

Australian Competition &
Consumer Commission.

GPO Box 3131
Canberra ACT 2601

12th of July 2010

Ref: Cooperative Bulk Handling (CBH) exclusive dealing notification N93439 – interested party consultation.

To Whom It May Concern:

As a WA farmer some 400kms from port the CBH storage system and Grains Express is vital for grain production in this region. The grain express system offers me total flexibility in marketing the grain we produce and we choose to store the majority of our grain with CBH in a cooperative storage system to minimise the cost to our business of storage, handling and freight. Our average production for wheat in this region is approximately 1.5tonne per hectare with a cost of production of around \$270.00 per hectare. A freight rate of \$25.00 per tonne and storage, handling and export supply chain cost of \$32.00 per tonne represents approximately 20% of the cost of wheat production and are a major factor in profitable grain production.

At present WA's storage and handling charges are lower than other states in Australia and have remained stable over the last few years, I believe this is a benefit provided by the CBH system which includes Grains Express.

Our current fertiliser requirements are transported by road as there are no rail facilities for fertiliser. The cost of this freight is approximately \$3.00 per tonne more expensive than our current grain freight rate. Even if the cost could be matched an increase in grain road freight will have a major public detriment to the road transport infrastructure and other general transport traffic.

We also store grain on farm for a local domestic market for livestock production and issues around quality control and logistics lead me to believe that this system is inferior to the CBH storage and certainly would not be suitable for export grain for human consumption. The main benefit of this market is a freight saving which is more a locality opportunity.

The CBH system and the grains express arrangements work under a surge environment where the majority of grain is delivered within two months, as a grower this is a vital service for our business and continued improvement in operations leads this to be a effective and efficient part of our grain production business and we ask the ACCC to maintain the Grain Express Notification in place as we believe without it our export grain production business would be unviable.

Kind regards,

Thomas Lynch

EXCLUDED FROM
PUBLIC REGISTER