



Leading farmers into the future

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

Dear Secretary,

The Australian Cane Farmers Association is an industry body representing Cane Farmers in Queensland and New South Wales since 1907. The increase in fertiliser prices over several years has placed considerable pressure on farm profitability; however the past year has seen fertiliser prices rise alarmingly from 40% to 100% and are predicted to rise by another 30% this year. The reasons offered by the fertiliser industry are freight costs and global demand based on the rapidly expanding global biofuels industry, particularly in the USA. Our concern is that with recent mergers in the Australian fertiliser industry, additional profit resulting from domestic market power may also be embedded in the price increases. When accounting for currency, freight and handling, and margin, the price differential between global and Australian prices appears excessive.

In addition, the cost of agricultural chemicals has also risen substantially and is predicted to continue. The cost of glyphosate, in particular, has more than doubled in the past year. Glyphosate is an important and relatively safe chemical used to control a broad range of weeds including those introduced onto farms from public lands.

For sugar cane production to continue in Australia and to hold any hope of profitability, a competitive supplier market is essential and sustained high input prices cannot not be tolerated.

Farmers are already reducing planting, crop nutrition and crop protection regimes, which is a counter productive strategy and a false economy that many are unable to avoid.

Yours sincerely

Stephen Ryan
General Manager