

18th APRIL 2008

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CHAIRMAN OF THE NORTH EAST DISTRICT
COUNCIL OF THE VICTORIAN FARMERS FEDERATION.

DEAR SENATE SELECT COMMITTEE,

THE AUSTRALIAN FARMERS WHO ARE THE MOST EFFICIENT IN THE WORLD ARE NOW BEING HIT WITH VERY HIGH CHEMICAL AND FERTILIZER COSTS (BECAUSE OF HIGH USAGE OF THESE PRODUCTS IN OTHER COUNTRIES THAT HAVE SEEN THE BENEFITS OF SUCH PRODUCTS). THE HIGH PRICE OIL HAS ALSO IMPACTED ON THE COST BECAUSE OF SOME MANUFACTURING PROCESSES AND ALSO THE COST OF SHIPPING. NOW THAT INCEP-RIVOT HAS GONE BACK TO NAURU TO GO DEEPER IN THE MINES THERE FOR PRODUCT THEY SHOULD BE ABLE TO SELL IT TO AUSTRALIAN FARMERS A LOT CHEAPER. THIS DEEPER SUPPLY IS LOWER IN QUALITY ALSO. THE LACK OF RAIL TRANSPORT TO REGIONAL CENTRES HAS ADDED HIGHER ROAD TRANSPORT COSTS TO GET PRODUCT DELIVERED ON FARM. WITH ONLY TWO MAJOR MANUFACTURERS THIS COULD ALSO HAVE LEAD TO THE HIGHER PRICES, BECAUSE OF THE LACK OF COMPETITION.

THE OTHER THING OF CONCERN IS THE LOWER QUALITY RAW PRODUCT HAS A MUCH HIGHER LEVEL OF HEAVY METALS SUCH AS CADMIUM IN IT SO FARMERS WILL HAVE TO WATCH THESE LEVELS OR THEY MAY POISON THEIR SOILS AND BE UNABLE TO SELL SOME OF THEIR PRODUCE.

ALL I CAN SAY IS EVERYONE IN THE SUPPLY CHAIN HAS TO MAKE A PROFIT, BUT NO ONE SECTOR OR MANUFACTURER SHOULD BE ABLE TO MAKE HUGE PROFITS AT THE EXPENSE OF OTHERS. IF PRICES FURTHER INCREASE THEN FARM PRODUCE LEVELS WILL DROP, AND GROUND COVER WILL REDUCE MAKING SOIL MORE PRONE TO WIND AND SOIL EROSION NET GOOD FOR ENVIRONMENTAL SUSTAINABILITY & BECAUSE FARMERS WILL BE UNABLE TO AFFORD FERTILIZER.

YOURS TRULY

J. H. Neary