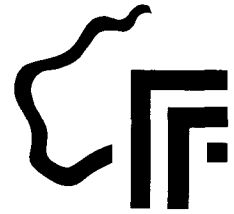


3rd June 2008

FAXED



**The Western Australian
Farmers Federation (Inc.)**

Mr David Hatfield
Director
Adjudication
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

FILE No
DOC
MARS/PRISM

By facsimile (02) 6243 1211

Dear Sir

Re: Co-operative Bulk Handling Limited (CBH) – Grain Express WA

I am writing in reference to a draft public ACCC Notification Submission to be lodged by CBH.

The Western Australian Farmers Federation (Inc) (WAFarmers) is WA's largest and most influential rural lobby and service organisation.

WAFarmers represents approximately 3,500 Western Australian farmers, the majority of whom are wheat growers.

WAFarmers senior elected representatives have been briefed by CBH on the Grain Express program and the program has subsequently been discussed by WAFarmers Grains Council.

WAFarmers and CBH agree that with forthcoming changes to bulk wheat marketing arrangements, the need for improved efficiencies in the grain supply chain is imperative and Grain Express has the potential to deliver a transparent highly competitive environment for all participants in the supply chain.

In recognising that at this point in time Grain Express requires more work to be done from a growers perspective to protect grower returns, CBH, consistent with their co-operative incentive to act in the interests of grain producers (as stated at 1.16 in their submission) have undertaken to implement a regular communication process to ensure that WAFarmers are fully involved in the ongoing development of Grain Express.

Accordingly, WAFarmers offers its qualified support for the concept of Grain Express.

WAFarmers qualified support is based on the further development of Grain Express including appropriate information disclosure to address the economic, environmental and social aspects of Grain Express that as a grower representative body, WAFarmers has a responsibility to protect. Specifically, the key areas yet to be resolved relate to:-

- "Harvest with haste. Market at leisure" WAFarmers considers that 21 days free warehousing is inadequate time to enable growers to consider their marketing options during the pressures of the harvest. A period in the vicinity of 60 days is considered more practical. CBH has previously set a precedent for the provision of extended free warehousing.

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- Facilitation of payment for quality parameters to protect grower investment in on farm infrastructure to maintain delivery of grain quality as has been the past practice. Growers want to continue to be rewarded for producing quality grain.
- Freight costs to be borne equitably between growers and marketers with the object of recovering freight costs in downstream transactions.
- Preservation and upgrade of the existing narrow gauge rail freight system. Whilst not wholly a CBH responsibility, a demonstrated commitment to protect growers interests in any negotiations is sought.
- Demonstrated commitment that competitive benefits to be achieved under Grain Express flow on to growers.
- To further protect the interests of growers, implementation of a rolling review process involving WAFarmers as and if problems become apparent in the operations of Grain Express.

Bearing in mind the qualifications outlined herein, WAFarmers is confident that CBH working in conjunction with WAFarmers and other key industry stakeholders over the forthcoming years as Grain Express is further refined can realise the potential that exists within Grain Express.

I urge the ACCC to give full consideration to these issues in assessing the CBH submission. Should further information be required, please do not hesitate to contact WAFarmers Grains Section President, Derek Clauson on 9684 8090 or 0427 861 138.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mike Norton', with a stylized, cursive script.

Mike Norton
President