

The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Re: Submission about the Impact of Grain Express.

Since the introduction of the Grain Express system, the grain growers on the south coast of Western Australia have seen significant improvement in the handling systems provided by Co-operative Bulk Handling, and the marketing options that have become available under a deregulated grain market.

There was much uncertainty throughout the farming sector with the advent of deregulation in the grain marketing within Western Australia, with growers on the south coast being at a distinct disadvantage to other growers from around the state, due to the large distance from marketers. Grain Express has given these grain marketers the option to obtain grain from the south coast without having to charge the growers excessively for the freight. This is a win – win situation for both parties as the returns to growers are maximized. The fact that the number of marketers has increased in the market place, has given growers a great range of marketing options for their grain, is another point that can not be ignored.

The streamlining that occurs under the Grain Express system has seen a decrease in the cost of the up-country charges due to the grain being delivered to port in a more efficient way. Once again this returns more money to the growers.

The storage and handling system that Co-operative Bulk Handling has in place is one of the best in the world, and the introduction of Grain Express has helped improve the benefits that CBH provides to the growers, the people that own the co-operative. They maintain the quality of the grain that is held within their system, which is of the upmost importance to the purchasers, and the reputation of the grain growers of Western Australia. With an increase of the amount of on-farm storage the risk of an inferior quality of grain being outturned increases, particularly where weather or insect damage occurs. As CBH specializes in this area it is able to evaluate and rectify these issues in a cost efficient way.

It is the belief of our organization that the benefits that Co-operative Bulk Handling provides to the grains growers of Western Australia are paramount to the export based industry. We have seen with the introduction, and refinement, of the Grain Express system, it provides a simple streamlined process that helps return money to the pockets of the growers, and with the ability to provide a Grower Weighted Averaging System, something that we as an organization have been pushing to be implemented for some time, it is looking to improve the system even further.

With the current cost squeeze that is occurring, it is important that growers can rely on a system that has their best interests at heart. It is difficult enough to grow the grain, let alone store and market the produce, so when there is a perfectly good system in place, why change something when it is not broken.

Yours faithfully

Lyndon Mickel

President

South East Premium Wheat Growers' Association.