

WEEKLY TIMES

Death threats, price fixing allegations rock fertiliser industry

Kate Dowler

December 22, 2008

THE fertiliser price war has taken a dramatic turn with allegations of death threats and accusations that fertiliser companies and a bank are pressuring new entrants in the industry.

New player on the scene, South Australian Leighton Huxtable last week launched a new company, Direct Farm Inputs, with plans to sell DAP for \$1030 a tonne.

This sparked a price war with the big companies dropping their prices, by about \$600 in some cases, within days.

Mr Huxtable claimed he received a death threat from an anonymous person on Saturday, a threat he claimed was in relation to his new venture.

Also Mr Huxtable's accountant said a bank should be investigated by the [ACCC](#) after it allegedly refused to do business with him.

Accountancy firm [MGI Adelaide](#) director Des Caulfield said its actions could be seen to be playing a contributing role in "price maintenance" by big players in the fertiliser industry.

Mr Caulfield claimed "heavies" from "the bank" advised him that they could not provide the requested letter of credit DFI required to secure fertiliser shipments from the US, because they were over-exposed to the fertiliser industry. Mr Caulfield did not name the bank.

Following the allegations a senate committee will now re-open the senate inquiry into the industry in the new year.

Mr Caulfield said the alleged actions of the bank raised questions that the ACCC may need to investigate.

"It seems that, if not price-fixing, it is a case of price maintenance with fertiliser and that prices have been kept up there by the big fertiliser companies... and the actions of this bank are at least supporting, what would appear to be, illegal price fixing," he said.

DFI was now in discussions with other banks.

Mr Huxtable said he was frustrated that he had been forced to find an alternative financial institution to facilitate the letter of credit.

Mr Huxtable has also expressed concern that the Federal Police have had to be alerted due to the alleged threats made to him.

But he said despite the pressure "being applied from other major companies", he was absolutely determined and confident that growers would get their fertiliser on time his company.

"We as growers must stick together on this and break the monopoly by the cartels that exist," he said.

NSW Liberal Senator Bill Heffernan said he was contacted by Mr Huxtable about the problems he was having importing fertiliser.

Mr Heffernan said the dramatic price drop, following Direct Farm Inputs' entry into the market, flew in the face of what the major fertiliser operators had said about their inability to do anything about the high prices.

"Farmers should support these independent importers to ensure the individual market power (of the large companies) is diminished," he said.

Mr Heffernan said he had referred allegations of "unconscionable conduct by a bank" to the regulators, and claims of death threats to the police.

He was also re-convening the senate committee on the fertiliser industry. He said the recent events had confirmed the findings of the committee's interim report.