Submission to
Productivity Commission 2010

~ Wheat Export
Marketing Arrangements – Draft Inquiry Report, Canberra ~

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Executive Summary

- The initial terms of reference as detailed on page (IV) fails to accurately reflect the grower concerns with regards to cost/ benefits, access to facilities and spread (product categories and price) implications with regards to product produced on a year to year basis.
- The Association believes ongoing accreditation of bulk wheat exporters by WEA or a similar independent body is essential to at least give growers some assurance they are dealing with a fit and proper company to export bulk wheat from Australia. WEA is also essential to maintain Australia's competitive advantage as a provider of high quality wheat.
- The reputation of Australian wheat is worth far more than the cost of the Wheat Export Charge of 22 cents per tonne.
- The Wheat Export Marketing Act 2008 should in fact go further to include the extension of powers for WEA to require it to benchmark the performance of all accredited exporters and publish export information in the interest of market transparency. This information would be independent and not prone to manipulation of any kind by the industry.
- The notion that in the future Port Terminal Service Operators develop a voluntary Code of Conduct to govern port access is fanciful and would within a short period of time lead to major players dominating all aspects of terminal services. The current 'access test' under the Wheat Export Marketing Act 2008 should be retained.
- There was no mention in the draft report of a democratic survey of growers. What do the major banks think about deregulation? Members have reported that the banks they have approached are not supportive of deregulation. Have they been approached to comment?
- The Industry led group to provide industry good functions. Who will this involve and who will pay? The Association doubts whether without a National Pool any profit from this will flow back past the trade to the growers.
- Legislation needs to be introduced to protect grower ownership of all grain product until payment is received.
- Until the natural State and geographical monopolies created by the Australian rail system are eliminated by a western rail link from Melbourne to Brisbane, grain delivered into a receival point is committed for a specific port even if that port is inefficient, congested, or expensive to ship from.

Table of Contents

Introduction

The NSW Farmers' Association (the 'Association') welcomes the opportunity to provide a submission to the Australian Government Productivity Commission's Draft Inquiry Report into Wheat Export Marketing Arrangements to review the operation of the *Wheat Export Marketing Act 2008* and the *Wheat Export Accreditation Scheme 2008*.

The Association represents the interests of commercial farm operations throughout the farming community in NSW. Through its commercial, policy and apolitical lobbying activities it provides a powerful and positive link between farmers, the Government and the general public. The Association is the key State representative body for both intensive and extensive industries ranging from broad acre, meat, wool and grain producers, to producers in the horticulture, dairy, poultry meat, egg, pork, oyster and goat industries.

There are 29 licensed traders for export for Australian wheat. They are effectively trading (as all corporate citizens should) to guarantee their margin to deliver profit to shareholders. Their profit margins are embedded in the chain. They are in many instances trading the market down to ensure their profit in the disposal of the grain they have purchased.

Within the new system the majority of growers have been exposed to significantly more risk, not only of production risk, but also the individual risks of hedging on price and currency. Storage risk, quality risk and transport risks. This has in turn added extra costs to individual risk management strategies.

Under a compulsory national pool the ability because of a degree of certainty of supply to hedge the crop and currency forward. 14 to 16 million tonnes for export being approximately 15% of the world's exports for wheat gave our national pool influence on supply delivery, quality delivery on supply and the ability to extract benefits to growers in the pool. All profits or losses were averaged across the pool. This in effect delivered a more consistent financially secure outcome.

Terms of Reference

- The initial terms of reference as detailed on page (IV) fails to accurately reflect the grower concerns with regards to cost/ benefits, access to facilities and spread (product categories and price) implications with regards to product produced on a year to year basis.
- The terms of reference grossly simplifies the complexities of the tasks set before them, to the extent of decimating the grains industry as it stands today.
- If recommendations are accepted at face value, one could expect a mass exodus of grain producers over a short period of time, based purely on the gross margins of producing grain within Australia across its diverse grain producing geographical environments.
- The Productivity Commission draft in the first instance should acknowledge that whatever considerations are undertaken, should address the growers geographical and spread of produce produced within any given season and the complexities associated with the capture and storage of the produce prior to addressing the transport and marketing aspects. Otherwise this whole exercise is pointless in its primary objectives and fundamentally flawed in the long term.

Accreditation of exporters

- The Productivity Commission's March 2010 draft report of its inquiry into the operation of the Wheat Export Marketing Act 2008 and the Wheat Export Accreditation Scheme 2008 recommends the abolishment of the current Wheat Exports Australia (WEA) by September 2011. The Association believes ongoing accreditation of bulk wheat exporters by WEA or a similar independent body is essential to at least give growers some assurance they are dealing with a fit and proper company to export bulk wheat from Australia. WEA is also essential to maintain Australia's competitive advantage as a provider of high quality wheat.
- The Wheat Export Marketing Act 2008 should in fact go further to include the extension of powers for WEA to require it to benchmark the performance of all accredited exporters and publish export information in the interest of market transparency.

- The Productivity Commission's recommendation for the complete dismantling of WEA fails to appreciate the reasons for it being there in the first place. That being
  - Open and transparent accredited buyers on offer to growers
  - Open and transparent accredited traders on offer to buyers for export.
- Any diminishing of these requirements will only serve to drive costing structures underground, with the resulting monopolies rapidly developing. Any foreseeable diminishing margins would be passed onto the grower. The commission fails consistently to acknowledge growers are price takers not price setters.
- The WEA accreditation process has another very important role and that is the integrity and accountability of the products on offer. Failure to vigorously and religiously guard this process will consistently undermine our national credentials.
- 50 container loads or 1250 tonnes were rejected at the Indian Chennai port due to being found to contain more than permissible levels of chlorpyrifos, commonly used for insect control in farm silos and bulk grain terminals.[1] This is an example of how the container trade is currently the weak link in the chain in terms of upholding the quality of Australian wheat exports. Alarmingly it is also a sign of what could occur in the bulk export of wheat from Australia if Wheat Exports Australia was not policing this area. It is also a timely reminder that the majority of primary producers are not Grain Quality Assurance accredited and as such cannot substantiate prudent management practices to any independent body. Hence the continued export of grain direct from farm to export is without doubt destined for an increase in rejected loads under the current exporting arrangements.

Payment Security Issue

- Over the last 10-15 years we have seen the demise of various grain trading companies..
- The commonality of the foreclosure of these companies is one or all of the following;
  - They were all company structures with limited liability.

[1] http://fw.farmonline.com.au/news/nationalrural/grains-and-cropping/general/indian-grain-quality-shame/1797734.aspx

- They all traded on the domestic market which is a "finite market" with resulting limited access to buyers, presenting their best offers on a given day.
- They were all specific grain trading entities.

- When the domestic market was tight (impending drought etc) they over extended themselves by either.
  - Taking a very aggressive marketing position with very thin margins
  - Taking a large "Physical or Futures" portfolio in the market place with either buyers or producers, without any regard to squaring their books to wash-off risk as the season developed or unfolded.
  - A particular trader committed fraud and deliberate deception by having an Annual General Meeting without acknowledging their "open futures positions" and failing to detail to their Members the full extent and ramifications of this position.
  - They all traded whilst insolvent .

- In short this is the problem that is destined to develop more often under this current marketing structure. In that;
  - Limited liability under company structure.
- Limited transparency with ASIC detailing Company information to share holders on solvency and levels of exposure. We the growers constantly pick up the tab, as we are the unsecured creditors! History is testament to this development. If the Productivity Commission continues on with the dismantling of the accreditation requirements with regards to exporters as detailed within its draft report, the Association can only see the above scenarios developing more often. Accreditation should and must also include domestic traders in the future, in order to instil credibility and accountability within the market place. Furthermore, due to the significant limitations within company structures as exists today, sooner or later these trading entities will have to substantiate to both buyers and growers that they possess insurance (foreclosure Insurance) commensurate to their level of exposure within the market place.
- Legislation needs to be introduced to protect grower ownership of all grain product until payment is received.

Access to port terminal facilities

- The Association concurs with the findings as noted on page 127 in that the "Port Access Test" has a valuable role to play in ensuring that monopolies do not dominate port terminal services. Port services are used for a variety of services both importing and exporting. This is coupled with the fact that product specification and facility requirements are an evolving process infinitum. It therefore stands to reason that as these facilities are privately owned that there is a need for continuing open and transparent collation of terminal flexibility, capability and access performance.

- The notion that in the future Port Terminal Service Operators develop a Voluntary Code of Conduct to effectively govern port access is unlikely and would within a short period of time lead to major players dominating all aspects of terminal services.
- In short the Port Access Test destined for abolition from 1st Oct 2014, should in fact be revitalised and submissions called for amendments in order to enhance its effectiveness. The importance of this move is highlighted on page 150 in stating;
  - The facilities are of national significance.
  - The size of the facility.
  - The importance of the facility to constitutional trade and commerce.
  - The importance of these facilities to the national economy.
- Until the natural State and geographical monopolies created by the Australian rail system are eliminated by a western rail link from Melbourne to Brisbane, grain delivered into a receival point is committed for a specific port even if that port is inefficient, congested, or expensive to ship from.
- Currently there is very little opportunity to an exporter of grain to select the most efficient port to use. Greater transparency of the freight market must be enforced for the interim, in order to create an opportunity for competition.

Transition to Deregulation

- The Association suggested the Productivity Commission, as part of its inquiry into the Wheat Export Marketing Arrangements, should survey every registered wheat grower in Australia using the National Grower Registration with relevant basic questions relating to their experience of deregulation. There is no reference to this recommendation in the draft report.
- The claim that the transition to deregulation has been remarkably smooth is not the view expressed by our Members, given the well documented dysfunction with access to port and supply chain issues.
- The Productivity Commission held a grower forum in Dubbo on 9 December 2009 attended by approximately 50 growers. This was the only meeting

scheduled for the whole of NSW and was scheduled right in the middle of harvest. This was the only opportunity for growers to voice their concerns regarding the current marketing arrangements in a forum. The growers who were present were united in their call for a grower owned and controlled not for profit entity operating a National Pool. There were no minutes taken at the meeting and there was no mention of the meeting in the Productivity Commission's draft report.

- The Wheat Industry is the second largest Agricultural Export earner. It is clear reading the report and its recommendations; it focuses on what is best for the traders/ buyers and the 10% of growers who apparently grow over 50% of wheat. What do the other 90% of growers do? The statement that 10% of growers produce 50% of the grain and that the smaller producers should look for alternative grains or move to livestock is an interesting one. A look at history will soon tell you that the corporate sector moves to where the dollars are - many will desert the industry if more profitable opportunities occur. They are also astute at cutting their losses and moving on. The 90% of smaller wheat growers are also part of industry, making up rural communities with their numbers helping to ensure the survival of rural towns and cities. They will grind out a living and be resilient given the opportunity.
- It is also fair to note that by far the majority of primary producers are still in shock mode with respect to deregulation. This in itself is not surprising as the majority of the traders are also grappling with the complexities. A representative survey will readily acknowledge that growers have no appreciation of the tasks set before them with regards to developing and executing a prudent marketing strategy.
- Current and last year's pools on offer had a return lower than any cash price that was on offer once fees, charges, freight and finance cost were taken into account. Due to the lack of cash price on offer, the option to drop unsold or unpriced warehoused or stored on farm wheat into a pool before it closes would have come at a loss to the grower. Delivering stored grain to grain bulk handlers in the new year comes at a penalty and in some cases they will not accept receival post harvest if the farmer has treated the grain with chemicals on farm. Quality assurance post harvest is a big problem with on farm stored grain unless it can be stored untreated which is not an option for most farmers who do not have or cannot afford proper pest resistant on farm storage. Growers, based on 2008/09 increases in after harvest prices, have warehoused or stored 2009/10 wheat on farm at a huge cost both through

finance and storage cost to see prices fall 15% or more since harvest. Now with this year's sowing upon us financing the 2010 crop is forcing wheat onto the market at or below the cost of production. If wheat was sold at harvest in the 2008-09 year, the price was approximately $30 less than Jan-Feb 2009. If wheat was stored post the 09-10 harvest and growers were forced to sell now to generate cashflow to finance the 2010 crop, the price would be approximately $30 per tonne off the price that was on offer at harvest. This is a loss in addition to the loss of no golden rewards, increased freight rates and no hedging profit from higher prices on offer early in the year.

- Even market advisors like Malcolm Bartholomaeus are writing in their columns about the losses involved with deregulation due to growers not able or willing to hedge themselves. This reluctance may be due to past losses doing it themselves, or growers not being able to finance hedging as well as not having the competency to risk doing it themselves. Hedging individually can be extremely time consuming and fraught with risk. This is why a national pool operator doing coordinated hedging progressively over a long period using a national crop would be more efficient and definitely less risky.

Information provision

The Association generally agrees with the Key Points raised on page 215. However the Association does not agree with the notion documented on page XXXIV of the draft report that the bulk handlers' access to market information is inherent to the nature of their business operations and as such this asymmetry of information is not considered to lead to significant market inefficiencies. A significant advantage is gained when the ability of the bulk handler to blend grain is combined with the knowledge of exactly what grain is around per port zone by grade and tonnage. This information should be made publicly available.

- Current marketing signals today reflect the extremes associated with grain production, rather than the averaging provisions set in place previously with national pools etc. Particularly with regards to transport and logistical consideration when pricing grains. The complexities associated with blending and the multitude of buyers bidding for relatively small lots for containerisation only serve to exacerbate this situation.
- The pricing signals as rightly stated on page 39, being global supply and demand, exchange rate and transport costings have altered significantly. The "basis" costings presented to growers and buyers alike on any given day

are now are extremely volatile, due extensively to the marketing system in place today and the lack of any stabilising influence present within the Australian market place, resulting in the market being extensively "hot or cold" on any given day with knee jerk pricing signals present as buyers struggle to cover their exposure with regards to profitability and security within the grain market both domestically and export.

- As can be witnessed today there is a gaping hole within the market opportunities on offer to growers. Mainly the lack of buyers for certain grain grades on offer. Previously this was not the case. Grain is a perishable product and it is not good enough to present the argument that growers have the right to not accept the price on offer. What if there is no price for the product on offer! And this gaping hole will grow year by year as buyers cherry pick grain parcels on offer.
- The cost benefit footing presented by this report totally fails to acknowledge the extremes in grain production locally let alone nationally with respect to tonnage's produced. It could be 10 million it could be 25 million. Any rationalisation of storage and transporting structures as presented within this draft would leave grain in farmers' paddocks for years following a large harvest. The only growers receiving adequate marketing attention would be those closest to marketing destinations or port facilities.
- It is widely known within the industry that Australian grain bulk handling companies have information readily available to them relating to stocks on hand, which can be updated on a real-time or daily basis.
- Market dominance has the affect of restricting the timely flow of market supply and demand information required by the industry and currently formulated and released by the Australian Bureau of Statistics (ABS). This information can take the ABS up to three months to collect and publish to the industry. Meanwhile, the United States Department of Agriculture can publish their statistics inside one month.
- Therefore the information currently provided by the ABS and the Australian Bureau of Agricultural and Resource Economics (ABARE) is not as useful as it could be and is not timely. The Association would prefer to see stocks on hand per port zone per week or month, and supply and demand figures. This may require the extension of powers for WEA, who the Association believe is currently best placed to deliver such information, and already has much of this information at its disposal, and most importantly the information is accurate independent and not prone to manipulation.

Wheat Quality Standards and Market Segregation

The Association generally agrees with the Key Points raised on page 255. With reference to the End Point Royalty collection scheme. The Association understands that there are already plans in place by the National Grower Register to establish a single centralised system that can coordinate the payment of End Point Royalties by growers. The NGR already has a significant membership of some 45,000 growers in the eastern states and it is proactively growing its membership base in Western Australia. Growers would be able to log onto an account, and similar to an online bank statement would be able to check if their end point royalties had been paid.

The draft report ignored the Association's case study of the loss one grower sustained in one small harvest from the loss of Golden Rewards. In the case study the particular grower has 944.62 tonnes, binned as APH1, APH2, APW1, ASW1, AUH2 and H2, all delivered to Condobolin GrainCorp during November 2009. Based upon applying the protein and screenings increments and moisture increments which were applied during the 2007-08 season, the most recent year of the Golden Rewards scheme's operation, to the grower's 2009 crop enables a comparison of the different programs. This comparison reveals that the removal of the Golden Rewards program and the reinstitution of cliff face pricing has led to a reduction in income to the grower of $15,820.20. This equates to an average loss of $16.75 per tonne.

Transport

- The report recommends placing more trucks on the roads and restricting trucks from certain roads. Then it recommends building a dedicated truck road network to move grain on? Clearly we in Australia do not have the population base to build and maintain such a specific purpose network infrastructure. We in the rural and farming community understood that rail fulfilled this vital role and more importantly was of strategic benefit to the wider community, both city country and interstate.
- The report recommends closing certain receival sites forcing grain by road to large receival sites or direct to port or storing on farm and trucking straight to port after harvest. 1,000,000 tonnes divided by 40 tonne B-doubles equates to

25,000 truck movements. This will lead to the contraction of wheat grown in the outlying growing areas.

It is true that the supply chain with regards to the movement of grain to end users has many twists and turns. It is also true that the variety of supply chain avenues has evolved primarily due to either logistical, financial competitiveness and or monopoly aspects of certain segments within a supply chain.

Nevertheless, with this mix in mind the transport of grain utilises bulk handling facilities, roads, trucks, rail lines, rolling stock and terminal facilities, which are either privately or public owned and supposedly maintained.

Bearing this in mind it should be highlighted that grain destined for export has but one destination (as distinct from domestic markets) and that is to an export terminal and as such all grain should be collated up country prior to transportation via rail to the export facility.

The report recommends placing more trucks on the roads and Restricting trucks from certain roads. Then it recommends building a dedicated truck road network to move grain on? The notion that export facilities can accommodate on an ongoing basis a myriad of rail and an avalanche of road freight is fanciful in a developing nation. The ever increasing road freight has significant limitations in;

- The public safety in congested environments
- The increasing requirement for tonnage capacity of trucks based purely on economies of size and viability
- The fact that they run on publicly funded roads with an ever increasing cost base structure and a diminishing real cost recovery
- The limited capacity of Port facilities to canvas the variety of grain segregations, fumigation requirements and as rightly stated, number of accredited exporters
- The limited space available at port facilities

There is a place for large road-trains, B-doubles and the like and their uses have been highlighted on numerous occasions. That is

- From farm to local end user (feedlots, mill etc), local silo and or sub terminal, based solely on a cost basis for the benefit of the producer.

A National Pool as under the Auswheat plan split east and west pools allowing for price differentials between costs and markets east and west . The National Pool under the old single desk was seen as a problem with our fellow growers in the west due to the differentials.

Storage

The Association agrees with many of the comments raised in this report with regards to storage capacities. We have a permanent storage space to grain receival ratio in most States of about 2:1. Therefore it can be stated that a lot of space is wasted in any given year due to yield variability within areas of the State and segregation requirements. However this is important "buffer storage". These storages, some years ago were owned by growers and their size and capacities were there for a very good reason, to cater for the highly variable seasonal influxes of grain flows. These storages catered for many thousands of hectares and were appropriate for the purpose they were built.

Nevertheless the comments raised with regards to on farm storages is and has been for many years a very important issue. Any buyer of grain visiting a variety of farms will readily acknowledge the following;

- Little or no segregation capabilities.
- Little or no knowledge of the characteristics of storing grain or grain related products.
- A total mismatch with regards to storage capacities and related equipment to manage the tonnages stored.
- In many instances a total lack of knowledge in the handling, use and with-holding periods associated with chemical applications.
- Little or no understanding of the blending processes involved and or equipment to test the blending results.

In short the notion that many growers could with ease embark on grain blending to accommodate a local market with presumably a Quality Assurance provision in place is unlikely to say the least.

According to a Western Australia based silo storage specialist, in eastern Australia, 70-100 per cent of insects in the Northern GRDC region, and 53–83 per cent in the southern GRDC region, exhibit a weak resistance to phosphine gas and strong resistance has been detected in about 5 per cent of the insect samples tested.[2] This statement however, needs qualifying and it should be acknowledged;

[2] http://theland.farmonline.com.au/news/state/grains-and-cropping/general/grain-hygiene-problems-only-going-to-get-worse/1807803.aspx?storypage=0

- Most bulk handling authorities have been warning and grappling with phosphine resistance for years. Hence the increase of sealed bunker storages in preference to open silo's to maintain phosphine fumigation minimum levels
- Whereas on farm storages are in the main not bunker stored. To say nothing about general storage hygiene, core temperature monitoring and ventilation and or properly calibrated chemical application equipment. The option of phosphine use on farm in anything other than sealed silo's is simply not an option as it enhances phosphine resistance due to the lack of maintaining minimum fumigation levels

Grain aeration is necessary to reduce the reliance upon chemicals such as Phosphine and Chlorpyrifos. However even for large commercial scale bunkers the costs of adequate aeration to provide the required air injection levels of 2 litres per second per tonne can cost as much as $4 per tonne. Studies have shown that reducing the reliance upon Phosphine from 6 to 8 applications down to 1 can almost eliminates resistance.

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Handling

The vast majority of trucks cannot be weighed on farm in any given situation.
Most farms have such a mismatch of storage facilities, that the notion that grain can be graded, segregated and or blended is extremely difficult.
Most farms cannot in most instances reach the correct economies of size to warrant the capital cost associated with a modern or user friendly storage facility with the testing equipment required and a weigh bridge.

The Association notes that growers had a good system with regards to storage, transport and handling that recognised the industry's limitations and short comings within certain sectors.

Replacing the logistics of a National East-West coast Pool that could have now been in operation under the Auswheat plan with an auction system for Port Access will lead to a logistical nightmare and the cost recovery of delays and demurrage this will of course be passed onto the grower.

The support and encouragement of on farm storage in the report does not take into account the cost incurred by the grower in both time and money and risk. No farmer wants to be tied down to being available to trucking out grain on call 365 days a year or being faced with building infrastructure including sealed silos, weighbridges and purchasing very expensive testing equipment to grade the grain for sale. There is also no guarantee that when grain is delivered to the buyer, the buyer's testing equipment will provide a result consistent with the grower's. Growers will always lose that argument especially when the grain has left their hands and is up to and over 600km away.

Reports coming from the trucking industry are they are not comfortable with deregulation because it causes unreliable logistics for moving grain, which is a major cost to them. The debacle at Newcastle last year cost the trucking industry a huge amount of money caused by delays at Port.

Industry Good Functions

It is unfortunate that this section was not centre stage at the beginning of this whole deregulation process. Perhaps then we wouldn't need industry government packages to do what the AWB was doing back in 2004 as stated on page 276, regarding "Industry Strategic Planning".

Excepting drought years the national pool costs including outperformance fees took from a base fee of $60 million to a total of $105 million. This equates to $7 a ton. We are now paying from $30 to $50 a ton for what appears to be a considerably less desirable service. This appears not to be in the long term interests of Australian Wheat Growers. We are now overseeing a diminishing industry with a lack of buyers bidding with inconsistent availability of prices.
The above figures for national pool provider include a figure of about $30 million for industry good services, wheat varietal selection, quality control, export oriented customer help plans etc. This has been deserted by the writers of the draft report.

The Association believes the Federal Government should fund a comprehensive study on the economic and social impact of export wheat deregulation. As a component of this study, the Association suggests the Productivity Commission, as part of its inquiry into the Wheat Export Marketing Arrangements, should survey every registered wheat grower in Australia under the National Grower

Registration with basic questions relating to their experience of deregulation. The Association also requests to have input into the construction of the survey.

3. Conclusion

There is ample evidence emerging that Australian wheat production is shrinking and Australian Government policy and the draft actions of this report transferring unmanageable risk to growers are only accelerating the demise of the wheat belt communities of this nation. The draft report clearly is intended with its recommendations to look after first and foremost the so called 10% of growers who grow 50% of the crop and the traders and buyers, not the majority of the 90% of growers who produce the other 50% of the wheat.

Due to the aforementioned majority of growers being most at risk under a deregulated export wheat system, the effective contraction of the growing of grains as a direct result of deregulation will have a dramatic effect on farmers, regional communities and infrastructure. The flow on effects of it will also be hard hitting to the major cities as well, not to mention the effect on global food security and the balance of trade income. The premium export wheat industry which was the 2nd largest agricultural export will reduce to no more than any other export earner like export feed barley or oats. Growers no longer have any financial incentive to grow high quality premium wheat with the loss of real payments and foreign promotion of our premium high quality wheat.

We ask again for a survey of all registered wheat growers, with the questions contained in the survey on their thoughts of deregulation approved by the major State Farming Organisations?

As clearly stated to the Productivity Commission in Sydney by the Association, "the wheat industry is the growers, without the growers there is no wheat export industry. The traders, buyers and supply chain service providers (now mostly foreign owned & controlled or in the process of being taken over) support the Industry. Any decisions of change to export wheat marketing should have the support of the majority of growers not a vocal mixed representative minority view!"

It is still possible to rebuild the export wheat marketing system to avoid further damage if the Government is prepared to work with the majority of growers to develop a grower owned and controlled not for profit entity where profits return to growers using the WEMA Auswheat plan as a template. The Association would welcome any approach from Government or the opposition to formulate an equitable outcome to this debacle to rebuild our industry to a new improved export earner which will benefit all Australians.