



Australian
Competition &
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Commission

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NEWS RELEASE

ACCC WILL NOT OPPOSE GRAINCORP'S PROPOSED ACQUISITION OF CARGILL'S GILGANDRA GRAIN STORAGE AND HANDLING FACILITY

The Australian Competition and Consumer Commission will not oppose GrainCorp Limited's (GrainCorp) proposed acquisition of Cargill Australia Limited's (Cargill) bulk grain storage and handling facility in Gilgandra, New South Wales.

"The ACCC conducted extensive market inquiries with market participants, including grain growers, grain traders, exporters, and competing suppliers of storage and handling services in the Dubbo region. Growers and other market participants were not generally concerned about the proposed acquisition," ACCC Chairman Rod Sims said.

"Despite the transaction resulting in the removal of a close competitor to the existing GrainCorp site in Gilgandra, based on market feedback, the ACCC considered that there will be effective competition from other suppliers of storage and handling services in the region."

"On-farm grain storage is also increasing, but will not be a complete substitute for upcountry bulk storage and handling facilities," Mr Sims said.

The ACCC also considered GrainCorp's ability and incentive to discriminate between grain growers, by charging more or offering poorer service to growers that have fewer alternatives for storage and handling. Based upon market inquiries, the ACCC considered that discrimination between different growers was unlikely.

"In forming this view, the ACCC noted that GrainCorp publishes a schedule of fixed storage and handling fees on the east coast. In addition, GrainCorp would continue to have an incentive to deliver efficient services to growers, in order to maximise throughput in its facilities," Mr Sims said.

Further information is available on the ACCC's [public register](#).

Background

GrainCorp is an integrated grain handling and processing business with grain supply chain assets predominantly on the east coast, including upcountry storage, port and terminal storage and handling, and trading and marketing. In Gilgandra, GrainCorp currently operates an upcountry bulk storage and handling facility.

Cargill is a wholly-owned subsidiary of Cargill, Incorporated, a privately-owned international company based in Minnesota, USA. In 2011, Cargill purchased the commodity management businesses of AWB Limited, including AWB's grain storage assets. In Gilgandra, Cargill operates an upcountry bulk storage and handling facility, adjacent to GrainCorp's facility at Gilgandra.

Media enquiries

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