Email isa@canegrowers.com.au
<input type="checkbox"/>	Privacy Act Adviser
Action Officer:	

BULK FERTILISER PURCHASE OFFER

CANEGROWERS concerned about the price of fertiliser this season will import UREA from Ukraine or Canada with product expected to arrive in Australia early September. This fertiliser will be unloaded in Townsville and Mackay at substantial savings for growers.

Locally, CANEGROWERS Isis corresponded with Incitec Pivot Limited and Hi Fert Pty Ltd. We were informed that fertiliser companies deal through their retailer networks and not directly with customers.

Therefore, your Board has had discussions with BGA Agri Services Ltd. BGA Agri Services Ltd is interested in working to secure the best possible price for growers. Their offer in exchange for a bulk fertiliser order is to negotiate with their suppliers - Incitec Pivot, Hi Fert, Landmark, Impact and others. They will shop for the best price.

Fertiliser companies will be competitive when confronted by a bulk order.

Your CANEGROWERS Board therefore asks if you are interested in committing to a fertiliser order that will be combined with other growers to arrive at a bulk order for Isis canegrowers. The product will be supplied in one tonne bags or bulk.

The most common planting and ratooning mixtures are listed below. Please consider, complete the attached Order Form, and return to CANEGROWERS Isis by 24 August -

IPL FERTILISER	GF FERTILISER	HI FERT FERTILISER	TYPE OF MIX
DAP		Hi Fert DAP	Planting
CK55 (S)	GF451	Hi Fert 5 (S)	Planting
CK50/50	GF450	Hi Fert 50	Planting/Ratooning
CK50/50 (S)			Planting/Ratooning
NITRA K	GF505	Hi Fert 16	Planting/Ratooning
CK140 (S)	GF506	Hi Fert 14 (S)	Ratooning
NITRA K (S)	GF554	Hi Fert 16 (S)	Planting/Ratooning

The best price will be secured by placing the largest quantity of fertiliser with payment on delivery. However, BGA Agri Services Ltd will also offer 60 day terms if growers prefer. This arrangement could be slightly more expensive.

The bulk arrangement will also require growers possibly taking delivery of the fertiliser slightly earlier (one or two weeks) than needed because the fertiliser will be delivered direct to the farm ex factory. Delivery will be by semi trailer load and where growers share a load the fertiliser will likely only have one unloading point. This will necessitate growers working together but ultimately saving dollars.

BULK FERTILISER PURCHASE OFFER

BGA Agri Services operate in Childers, Bundaberg South and Oakwood. They are not the only retailers which growers deal with but because of the area they cover CANEGROWERS has chosen to work with them.

Other retailers are likely to drop prices to be competitive but the biggest impact on fertiliser prices will be by placing the largest bulk order with one supplier. Therefore, you are asked to give serious consideration to participating in the Bulk Order Purchase Arrangement.

So that growers get the best possible price, BGA Agri Services will negotiate to build in a Price Protection Mechanism which means that as competitors lower prices to win business the Bulk Order Purchase Price will move downwards with the market price.

This is the best chance that growers have to purchase fertiliser at the cheapest possible price and we encourage you to give serious consideration to opting into this scheme.

PLEASE COMPLETE THE BULK ORDER PURCHASE FORM BELOW –



RETURN TO CANEGROWERS Isis

CANEGROWERS BULK FERTILISER ORDER FORM

IPL FERTILISER	GF FERTILISER	HiFERT FERTILISER	TYPE OF MIX	ORDER Tonnes (1 tonne bags)	Preferred Delivery Date
DAP		Hi Fert DAP	Planting		
CK55 (S)	GF451	Hi Fert 5 (S)	Planting		
CK50/50	GF450	Hi Fert 50	Planting/Ratooning		
CK50/50 (S)			Planting/Ratooning		
NITRA K	GF505	Hi Fert 16	Planting/Ratooning		
CK140 (S)	GF506	Hi Fert 14 (S)	Ratooning		
NITRA K (S)	GF554	Hi Fert 16 (S)	Planting/Ratooning		

Grower No: _____ Growers Name: _____

Contact Phone No Home: _____ Mobile: _____

(Please supply Home and Mobile number for contact records.)

Method of Payment: At Time of Delivery 60 Day Term
(Please TICK the box)

PLEASE RETURN TO CANEGROWERS ISIS PO Box 95 CHILDERS by 24 August.



CANEGROWERS
ISIS

48 Churchill Street Childers Qld 4660
PO Box 95 Childers Qld 4660
Phone (07) 4126 1444 Fax (07) 4126 1902
Email iss@canegrowers.com.au

5 September 2007

I & B Webb Pty Ltd
MS 315, Farnsfield
CHILDERS QLD 4660

Dear Graham

Update on Bulk Fertiliser Scheme

Thank you for responding to our Bulk Fertiliser Purchase Scheme. In all, orders in excess of 3,800 tonnes were received.

Unfortunately, the fertiliser companies – Incitec Pivot Ltd and HiFert Pty Ltd have not been prepared to participate in a bulk purchase arrangement. This lack of interest on their part is most disappointing and demonstrates that they believe they have the market cornered and do not need to cooperate.

This result has not dampened our resolve. If one approach does not succeed we will try another. The bulk fertiliser scheme is about grouping to achieve a better deal for growers.

You probably know the fertiliser market better than me but fertiliser companies have something called a SPA – special pricing arrangement. The SPA is different for every purchaser and the price charged is based on the size of the fertiliser order.

What we are trying to achieve is to get the best possible SPA for you based on a group purchasing strategy.

Under this arrangement, we will go to the market through the various retailers to achieve the best price on the day. It is anticipated that this arrangement will deliver lower prices than possibly what an individual grower could achieve. It means the process will be more involved and prices are likely to vary.

For this arrangement to work, you must confirm your order and agree to pay for your fertiliser within seven (7) days of delivery.

If you agree with this arrangement please confirm your fertiliser order as specified below by signing the bottom of this letter and return to CANEGROWERS as soon as possible.

Fertiliser	September (t)	October (t)	November (t)
DAP			
CK55 (S)			
CK50/50			
CK50/50 (S)			
NITRA K			
CK140(S)	42		

NITRA K (S)			
ISIS SPECIAL			
HIGH K RATOONER			
ONE SHOT			

I/We agree to participate in the Isis Bulk Fertiliser Purchase Scheme and to pay Isis Mill for the fertiliser within seven (7) days of delivery of fertiliser.

Name _____ Signature _____

Date _____

**CANEGROWERS BULK ORDER OF FERTILISER
ISIS GROUP ONE**

IPL	GF	HIFERT	SPECIAL	TYPE	ORDERS		
					SEPTEMBER	OCTOBER	NOVEMBER
DAP		DAP		P	4		
CK55(S)	GF451	HIFERT 56(S)		P	26		
CK50/50	GF450	HIFERT 51/51		P/R	38		
CK50/50(S)				P/R		6	
NITRA K	GF505	NITRA K		P/R		60	39
CK140 (S)	GF506	HIFERT 141(S)		R	149	97	34
NITRA K (S)	GF554	NITRA K(S)		P/R		60	
		Isis Special		R		50	
		High K Ratooner		R		55	
		One Shot		R	80		
				Total	297	328	73

**CANEGROWERS BULK ORDER OF FERTILISER
ALLOWAY GROWERS**

IPL	GF	HIFERT	SPECIAL	TYPE	ORDERS		
					SEPTEMBER	OCTOBER	NOVEMBER
DAP		DAP		P			
CK55(S)	GF451	HIFERT 56(S)		P			
CK50/50	GF450	HIFERT 51/51		P/R		50	
CK50/50(S)				P/R			
NITRA K	GF505	NITRA K		P/R	60		
CK140 (S)	GF506	HIFERT 141(S)		R	12	80	
NITRA K (S)	GF554	NITRA K(S)		P/R	10		
				Total	82	130	

**CANEGROWERS BULK ORDER OF FERTILISER
WALLAVILLE GROWERS**

IPL	GF	HIFERT	SPECIAL	TYPE	ORDERS		
					SEPTEMBER	OCTOBER	NOVEMBER
DAP		DAP		P			
CK55(S)	GF451	HIFERT 56(S)		P			
CK50/50	GF450	HIFERT 51/51		P/R			
CK50/50(S)				P/R			
NITRA K	GF505	NITRA K		P/R			
CK140 (S)	GF506	HIFERT 141(S)		R	73	22	
NITRA K (S)	GF554	NITRA K(S)		P/R			
Total					73	22	

**CANEGROWERS BULK ORDER OF FERTILISER
ISIS GROUP TWO**

IPL	GF	HIFERT	SPECIAL	TYPE	ORDERS		
					SEPTEMBER	OCTOBER	NOVEMBER
DAP		DAP		P	3		
CK55(S)	GF451	HIFERT 56(S)		P	10		
CK50/50	GF450	HIFERT 51/51		P/R		35	
CK50/50(S)				P/R	9		
NITRA K	GF505	NITRA K		P/R	32	63	
CK140 (S)	GF506	HIFERT 141(S)		R	107	13	
NITRA K (S)	GF554	NITRA K(S)		P/R	95	11	
Total					256	122	0