



Single Desk Fact Sheet # 6

Your Single Desk: Impact of moving Single Desk to Port

Based on current supply chain arrangements a move to a FOB Single Desk would negatively impact grower returns and would not result in savings to growers.

Moving the Single Desk to 'Port' could result in a \$US175 million erosion in grower returns – as a result of a loss of site selection, logistics and a reduction in available pay grades.

If an 'at Port' model was introduced, research by AWBI found that there was the potential to lose approximately US\$5.00 per tonne from:

- growers having to negotiate storage, handling and transport rates directly with monopolies
- AWBI losing marketing advantage from loss of site selection

In addition,

- ▶ *Folding APW back into ASW and APH into AH (seven segregations) would also cost growers an incremental \$US6.33 per tonne (or almost \$US100 million) averaged across total export volume.*
- ▶ *Logistics specialists Hoffman and Matthews reject the Accenture report claims that removing AWBI from the supply chain will bring additional competition and unlock \$100 million in savings.*
- ▶ *The Single Desk 'at Port' model in Canada contributed to the C\$84.5 million (A\$94 million) shortfall in their wheat pool in 2002/03.*

The flaws in the 'at Port' argument lie in Australia's mainly uncompetitive storage and rail systems. In the absence of competition, the Bulk Handling Company's (BHC) have no incentive to pass on supply chain savings to growers.