



A SUBMISSION BY VITERRA LTD

TO THE

SENATE RURAL AFFAIRS & TRANSPORT REFERENCES COMMITTEE

INQUIRY INTO

**OPERATIONAL ISSUES ARISING IN THE EXPORT GRAIN STORAGE,
TRANSPORT, HANDLING AND SHIPPING NETWORK**

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Purpose

Viterra Ltd (“**Viterra**”) is pleased to provide its submission in relation to the matters set out in the Terms of Reference for the Senate Inquiry by the Rural Affairs and Transport References Committee into operational issues arising in the export grain storage, transport, handling and shipping network in Australia.

Viterra would appreciate the opportunity to provide further information to the Senate Inquiry following completion of the 2010/11 Viterra Post-Harvest Review, which is being chaired by the Hon Rob Kerin, former Primary Industries Minister and Premier of South Australia. The recommendations of that review, and Viterra’s responses to these recommendations, are expected by the end of June 2011.

Viterra may also make further submissions in response to issues raised by other participants in the Senate Inquiry.

Viterra welcomes the opportunity to contribute to the work of the Senate Inquiry and would be pleased to provide evidence at a future hearing.

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1.0 Background to Viterra Ltd

a. Introduction

Viterra is a relatively new entrant into the Australian grains industry. It commenced operations in Australia in September 2009, when Viterra Inc and ABB Grain Ltd combined their respective operations to form one of the world's leading agricultural companies.

With extensive operations in Australia, New Zealand, North America and Western Canada, Viterra is strategically placed to provide premium quality ingredients to leading food manufacturers world-wide. To facilitate the provision of these services, Viterra has a team of experts located in key markets around the world, including Japan, Singapore, China, Switzerland, Italy, Ukraine, Germany and India.

Viterra's Australian operations represent an integrated agricultural business. With a presence in Western Australia, South Australia, Tasmania, Victoria, New South Wales and Queensland, Viterra accumulates grain from all grain growing regions across Australia and trades in all grain commodities both domestically and overseas. The company is active in grain accumulation, marketing, storage, logistics, malt processing and rural inputs.

Viterra has established a team of agronomists, customer relationship managers and wool client managers in regional Australia. This focus on grower relationships enables Viterra to provide a comprehensive selection of rural inputs, specialist crop services, and grain and wool marketing options to its clients.

Viterra is one of the world's largest producers of malt with the capacity to produce more than 500,000 tonnes per annum. Viterra's malt houses are located across Australia, including the largest malt house in the southern hemisphere situated in Perth, Western Australia.

This year, Viterra commissioned the construction of a new state-of-the-art malt house in Sydney, New South Wales. This highly efficient malt house will process approximately 135,000 metric tonnes of raw malting barley per annum, producing approximately 110,000 metric tonnes of malt annually for both export and domestic customers.

A map outlining Viterra's operations in Australia and New Zealand is attached to this submission (refer to Appendix).



b. Viterrra's grain handling operations

Viterrra's storage and handling network in South Australia is an integrated network of 106 grain receival sites and six grain export terminals located throughout the State. In addition, Viterrra owns and operates two grain receival sites in Victoria (refer to Appendix for further details).

Viterrra's supply chain, which includes container packing operations, enables it to optimise the movement of grain through its storage and handling network, and to operate more efficiently in low receival years and maximise opportunities in normal to above-average years for the benefit of grower customers.

The 2010/11 record South Australian crop saw numerous grower receival records set. The peak of deliveries occurred between mid-December and mid-January. During this four week period Viterrra received approximately 5.5 million tonnes, which is more than the average annual receival total. PIRSA's final estimate for the 2010 season crop production was 10.34 million tonnes.

Since entering the Australian grains industry in 2009, Viterrra has invested more than \$35 million in storage, transport, logistics and port terminal infrastructure in order to enhance export supply chain efficiency and facilitate greater throughput and increased grain exports from South Australia. This is in addition to the company's most recent announcement that it will commit a further \$4 million to investing in new grain testing equipment.

With more than 70% of Viterrra's Australian and New Zealand workforce based in metropolitan and regional South Australia, Viterrra continues to create employment opportunities for Australians. During harvest, Viterrra's South Australian workforce essentially doubles, as hundreds of casuals are employed across the State. **Currently, the company is recruiting for more than 200 permanent employees to work at grain receival sites across South Australia.** Viterrra's base in South Australia makes it a significant employer and investor in the State.

c. Corporate and social responsibility

Viterrra has been an active participant and keen supporter of both the Australian agricultural industry and Australian regional communities since combining with ABB Grain in 2009. The company maintains active membership of a number of industry associations, including Barley Australia, Pulse Australia, Grain Trade Australia, the Australian Oilseed Federation and most recently, Wheat Quality Australia.



Viterra has committed more than \$2.5 million to support Australian research and development activities, providing funding for a variety of organisations and initiatives. Some examples include the University of Adelaide Barley Breeding program, the Cooperative Research Centre for National Plant Biosecurity, the Australian Centre for Plant Functional Genomics, Viterra seed trials and projects focused on reducing the carbon footprint of malting.

While Viterra is a global company, it has a strong regional focus and is committed to strengthening and maintaining relationships with its grower customers, aiming to provide them with not only products and services, but also training and business development opportunities.

In addition to its active support of broader research and development projects within the industry, **Viterra has committed annual funding of \$1 million to grower education initiatives in Australia.**

Viterra has an extensive sponsorship program throughout Australia. Viterra views its sponsorships as long-term investments and a commitment to regional communities which are linked to the sustainability and longevity of our industry. **Viterra has made an annual commitment of more than \$350,000 towards sponsoring organisations, grower groups, and community and industry events throughout Australia.** Some of these groups include the Birchip Cropping Group, Lower Eyre Agricultural Development Association (LEADA), Mallee Sustainable Farming, South Australian No-Till Farmers' Association (SANTFA), the Yorke Peninsula Alkaline Soils Group, as well as participation in over 30 field days across regional Australia.

Viterra is reviewing applications received in the latest round of funding from the Viterra Community Fund. Since inception of the Community Fund in 2006, more than \$500,000 has been awarded to more than 170 regional and rural community projects.

d. Structure of submission

Viterra's submissions in relation to the specific matters identified in the Terms of Reference are set out below. A number of appendices are attached for the purpose of providing supporting material to the matters raised in this submission.



2.0 Competition in the export grain storage, transport, handling and shipping network

a. Viterrra's capital investment in South Australia

Since September 2009, Viterrra has invested more than \$35 million in storage, transport, logistics and port terminal infrastructure in order to increase export supply chain efficiency and to facilitate greater throughput and increased grain exports from South Australia.

In 2010, Viterrra opened the state-of-the-art deep sea grain terminal at Outer Harbor, an infrastructure investment of approximately \$150 million.

During the 2010/11 harvest, Viterrra made further significant capital investments at its major receival sites to meet the task of storing the record South Australian harvest by building additional storage capacity. A further catalyst for investment was the number of segregations required in the season, driving the need for additional capacity to meet customer and grower demands.

In 2010, Viterrra increased its storage and handling capacity by up to 800,000 tonnes at a cost of approximately \$9 million which was in addition to its existing 9.5 million tonnes of storage.

While it is not possible to add infinite capacity at each site to cater for extreme peaks (which, historically, have occurred relatively infrequently), Viterrra believes that by dedicating additional resources to major sites, which are superior in terms of in-take capacity, segregation offerings, rail access and turn-around times, it has been able to provide extra storage capacity and services to a large number of growers.

During the 2010/11 harvest, construction of new bunkers at Snowtown, Roseworthy, Bowmans, Wudinna, Port Adelaide, Wallaroo, Taillem Bend, Port Giles and Loxton was completed. The additional storage at Taillem Bend helped accommodate grain from the Mallee region, while extra storage at Port Adelaide allowed for up-country sites to be cleared-out, as well as accommodate grain from growers delivering directly to the port.

Viterrra acknowledges there was some grower frustration at its decision not to operate some smaller sites at Cambrai, Copeville, Galga and Wilmington. However, as the capacity of these minor sites amounts to approximately 23,000 tonnes, Viterrra considers that this would have had minimal impact in achieving additional capacity for the 2010/11 harvest.



Viterra has continuing plans to invest in the export supply chain and to improve the services it offers to growers, exporters and other customers. It is committed to continuous improvement, and having regard to the achievements set out in this submission -- which have taken place in only 20 months since Viterra acquired the Australian business and in a transitioning market environment -- **Viterra considers that it is contributing significantly to the efficient operation of the South Australian export supply chain.**

b. Open and fair access to grain port terminal services

Since 1 October 2009, access to Viterra's port terminal facilities has been regulated by an access undertaking approved by the Australian Competition and Consumer Commission ("ACCC").

In order for Viterra Ltd to remain an accredited wheat exporter, it must pass the "access test" under the *Wheat Export Marketing Act 2008*. As part of the access test Viterra Ltd's associated entity, Viterra Operations Ltd, is required to have in place an access undertaking approved by the ACCC, relating to the provision of access to the port terminal service to accredited wheat exporters.

The access undertaking requires Viterra to publish reference prices and non-price standard terms for access. Other than mandating the timeframes for publication of reference prices, the access undertaking is not prescriptive. The access undertaking also provides for negotiation in good faith between the parties in order to reach agreement as to price and non-price terms, or mediation and arbitration in the event that an applicant, and Viterra as the port terminal operator, cannot negotiate an agreed outcome.

The current ACCC-approved access undertaking came into force on 1 October 2009 and will expire on 30 September 2011.

Viterra's current accreditation as a bulk wheat exporter will also expire on 30 September 2011, unless renewed by Wheat Exports Australia ("**WEA**") prior to this date. Viterra will be required to apply for accreditation renewal by 30 June 2011. However, WEA may only grant renewal to Viterra once the ACCC has accepted Viterra's proposed new access undertaking.

The ACCC is currently considering Viterra's proposed new access undertaking.

The key features of the current access undertaking - which have been replicated in the proposed access undertaking - are as follows:



- **Publication of price and non-price terms for standard services:** Viterra is required to publish price and non-price terms for standard Port Terminal Services;
- **Negotiate access in good faith:** Viterra is required to negotiate with all access seekers in good faith and in accordance with a detailed negotiation procedure and timeframes set out in the access undertaking;
- **Non-discriminatory access:** Viterra is required to provide access on terms which do not favour its own marketing operations, except to the extent that such favourable treatment reflects the lower cost of providing the relevant services;
- **Dispute resolution:** The publish / negotiate framework under the access undertaking is supported by a detailed dispute resolution mechanism. Any access seeker who is dissatisfied with the terms and conditions on which it can obtain access (both price and non-price) is able to seek binding review of those terms either by an independent commercial arbitrator or the ACCC; and
- **Publication of key port information:** Viterra is required to publish key port information including stocks held at each Port Terminal and cargo nominations on a monthly basis.

Viterra considers that this framework has:

- ensured fair, transparent and non-discriminatory access for a range of third party accredited wheat exporters;
- provided an appropriate level of regulation and oversight over Viterra's bulk wheat export terminals (which has been facilitated by the transparent provision of information); and
- provided sufficient flexibility for Viterra to meet and respond to the demands of its clients, as demonstrated by the two processes implemented to amend the Port Loading Protocols in 2009/2010 and to provide greater transparency, certainty and flexibility for clients.

The access undertaking - together with the substantial regulatory oversight outlined above - has ensured open and fair access to infrastructure, and facilitated a relatively quick and smooth transition from the single desk to substantial competition for the export of wheat.



c. Competition in grain marketing

The Australian grain industry has undergone substantial transformation in recent years. The primary change has been introducing competition for the export of bulk wheat, with WEA now responsible for overseeing the bulk wheat export market. In total, there are currently 26 companies accredited by WEA¹, including Viterra Ltd.

In a relatively short transition period, the industry is now more competitive and efficient than ever before. A number of these industry changes have been recognised by the Productivity Commission.

The Productivity Commission inquiry into Australia's wheat marketing arrangements in 2010 recommended further market deregulation by:

- abolishing the Wheat Export Accreditation Scheme, Wheat Exports Australia and the Wheat Export Charge on 30 September 2011; and
- removing the access test requirements for accredited grain port terminal operators on 30 September 2014.

The report's key findings² included:

- The transition to competition in the exporting of bulk wheat has progressed relatively smoothly, particularly given difficult international trading conditions — a pronounced commodity price cycle, the global financial crisis, and exchange rate appreciation;
- The regulatory arrangements for marketing bulk wheat exports have been beneficial during the transitional phase since deregulation. They have given growers confidence in adjusting to deregulation and facilitated the rapid entry of 28 accredited traders (as at 30 June 2010), with 12 million tonnes exported to 41 countries in the first year after deregulation;
- A range of marketing options have become available since deregulation, although some growers prefer the previous single desk arrangements;
- The benefits of accreditation of traders will rapidly diminish in the post-transitional phase, leaving only the costs. The accreditation scheme, WEA and the Wheat Export Charge should be abolished on 30 September 2011;

¹ Source: WEA website. There have been 26 accredited wheat exporters as of 6 January 2011.

² Productivity Commission (2010) *Wheat Export Marketing Arrangements*, Report no. 51, Canberra.



- The port terminal access test has provided greater certainty for traders and made access easier, more timely and less costly than it could have been by relying on potential declaration under Part IIIA of the *Competition and Consumer Act* (“CCA”);
- However, there are still some transitional issues associated with port access and contestability in the logistics supply chain. The access test accordingly should remain a condition for port operators to export bulk wheat until 30 September 2014;
- The benefits of the access test will diminish and could become costly in the long term without the checks and balances of Part IIIA of the CCA. From 1 October 2014, regulated access should rely on Part IIIA, with continuation of mandatory disclosure, supplemented by a voluntary code of conduct by all port terminal services operators;
- There is evidence that increasing on-farm storage, and competition between road and rail, are leading to improvements in supply chain efficiency. However, it is important that the regulatory arrangements enhance efficiency in the transport and storage market by facilitating contestability;
- The level and allocation of investment in road and rail infrastructure by governments should be based on rigorous cost-benefit analysis, with a focus on developing economically and socially efficient logistics chains;
- Monthly information by state on stocks, exports and domestic uses facilitates an efficient wheat market. Industry should consider funding its continuation; and
- The provision of most other ‘industry good’ functions is best left to the industry.

Viterra supports the findings by the Productivity Commission and, in particular, its findings in relation to the transition to competition in exports, new entry, options for growers, increased on-farm storage, and the significant regulatory costs.

d. Competition in export grain storage

Exporters from South Australia have a number of choices both in relation to up-country storage and handling facilities and transportation of grain to port.

In addition to the storage and handling facilities operated by Viterra, Viterra has over the past few years received grain at port from a number of third party storage facilities,



including EP Storage, KI Pure Grain, multiple AWB Grainflow and Graincorp sites, and others.

Viterra has also received direct grower deliveries from a large number of on-farm storage options. The growth of this storage alternative has been expressly recognised by the Productivity Commission.

Viterra notes that, in introducing wheat marketing reform in 2008, the Senate inquiry that considered the Exposure Draft of legislation, specifically investigated the need for regulation of bulk handling assets associated with the grain port terminal supply chain. This was rejected by government at the time – a position that was later supported by the Productivity Commission inquiry into wheat marketing arrangements in 2010.

In particular, the Productivity Commission stated that:

*“In light of the competition between rail and road and the pressures for change in the transport, storage and handling of grain, the Commission has concluded that there is no case for regulated access of the bulk handlers’ logistics chains”.*³

Viterra supports this view. Up-country facilities do not display natural monopoly characteristics. There is increasing competition from third party providers and on-farm storage, and barriers to entry are low.

e. Competition in grain transport

There are a range of transportation options in the South Australian export supply chain. As outlined below, exporters can choose either to deliver grain to port for bulk shipment by arranging their own road or rail transportation services, by delivering directly to port themselves, or by taking advantage of Viterra’s Export Select logistics product. Exporters can also store, transport and supply grain in containers. A unique feature of South Australia is the proximity of growing areas to the ports. Direct grower deliveries to ports at harvest, and the provision of those services normally provided at up-country sites at the port, represent an important alternate transport path.

Inward elevation capacity at Viterra’s port terminals is made available to exporters either via the Export Standard and Export Select pathways.

- **Export Select** is a logistics service made available to grain marketers who accumulate grain within the Viterra storage network. Under this option, Viterra

³ Page 20



manages the physical movement of grain from the sites to export position on behalf of the grain marketer, such that grain received into up-country sites is transferred back to owners at port.

- Alternatively, grain marketers who wish to maintain ownership of grain in Viterra's up-country network and manage their own logistics to accumulate grain at port, continue to have access to the **Export Standard** model at all times.
- Marketers are also able to select a combination of both to meet their cargo accumulation needs and may combine this with their stock holdings already at port.

Viterra designates a number of 'Export Select only' sites for grower deliveries within its up-country network for the purpose of managing the movement of grain via Export Select.

It is important to note that exporters - regardless of whether they use the Export Select or Export Standard pathway - have an equal opportunity to book port terminal services capacity.

Whether or not an exporter uses Export Select or elects to arrange its own transportation is entirely a matter for the individual Company. There is no preference given to Export Select in obtaining bookings at port. To the contrary, Export Select capacity will only be available at port if that capacity is not already booked for Export Standard bookings and Viterra has the transportation capacity to deliver that grain to port. Export Standard capacity will also only be available at port if that capacity has not already been booked by exporters as Export Select.

In its Final Report in 2010, the Productivity Commission stated ⁴:

"Clearer price signals and reforms in the transport sector are creating pressure for structural change in the bulk transport, storage and handling of wheat and other grains. The trends include:

- *greater use of on-farm storage by growers*
 - *giving rise to trials of on-farm grading and blending and development of quality assurance systems to facilitate delivery of stored grain to bulk receival sites or direct to port*

⁴ Page 19



- *giving growers greater flexibility about where and when to deliver wheat*
- *greater use of large trucks to deliver grain from farms to more distant receival sites or direct to ports. The lower marginal cost of using larger trucks means growers have more choices about where to deliver grain*
- *consolidation and rationalisation of receival sites and the development of super-receival sites, typically located close to main rail lines*
- *consolidation and rationalisation of rail branch lines, particularly low volume lines linking small remote receival sites*
- *bulk handling receival sites being developed by rivals to the three incumbent bulk handling companies offering port terminal facilities, particularly on the east coast*
- *rationalisation of the use of rail rolling stock (grain wagons) and greater use of trucks by bulk handlers to move grain from bulk receival sites to ports – this is particularly efficient for handling the peak load associated with larger harvests in good seasons, or to temporarily increase peak load capacity to assemble large shipments of grain*
- *an increase in the export of premium quality wheat (and other grains) in containers”.*

Viterra believes that Export Select is a significant contributor to managing efficient accumulation and logistics operations in a deregulated marketing environment. The service ensures a smooth operation both at harvest and with clearing sites, which results in saving costs for the marketer and ultimately for growers in South Australia. It remains an important tool to ensure the efficient movement of grain from up-country sites to export terminals, maximising accumulation capacity at times of peak demand.

f. A competitive grain export market in South Australia

As a port terminal operator, Viterra’s strongest incentive is to maximise throughput. This is how it obtains a return on its significant investment in South Australian infrastructure, and its commitment to doing so is demonstrated by both the level of its continuing investment and the record tonnages that it has moved through its system.

The 2010/11 harvest has been the largest on record and Viterra has moved record tonnages through its system:



- March 2011 and May 2011 were the second and third highest shipping months on record for any month (the highest occurring in 2002);
- January 2011, March 2011 and May 2011 had the highest volume of grain shipped for each of these months on record;
- February 2011 had the largest number of different grain grades exported on record;
- February, March, April and May 2011 were the highest consecutive four months of shipping on record;
- The largest shipping volume for any 12 month period on record occurred in the period June 2010 to May 2011, when 5.0 million tonnes was shipped;
- The 6 months shipping from December 2010 to May 2011 is 375,000 tonne greater than any other 6 month period; and
- A total of 32 ships were used for export bulk shipping in May 2011.

In the 6 month period 1 December 2010 to 31 May 2011, Viterra loaded 4.4 million tonnes of grain, including 2.75 million tonnes of wheat for export. This can be compared to the average annual export task which, over the last 10 years, has been 4.3 million tonnes for grain and 2.44 million tonnes for wheat.

The volume passed through Viterra's ports in the past 6 months is evidently very high, particularly when considered in light of the significant delays in harvesting (due to weather).

This has been achieved while managing a diverse client base, as indicated by the number of different exporters now shipping from South Australia. In the 2010/11 season to date, Viterra has provided access at port to 12 exporters, all of which have been accredited exporters of bulk wheat, including Viterra Ltd.

In total, 5.35 million tonnes of grain has been shipped in the season to date, from 1 October 2010. Of the 3.55 million tonnes of bulk wheat shipped in the season to date, approximately 2.7 million tonnes has been exported by 11 third-party exporters, and approximately 850,000 tonnes has been exported by Viterra.

To date Viterra has received shipping nominations for over 7 million tonnes of new season crop bookings which currently remain pending on the shipping stem, with over 77% of the volume being sought by eleven exporters other than Viterra. Importantly, some of these bookings will help clear capacity for another expected good harvest.



3.0 Transparency in storage and handling

a. Transparency of Viterra's processes

Viterra considers that there is currently a high, and increasing, degree of transparency in relation to the storage and handling of grain. For example, Viterra:

- publishes the Standard Terms and Reference Prices that apply to both its up-country storage and handling and port terminal services. Viterra has also published explanatory notes in relation to its fees;
- publishes Port Loading Protocols which set out the processes for managing bookings, receivals and storage and handling at port. Changes can only be made after industry consultation;
- provides growers with a weighbridge ticket upon delivery to Viterra sites for each load of grain. The ticket contains information relating to the results of quality testing and grain classification;
- provides clear information in its ACCC access undertaking in relation to the average in-loading, storage and out-turn capacity at each Port Terminal;
- sets out details of all bookings on the shipping stem each business day;
- publishes information in relation to the stocks of bulk wheat and non-bulk wheat grains held at each Port Terminal;
- provides information on non-bulk wheat commodities on its shipping stem;
- publishes an "Available Capacity" table on its website each day which provides information in relation to whether there is any Export Select and/or Export Standard capacity at a Port Terminal;
- sends simultaneous emails to all current clients advising when additional capacity at a Port Terminal may be available; and
- has direct consultation with growers through its rural based operational and customer sales staff.

Viterra has also taken significant steps in the past year to ensure continuous improvement to its systems (and to address areas of perceived concern relating to open and transparent information disclosure) for the benefit of the industry. Prior to the start of harvest for the 2010/11 season, Viterra made more information publicly available with respect to commodities that are managed through its grain network. The following



changes have enhanced the operation of the shipping stem and increased the level of information available to industry:

- 1. Access to grower warehousing information** - Growers are able to “opt in” to have information on their warehoused grain disclosed to other grain marketers by completing a Warehouse Disclosure Authority Form. Viterra maintains the privacy of growers who choose not to disclose this information;
- 2. Quality data information** - Grain owners have been able to access quality site data for standard grades via *ezigrain* since 1 January 2011;
- 3. Additional information on the shipping stem** - Viterra has made available more detailed information on the shipping stem by listing the type of commodity booked by a client on the shipping stem and publishing when a vessel is named on the shipping stem, including the date and time; and
- 4. Increased information regarding exported grain** - monthly tonnages shipped from Viterra’s ports are available under shipping statistics on the Port Access and Shipping Stem page of the Viterra website. These statistics are broken down into port zone and commodity.

Other information which is available on *ezigrain* includes: grain receival classification standards, storage allocation/site availability, silo harvest operating hours, quality policies (e.g. in respect of weather damage, dark tipping and foreign material), and daily cash and pool prices.

This is a significant level of information, much of which has been made available in the past two years.

b. Communication to growers during harvest

Viterra annually offers growers a number of communication tools to access information during harvest. This includes the mailing of a Harvest Pack to approximately 34,000 growers nationally, including all growers in South Australia. The Harvest Pack provides detailed information about Viterra’s service offerings, including information on storage and handling, grain marketing products, pooling products, employee contact details, fertiliser, crop protection products, wool, and all relevant terms and conditions. Other communication tools widely accessed during the 2010/11 harvest included the Viterra website, the *ezigrain* website, and the Viterra Service Centre as outlined below.

In addition to these tools, Viterra has a weekly column in the Stock Journal. This has been designed to inform readers of activities Viterra is undertaking and became



particularly useful during harvest in communicating storage and handling operational matters. During the 2010/11 harvest, Viterra also communicated with growers through the ABC radio's Country Hour program, with regular updates provided by Country Operations Manager, Andrew Hannon.

Online information

The Viterra website included warehousing information, Export Select sites and grades, freight rates, on-farm pick-up information and grain marketing products including pool, cash and contracts.

*Ezigrain*⁵ has continued to be a useful tool for growers, particularly during the busy harvest period. Growers are able to access information including reports on their deliveries, grain in warehouse, warehouse advances, transfers and weather. Other information available on *ezigrain* and regularly updated during harvest includes receival classification standards, storage allocation and site availability, site operating hours, quality policies (i.e. weather damage, dark tipping, sticks and stones etc) and daily cash and pool prices.

Viterra Service Centre

Growers made regular use of the Viterra Service Centre during the 2010/11 harvest, via access to a freecall number. Skilled Service Centre operators fielded enquiries relating to daily prices, site operating hours, receival standards, grain contracts, on-farm pick-up, pool and warehousing queries, storage and handling charges, weigh note amendments, billing and assistance with the *ezigrain* website. The Service Centre operated extended hours over harvest to meet demand from growers and carriers, including working late during weeknights and over the weekends.

⁵ <http://www.ezigrain.com.au/>



4.0 Equitable access to the lowest cost route to market, including transport options

a. Benefits to growers in open access to Viterra's storage network

Growers are provided open access to Viterra's storage and handling network for delivery of grain at harvest and at other times of the year, in accordance with standard terms and conditions which are published online and provided to all growers in advance of harvest.

Viterra provides a competitive service offering to the industry as a bulk handling company. Through its extensive network of storage and handling facilities in South Australia and Victoria, growers can efficiently access domestic and export markets, by:

- gaining access to Viterra's professional expertise in the quality control of grain, which transfers the quality risk and costs associated with grain loss, fumigation and maintenance to Viterra as a third party;
- removing a need for capital outlay in on-farm storage by choosing to access the bulk handling system; and
- taking advantage of immediate access to multiple grain exporters and domestic traders, and the increasing range of competitive marketing options.

Growers wishing to deliver or contract grain in any of Viterra's grain storage facilities are required to register with the National Grower Register ("NGR") system at no charge. An NGR registration gives growers a simple method for keeping contact and business details up to date – the NGR database contains no delivery details or stock information nor does NGR undertake any payments (which remains the responsibility of the buyer)⁶.

Once grain is delivered to the Viterra network, growers have the choice of immediately transferring title to a registered buyer against daily cash or pool offers, satisfying contractual commitments to a registered buyer or retaining title under Viterra's warehouse service as described below.

Viterra has recognised the value warehousing provides for growers and the industry and will continue to offer this valuable service. Benefits for growers include:

- The ability to defer and maximise marketing decisions to post-harvest, separating delivery decisions from marketing decisions, giving a grower total

⁶ For further information about the National Grower Register: www.ngr.com.au



control over the transaction including the administration of individual tickets to each specific marketing alternative to maximise the value of the grain.

- Access to a larger number of markets over a greater period of time. Currently there are 56 clients registered within the Viterro network. Around 14 of those actively post cash options to growers at harvest and the remainder either purchase grain from growers using contract/pool options or purchase grain from other traders. 12 of those registered traders are active exporters from the Viterro system, however many other traders may acquire ownership to export cargoes once cleared by the Australian Customs and Border Protection Service (Customs).

In 2010 Viterro enabled growers to “opt in” to have information on their grain stored in warehouse disclosed to other grain marketers. Viterro provided a consent form for growers to complete both in the Harvest Pack and via an online form on the Viterro website. This information – which included name, address, phone number, commodity, silo and tonnages of grain stored – has been, and will continue to be, provided to grain marketers on a monthly basis.

During the 2010/11 harvest, a significant percentage of grain moved through the warehouse system, allowing growers to then utilise *ezigrain* or the Viterro Service Centre to make transfers at a later date.

b. Equitable access to Viterro’s facilities during peak periods

Viterro is determined to efficiently and most importantly, safely manage the flow of grain into the system on behalf of South Australian growers. The Company will always seek to maximise site operating hours while responsibly managing the safety of its employees with regards to hours of work.

It is worth noting that Viterro had minimal closures during the festive period to service growers during the 2010/11 harvest. In 2010/11 its network was only closed for grower deliveries on Christmas Day and New Year’s Day, in recognition of the importance of these occasions for our staff, growers, carriers and their families.

Due to the nature of harvest in South Australia where grain is typically delivered in a narrow time-frame, truck line-ups at receival sites do occur. This was exacerbated in 2010/11 by the record volume of grain being delivered, but this task was even more challenging due to unseasonal weather which resulted in the early and late harvest areas harvesting at the same time.



Viterra conducted 24-hour operations at a number of grain export terminals, including Port Adelaide. During the 2010/11 harvest, grower receivals at this site took place between the hours of 5am until midnight. Outside of this timeframe, road and rail activity occurred to reposition grain at port for cargo assembly to support the shipping program.

Occupational health and safety

Viterra management recognises they are in a position to have a significant influence on the safety of the road transport industry in Australia. The Company takes this responsibility into account when determining opening hours of up-country sites, maximising hours of operations, while maintaining its legislative obligations and responsibilities around fatigue management and safety of employees, carriers and growers. In addition to the requirements of their own company, all personnel entering our sites, including drivers, contractors, growers, and visitors, are required to:

- Follow the instructions of Viterra employees.
- Ensure they observe all safety signs and requirements.
- Wear required personal protective equipment (“PPE”)⁷, including high-visibility clothing if in the vicinity of moving vehicles.
- Ensure they remain clear of trucks unless they are directly involved in activities associated with loading or unloading. At all times an individual must ensure the operator of the vehicle is aware of their position.
- If crossing to the front or rear of a vehicle, ensure the operator of the vehicle is aware of their location, even if the vehicle is stationary at the time.
- Ensure any children under 15 years of age remain in the confines of the vehicle unless in a designated non-operational area.
- Ensure any animals remain in the confines of the vehicle at all times.
- Passengers must comply with the same safety requirements as drivers if they alight from the vehicle.

⁷ To assist with meeting safety requirements, Viterra has an agreement to allow growers to purchase PPE from Protector Alsafe at corporate rates.



c. Road and rail transport infrastructure in South Australia

Transport services are a key constraint to export shipping volumes at peak periods through the grain supply chain. Peak shipping periods will generally coincide with optimal prices and the maximising of value for Australian grain. The importance of transport is being seen particularly on the east coast of Australia this year. The inability for rail infrastructure to meet the shipping task has meant an escalation in road freight prices as marketers endeavour to get grain from up-country to port, longer cargo accumulation times, subsequent vessel wait times and the likelihood of increased carryover of stocks into the new season.

South Australia has a mix of transport modes for export. A unique feature of South Australia is the proximity of ports to the grain growing regions. Direct grower receivals by road at harvest form an important and efficient method of export accumulation for a portion of the crop. However, the majority of grain is transported from up-country storages to port via road or rail transport.

Narrow gauge rail lines operate on the Eyre Peninsula and standard gauge on the eastern side of the state. Rail provides capacity and cost efficiencies to the grain network through reduced staffing levels and cargo accumulation times and has important community and social benefits by reducing the truck numbers on roads and lowering the transport carbon footprint. A single train carries around 1800 tonnes on the Eyre Peninsula and 2600 metric tonnes on standard gauge lines in the east.

A number of rail operators have operated trains on the standard gauge lines in recent years. Rail, however, requires a large and long term fixed cost commitment to both above and below track infrastructure and economically suits high and certain volume tasks. This is at odds with the nature of the grain industry and the volume fluctuations in production.

Road movements provide the link from the farm to the optimal grain receival point, perform the transport task from road based sites to port and deliver grain to domestic customers. Road transport can provide short term increased capacity by moving grain to areas of greatest demand and the development of new road transport configurations will provide opportunities for greater efficiency and cost savings.

Developments in road transport need to be matched with regulatory and infrastructure development to ensure vehicles will have access to the existing supply chain.



Utilising a combination of transport modes allows the South Australian supply chain to be flexible and cost efficient and is evidenced by the volume records being achieved this season. This provides exporters and the grain industry with the benefits of access to global markets during the optimal periods for Australian grain.

d. Viterra's commitment to rail infrastructure

Viterra has an agreement with rail provider Genesee and Wyoming Australia (“**GWA**”) to utilise rail assets throughout South Australia and Victoria to transport grain to port in a cost-effective manner.

Viterra's commitment to above rail infrastructure ensures that a rail service is provided in South Australia. Rail freight provides significant logistics capacity for the grains industry to manage peak loads both efficiently and economically. Without this commitment the majority of tasks would be handled on road.

Because this is a “take or pay” arrangement, Viterra is exposed to volume risk in poor production years. No other entity in the South Australian grain market has been prepared to take on this risk. Viterra makes these train assets available to other grain marketers on reasonable commercial terms.

It is important to note that other train operators have been discharged at Viterra's ports in accordance with Export Standard bookings made by third-party exporters.

e. Viterra's freight service to growers

Viterra provided an ‘on-farm pickup’ service for growers during the 2010/11 harvest. Growers who utilise this service gain access to competitive freight rates and the convenience of a pre-arranged logistics service, allowing growers to focus on their core business of harvesting grain.



5.0 Third party access to storage and handling network

a. Services provided to protect the quality of grain

Viterra takes the responsibility of protecting the integrity of the South Australian grain food chain seriously. Our infrastructure, quality processes and staff serve to maintain and enhance the reputation of the industry's grain in global food markets. Our processes are vital in managing the quality risk of grain entering our system.

Third party access to the Viterra supply chain must be managed very carefully to ensure that South Australian grain quality is not compromised. Any lowering or perceived lowering of grain quality standards by the industry would have huge ramifications for the marketability of South Australian grain at a global level.

The level of potential risk to grain introduced into Viterra's system at port (and therefore the scope of the services that it needs to provide at port) can vary based on the quality of the storage systems from which the grain is received. These risks arise because of differences in:

- the type and quality of storage infrastructure (including the level of investment in that infrastructure and commitment to ongoing maintenance);
- the level of operator training and expertise in relation to grain storage;
- how that grain has been managed while in storage, including the pest management techniques employed prior to delivery to port, and their exposure to contaminants and other commodities or lesser grades;
- the standard of traceability and record keeping in relation to grains held by different operators and in different storage systems.

The potential impacts resulting from the receipt of contaminated grain are significant. They include:

- contamination of other grain stocks (which may involve substantial costs for other clients, an inability to meet contractual obligations to customers and long-term damage to the reputation of South Australian grain in export markets);
- rejection by AQIS for export, and resulting delays in shipping and substantial demurrage costs;
- blocking of port capacity (e.g. if Viterra Operations cannot receive, handle or load grain while it manages and remediates contamination issues);



- required remedial activities to manage issues (e.g. cleaning of facilities, moving grain to ensure appropriate segregation, fumigation at port etc);
- quality claims (both against the owner of the contaminated grain, the affected grain and, potentially, Viterra); and
- potential reputation impacts to clients, the bulk handler, and the South Australian and national grain industries.

To manage these risks and potential impacts in respect of grain received into its system at its up-country storage facilities, Viterra provides a number of services (including sampling and fumigation services) in respect of which it has complete visibility and traceability.

b. Third party deliveries at Viterra's port terminals

Viterra receives grain at its port terminals from a number of sources, including:

- grain held in Viterra's up-country storage and handling facilities on behalf of its marketing division and a range of third party exporters;
- grain delivered direct to port by growers or otherwise from outside Viterra's storage and handling system; and
- grain held in up-country storage facilities by professional storage and handling providers that have been accredited by Viterra as "Approved Third Party Storage" providers (as outlined below).

Viterra has much lower levels of visibility in relation to the services that have been provided by third parties in relation to grain received at port. It is therefore necessary for Viterra to provide a number of additional services at port in relation to grain received directly from growers or from third party storage systems, to ensure that the quality of grain is to requisite standards. The cost of providing these services as part of the port terminal services is reflected in Viterra's Reference Prices – these prices are published on Viterra's website.

The provision of these services at port does not involve discrimination in respect of receivals from growers and third party storage facilities. Viterra provides comparable services in respect of all grain it receives into its up-country storage facilities. As those services have already been provided (with strict quality controls while grain remains in Viterra's storage system), there is no need for them to be re-provided (and those costs to be incurred again) at the time the grain is received at port.



The level of services provided in respect of grain received direct from growers and from third party storage facilities which are accredited by Viterra (i.e. “Approved Third Party Storages”) also necessarily differs because the level of risk associated with grain received direct from growers at port is higher.

A third party storage facility can be accredited by Viterra if it meets an objective criteria for approval. The process of approval involves Viterra undertaking an inspection of the relevant site, a review of the experience and capability of the operator as a grain storage and handling provider, and a review of the relevant training, policies and procedures at the facility. This is a transparent process. A copy of the deed which sets out the requirements of an Approved Third Party Storage as well as the criteria or checklist applied by Viterra to approve facilities is publicly available via Viterra’s corporate website.⁸

Approved Third Party Storage providers are generally professional grain handlers that have in place facilities, systems and training which are specifically designed, and are actively managed, to reduce these risks. The risks associated with grain received from Approved Third Party Storages are, therefore, ameliorated to a degree which, in turn, reduces the extent of the risk management services that need to be provided at port. Viterra’s standard receival fees from Approved Third Party Storages are therefore lower than the standard prices for receival of grain from other third party sources.

However, for the reasons set out above, it is still necessary for Viterra to provide services when grain from Approved Third Party Storages is received into its system at port. Viterra takes the responsibility of protecting the integrity of the South Australian grain food chain seriously.

Shrinkage rates

Shrinkage is the loss of grain mass which occurs in the normal storage and handling process, including loss of mass through changes in moisture content, handling processes, insect infestation and through wastage. Shrinkage levels may vary having regard to the following factors:

- the type and location of storage (for example, bunker storages are more prone to weather impacts than sheds or vertical storage);
- the methods used for transporting and moving grain (for example, moving grain via conveyors on site versus road transport);

⁸ See <http://www.viterra.com.au/grain/australia/storage-handling/resources> for the Third Party Inspection Form



- the number of times the grain is transported or moved while in storage;
- the moisture content of the grain – the higher the moisture content, the greater the shrinkage;
- the presence of lightweight material and other contaminants – the greater the presence of contaminants, the greater the shrinkage; and
- the presence of insects.

Viterra applies shrinkage to grain received into its system to account for these losses. Grain that enters from third party approved storages into ports does not have the same exposure to the above factors while in the Viterra system and subsequently has a lower shrinkage rate applied.



6.0 Grain classification, industry standards and maintaining Australia's reputation as a quality supplier

a. Market access – grain quality and food safety

Viterra seeks to provide maximum protection and value retention for owners of grain held within its system, whether it is first received into its system at its up-country storage facilities or at its port terminals (re-delivered from third party storages or direct from growers).

In this regard, Viterra provides minimum quality guarantee out-turns subject to shrinkage and other accepted risks. This provides exporters with a high degree of confidence that the quality of grain they market to customers will be maintained.

Viterra maintains certification to internationally recognised standards for quality and food safety in its grain handling operations, which includes:

- ISO 9001, a Quality Management System that focuses on product quality, consistency, continual improvement and meeting domestic or export destination customer requirements; and
- ISO 22000, a Hazard Analysis Critical Control Points (HACCP) based food safety management system, designed to protect the food supply from biological, chemical and physical hazards through controls such as Good Operating Practices and Critical Control Points.

Where possible, Viterra seeks to co-mingle all grain of like quality in its storage and receival facilities. This storage together or “co-mingling” of grain owned by multiple customers maximises the efficient operation of the port terminals and also minimises the costs of providing services. However, parcels of grain received at port carry different levels of quality and other risks depending on how they have been managed prior to receival. These risks directly impact on the ability of Viterra to co-mingle those parcels with grain owned by other grain marketers.

There are significant risks to grain owned by all exporters and also to the efficient operation of the port terminals and export supply chain, if contaminants, insects, or contact insecticides are introduced into the system.

Given the different levels of risk associated with grain delivered from different storage systems, Viterra cannot make out-turn guarantees that support market access (or



ensure the protection of all clients' grain and the efficient operation of its port terminals) unless it takes appropriate actions on the receipt of grain from third party sources into its system, while in storage and on out-turn to vessels.

b. Industry standards and the role of Grain Trade Australia

Grain Trade Australia (“GTA”) (previously known as NACMA) has annually reviewed, produced and published industry grain commodity standards through its Standards Committee since 1999.

The GTA Commodity Standards cover all grains, oilseeds, pulses and other related commodities. The Australian Oilseeds Federation produces the Oilseeds Standards with Pulse Australia producing the Pulse Standards for use across the country. GTA produce the Cereal Standards that are used by the industry for domestic trading and for export shipments.

The Standards are reviewed annually by the GTA Standards Committee and presented to the industry at the GTA Common Interest Forum where all members are able to provide their final comments before the Standards are adopted for the applicable season.

Viterra will continue to play an active role in seeking greater industry collaboration and consistency in relation to grain classification and industry standards, through forums such as GTA.

c. Falling Number test

Falling number tests are the internationally recognised assessment method for sprouted grain classification and are an indication of rain damage in wheat. When it rains just before harvest, grain may start to germinate (sprout) in the head. Germination causes an increase in *alpha*-amylase, an enzyme that breaks down starch. Grain with high levels of *alpha*-amylase produces lower quality flour. The falling number test was designed to replicate the way flour made from grain would behave in a bakery. It does not directly measure *alpha*-amylase activity but measures changes in the properties of the starch component of the grain caused by *alpha*-amylase activity.

Although the number of falling number machines that Viterra owned at the start of the 2010/11 harvest had been historically adequate to service the needs of Viterra's storage and handling network, the number of machines was not adequate to provide a falling number test as part of the receival classification for grower deliveries in 2010/11 due to the widespread impact of weather damage across the State.



As part of the 2010/11 Wheat Standards Manual⁹, GTA publishes the following reference methods for use by the industry:

5.12 Falling Number Assessment – Reference Method. This reference method details how a falling number is determined by objective analysis.

5.14 Defective Grain Assessment of Sprouted Grain – Field Evaluation. This reference method details how falling numbers are determined in the absence of specialist instrumentation.

GTA prescribe that when sprouted grain is detected in wheat deliveries, and load by load testing with the falling number unit does not occur, the GTA field assessment procedure (5.14 Defective Grain Assessment of Sprouted Grain – Field Evaluation) is to be implemented in some form - which is what occurred via Viterra's 'wet weather strategy' during the 2010/11 harvest.

The GTA manual states that "...this procedure is a guide only. Industry must ensure that any procedure used that deviates from load by load testing with the Falling Number unit complies with their customer requirements and the applicable Trading Standard."

Viterra's assessment procedure during the 2010/11 harvest for classifying rain damaged grain for sprouting involved:

- Classifying wheat based on visual assessments supported by a falling number test every 1000 tonnes from a running sample.
- Visual limits were set based on the correlation between visual assessments and the falling number test results.

Viterra complied with the 5.14 GTA reference method, as falling number machines were not made available at the point of delivery for load by load testing. The Company communicated this policy to growers and this formed part of the terms and conditions of delivery to Viterra sites.

It is now clear that each bulk handler operating in South Australia adopted a different procedure in assessing grower deliveries for sprouted grain this year. The reason Viterra adopted its grain classification method in 2010/11 was to accurately classify grain while at the same time maximise throughput of grain at its sites. This decision reflects the

⁹ Standards are published via the GTA website: http://www.graintrade.org.au/commodity_standards



flexibility in the GTA standards, in whether or not falling number machines are used by storage operators for load by load testing.

Viterra's strongest feedback following the 2010/11 harvest has been concern from growers relating to the visual classification process for sprouted grain. It is clear the majority of growers wanted the option of having rain affected wheat assessed by a falling number machine during the last harvest, and as a result, Viterra has since announced that it will purchase 78 new machines in 2011. The order will mean Viterra has 120 falling number machines, almost tripling the number of machines owned by the company. The machines will be supplied by world-leading Perten, a global manufacturer of grain quality control equipment based in Sweden.

Falling number machines are laboratory equipment, therefore as part of the installation process Viterra has reviewed its storage network, and where necessary, will make modifications to existing site infrastructure to ensure the new machines perform optimally to deliver accurate results. This investment, valued at more than \$4 million, adds to the \$35 million Viterra has invested in storage, transport, logistics and port infrastructure since establishing in Australia only 18 months ago. This includes increasing the storage and handling network capacity to more than 10 million tonnes.

Access to falling number machines is part of a broader industry debate around grain classification, which includes training classifiers and encouraging uniform classification standards across the industry. Most importantly, Viterra employees will be appropriately trained to use the equipment, as outlined below.

d. Classification staff at Viterra storage facilities

A major operational constraint during harvest is the availability of casual labour to undertake the grain receipt, classification and storage duties at sites located throughout all regions in South Australia. This is a significant challenge for any organisation that has seasonal workforce requirements in regional Australia.

Viterra launched a major recruitment drive in July to hire up to 1200 casual workers for the 2010/11 season and at the peak of harvest employed more than 1300 casual staff. This enormous intake of casual employees doubled Viterra's Australian/New Zealand workforce during harvest.

Viterra is currently recruiting for more than 200 permanent employees in the storage and handling division, which is a strategy designed to retain existing expertise as well as attracting new talent. This includes permanent full-time and permanent part-time positions across the State. The positions available are predominately Country Site



Operators and Terminal Site Operators located at various sites across South Australia. Viterra expects all new employees will be fully trained before next harvest and will be in place to help with the large task of out-turning and exporting the current grain stocks. **These newly created positions demonstrate Viterra's commitment to the industry and its role as a major employer in regional South Australia.**

Viterra has also announced it will strengthen its grain classification training capacity through the creation of a new unit within the company's quality and technical services group dedicated to providing classification training to regional employees. This will involve the recruitment of six new quality control officers, who will be responsible for training our grain classifiers in grain assessment techniques and the use of classification equipment, including falling number tests, as well as providing ongoing support especially during peak periods at harvest.



7.0 Equitable and efficient access to the shipping stem

a. Third party access to Vitterra's port terminal services

Historically, Vitterra has operated its port terminal facilities on an open access basis. It has always relied on and encouraged throughput from third party exporters.

Since 1 October 2009, access to Vitterra's port terminal facilities has been regulated by an access undertaking approved by the ACCC. Details of that access undertaking are set out in Section 2.0 of this submission (see above). However, a key feature of the access undertaking is that it sets out a clear and transparent process for exporters - whether third parties or Vitterra itself - to obtain access to the port terminal services. It also provides that Vitterra cannot discriminate in favour of its own operations except to the extent it can be justified on the basis of the cost of providing the relevant services.

The processes for obtaining access to Vitterra's port terminal services were subject to substantial scrutiny by the ACCC during the approval process for the current access undertaking in 2009. The ACCC is also considering in detail submissions from Vitterra and a range of third parties in relation to how that process has operated as part of its consideration of Vitterra's proposed new access undertaking.

Vitterra has made detailed submissions to the ACCC in relation to the efficiency and appropriateness of the current "first in first served" system for allocating access to its port terminal services.

Vitterra considers that the current process involves equitable and fair access to the shipping stem for all users (with no preference provided to Export Select bookings). Given the current level of scrutiny as part of the access undertaking process, Vitterra is confident that this fair and equitable access will continue.

Vitterra acknowledges that there were some transitional issues that arose at the start of the access undertaking in 2009 in relation to the booking process. Those issues occurred within the first few months of Vitterra acquiring the ABB Grain business and the commencement of the ACCC access undertaking. Those matters were the subject of detailed review by WEA, and Vitterra has implemented a number of changes and improvements to its system since that time. These improvements satisfied WEA that its concerns had been addressed.

The equitable and efficient nature of access to Vitterra's shipping stem is highlighted by the key achievements set out in this submission. These achievements have been made



while managing a diverse client base, as indicated by the number of different exporters now shipping from South Australia.

This level of access to the shipping stem has also been supported by Viterra's substantial investment in storage, transport, logistics and port terminal infrastructure.

b. Viterra's booking fee (shipping stem)

Viterra charges a fee for bookings that are accepted onto its shipping stem and made in accordance with its Port Loading Protocols. This fee assists in the management of non-performance issues with exporters. The booking fee provides a financial incentive for exporters to only to book slots that they reasonably intend to use, to ensure the efficient operation of the export supply chain.

Viterra has a substantial fixed investment in storage, handling and logistics infrastructure. For periods during which capacity is lost through the failure of exporters to perform Viterra can be impacted by the loss of revenue through reduced output, an increase in costs, and the inefficient use of logistics assets.

The current level of the fee (\$5 per tonne) is relatively low in the context of exporting commodities which may have an end value of around \$400 per tonne. It should not present an obstacle to any reasonably creditworthy exporter. Viterra notes that the financial standing of exporters is one of the criteria considered by WEA in determining whether or not to grant export accreditation.

Viterra also notes that the ACCC has oversight of the booking fee and other fees for port terminal services under Viterra's access undertaking. The booking fee charged as part of the port terminal services is reflected in Viterra's Reference Prices – these prices are published on Viterra's website.



8.0 Other related matters relevant to the Senate Inquiry

The 2010/11 South Australian harvest was one of the most challenging and rewarding harvests the State has ever seen. The company was aware of escalating crop forecasts during the growing season in 2010, and adjusted operational plans accordingly. It is relevant to note that once harvest commenced, many growers across the State began reporting higher yields than they had anticipated, which was reflected in Primary Industries and Resources, South Australia (PIRSA) revised crop report (January 2011) estimating crop production at 9.72 million tonnes. PIRSA's final estimate for the 2010 season crop production was further increased to 10.34 million tonnes in March 2011.

Record crop production coupled with unseasonal rain events in December culminated in shortened harvesting and grain delivery timeframes for growers, and tighter receival timeframes for bulk handlers. The rain created a significantly altered grain quality situation, which Viterro responded to by implementing a revised grain classification strategy.

Despite the challenges, the success of the 2010/11 South Australian harvest is reflected in significant achievements, including:

- **332,628 individual truck receivals were recorded** at Viterro grain receival sites during the course of harvest;
- **76 different commodity/grade segregations were offered** across all sites;
- **29 grain receival sites broke records** for largest grower receivals received in one day;
- **18 grain receival sites broke all time grower receival records** for a harvest period¹⁰;
- On seven occasions, daily grower receivals exceeded 200,000 tonnes;
- Viterro recorded six of the top ten receival days **in the history of bulk-handling** in South Australia;
- **In one day**, more than 300,000 tonnes of grain was received into Viterro's storage and handling system, which equates to approximately 12,000 truck loads;

¹⁰ Bowmans, Crystal Brook, Cummins, Elliston, Eudunda, Kimba, Loxton, Port Adelaide, Port Giles, Rudall, Saddleworth, Snowtown, Taillem Bend, Thevenard, Tumbay Bay, Wudinna, Walpeup & Werrimull.



- In one month, Viterra received more than 5 million tonnes into its storage system. This amount of grain is **greater than the average sized crop Viterra would receive during a single harvest.**

a. Viterra Post-Harvest Review 2010/11

In February 2011, Viterra commenced a Post-Harvest Review to examine harvest performance issues in the context of the State's grain harvest in 2010/11, exploring the impact of widespread rain in early December and record volumes of production in South Australia.

The review process has been led by a Working Group, chaired by the Honourable Rob Kerin, former Primary Industries Minister and Premier of South Australia. The Working Group also includes two other independent members - PIRSA Manager, Grains Industry Development, Dave Lewis and the President of the South Australian Farmers' Federation, Peter White.

In accordance with an agreed Terms of Reference, the Working Group has consulted widely and undertaken a thorough examination of the issues raised by stakeholders in formulating its series of recommendations, which will be published by Viterra at the end of June and provided to the Senate Inquiry.

The Working Group will give consideration to issues that influence the efficient operation of Viterra's South Australian grain handling and storage network, including but not limited to:

- Communication to growers and carriers during and prior to harvest;
- Information provision for the benefit of growers, including warehouse and quality data disclosure during 2010/11;
- Available storage capacity, including the number of segregations made available during harvest;
- Grain classification, including sampling, assessment techniques (visual and objective), standards and classifier training;
- Site opening hours and service delivery to growers and carriers;
- Awareness of on-site safety procedures and protocols for all visitors to Viterra sites;
- Harvest forecasting; and



- Any other factors that may have impacted upon service delivery to growers during 2010/11 harvest.

In addition to extensive consultation across the State, the Working Group distributed a Post-harvest Review Grower Questionnaire in early April, providing individual growers with the opportunity to input directly into the review. More than 1100 growers responded to the questionnaire.

All recommendations formulated by the Working Group will be published by Viterra, including details of its response.



Appendices (attached)

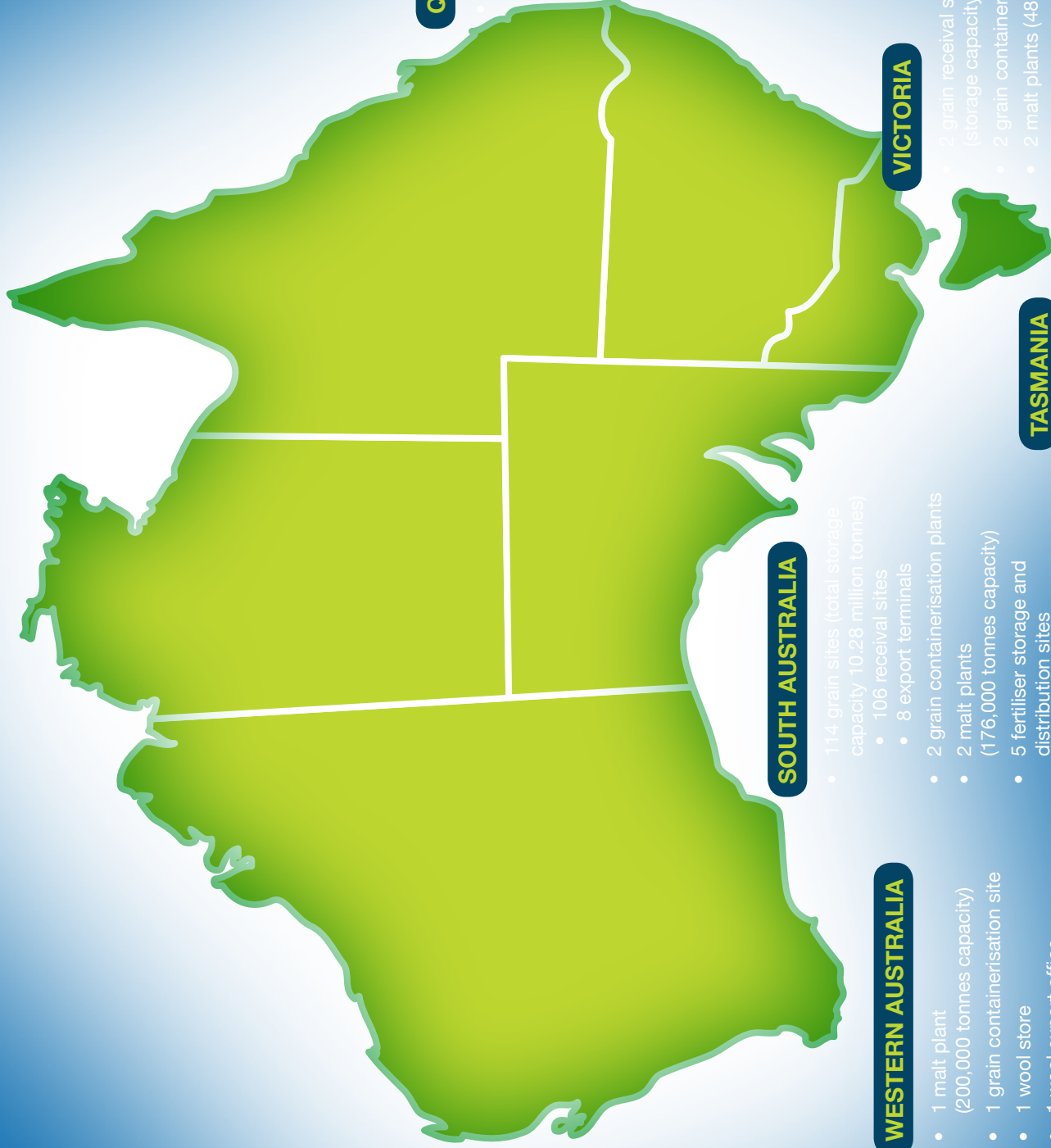
Map of Viterra's Australian and New Zealand operations

Viterra's Commodity Storage Facility Map

Viterra's Export Supply Chain Fees Explained 2010/11

A selection of Viterra's media releases

AUSTRALIA & NEW ZEALAND



WESTERN AUSTRALIA

- 1 malt plant (200,000 tonnes capacity)
- 1 grain containerisation site
- 1 wool store
- 1 wool export office

SOUTH AUSTRALIA

- 114 grain sites (total storage capacity 10.28 million tonnes)
 - 106 receival sites
 - 8 export terminals
- 2 grain containerisation plants
- 2 malt plants (176,000 tonnes capacity)
- 5 fertiliser storage and distribution sites
- 13 wool stores
- 1 wool export office
- 14 agri-products retail depots

QUEENSLAND

- 1 malt plant (25,000 tonne capacity)

NEW SOUTH WALES

- 1 malt plant (45,000 tonnes capacity)
- 1 wool export office

VICTORIA

- 2 grain receival sites (storage capacity 120,000 tonnes)
- 2 grain containerisation plants
- 2 malt plants (48,000 tonnes capacity)
- 1 fertiliser storage and distribution site
- 2 wool stores
- 1 wool export office
- 2 agri-products retail depots

TASMANIA

- 1 malt plant (6,000 tonne capacity)

NORTH ISLAND

- 5 bulk commodity stores
- 2 feed milling plants
- 2 maize processing plants

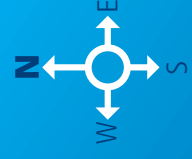
SOUTH ISLAND

- 1 feed milling plant
- 3 bulk commodity stores



Storage & Handling Commodity Storage Facilities

- Eyre Peninsula
- Northern Area
- Yorke Peninsula
- Murray Mallee
- South East
- Adelaide Area and Kangaroo Island
- Export Terminal
- Strategic Site
- General Site
- Railway Line

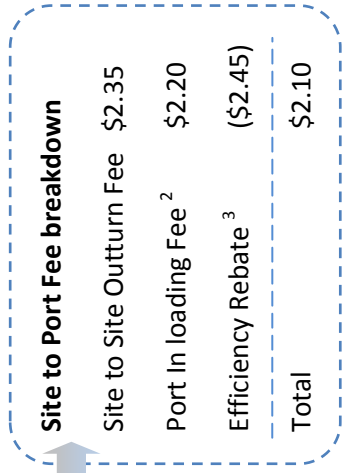
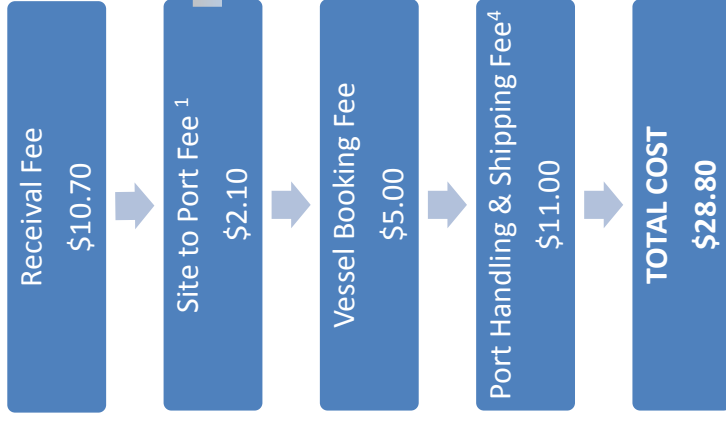


VITERRA™ Export Supply Chain Fees Explained 2010/11

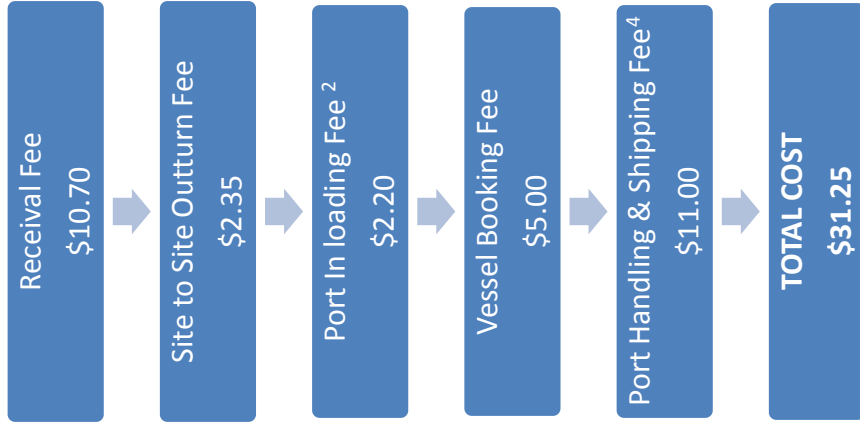
The flow charts below illustrate a marketer's supply chain options and fees for exporting a major wheat grade through the Viterra Storage and Handling network.

GROWER DELIVERS TO AN UPCOUNTRY SITE

Marketer chooses
EXPORT SELECT

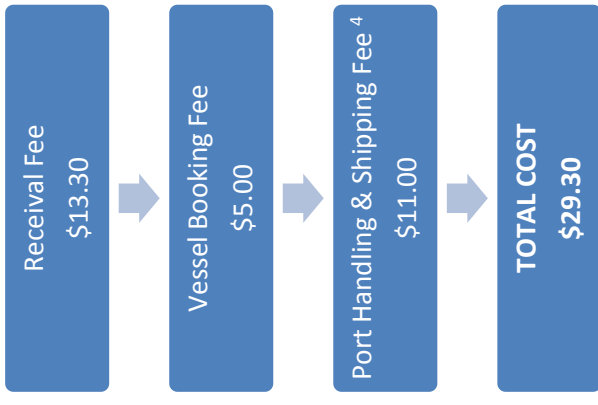


Marketer chooses
EXPORT STANDARD



GROWER DELIVERS TO PORT

MARKETER COSTS



1. Export Select freight charge not included & varies by site. Freight is arranged by Viterra.
2. Port In loading fee varies by transport mode, \$2.20 assumes rail transport utilised.
3. Efficiency rebate varies. \$2.45 is for transfers into Export Select prior to 31 Jan 2011.
4. Rate varies subject to Port and shipping periods – \$11.00 represents Inner Harbor. Freight for Export Standard is to be arranged by the marketer.

Export Select Supply Chain Cost Comparison 2009/10 v 2010/11

	Upcountry Delivery		Direct to Port	
	09/10	10/11	09/10	10/11
Base Supply Chain Costs				
Receival Fee	\$10.60	\$10.70	\$12.75	\$13.30
Total Receival	\$10.60	\$10.70	\$12.75	\$13.30
Site to Site Outturn Fee	\$2.10	\$2.35		
Port In loading Fee ¹	\$2.20	\$2.20		
Efficiency Rebate ²	(\$2.45)	(\$2.45)		
Site to Port Fees	\$1.85	\$2.10	\$0.00	\$0.00
Vessel Booking Fee	\$5.00	\$5.00	\$5.00	\$5.00
Port Handling and Shipping Fee ³	\$9.60	\$11.00	\$9.60	\$11.00
Total Shipping Fees⁴	\$14.60	\$16.00	\$14.60	\$16.00
Total Cost	\$27.05	\$28.80	\$27.35	\$29.30

1. Port In loading fee varies by transport mode, \$2.20 assumes rail transport utilised.
 2. Efficiency rebate varies. The \$2.45 transfers into Export Select prior to 31st Jan 2011.
 3. Rate varies subject to Port and shipping periods – \$11.00 represents Inner Harbor
 4. Rate varies subject to port and shipping periods.
- Clients still incur carry fees and may be subject to other fees based on service requirements.



No: 1489

For Immediate Release

Date: June 28, 2010

Adelaide, Australia

Listed: TSX:VT: ASX:VTA

Viterra makes more information publicly available

Viterra is pleased to announce it will make more information publicly available with respect to commodities that are managed through its grain network. The company believes that this will enhance the operation of the shipping stem and increase the level of information available to industry.

Viterra President South East Asia Rob Gordon says, "As the owner and operator of a volume-driven infrastructure business, it is in our economic interest to provide options to growers and grain marketers to attract their business and in turn maximise volumes through our assets.

"We understand there is information that growers and grain marketers would like to have access to. We have many stakeholders to consider in our business, including our grower customers, other grain marketers that utilise our storage and handling network and our end-use customers. Hopefully the changes we're announcing today positively reinforces the message that we want to attract grain into our system.

"At the same time, it is important to protect our commercial interests and strike the right balance between providing adequate market information and ensuring one party isn't unfairly disadvantaged. We believe the industry must recognize that there should be some level of proprietary information held by asset owners, such as Viterra, because it is important that there is a commercial incentive for companies to continue to invest in and maintain infrastructure."

Viterra intends to make the following enhancements:

- Access to grower warehousing information - Growers will be able to "opt in" to have information on their grain stored in warehouse disclosed to other grain marketers should they so choose. If they chose not to disclose this information, Viterra will maintain the growers' privacy. A consent form will be provided on the Viterra website and information from those growers who have opted in will be provided to grain marketers on a monthly basis.
- Quality data information – Grain owners will be able to access quality site data for standard grades via ezigrain by January 1 each year.
- Additional information on the shipping stem - Viterra will list the type of commodity booked by a client on the shipping stem. Currently, the shipping stem, which is published daily, lists the commodity type as 'wheat' or 'other'. This will now be broken down into specific commodities. In addition, when a vessel is named on the shipping stem. Viterra will publish the date and time.
- Increased information regarding exported grain - monthly tonnages shipped from Viterra's ports will be published on the Company's website and broken down into port zone and commodity.

Details relating to these changes are being finalised. Proposed changes will be implemented on an ongoing basis before harvest.



No: 1496

For Immediate Release

Date: September 2, 2010

Adelaide, Australia

Listed: TSX:VT: ASX:VTA

Viterra offers growers variety for Hindmarsh

Viterra is responding to increased plantings of the new barley variety Hindmarsh by offering growers several selling options for the new variety including cash prices, forward contracts and multi-grade contracts.

Hindmarsh has been popular with growers because of its improved yield qualities and the number of tonnes planted this year has increased sizeably. As a result Viterra will consider segregation requirements for Hindmarsh as part of the pre harvest segregation planning process.

The prices offered by Viterra for Hindmarsh position it at a premium over feed but less than a Malt 1 grade as final evaluation of its malting grade status is still pending. An announcement on the suitability of Hindmarsh as a malting variety is expected in March next year.

Previously, Hindmarsh has demonstrated potential to achieve export malting quality. Viterra has had indications from Chinese customers that they are eager to purchase the variety, and so are working to develop a market for this variety.

Viterra Malt is also testing the variety but is awaiting the results of the malting evaluation.

Hindmarsh is a semi-dwarf variety with excellent head retention and lodging resistance. Hindmarsh is best suited to low to medium rainfall environments and it has high yield potential.

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Our expertise, close relationships with producers, and superior logistical assets allow the company to consistently meet the needs of the most discerning end-use customers, helping to fulfill the nutritional needs of people around the world.

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No: 1500

For Immediate Release

Date: August 16, 2010

Adelaide, Australia

Listed: TSX:VT: ASX:VTA

Viterra to hire hundreds this harvest

Global agribusiness Viterra has launched a major recruitment drive to hire up to 1200 casual workers for this year's harvest season. This enormous intake of casual employees will see Viterra's Australian/New Zealand workforce double. Viterra will require casual employees to perform a variety of duties at sites located throughout all regions in South Australia.

Viterra President South East Asia, Rob Gordon says, "Harvest is our busiest time of year and casual employees play a vital role in ensuring the smooth, successful operation of Viterra's storage and handling network during harvest, which typically runs from September through to January.

"It's a great opportunity for anyone looking for short-term work during spring and early summer," Mr Gordon said.

Previous harvest recruits have included students looking for work during their break, backpackers eager for a new experience, mothers of school students or travelling retirees (grey nomads) interested in getting involved with the local community.

The majority of the harvest casual positions are for bulk grain handlers, responsible for performing a variety of roles using harvest equipment and machinery. Viterra is also looking for a number of casuals to perform the role of weighbridge operators, responsible for administrative tasks and providing front-line customer service.

The harvest casual positions offer flexible hours with attractive penalty rates for overtime and weekend work. Viterra conducts extensive training and all safety equipment is provided. Casual employees are supervised and work as part of a team.

Working as a harvest casual opens up pathways to potential future employment with Viterra. The company has extensive operations in Western Canada, North America, Australia and New Zealand with trading offices in Japan, Singapore, China, Switzerland and a joint venture in India. Adelaide is the base for Viterra's Southeast Asian operations.

Interested applicants should visit www.viterra.com.au to apply online. Applicants are subject to a medical prior to employment. Successful applicants are responsible for securing their own transport and accommodation.

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No: 1501

For Immediate Release

Date: August 9, 2010

Adelaide, Australia

Listed: TSX:VT: ASX:VTA

Viterra trials new breed of canola

Viterra is currently trialling a new breed of juncea canola in commercial demonstration fields across South Australia. The trials are part of Viterra's research and development activities aimed at providing growers with increased access to innovative seed varieties with higher yields and increased adaptability to drought.

Oasis CL is a tolerant CLEARFIELD® juncea canola variety which has been developed through conventional breeding. It has been adapted to suit hotter, drier climates, with increased tolerance to frost, heat and drought. Other benefits of this variety include high early vigour, enhanced resistance to shattering and higher potential oil and protein percentages.

Dr Wayne Burton leads Viterra's research and development activities in Australia, with a focus on developing juncea canola and hybrid Roundup Ready® *Brassica napus* to suit Australian growing conditions.

"Many growers in low rainfall regions don't have many options in terms of break crops in cereal rotations," Dr Burton said.

"Oasis CL has very similar oil content to traditional canola varieties which increases its potential as a highly marketable commodity both domestically and globally."

The commercial demonstration trials of Oasis CL are being run in the Murray Mallee, upper mid north and upper Eyre Peninsula regions of South Australia. Viterra will be conducting a crop tour in September to showcase the variety.

Viterra has spent several years developing canola specifically for the Australian market. CLEARFIELD® juncea canola varieties have been developed by Viterra and Agriculture Victoria Services in association with the Grains Research and Development Corporation (GRDC). While juncea canola varieties are the first products being released for commercial sale, Viterra continues researching a number of other products.

"We're expanding our research and development trials and we are currently carrying out small plot breeding trials in Western Australia, South Australia, New South Wales and Victoria," Dr Burton said.

Dr Burton is part of Viterra's global canola development team of world-class plant breeders. Viterra's research and development program includes more than 60 employees globally, including breeders, scientists, agronomists and technicians. Canola is Viterra's main research focus, with *Brassica juncea* and *Brassica napus* representing the company's primary efforts. Along with a large flax breeding program, the company also works with a range of partners to develop wheat, durum, barley and oat varieties.



No: 1518

For Immediate Release

Date: August 24, 2010

Adelaide, Australia

Listed: TSX:VT: ASX:VTA

Viterra releases 2010/11 Storage and Handling Plan

Viterra has today released its 2010/11 Storage and Handling Plan in preparation for harvest. The plan is a new initiative to provide growers with important operational information in one single place.

In addition to the company's storage and handling service charges, the 2010/11 Storage and Handling Plan contains a range of information about the services Viterra is offering this harvest.

Dean McQueen, Viterra's Executive Manager Grains, said the Storage and Handling Plan consolidates the information for growers and makes it easier to access.

"We're trying to provide useful harvest related information to growers in a simple format and in a timely manner," Mr McQueen said.

"The Storage and Handling Plan includes the storage and handling charge structure for this harvest, as well as a range of other information including detail about the Service Centre, ezigrain, the Segregation Plan, a harvest recruitment update as well as information relating to other services and initiatives.

"The inclusion of the 2010/11 storage and handling service charges makes it the earliest we've released this information to the industry, and we have continued to remove some fees in order to simplify the price structure.

"There have been minimal changes to base upcountry service fees for the major commodities, wheat and barley, which follows a zero increase in base fees last year.

"Carry, or storage, service charges have increased reflecting the higher cost of carrying grain between seasons, the quality risk of holding grain for long periods, the cost of maintaining effective storage and hygiene and the increased cost of managing warehoused grain since the advent of deregulation.

"The structure of our carry charges is also designed to drive efficient behaviour as we want to encourage the movement of grain through the system to avoid unnecessarily high carry-over stocks into the following season. Carry fees are a discretionary cost for grain marketers and the costs can be reduced by shipping in the earlier part of the season."

Viterra has also made more information publicly available with respect to commodities managed through its grain network. The changes will enhance the operation of the shipping stem and increase the level of information available to industry.

"Growers are now able to "opt in" to have information on their warehoused grain disclosed to other grain marketers. However, we will continue to maintain the privacy of growers who choose not to disclose this information.

"This information is included in the Storage and Handling Plan."

The 2010/11 Storage and Handling Plan can be accessed on the company's website, www.viterra.com.au or by contacting the Viterra Service Centre on 1800 018 205.



No: 1523

For Immediate Release

Date: August 30, 2010
Adelaide, Australia
Listed: TSX:VT: ASX:VTA

Viterra offers nine day payment terms for harvest

Viterra has made another improvement to service offerings in the lead up to harvest by slashing the time growers must wait for payment by 21 days. Viterra is now offering nine day payment for customers delivering grain to approved bulk handlers, compared to the 30 day timeframe last harvest.

Dean McQueen, Viterra's Executive Manager Grains said Viterra made the change in response to customer feedback.

"Paying growers faster supports our efforts to become the partner of choice for grain growers," Mr McQueen said.

"Moving to nine day payment from end week of delivery makes our offer more competitive in the market."

The nine day payment is available to Viterra customers delivering into approved bulk handlers such as Graincorp, CBH, Grainflow and Viterra sites.

The change from 30 days to nine days is effective immediately and will apply to all new deliveries and existing grain being warehoused. It is not retrospective for existing contracts.

"We are continually looking at ways to improve our service."

Other recent service improvement initiatives include the release of the 2010/11 Storage and Handling Plan and the decision to provide more information to the market about grain managed in the Viterra storage network.

"The Storage and Handling Plan is a new initiative to provide growers with information about the services Viterra is offering this harvest, in a simple format and in a timely manner.

"Included in the Plan is the storage and handling charges for this harvest, as well as detail about the Service Centre, ezigrain, the Segregation Plan, and Viterra's other services and initiatives.

"Viterra has also made more information publicly available with respect to commodities managed through its grain network. The changes will enhance the operation of the shipping stem and increase the level of information available to industry."

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TSX: VT ASX: VTA

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No: 1547

For immediate release

Date: November 5, 2010

Adelaide, Australia

Listed: TSX:VT: ASX:VTA

Viterra prepares for record harvest

Viterra is preparing to handle this year's predicted record South Australian crop by maximising the efficiency of its storage and handling network.

The company is investing in extra storage and has a solid shipping program to move as much grain as possible through the system.

Dean McQueen, Viterra's Executive Manager Grains, said Viterra was doing everything it could to prepare the storage and handling network for the influx of this year's crop but the sheer size of the harvest would put some unavoidable pressure on parts of the system.

"We are extending bunkers and building new bunkers at sites we've identified as being critical to the efficiency of our storage and handling network," Mr McQueen said.

"We look at the operation of the whole storage and handling network and try to ensure that overall the system can handle the crop."

Grower meetings have been held around the state to discuss sites, opening hours and segregations.

Most sites will be open six days a week for 8-14 hours each day. A full list of sites and their hours is available on the ezigrain website, www.ezigrain.com.au.

"We've focussed on staffing and investing in sites with multiple segregations, good access to shipping and rail and able to service a large number of growers.

"We have consolidated our carry in grain into some sites to maximise the capacity of the bigger sites, while at other sites we've worked with local growers to make sure there is the capacity to receive their grain at nearby alternative sites."

While the large harvest might present some logistical challenges, Viterra will do everything it can to manage the grain efficiently and will communicate with growers about any potential issues as soon as possible.

The Service Centre will send out SMS updates about unexpected changes to site openings where possible.

"Growers should make sure they have registered with the Service Centre to receive our SMS updates."

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No: 1551

For immediate release

Date: December 2, 2010

Adelaide, Australia

Listed: TSX:VT: ASX:VTA

Viterra invests in extra storage across the state

Viterra has today announced it will invest an additional \$3 million in extra storage at Taillem Bend, Port Adelaide and Port Giles to handle this year's forecast record crop.

This extra storage is in addition to the 500, 000 tonnes of further capacity, at a cost of \$6 million, Viterra recently committed to build at Wudinna, Cummins, Roseworthy, Bowmans, Snowtown, Loxton and Port Giles.

Dean McQueen, Viterra's Executive Manager Grains said the company is constantly reviewing the state-wide system to ensure there is the capacity to cope with this year's crop.

"Viterra's recent investments have increased the network's capacity by 800,000 tonnes at a cost of approximately \$9 million. This increased capacity is in addition to the existing 9.5 million tonnes in Viterra's storage and handling network," Mr McQueen said.

While the recent rain is expected to impact on the quality of South Australia's crop the volume is still there and this extra capacity will help get the crop into the system as quickly as possible.

"We won't know the rain's impact on quality until the grain starts coming into the system again.

"The weather is dictating harvest and we will maximise site operating hours while responsibly managing the safety of our employees in regards to hours of work. We are as keen as the growers to have this crop in the bin.

"We are staffing and investing in additional storage at our major sites, which are superior in terms of efficiency, segregation offerings, access to rail and shipping and they are able to service a large number of growers.

"Extra storage at Taillem Bend will help accommodate grain from the Mallee region, while extra storage at Port Adelaide will allow for up-country sites to be cleared-out, as well as accommodate grain from growers delivering directly to the Port.

There has been questioning around opening some smaller sites but this would not alleviate the pressure on the system.

"The capacity of the small number of minor sites that will not be opened this year amounts to approximately 23,000 tonnes and would not accommodate the capacity we need for this year's harvest, which is why we have dedicated resources to opening up 800,000 tonnes extra capacity at more efficient sites to benefit a larger number of growers."

The amount of shipping booked is well up on previous years.

"The shipping stem is heavily booked with figures up over 400,000 tonnes for December and nearly 800,000 tonnes for January."

Viterra has increased the training of classifiers over the last few months and this has caused some delays depending on the quality of the product.



“We need to be more rigorous in the classifying process to ensure the grain meets the standards expected by the end customers. This benefits everyone and will ensure growers can access markets when they make their selling decisions.”

Viterra will continue to focus on ways to manage the grain coming into the system and will communicate with growers about any potential issues as soon as possible.

“I would encourage growers to register for our SMS alerts through the Viterra Service Centre on 1800 018 205, these are a great way to keep up to date with prices, site opening hours, segregations and any unexpected changes,” Mr McQueen said.

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No: 1555

For immediate release

Date: December 15, 2010

Adelaide, Australia

Listed: TSX:VT: ASX:VTA

Viterra confident of classification process

Following rain across the state, Viterra has reviewed its grain receival process and confirmed it will continue classifying grain using the visual assessment in conjunction with running falling number results.

Andrew Hannon, Viterra Country Operations Manager said Viterra had consulted with SAFF and growers to determine the most appropriate approach to manage grain into the system taking into account classification requirements and turnaround times.

“The recent rain during harvest has posed challenges for growers and we know classification and turnaround times are paramount,” Mr Hannon said.

“There is a strong correlation between the visual assessment and the falling number machine results which show grain received into the system has been classified correctly.

“Our classifying process is providing accurate quality results meaning more grain can be harvested and accurately received, minimising the impact of any future rainfall events and maximising the potential for higher returns.

“We’ve consulted with a number of growers who have indicated they support this approach.”

As a result of discussions with SAFF, Viterra will provide more information at each site by displaying falling numbers and visual sprouting limits by grade.

“Our major sites around the state are equipped with falling number machines, but the time taken to individually test every load would significantly impact on the progress of harvest.

“It’s in everyone’s interest to maintain the quality of the grain and as the bulk handler we also have a responsibility to uphold the integrity of the grain in our system for all users, growers and customers,” Mr Hannon said.

Visual sprouting limits have the ability to increase quickly if falling number results are high.

Viterra will continue to work together with growers and stakeholders to manage the grain into the system.

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No: 1558

For immediate release

December 21, 2010

Adelaide, Australia

Listed: TSX:VT: ASX:VTA

Record day at Viterra silos

Viterra has recorded its largest single day since 2001 and one of the largest days on record with 276,000 tonnes delivered into the system across the state last Thursday.

Dean McQueen, Viterra's Executive Manager Grains said Viterra took the opportunity to increase opening hours and maximise deliveries for growers during a run of fine weather last week.

"We took more than a million tonnes into the system over four days. We would expect this to happen again when we have another run of fine days," Mr McQueen said.

"Growers are reporting one of the highest yielding harvests for many years."

The construction of new bunkers is continuing and new grades and segregations are being introduced to meet the needs of customers and growers.

"The bunkers at Wudinna, Snowtown and Loxton are finished and being used. We are expecting others to be ready in the next couple of weeks."

Despite the rain, milling grade wheat and malt barley is still being delivered.

"The predominate grade of wheat coming into the system is the milling grade, ASW, but we are now seeing more GP and FED grades than before the rain events."

In consultation with grain marketers, Viterra is introducing new grades, such as GPSF, which are providing additional selling opportunities for growers.

"Segregations are changing depending on the quality of the grain coming in, to try and maximise grain receivals and returns to growers.

"Across the state we are offering nearly 70 different segregations including 19 wheat grades," he said.

More information on segregations is available from the Service Centre on 1800 018 205 or the ezigrain website (www.ezigrain.com.au).

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No: 1563

For immediate release

Date: December 30, 2010

Adelaide, Australia

Listed: TSX:VT: ASX:VTA

Viterra receiving record amounts

Viterra has received more than a million tonnes of grain into its storage and handling system since Christmas Day.

Dean McQueen, Viterra's Executive Manager Grain said that Viterra received more than 300,000 tonnes of grain into its system yesterday, nearing the all time record of 312,000 tonnes.

"This harvest we've had five of the top ten receival days in the history of bulk-handling in South Australia and we've had six days over 250,000 tonnes, this has never been achieved in a harvest before," Mr McQueen said.

"In the last two weeks we've received more than three million tonnes and we expect to keep breaking records as harvest continues.

"We are opening our sites for as many hours as possible, while maintaining our legislative obligations and responsibilities around fatigue management and safety of employees, carriers and growers.

"The company has had minimal closures during the festive period to service growers and help accommodate receivals while the weather is optimal for harvesting.

"We acknowledge line-ups are frustrating for growers and carriers and while line-ups do occur in a normal year, it has been exacerbated this year by the record volume of grain coming in.

"Yesterday we received more than 11,000 individual loads of grain; we are moving trucks through quickly, whilst maintaining the quality and integrity of the grain in the system.

"Recent weather events have disrupted flow of grain into the storage system, as the South Australian harvest has been compressed into a shortened timeframe and classification procedures are more complex.

"Our employees are doing an exceptional job in what has been a long and challenging harvest and they continue to provide a high level of service to growers and carriers.

"We've invested in 800,000 tonnes of extra storage capacity and these new bunkers are finished and receiving grain or in the process of being completed," he said.

Viterra estimates that growers have cleared the halfway mark and harvest is approximately 60% complete in South Australia.

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For immediate release

Date: February 2, 2011
Adelaide, Australia
Listed: TSX:VT: ASX:VTA

Viterra establishes post-harvest review

Today Viterra announced it will conduct a post-harvest review to support its ongoing commitment to listen, respond to feedback and implement new initiatives to benefit growers.

The review process will engage with key industry stakeholders, including growers and their representative groups, industry bodies, companies and government agencies.

Rob Gordon, Viterra's President South East Asia said the company conducts an operational review at the conclusion of each harvest but this review would be more formal in nature and would go beyond an internal assessment of harvest operations.

"We are now nearing the end of what has been a long and challenging harvest in South Australia. Our employees have done an exceptional job and I am proud of their continuing efforts to provide a high level of service to growers and carriers," Mr Gordon said.

"Following the completion of harvest, we will critically evaluate our performance and identify ways to enhance service delivery. Viterra estimates that harvest is now more than 90% completed. We genuinely want to directly engage with stakeholders by broadening our annual review beyond an internal analysis.

"Issues relating to this harvest will be explored in the context of the record South Australian crop. Every harvest is unique and this year is no exception with widespread rain in early December.

"We will undertake this review by consulting with growers and other key stakeholders to learn from our collective experience this year.

"We expect this process will identify ways to improve our service delivery, communication and methods of consultation with growers and stakeholders in the future."

To provide confidence to growers, the review process will involve an independent expert to support the working group established by Viterra.

Further details will be announced including information about the stakeholder consultation process to occur during February and March.

About Viterra

Viterra provides premium quality ingredients to leading global food manufacturers. Headquartered in Canada, the global agribusiness has extensive operations in Western Canada, North America, Australia and New Zealand. Adelaide, Australia is the base for Viterra's Southeast Asian operations. Our growing international presence also extends to offices in Japan, Singapore, China, Switzerland, Italy, Ukraine and Germany. Driven by an entrepreneurial spirit, we operate in three distinct businesses: grain handling and marketing, agri-products, and processing. Our expertise, close relationships with producers, and superior logistical assets allow the company to consistently meet the needs of the most discerning end-use customers, helping to fulfil the nutritional needs of people around the world. TSX: VT ASX: VTA

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For Immediate Release

February 7, 2010
Adelaide, Australia
Listed: TSX:VT: ASX:VTA

Hon Rob Kerin to participate in Viterra review

Viterra has announced the appointment of the Hon Rob Kerin as an independent expert to participate in its post-harvest review. Last week, Viterra announced its plans to conduct a post-harvest review to support its ongoing commitment to listen, respond to feedback and implement new initiatives to benefit growers.

As former Minister for Primary Industries and a former Premier of South Australia, Mr Kerin has an intimate understanding of the rural landscape within South Australia. Mr Kerin is currently the chairman of Regional Development SA and played a key role in the consultation process relating to the restructure of South Australia's regional development boards.

Rob Gordon, Viterra's President South East Asia said Viterra was pleased to have Mr Kerin on board to assist with developing and implementing the post-harvest review.

"Mr Kerin brings with him a wealth of experience and he has a great deal of knowledge about the industry," Mr Gordon said.

"He is well regarded and will bring some independent insight to the process."

Mr Kerin has also had a long association in agri-business through his family's rural services company. Early in his career, Mr Kerin worked as a senior grain classifier at Port Pirie silo for ten seasons and, as a result, has knowledge about the grain handling and classification process.

"Further to this appointment, the Minister for Agriculture, Hon Michael O'Brien, has requested PIRSA be represented on the working group. Viterra welcomes this addition as it will broaden the collective expertise of the group. The independent members will play a vital role in establishing the review framework, consulting with stakeholders and developing recommendations.

"Issues relating to this harvest will be explored in the context of the record South Australian crop. Every harvest is unique and this year is no exception with widespread rain in early December," Mr Gordon said.

The review will begin immediately, whereby its terms of reference and method of consultation will be formulated by the working group.

Viterra's review process will engage with key industry stakeholders, including growers and their representative groups, industry bodies, companies and government agencies. Growers will be given the opportunity to provide input directly to the review.

More details about the review will be announced next week.

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For Immediate Release

February 24, 2011

Adelaide, Australia

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Late season grain deliveries start soon

Viterra is reminding grain growers the late season grain delivery procedure will come into effect from March 1 in South Australia, with the exception of the lower south east and Victoria where it applies from April 1.

For grain delivered after these dates a sample needs to be tested for chemical residues before the grain is delivered to a Viterra site.

The testing is important to manage the quality of the grain coming in and ensure it meets the needs of destination markets.

From March 1, growers need to contact their local business centre and arrange for a two kilogram representative sample to be taken to a local site.

The sample will be tested at the site and given a provisional grade. The sample will then be sent, with a completed Late Grower Delivery Declaration Form, to the Viterra laboratory in Adelaide for chemical residue testing.

Viterra covers the cost of the testing procedure which takes a minimum of 10 days.

If the test results are below the maximum residue limits then the grower can arrange to deliver their grain with the local business centre. The local business centre will determine where segregations are available depending on fumigation and out-turn requirements.

The grain will be tested at the receival point as per Viterra's receival specifications.

Further details about the late season grower delivery procedure is available on the Viterra website www.viterra.com.au.

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For Immediate Release

February 22, 2011
Adelaide, Australia
Listed: TSX:VT: ASX:VTA

SAFF joins Viterra post-harvest review

Viterra is pleased to announce the inclusion of South Australian Farmers' Federation President Peter White on its post-harvest review working group.

Rob Gordon, Viterra's President South-East Asia said the inclusion of SAFF in the review process strengthens the working group, which also includes Rob Kerin and PIRSA representative Dave Lewis.

"Peter White and Dave Lewis bring hands on experience, industry knowledge and expertise to the working group, which can only benefit the review process," said Mr Gordon.

"We expect the review will identify ways to improve our service delivery, communication and methods of consultation with growers and stakeholders in the future."

Rob Kerin has also been appointed as Chair of the working group and spent the past two weeks meeting with stakeholders in preparation for the first working group meeting this week.

Rob Kerin said the informal meetings have given him a good understanding of the issues.

"I went to a few regions informally meeting with some growers and stakeholders and getting a better grasp of the issues to ensure the consultation process and the terms of reference address everyone's needs," said Mr Kerin.

"I'm confident the review will provide valuable recommendations for Viterra, and in some instances industry stakeholders, to consider for future harvests.

"It is about learning from the challenges faced this year given the pressures of the record crop and the rain," said Mr Kerin.

Viterra's post harvest review working group will agree on the Terms of Reference for the review and determine the consultation process at its first meeting.

The working group will ensure the consultation process gives all interested stakeholders with the opportunity to provide feedback.

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For Immediate Release

March 3, 2011

Adelaide, Australia

Listed: TSX:VT: ASX:VTA

Terms of Reference established for Viterra post-harvest review

Viterra's Post-Harvest Review Working Group has today announced the scope, Terms of Reference, and consultation process for the review.

The Working Group consists of senior Viterra personnel, together with independent members, Rob Kerin, a former Minister for Primary Industries, Peter White, President South Australian Farmers' Federation, and Dave Lewis, Primary Industries and Resources South Australia representative.

Rob Kerin, Working Group Chair, said the group had agreed on the Terms of Reference for Viterra's post-harvest review which outlines the scope and consultation process.

"The review will assess Viterra's South Australian operations in the context of the state's grain harvest in 2010/11, and the challenges faced this year given the pressures of the record crop and widespread rain during harvest," Mr Kerin said.

The Working Group will give consideration to issues that influence the efficient operation of Viterra's South Australian grain handling and storage network, including but not limited to:

- Communication to growers and carriers during and prior to harvest.
- Available storage capacity, including the number of segregations made available during harvest.
- Grain classification, including sampling, assessment techniques (visual and objective), standards and classifier training.
- Site opening hours and service delivery to growers and carriers.
- Awareness of on-site safety procedures and protocols for all visitors to Viterra sites.
- Harvest forecasting.
- Information provision for the benefit of growers, including warehouse and quality data disclosure during 2010/11.
- Any other factors that may have impacted upon service delivery to growers during 2010/11 harvest.

"A questionnaire will be distributed to all South Australia growers, providing them with the opportunity to input directly to the review.

"Key industry representative groups will be invited to participate in the review and make formal submissions responding to issues such as those outlined in the Terms of Reference.

"Further to this the working group is inviting all interested stakeholders to make a written submission. Details are on the Viterra website," Mr Kerin said.

Further information about Viterra's post-harvest review is available at www.viterra.com.au.

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For Immediate Release

March 15, 2011
Adelaide, Australia
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Viterra's Community Fund for Flood Recovery now open

Viterra is now accepting applications for its Community Fund, which includes an additional \$75,000 for flood recovery projects to assist regional and rural communities in flood-affected areas across Queensland, Victoria and New South Wales.

The Viterra Community Fund, which is designed to help rural and regional communities by providing grants for education and training, health, youth development, and community amenity projects, will this year have a special focus on assisting flood-affected communities in eastern Australia.

Rob Gordon, Viterra's President South East Asia said Viterra's injection of \$75,000 for flood recovery allocations is in addition to the company's national Community Fund allocation.

"Since 2006, the Community Fund has provided more than \$500,000 to projects in rural and regional communities throughout Australia. This year will be the fifth round of allocations" he said.

There are four categories outlined in the selection criteria: education and training, health, youth development, and community amenity.

"Grant applications are assessed on the quality of the community benefit they will deliver and community support for the project."

Applicants should be able to demonstrate initiative and energy in raising funds locally.

"We encourage applications for projects that will have a sustainable impact on the local community and we prefer to allocate funds for goods and services rather than providing a cheque."

There are no dollar limits on projects, but assistance in the range of \$1000 to \$5000 is more likely to attract support.

An advisory committee, made up of representatives from the agricultural industry, meets to award funding. This year, allocation meetings will be held in South Australia, Victoria and Queensland.

Further details about the Viterra's Community Fund, including selection criteria and the application form, are available at www.viterra.com.au. Applications will close at 5pm (SA time) on Monday 16 May.

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For Immediate Release

March 15, 2011
Adelaide, Australia
Listed: TSX:VT: ASX:VTA

Viterrra's 2011 Community Fund now open

The 2011 Viterrra Community Fund opened for applications today.

The Community Fund, which is designed to help rural and regional communities by providing grants for education and training, health, youth development, and community amenity projects, will this year have a special focus on assisting flood-affected communities in eastern Australia.

Rob Gordon, Viterrra's President South East Asia said in addition to the company's national Community Fund allocation, Viterrra had injected an additional \$75,000 for flood recovery projects to assist regional and rural communities in flood-affected areas across Queensland, Victoria and New South Wales.

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FOR IMMEDIATE RELEASE

March 28, 2011

Adelaide, Australia

Listed: TSX:VT: ASX:VTA

VITERRA INVESTS IN REGIONAL JOBS

Viterra is recruiting for more than 200 permanent employees to work at grain sites across South Australia which will significantly increase Viterra's permanent regional workforce.

Rob Gordon, Viterra's President for South East Asia said the company was committed to its Australian business, the Australian grains industry and its service delivery to Australian growers.

"Accessing and retaining good employees is paramount to our service delivery and this is a challenge for any company with a large regional workforce," said Mr Gordon.

"These permanent positions will allow us to retain experienced and proven current casual employees. It will also allow us to attract new employees who are seeking permanent employment as opposed to seasonal work."

Viterra is recruiting for full-time and part-time positions now, so the new employees will be fully trained before next harvest, and to help with the large task of out-turning and exporting the current grain stocks.

"Once these permanent employees are on board we will invest in training and development as a priority to build our employees' skills and knowledge which will have long term benefits for the company, our stakeholders and the industry."

Viterra offers permanent employees opportunities for career progression through the skills-based career path.

"The skills-based career path recognises skills and competencies needed to progress within the storage and handling division, linking the level of skill achieved to remuneration levels and employment opportunities."

Positions are available at various sites in the Northern Area, South East Area, Murray Mallee, Yorke Peninsula and Eyre Peninsula.

Service delivery through Viterra's storage and handling network is being assessed as part of Viterra's post-harvest review instigated by the company following the record 2010/11 harvest.

As part of the post harvest review, the working group is consulting with a variety of stakeholders, including growers.

"Initial feedback has recognised the hard work of our employees in receiving the record crop and also highlighted the importance of accessing and retaining good staff.

"We have acknowledged this feedback and are taking immediate steps to improve our ability to service growers for future harvests."

Applications can be submitted through the Viterra website, www.viterra.com.au.

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For Immediate Release

April 4, 2011

Adelaide, Australia

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VITERRA DISTRIBUTES HARVEST QUESTIONNAIRE

Growers are being given further opportunity to provide their feedback on the 2010/11 harvest via the Viterra Post-harvest Review Grower Questionnaire, which is being distributed this week.

Viterra is conducting a comprehensive post-harvest review to investigate ways to improve its service delivery, communication and methods of consultation with growers and stakeholders following the record harvest.

Chair of the Post-harvest Review Working Group, Rob Kerin said it was important for all growers to provide feedback in order for the working group to make informed recommendations.

“We want to find out what did and didn’t work during harvest based on growers’ own personal experiences,” he said.

“The questionnaire was sent by email to approximately 4000 growers last week and a hardcopy is being mailed to all growers who delivered grain into the Viterra storage and handling network during the 2010/11 harvest.

“Growers can also access the questionnaire online at <http://squareholes.com/viterrasurvey>.

“At the beginning of the questionnaire, growers are requested to enter their NGR number - this is solely to ensure the validity of the data collected.

“All answers will remain anonymous, so please provide honest feedback about your experiences during the 2010/11 harvest.

“Findings from the questionnaire will be presented to the working group so it can assess all relevant feedback in the context of improving Viterra’s operations for future harvests,” Mr Kerin said.

If growers wish to contribute beyond the questionnaire the working group would welcome submissions. Details are available on the Viterra website, www.viterra.com.au.

The working group consists of both internal and external participants, including Rob Kerin, a former Minister for Primary Industries and Premier of South Australia, Peter White, President, South Australian Farmers’ Federation, Dave Lewis, Grains Industry Development Manager, Primary Industries and Resources South Australia and senior Viterra personnel.

Members of the working group have been consulting widely with key industry stakeholders, including growers and their representative groups, industry bodies, and carriers in order to thoroughly examine the issues raised during the 2010/11 harvest.

All recommendations formulated by the Working Group will be released publicly.

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For Immediate Release

April 14, 2011

Adelaide, Australia

Listed: TSX:VT: ASX:VTA

RECORD GRAIN EXPORTS FOR SOUTH AUSTRALIA

Grain exports through Viterra's ports in January, February and March topped 2.26 million tonnes, the most shipped in three consecutive months in the history of bulk grain exports from South Australia.

This continues the record shipping program, which has seen 3.8 million tonnes exported from October 2010 to March 2011.

Dean McQueen, Viterra's Executive Manager Grain said there is a highly competitive market for South Australian grain with a number of active grain exporters.

"Of the 3.8 million tonnes of grain shipped since October, 2.60 million tonnes was owned by grain marketers other than Viterra," Mr McQueen said.

"This year, twelve companies have exported wheat from South Australian ports. Just three years ago, there was only one single-desk exporter of bulk wheat."

Since entering the Australian grains industry in 2009, Viterra has made significant infrastructure investment designed to improve the efficient operation of South Australia's export supply chain for the benefit of growers, exporters and destination customers.

"Viterra has invested more than AUD35 million during the past eighteen months in storage, transport, logistics and port terminal infrastructure, enhancing export supply chain efficiency and facilitating greater throughput and increased grain exports from South Australia," he said.

"These volume records have been achieved while managing a diverse client base as well as a number of different types and grades of grain. For example, in February we exported the highest number of grain grades in our history."

Following the record harvest, grain is continuing to move through the Viterra storage and handling network at record levels.

"We expect shipments to be very strong over the next few months given the amount of grain in storage, the favourable commodity pricing environment and production issues in other grain growing regions of the world.

"Our current initiative to recruit 200 permanent regional employees will further underpin our operations to execute the shipping program and prepare for next harvest," he said.

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Forward Looking Statements

Certain statements in this news release are forward-looking statements that reflect Viterra's expectations regarding future results of operations, financial condition and achievements. All statements included or incorporated by reference in this news release that address activities, events or developments that Viterra or its management expects or anticipates will or may occur in the future, including such things as growth of its business and operations, competitive strengths, strategic initiatives, planned capital expenditures, plans and references to future operations and results, critical accounting estimates and



For Immediate Release

April 19, 2011
Adelaide, Australia
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Viterra's post-harvest review consultation phase nearing end

Viterra's post-harvest review working group is reminding growers and stakeholders they still have an opportunity to provide input into the review process before the completion of the consultation phase.

A grower questionnaire was sent to all growers across the state with the deadline for responses Thursday April 21. The survey can be completed in hardcopy or online at <http://squareholes.com/viterrasurvey>. Questionnaires that are posted in and date stamped April 21 will be accepted.

Rob Kerin, chair of the Post-harvest Review working group said the consultation process involved a number of regional meetings across the state.

"The working group has met with key stakeholder groups, including growers, industry bodies, and carriers," Mr Kerin said.

"We invited a range of people to each meeting and the process allowed for everyone to be involved in a vigorous and constructive discussion about the issues experienced last harvest.

"There is still the opportunity for interested parties to have a say, either by completing the grower questionnaire or making a written submission, or in some instances both.

"Once we complete the consultation phase we will consider all of the feedback we've received from the meetings, the outcomes of the grower questionnaire and written submissions in developing our recommendations for Viterra management," he said.

"The working group will provide its recommendations to Viterra management by the end of May. Viterra will publicly release the report with the recommendations and its response by the end of June.

"Viterra has committed to making improvements to its business prior to next harvest. The recruitment of 200 permanent employees is one example of the company responding to feedback they have received."

Further information about Viterra's post-harvest review and how to make a written submission is on the Viterra website, www.viterra.com.au

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FOR IMMEDIATE RELEASE

May 12, 2011

Adelaide, Australia

Listed: TSX:VT: ASX:VTA

Viterra to invest in falling number machines

Viterra today announced a major new investment in grain equipment with the purchase of 78 new falling number machines. The falling number machines will further improve services to growers and provide the option of having rain affected wheat assessed by a machine.

The latest investment, valued at more than \$4 million, adds to the \$35 million Viterra has invested in storage, transport, logistics and port infrastructure since establishing in Australia only 18 months ago. This includes increasing the storage and handling network capacity to more than 10 million tonnes.

Viterra President South East Asia Rob Gordon said that while last harvest was a record crop and a good result for the industry the sheer volume of grain receivals pushed the storage and handling network to its limit.

"I am really proud of our regional staff for the way in which they managed these volumes under challenging circumstances," he said. "However, last season's huge crop has uncovered areas for improvement, which have been confirmed by feedback received from growers through our post harvest review. We're committed to acting on this feedback.

"We experienced almost a 'perfect storm' last season with a record crop; widespread rain across the state in early December, with more rain forecast; and only a limited number of falling number machines," he said.

"Through the post-harvest review we have listened to growers' calls to have access to falling number machines and have responded through this new investment. The number of machines we had at the start of harvest had historically been sufficient but that wasn't the case last harvest. As a result, we are significantly increasing the number of machines we own to ensure we are prepared for future seasons.

"Although the post-harvest review report is not due for release until the end of June, we are acting now to ensure the machines are installed at sites across the State in time for the next harvest."

The machines will be supplied by world-leading Perten, a global manufacturer of grain quality control equipment based in Sweden. The order will mean Viterra has 120 falling number machines, almost tripling the number of machines owned by the company.

"Falling number tests are the internationally recognised assessment method for sprouted grain classification. The machines are laboratory equipment, therefore as part of the installation process we have reviewed our sites, and where necessary, will make modifications to ensure the new machines perform optimally to deliver accurate results.

"Most importantly, employees will be appropriately trained to use the equipment. This will be further enhanced by our recent initiative to recruit 200 permanent regional employees to ensure we retain experienced employees from season to season.

"Access to falling number machines is part of a broader debate around grain classification, which includes training classifiers and encouraging uniform classification standards across the industry. Viterra will continue to play an active role in seeking greater industry collaboration and consistency on these issues."

Post-harvest review working group chairman Rob Kerin said Viterra's investment in falling number machines was a welcome initiative and would give growers confidence in future harvests.

"The strongest feedback we received during the post-harvest review was the uncertainty of the visual classification process for sprouted grain. Growers are asking for the right to a falling numbers test and this move will ensure that request is not just acknowledged but satisfied in the future," he said.

Last year's record crop saw numerous grower receival records set. The peak of deliveries occurred between mid-December and mid-January. During this four week period Viterra received approximately 5.5 million tonnes, which is more than the average annual receival total. PIRSA's final estimate for the 2010 season crop production was 10.34 million tonnes.



About Falling Number assessment

The falling number test is an indication of rain damage at harvest time. When it rains just before harvest, grain may start to germinate (sprout) in the head. Germination causes an increase in *alpha*-amylase, an enzyme that breaks down starch. Grain with high levels of *alpha*-amylase produces lower quality flour. The Falling Number test was designed to mimic the way the flour made from grain would behave in a bakery. It does not directly measure *alpha*-amylase activity but measures changes in the properties of the starch component of the grain caused by *alpha*-amylase activity.

Grain Trade Australia does not mandate the use of Falling Number tests for load by load testing. In the case of falling number machines, the decision to place machines is based on the commercial determination of storage operators

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Viterra establishes dedicated grain classification training unit

Viterra is strengthening its grain classification training capacity through the creation of a new unit within the company's quality and technical services group dedicated to providing classification training to regional employees. This will involve the recruitment of six new quality control officers.

The company is currently recruiting for five Quality Control Field Officers and a Quality Control Training Manager to be based across the State – two covering Eyre Peninsula, one covering Lower North and Yorke Peninsula, one covering the Mid North and one covering the South East and Murray Mallee – to ensure the consistency of grain classification at all sites.

Viterra President South East Asia Rob Gordon said the establishment of the new division built on recent company initiatives, including the purchase of 78 falling number machines and the recruitment of 200 permanent operations employees.

"These quality control field officers will be responsible for training our grain classifiers in grain assessment techniques and the use of classification equipment, including the recently purchased falling number machines, and they will provide ongoing support especially during peak periods at harvest," he said.

"A dedicated internal training team reduces our reliance on third-party trainers, which means we retain the expertise in-house. This is consistent with our recent initiative to recruit 200 permanent operations employees, which is designed to retain existing expertise as well as attracting new talent.

"We have listened to feedback received during the Post-harvest Review about the grain classification process and we are responding by making the necessary investments to address some of the legacy issues in the system. As with the other initiatives we need to act now to ensure we are ready for next harvest.

"We are committed to providing a high level of service to growers and investing in training and development opportunities for our employees.

"While these initiatives highlight the company's commitment to grain classification, we will continue to play an active role in seeking greater stakeholder collaboration and consistency in encouraging uniform classification standards across the industry."

Viterra has invested approximately \$35 million in storage, transport, logistics and port terminal infrastructure in South Australia since taking ownership of the company only 18 months ago. This investment was further enhanced recently with the announcement that the company was purchasing a suite of falling number machines valued at more than \$4 million.

Recruitment for the quality control positions began last week and they will receive intensive training before commencing their work with local site employees.

About Viterra

Viterra provides premium quality ingredients to leading global food manufacturers. Headquartered in Canada, the global agribusiness has extensive operations in Western Canada, North America, Australia



and New Zealand. Our growing international presence also extends to offices in Japan, Singapore, China, Switzerland, Italy, Ukraine, Germany and India. Driven by an entrepreneurial spirit, we operate in three distinct businesses: grain handling and marketing, agri-products, and processing. Our expertise, close relationships with producers, and superior logistical assets allow the company to consistently meet the needs of the most discerning end-use customers, helping to fulfill the nutritional needs of people around the world. TSX: VT ASX: VTA

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