

**D'Ettorre, Gina**

**From:** John [REDACTED] **EXCLUDED FROM PUBLIC REGISTER**  
**Sent:** Tuesday, 13 July 2010 6:49 PM  
**To:** D'Ettorre, Gina  
**Subject:** Spam: Submission:- Grain Express CBH  
**SUBMISSION**  
13th July 2010

I work as a farm consultant and I share farm my cropping land at Esperance so I have experience with Grain Express personally and through my clients. I feel that I can speak with some authority from the farmers point of view.

I have access to a larger number of marketers because the marketers own the grain at port and not at the bin that I have delivered to. This makes it a more competitive market to price grain into. This compares with the previous system where buyers may not be offering prices at the receival points scattered around the countryside because they were too small. If they did there were pricing differentials depending on the size of the bin with the smaller bins having a higher out loading cost and hence cash prices were discounted appropriately. This does not happen with Grain Express, it one price at port. In this aspect I am happy with Grain Express.

With the freight to port charges being directly billed to farmers the system is more transparent compared with the previous system where the marketers deducted an estimated freight charge from the payment made. The estimate varied between marketers and refunds were never paid if their estimate was too high. I never received a refund nor did I see any refunds to my clients. I am happier with the direct billing and where the potential is for a refund if the initial estimate is too high. From this point of view I am happy with Grain Express.

I can understand that it adds to the cost if marketers own grain at a number of bins in a port zone. Often the tonnage own is only enough for one or maybe two ships from a port like Esperance. Under the previous system this meant opening of those stacks where they owned grain to make up a shipment. Out loading small amounts of grain from several stacks is inefficient compared with taking a larger number of tonnes from a smaller number of stacks and this helps keep the costs of storage and handling down as these cost are passed on to the grower.

It is said that marketers can achieve a better freight price than CBH if they were able to negotiate their own freight price. I find this hard to believe because the prices that CBH have negotiated are well below the general freight prices that farmers pay for moving fertiliser and grain over the same distance. How are marketers going to achieve a better price especially in the Esperance port zone?

I cannot speak about how the marketers find the Grain Express system but from the farmer's perspective it only delivers positive results.

Regards

John Richardson

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26/07/2010