

Grains Express (GE) Public Benefit

My name is Wally Newman, I am a third generation medium size wheat grower 16 km South east of Newdegate W.A. I am actively involved in our rural community with 21 years shire council experience. I should also declare that I am a shareholder in CBH and a member of a rural lobby organisation. I am a director of CBH and have been on the board since 2000.

I make this submission in my personal capacity as a grain producer and Shire councillor in Western Australia, not in my capacity as a director of Co-operative Bulk Handling Limited (CBH). The views set out in this submission are my own and do not constitute the official position of CBH.

Grains Express is to grain as the banking system is to money. CBH have replicated grain in the same way as banks transfer money within the banking system. Money can be deposited at a point in the system and the equivalent money withdrawn from another point in the system without the original money having to be physically transported to that point.

The savings and benefits to growers using this efficient system are significant, it is without doubt the most efficient system known for moving grain equivalents from one location to another. CBH when they do move grain are able to move it in the most cost effective manner possible having sufficient sized parcels of grain to justify full train loads in the case of rail or using the largest sized road trains where road transport is the only option.

Further efficiencies are gained by being able to totally empty storages in one operation. CBH is able to supply customers requiring a ship load of grain from less storages delivering the amount of grain and quality a customer requires. Prior to GE up to 30 storages may have to be opened to extract the customers portion, the remaining grain in each storage had to be resealed and gassed. This resulted in increased costs and environmental impacts due increased logistics removing the grain and more gas being released into the environment by multiple opening and closing of storages before they are totally emptied.

Grains Express minimises community impact by reducing the number of grain movements, it gives sufficient volume of grain to utilise fully loaded trains in the case of rail which has the least impact or using the largest sized road trains where road transport is the only option. Since deregulation of grains in the Eastern States utilisation of rail has reduced dramatically because no one body has sufficient volume of grain to keep rail as a viable option.

Communities and the general public are impacted by ever increasing numbers of trucks on their roads creating noise, congestion, safety issues and increased rates required to maintain the road system.

Grains Express minimises environmental impacts, by utilising the largest possible parcel movements of grain, energy requirements per tonne are reduced considerably. This in turn reduces the amount of fossil fuel required to move the grain and reduces the carbon footprint to a minimum. On a recent logistics tour of the USA were companies closely monitor their energy requirements to move product they claimed rail transport to be 17 times more energy efficient than the road equivalent to perform transport tasks.

Grains Express is the only grain handling system in Australia that establishes growers and consequently their communities as the sole beneficiaries of its purpose for being. It is ironic that those who criticise the GE system are generally the very people who find it difficult to exploit the GE system to benefit themselves or their shareholders.

Rural communities have been in decline since 1968 with many losing schools, unable to muster numbers for sporting teams or services such as St Johns ambulance. In many parts of the world governments have financial incentives to retain healthy rural communities. Grains Express needs no government financial assistance only an environment that continues its existence.

It is also of interest to know that the USA has legislation that exempts cooperatives from their Anti Trust or monopoly legislation. Moreover, the USDA has a charter to actively promote and assist farmers form cooperatives so as to encourage competition and reduce the anticompetitive behaviour by the large agricultural corporates.

Regards, W.A. Newman.