

To the committee into the Grain Industry.

I would like to express some concerns I have about the way the industry currently operates.

1. The lack of accuracy and consistency in grain classification is an issue every harvest to every farmer. It has been much worse this season with the pressures of a large harvest and weather damage however every year we have downgrading problems at some stage which we believe shows a lack consistency.
2. This is caused by the inexperience of staff and in a number of cases by individual staff members who quickly get a reputation as being someone to avoid if possible when sampling. They are viewed as trying too hard to find fault.
3. Subjective classification methods must be improved and replaced with machines in order to achieve uniformity and accuracy. The downgrading of grain can easily cause a farmer to lose \$2000 every load.
4. Access to a falling numbers machine must be available to growers on request.
5. Silo sites are almost always positioned by rail lines. As a result the closure of smaller sites means that grain has to travel much further on the road network to be delivered. This practice not only costs the farmer more but also increases the cost of maintaining the road network to government. The justification for this appears to be more profit for a monopoly company. Even in this last record yield season we were faced with site closures before harvest had even begun.
6. The rumoured demolition of select sites under the guise of being too small and therefore by inference, inefficient [ie. not enough profit for the company], will increase the results mentioned in point 5 and lead to reduced viability in country communities and less jobs being available.
7. Larger trucks means less road miles and greater efficiency to both the farmer and the industry. Hence their use should be encouraged. Contrary to this, the Governments massive increase in A trailer registration has been harmful to our industry and has stopped farmers and carriers from pursuing efficiency in this area.
8. Farmers now have far more varieties of wheat and barley to choose from to grow. This is because companies which either breed or have bought or have the distribution rights for varieties, thrust them out at us in the hope we will take them up and grow large quantities of them so that they will make a lot of money out them. One of the consequence of this is that sometimes we find there are significant shortcomings in a variety after trying it for a season or two such that we have to stop producing it as it is not reliable or robust enough. This [deception?] is costing us a lot of time and money and is very frustrating for us.

Another consequence is that where the controlling entity of a variety is also a very dominant grain receiver and handler, they are in a position to encourage which varieties are delivered to them and at which locations they are delivered. This has a potential for distorting the market

place and already is a significant factor in determining which varieties I do or do not grow to enable me to deliver to the

local receival site.[Gladstone].

9. End Point Royalty [EPR] is a payment made by the grower to the company which owns or has the distribution rights to a variety of grain. This used to be \$1.00 per tonne but now on new varieties is approaching \$4.00 per tonne. While this is an increasing financial impost on farmers the real difficulty is in the accurate collation of the information which is required of us by law. Some marketing companies accumulate the EPR on our behalf and then pay it on while others do not. I believe that it is the grain marketing companies who should be required by law to pay the EPR thereby bringing a uniformity across the companies and a far simpler way of collecting the EPR to the industry. From a farmers point of view this would remove the work involved in getting the information, the direct expense in writing out cheques [the EPR would still be accounted for by the company] and importantly, the temptation not to be correct in what we say. There have recently been changes made to help simplify the work involved in this, but I still firmly believe that the requirement under law should be changed to apply to the grain accumulating companies.

10. There have been concerns raised by plant breeding companies that they are not getting enough of the EPR back. In other words the companies with the distribution rights to varieties are keeping too much and not paying it back to the breeders. This hinders variety development and hence is detrimental to our industry.

11. I am amazed that the ACCC has allowed a monopoly situation to develop in SA with Viterra having total control of our shipping terminals and almost total control of our receival and storage facilities. I believe this must be changed with the handling, port system and shipping stem opened up to competition.

12. The lack of an efficient deep sea port in the mid north, where much of our grain is produced is still something which holds back the industries international competitiveness. How good it would be if in conjunction with the mining industry a dual use port could be established in a rural area without environmental issues [cuttlefish] where a rail line could be used to bring in commodity from both industries.

A few years ago the industry was pushed to abolish the unified position of a single desk export system and change from a cooperative structure to a privatised company with promises of reduced inefficiencies, greater competition and greater profits. This greatly pleased our major competitor with whom the federal government signed a Fair Trade Deal. Once it was a company, institutional investors then bought in and soon took over control through large share acquisitions. It was then voted to sell it off to an overseas company who promised better returns to shareholders but they didn't care that it would come at expense to the states grain growers and a lack of competition for us. I chose to vote against these changes and I am disappointed that more didn't .

Sincerely David Treasure. Gladstone.