
W A Grains Group

Incorporation No. A1013809U

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(PREAMBLE) The W.A. Grains Group welcomes the opportunity to comment on the Export Marketing of Australian Wheat, post de-regulation. The W.A. Grains Group has a small but influential membership. The prime focus of the W.A. Grain Group is to deliver positive financial outcomes to W.A. growers. We recognize there are dollar savings which can be made by an efficient value chain operation and these savings passed on to growers. Growers are at the bottom of the value chain and have in the past accepted all the risks as to growing wheat in a harsh and unpredictable climate. Now with de-regulation and the transparency thereof, (this needs to be ongoing) our Group is aware of parts of the value chain which could operate more efficiently thus creating better dollar returns to growers.

The WA Grains Group is of the opinion that the WEA should be retained for another two harvests, then followed by a review. WEA gives farmers the security of knowing that the companies have the ability to pay. This is important in the interim period of moving from regulation to deregulation.

The WAGG feels that the WEA should expand its parameters and take on the added duties stated below by next harvest;

- Be the body that provides ‘industry good’ functions, similar to that provided by the United States Wheat Associates.
- Be the body could also be responsible for collating the information on area and varietal information on a regular basis pre harvest, this information could be supplied by State Agriculture Dept. and storage and handlers of grain that currently collect this information.
- Be the body that collates information such as grain stocks by crop type, grade and zone, that is, what has been sold, what has been committed and what is remaining. This needs to be done on a daily basis and through out the year.

However the funding of this body would need to be provided by all of industry and Federal Government, not just export wheat producers.

Most marketers use the ‘old’ and ‘new’ seasons wheat as a means of arbitraging producers, whereas there is actually no way of differentiating the old and new seasons grain once it is in the hold of the ship. This can be up to \$20 per tonne on wheat and has been up to \$50 on Canola.

Competition at Port is essential for the future well being of the industry. Competition has been introduced in the export of wheat and competition at Port is the next obvious step so that the benefits of the deregulated wheat exports can be fully achieved.

In conclusion, we look forward to your findings and trust our input has been of value as to the outcome.