Thankyou for the opportunity to respond to the Draft Report on Wheat Marketing.

The light, or to many Nil harvests , of the last two seasons with marketing and delivery incomplete have not been a true test of the deregulated marketing system. Even with this limited amount of wheat, growers have experienced large falls in price, some of which can be attributed to logistical problems experienced by both growers and exporters; eventually the total cost of these things will all be passed back to growers. Generally there have been big rises in freight (as shown by RH Billings page 191) storage, handling, shipping, demurrage, quality issues etc all of which will be passed back to growers.

All growers have further increased costs with the time they have to spend to market their crop. Security of payment is another contentious issue. The only security of payment in the new scheme is the checks put in place by W.E.A. and the accreditation scheme they implement. You now recommend abolishing both. I suggest they should be replaced by a government guarantee of grower payments. After all it is the Government who took away the secure payment system we had and you now suggest that the system they have implemented gives satisfactory security of grower payments, let the Government put their money where their mouth is and guarantee grower payments so that growers can enjoy a similar security of payment as you do and we had.

Nick Sherry

Terms of reference Page IV & V

The commission MUST Review:

The operation of the act, including the costs and benefits.

The operation of the scheme ,including the costs and the benefits.

The main aim of the inquiry is to promote the act and the scheme by looking for benefits with little or no attention to the problems. It goes on to say that the commission should provide comment on those aspects that are working effectively and identify those that require change.

Obviously the commission has done just that. While they have included many quotes from the general run of wheat growers regarding problems they have with this new system, there are absolutely no recommendations to do anything about any of these problems.

The only recommendations are very clearly aimed at justifying the governments action and improving the lot of multinational companies. This government seems hell bent on exterminating traditional family farms and the people who run them.

This inquiry was to cover "the peak shipping periods for two harvests". The reality is that farmers opportunity for input has been very much scaled down on the completion of one half harvest by the calendar with no regard for the fact that neither year being considered produced a reasonable harvest, in fact for many growers, harvest was a non event for both of the years being considered. This discredits any conclusions drawn from the whole inquiry.

The transition to the new arrangements would have been anything but "remarkably smooth" if we had had a good harvest.
The commissions approach to "not compare the current arrangement with those that existed " is a clear admission of an unwillingness to implement the best possible marketing system for the whole industry including small and medium sized growers, P P XIX ,XX and pg3 RH Billings, Kay Hull.

Transitional assistance package P XXVI $8.3 million, 46% of this money went to ABS and ABARE. This money could have achieved better results in other areas eg. The development of a grain industry code of conduct. Presently it appears very likely that G.T.A. will raise the recognized test weight of wheat to 76kg/HL ,yet another change that will disadvantage growers to benefit traders and multinational companies.

Box 7 page XXXV.

Are the "free rider" problems mentioned in the par 1 the traders?

I believe they are a lot of the problem.

The comment "there might be benefit in the government intervening" takes us right around 360% to the point where we recognize that the Government has created the problem by taking away the stable marketing system that we had.

DRAFT RECOMMENDATIONS AND FINDINGS

Ch 3 Transparency of Pools

The pool system has not operated for long enough or handled enough wheat in the deregulated market for anyone to make reliable judgements on their operation or reliability.

CH.4 Accreditation of Exporters.

At this stage I have to support continuation of the accreditation scheme beyond 3-9-2011 because we have nothing better to give growers any security on their wheat. As the commission has recognized this system is expensive for little security .Growers should not have to fund this and remembering it is growers who pay if traders are charged fees, it simply comes off the price we are given for our wheat , therefore Government should fully fund it since it was Government who took away the secure system we had. Better still Government should guarantee all grower payments for export wheat from the traders they have handed responsibility to for exporting our wheat .Again we had a secure system, Government took it away ,Government should be responsible to guarantee security to growers.

Quality Control

Personally I have not had sufficient wheat to export in recent years therefore no specific problems with quality control ,yet there have been cases reported by media ,even contamination with GM and the iron filings case with a regulated bulk export system. It is inevitable there will be increasing problems under the present system, you only have to be out there and see what happens to know this regardless of what people in offices might think or say.

Ch.5 Access to Port Terminal Facilities.

Surely even a Labour Government has to get real on this one. Very few own port facilities around Australia. How can anyone expect those who do , to give some of the benefits of their investment to their opposition by a voluntary code of conduct. Would you do it if you were in business yourselves? Is that why you are all in Government positions? The recommendation could see us reduced to about 4 exporters by 2014 and they will either amalgamate or sell to overseas companies soon after that if not before.

As an eastern state grower I cannot comment on the C.B.H auction system but it would be interesting to find out more about Grain Express.

Ch.6 Transport Storage and Handling.

It would be more cost efficient to maintain rail lines than to rebuild roads to the standard that would be necessary to transport large quantities of grain by road especially right though to ports. Which ever option is chosen anywhere , the user pays principle will mean that all sections of the community will have to share the cost of rail or the cost of effective upgrades of roads for all needs and safety.

Ch.7

If ABS is to be funded by user pays system , the majority of the money will need to be contributed by traders and Government. There are serious doubts about the accuracy of such information, especially with on farm storage and traders not wanting to divulge commercially sensitive information.

CH.8 Varietal Classifications.

User pays means everyone would have to contribute even Government for industry Good function.

GRDC, Variety Breeding, End Point Royalties etc. Growers have already paid very dearly for many benefits they did not receive. Benefits have often been handed to private companies when growers have already paid most of the way and then they have to go on paying.