

NOTE FOR FILE

COOPERATIVE BULK HANDLING LTD (CBH) – EXCLUSIVE DEALING NOTIFICATION N93439

14 July 2008

On 18 June 2008 CBH provided a suite of ‘letters of support’ to the Australian Competition and Consumer Commission (ACCC) from various stakeholders.

On 11 July 2008 the ACCC received advice that the following parties have agreed for their letters to be placed on the public register:

1. Westnet Rail
2. GrainCorp Operations Ltd
3. DB & N Wallace
4. RB Harrington Farms
5. AD & SE Duncan
6. Millross Grains
7. National Agricultural Commodities and Marketing Association – WA Inc (NACMA)
8. Wesfeeds Pty Ltd
9. Thompson & Redwood Produce Supplies
10. ProFarmer Australia Pty Ltd
11. Elders Toepfer Grain Pty Ltd

Accordingly, the public submissions from the above mentioned interested parties are attached.

28 May 2008

Mr Tim Collins
Executive Manager Logistics
CBH Group
30 Delhi St
WEST PERTH WA 6005

Dear Tim,

WestNet Rail would like to register its support for Grain Express.

The supply chain is currently inefficient, primarily because grain movements are not effectively coordinated and cargos are often accumulated on a vessel by vessel basis, rather than on a whole of supply chain basis. The supply chain will be more efficient if it is centrally coordinated.

WestNet Rail believes that the CBH Group is the ideal body to perform this role because it is a grower owned cooperative, has vital information about the entire supply chain and is in physical custody of the grain.

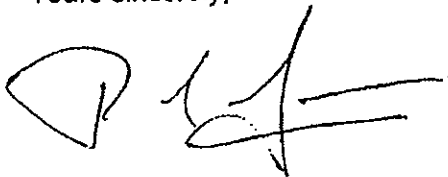
The key benefit of Grain Express is creating certainty of volume for rail and road operators, and therefore security of investment in the rail network.

Grain Express will also benefit the grain industry by speeding up grain receipt; giving growers a better system to choose marketing options; reducing unnecessary storage opening; reducing unnecessary fumigation; increasing use of unit trains; making better use of port storage; reducing demurrage and encouraging dispatch; and promoting better marketing decisions.

Because changes to bulk marketing laws will fragment marketers' entitlements, the supply chain requires urgent attention before the coming harvest. Unless a solution is found, the supply chain will be unmanageable this harvest and the future of the rail network in serious jeopardy of closure without the security of grain volumes.

Grain Express is the only viable structure proposed at this point.

Yours sincerely,



Paul Larsen
General Manager
WestNet Rail



Wednesday, 4 June 2008

Mr Tim Collins
CBH Group
PO Box L885
Perth WA 6842

Dear Mr Collins

CBH 'Grain Express'

GrainCorp supports the principles that underpin the 'Grain Express' initiative being proposed by CBH in Western Australia.

The storage, handling and transportation of grain is a complex logistical task. The proposed 'Grain Express' system appears to provide a logical solution for the movement of grain in Western Australia.

'Grain Express' appears to provide upcountry storage and handling, transshipment freight, and export terminal services as a 'bundled' service. On the basis that 'Grain Express' provides fair pricing and complies with relevant competition regulations, we see no reason to object to its implementation.

We wish you all the best with the implementation of 'Grain Express'.

Yours sincerely

Mark Irwin
Managing Director

GrainCorp Operations Limited
Level 17, Tower 1, 201 Sussex St Darling Park, Sydney NSW 2000
PO Box A268 Sydney South NSW 1235
T: 02 9325 9100 F: 02 9325 9180 www.graincorp.com.au ABN 52 003 875 401



DB&N Wallace
Po Box 119
Lake Grace 6353
Ph/Fax 08 9865 3048

Dear Tim

I am writing to you in support of the grain express concept being proposed by CBH.

With the expected changes of the wheat marketing system with in Australia, I believe that it is in the best interest of the growers, who have cooperatively built this company, for CBH management to implement the proposed grain express system. All West Australian farmers depend on the storage capacity of the CBH infrastructure to house our harvest safely.

As the CBH storage and handling system has been built around a single buyer grain marketing concept there is a need for changes to be made in order for growers to be able to better utilise the infrastructure of CBH under the proposed new wheat marketing legislation.

With the prospect of access to a greater number of buyers for my grain, it is imperative that Western Australia's storage and handling system for grain has the most efficient means of access to those buyers. A system that will allow physically grain swaps of the same quality from different areas is a great concept for me as well as the buyers of Western Australian grain.

The proposed system I believe will encourage greater use of the West Australian rail network allowing the most fuel efficient, environment friendly system of grain transport to remain competitive with road transport.

These proposed changes will help reduce the direct costs of storage and handling on my farming enterprise thereby increasing the efficiency of West Australian grain production.

Kind regards

Donald Wallace.

Tim Collins
Executive Manager Logistics
CBH Group
30 Delhi St
WEST PERTH WA 6005

Dear Tim

I write to register my support for Grain Express.

As a Western Australian grain grower, I see significant benefit in a logistics system that offers a packaged grain storage, handling and transport service. I see significant benefit in a system that provides me with more marketing choice and saves me time delivering my grain.

Grain Express looks to simplify the process of delivering grain into the storage system, saving me time when it matters the most - during harvest. It gives me time to think about marketing options and provides me with access to more grain marketing options.

I believe that by CBH Grain Operations becoming guardians for freight arrangements on behalf of growers and industry, freight charges will be more transparent and it will help smooth the price fluctuations that are common with rail freight given the variation in grain tonnages each year. We need to ensure the long-term security of our rail network, and more importantly the up-country storage assets that the farmers of Western Australia have invested in over the years. Providing certainty of volume for rail and road operators will make investment into the network far more attractive, and secure the sustainability of our country assets.

The supply chain will be more efficient if it is centrally coordinated and I believe that CBH is the ideal body to perform that role because it is a grower owned cooperative, has all of the necessary information about the entire supply chain and is in physical custody of the grain. I believe the supply chain costs will become more transparent to both grower and all buyers under this system

1. Grain Express is the only viable structure proposed at this point.

Yours sincerely
Ray Harrington

Kind regards
RB Harrington Farms
DARKAN WA

Tim Collins
Executive manager Logistics
CBH Group
30 Delhi St
WEST Perth
W.A. 6005

Dear Tim

As Western Australian grain grower of 28 years I wish to register my strong support for the Grains Express proposal.

Given that all Western Australian grain growers have a stake in CBH (A grower owned co-operative) which owns and operates the principle storage and handling system in WA, I believe that the Grains Express logistics system that is offering a combined grain storage, handling and transport system is the best solution for growers in terms of marketing choice and minimizing logistic costs

CBH have proven in the past that they have the capability of managing storage , handling and transport logistics and given that no other viable option is being offered to WA growers and grain accumulators I believe Grains Express is the path to the future.

It is important to note that the future economic viability of WA's narrow gauge rail network and road transport, directly relates to certainty of grain volume. As we move into a deregulated grain acquisition environment significant logistic costs will be incurred by growers unless the industry embraces the Grains Express concept.

I congratulate CBH for developing the Grains Express concept and am hopeful that it will be operational for the coming 2008/09 harvest

Regards
Andrew Duncan

AD & SE DUNCAN
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RAVENSTHORPE
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Ph 0898389032
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Email adseduncan@bigpond.com

WEST SCENE PTY LTD
A.B.N. 99 060 386 941

TRADING AS:

MILROSS GRAINS

PO BOX 448 BRIDGETOWN WA 6255

TELEPHONE 08 9761 9099

FAX 08 9761 2334

E-MAIL milross@westnet.com.au

11th June 2008

Attn: Tim Collins,
Logistics Manager,
Co-operative Bulk Handling Limited,
Gayfer House,
30, Delhi Street,
West Perth
WA. 6005

Dear Tim,

Congratulations to CBH and their concept of Grain Express for West Australian Grain Growers and also, just as important, a secure, transparent and quality assured path forward for all Grain Acquirers, both Domestic and International, as they will be able to post prices up country at all sites secure in the knowledge of the cost and path forward to port. This will be essential for WA if we want to maintain a viable Grain Industry from paddock to port. As opposed to what looked like happening on the Eastern Sea Board a few months ago where there was grave concern that the Rail in NSW and Victoria may not have been up and running for the 2008/2009 season with the absence of vision of who would assume the Rail Freight Risk.

This seems to have been resolved at the moment. I don't know whether this has been resolved completely for the long term. I have heard rumours recently that the Rail will now be up and running in some capacity this coming season.

I strongly believe this to be one of two big areas where Grain Express will come into it's own, especially for WA Grain Growers, a further plus for CBH will be their ability to empty smaller up country storage sites as they go, which was not possible before with multi Acquirers of Grain with different shipping dates.

With the current extreme labour shortage, especially in country regions, there possibly may be some storage and handling discounts for farmers, which is very necessary at the moment amid concerns of Climate change, Biofuel developments and spiralling input costs.

My company, which accumulates a large tonnage of feed grain, domestically for the Dairy and Feed lot industries will be greatly assisted by Grain Express with the development of 15 Mega Destination sites which will be managed by more permanent outturn staff and equipment, thus making it more convenient for us to outturn our stocks of Grain on a daily basis, as opposed to before when in some cases, we would have to wait until a larger Grain Acquirer wanted to move their stocks in a large enough quantity so as to economically enable CBH to open that particular site for outturn.

I see CBH and Grain Express will be assuming all the risk of storage, handling, freight and ship loading. Logically, who else in WA could put all of that together in an orderly and quality assured manner?

I do believe the transport part of CBH Grain Express to be the best and only model available in WA for the state government, to assist with CBH, AGR and Westnet to have a suitably contracted Rail Agreement up and running. This single part of Grain Express alone will have far reaching consequences for West Australian road commuters having far less trucks on the road.

Far from cries of a monopoly situation , I see this as a very necessary step for all in the Grain Industry if we collectively want a sustainable Grain Industry in the future.

Yours sincerely,

Peter Bloxsome
Managing Director
(P) (08) 97619 099
(F) (08) 97612 334
Email – Milross@Westnet.com.au



*copy, original with
by Westlake for
registering.
Peter Dean*

4th June 2008

Mr Tim Collins
Acting General Manager – Grain Operations
Co-operative Bulk Handling Limited
30 Delhi Street
West Perth WA 6005

Dear Tim

Re GRAIN EXPRESS

I would like to thank you for the presentations, meetings and discussions on Grain Express over the past few months.

The approach taken by CBH managers to consult with our members as they have worked on high and low level issues of what looks to be a significant change in the way grain handling services are provided in Western Australia has been most welcome.

Members understand that there are still some low level details to be worked through and such is the uncertain nature of our industry that it will not be possible to make a final judgement on the Grain Express model until after it has been introduced and stress tested. NACMA - WA looks forward to continued dialogue as implementation challenges present themselves.

The majority of NACMA - WA members are of a view that the system has the potential to deliver a storage and logistics system far more efficient than the current one does. While reserving the right to challenge areas if the service provided does not meet that being promised, NACMA - WA members would judge Grain Express and the service culture that should come with it as being very positive for the industry at a macro level.

One area of major concern to NACMA - WA is the potential impact of any future legislative changes. These include: changes to Acts or regulations that may restrict the use of different transport options, and quality controls which may stifle effective and open trade. NACMA - WA's position would obviously have to be re-assessed if this were to happen.

In closing NACMA - WA congratulates CBH on the concept of Grain Express and remains willing to continue any dialogue as needed.

Kind regards
For **NACMA- WA**

.....
Troy Lyon
President

WESFEEDS PTY LTD
A.B.N. 21 008 704 050
31 Sevenoaks Street
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Western Australia 6102
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E-mail graham.rich@gwf.com.au

30th May 2008

Mr Tim Collins
Executive Manager Strategy and Business Development
Co-operative Bulk Handling Limited
30 Delhi Street
West Perth WA 6005

Dear Tim,

GRAINS EXPRESS

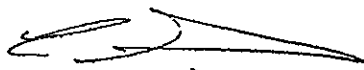
Wesfeeds has had two individual sessions with CBH staff outlining the aims, objectives and outcomes expected from Grain Express.

Wesfeeds would like to show support for the concept of Grain Express.

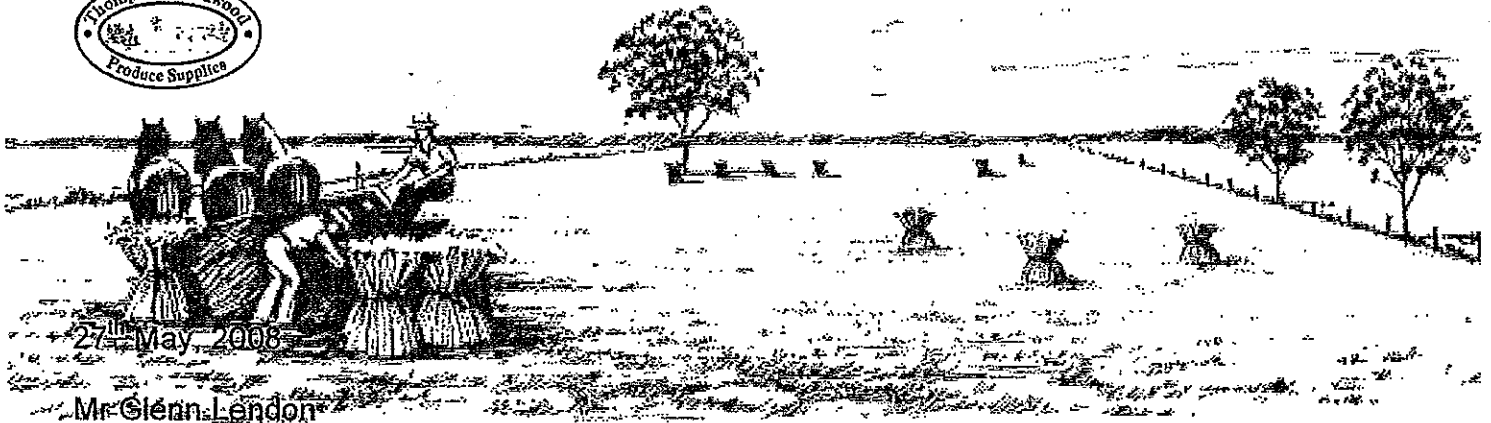
This support is based on the information provided at present, taking into account that the current proposals are still under review, with issues still needing resolution. The current proposal provides a base to grow Grain Express.

CBH operations have been little short of atrocious this season with continual changes and alterations to schedules after acceptance by CBH. This has impacted heavily on our business. The prospect of a 16mmt plus crop for 08/09, without some radical changes within the operations area, is not acceptable.

Yours sincerely,
Wesfeeds Pty Ltd



Graham FS Rich
Resources & Logistic Manager



27th May 2008

Mr Glenn Lendon
Manager, Customers Account
Co-operative Bulk Handling
30 Delhi Street
WEST PERTH WA 6005

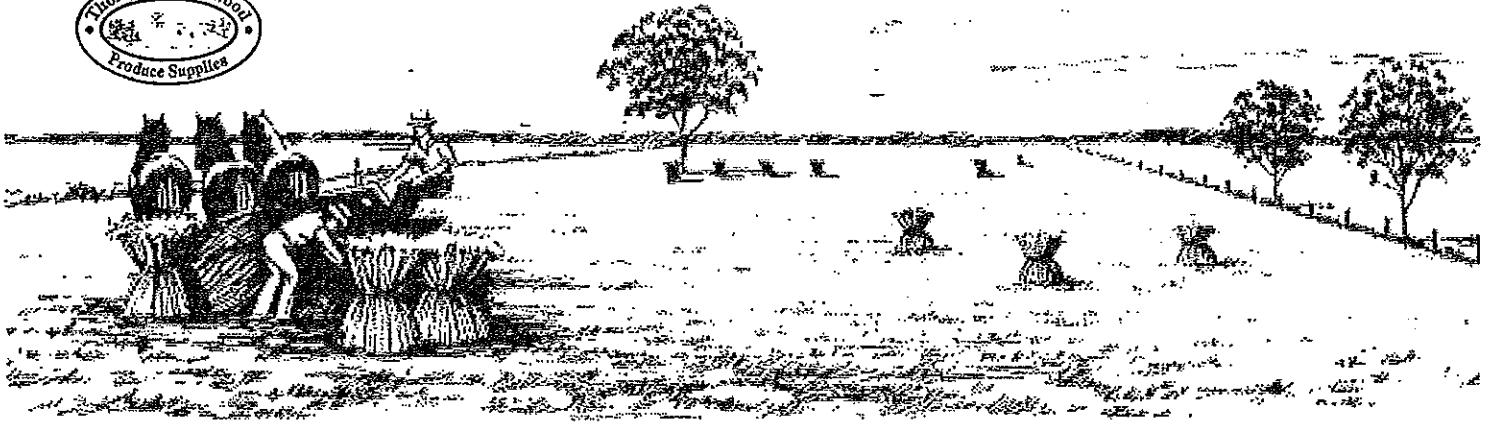
Dear Glenn

RE: In support of the CBH Submission to the ACCC re Grain Express

In response to your email regarding the above, I would like to offer our full support for the reasons listed below:

Key points in support of Grain Express

- 1 The supply chain is inefficient, primarily because grain movements are not effectively coordinated and cargos are often accumulated on a vessel by vessel basis, rather than on a whole of supply chain basis.
- 2 The supply chain will be more efficient if it is centrally coordinated.
- 3 CBH is the ideal person to perform that role because it is a grower owned cooperative, has all of the necessary information about the entire supply chain and is in physical custody of the grain.
- 4 Grain Express will:
 - (i) speed up grain receival;
 - (ii) give growers a better system to choose marketing options;
 - (iii) reduce unnecessary storage opening;
 - (iv) reduce unnecessary fumigation;
 - (v) increase use of unit trains;
 - (vi) provide certainty of volume for rail and road operators, allowing them to invest appropriately;
 - (vii) make better use of port storage;



.....2

(viii) reduce demurrage and encourage dispatch;

(ix) promote better marketing decisions.

5 Because changes to bulk marketing laws will fragment marketers' entitlements, the supply chain requires urgent attention before the coming harvest. Unless a solution is found, the supply chain will be unmanageable this harvest.

6 Grain Express is the only viable structure proposed at this point.

Please don't hesitate to contact me if you could require any further information in regards to the above.

Kind regards

A handwritten signature in cursive script, appearing to read "S. Lamond".

Stephen Lamond
Manager.

ProFARMER

ProFarmer Australia
PO Box 4216, Mosman Park South WA 6012
Telephone (08) 63890722
Facsimile (08) 63892538
E-mail profarmer@profarmer.com.au

3rd June, 2008

Tim Collins
Executive Manager Logistics
CBH Group
30 Delhi St
WEST PERTH WA 6005

Dear Tim

Grain Express

Profarmer would like to register its support for Grain Express.

With the increasing deregulation of our grain export markets, the bulk handling system in its current form will struggle to ensure the efficiencies and meet new market demands required for Western Australia to remain a cost competitive supplier to global markets.

The supply chain is currently inefficient, primarily because grain movements are not effectively coordinated and cargos are often accumulated on a vessel by vessel basis, rather than on a whole of supply chain basis. The supply chain will be more efficient if it is centrally coordinated.

Profarmer believes that the CBH Group is the ideal body to perform this role because it is a grower owned cooperative, has vital information about the entire supply chain and is in physical custody of the grain.

The key benefit of Grain Express is creating certainty of volume for rail and road operators, and therefore security of investment in the rail network.

Grain Express will also benefit the grain industry by speeding up grain receipt; giving growers a better system to choose marketing options; reducing unnecessary storage opening; reducing unnecessary fumigation; increasing use of unit trains; making better use of port storage; reducing demurrage and encouraging dispatch; and promoting better marketing decisions.

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Grain Express is the only viable structure proposed at this point.

Yours sincerely,



Richard Koch
Managing Director – ProFarmer Australia

Cc: Karlie Mucjanko, CBH Group.

**Elders Toepfer Grain**

27 Currie St,
Adelaide
South Australia, 5000
Telephone 08 8425 4944

Postal Address:
PO Box 870
Adelaide SA 5001

To
Co-operative Bulk Handling Limited
GPO Box L886
Perth WA 6842

Adelaide 3rd June 2008

Att Tim Collins – General Manager

Dear Tim

Re Grain Express

Thank you for visiting us in the past months and presenting and explaining CBH's Grain Express in detail to our team .

The new deregulated environment poses new challenges for all stake holders in the Grain Industry . We are pleased to note that CBH acknowledges the changed needs of the industry in a market with many more customers than was the case traditionally.

We believe that Grain Express addresses these changed needs in a rational and cost effective way.

We have studied CBH's draft ACCC submission and we have come to the conclusion that your Grain Express concept will deliver an efficient supply chain system from growers into the export ship . Elders Toepfer Grain trusts that Grain Express will supply a level playing field for all participants involved in exporting grains from Western Australia.

Therefore we support Grain Express and hope that you will be able to introduce same for the coming season.

With best wishes

Michael Hein
Head of Trading
Elders Toepfer Grain Pty Ltd