

April 3, 2008

Committee Secretary
Senate Select Committee on Agricultural and Related Industries
Department of Senate
Parliament House
Canberra, ACT, 2600

Dear Sir/Madam

On behalf of the Flinders Island Branch of the Tasmanian Farmers and Graziers Association we would like to support the senate inquiry into chemical and fertilizer supply and pricing.

Flinders Island supports about 80 pasture based grazing enterprises and uses over 5000 ton of predominantly phosphorus based fertilizer a year. Fertilizer is the single biggest input cost at about 20% of gross expenditure. Most of the farms on the Island rely on low cost of production systems to remain viable. We have a strong focus on productivity and remain competitive with other similar farming enterprises around the country.

However, after a very tough season last year (Flinders Island was one of the first areas in Tasmania to be drought declared in 2007), the impost of massive fertilizer and chemical price hikes could see some farms become non-viable.

This season (autumn '08 super application) we were able to source enough fertilizer supply thanks to our agent Roberts Ltd who were proactive in a tightening market. However we, and our agents, are concerned about supply into the future. Further to that, for every ton of fertilizer onto the Island we incur an extra \$80 freight.

Similar to fertilizer price-hikes, basic pasture chemicals are becoming prohibitively expensive. Over the last year one of the popular brands of Glyphosate has increased from \$220 to \$450 per drum landed on Flinders Island.

Thank you for your concern over pricing and supply arrangements of chemicals and fertilizers for farmers. If you would like further information on our position please call me on 0428 295270 or contact on pettygrimshaw@bigpond.com. We look forward to the results.

Liz Grimshaw
Executive Member, Flinders Island Productivity Group
Branch President, Tasmanian Farmers and Graziers Association