Submission to: rrat.sen@aph.gov.au

Department of the senate

The Senate Rural and Regional Affairs and Transport Standing Committee.

Re: Wheat Export Marketing Bills.

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The draught export marketing bill as presented completely ignores the viability and future of the most essential ingredient of the wheat industry: Ie.the wheat growers.

The bill would return the wheat growers to the same situation they were in prior to the advent of wheat stabilization that is at the mercy of the wheat traders. [Refer to the draught bill and read Wheat Exporters.] The advent of stabilization gave rise to wheat pools funded and backed by government loans. The first and subsequent payments, fair average quality, the home consumption price [guaranteeing wheat to the domestic marker] and other technology became part and parcel of The Australian Wheat Board! It was compulsory for wheat growers to deliver their sale wheat to the A.W.B. We are in different times and government has deregulated the wheat industry to such an extent that the A.W.B in its original format is finished and the wheat growers of Australia are close to a return to the law of the jungle. [ie.at the mercey of the traders].

## THE PRESENT DAY.

Australia is currently experiencing its third year in eight years, this century, of wheat shortage, the year being: 2002/3

2006/7 2007/8

Even in those years wheat growers who had harvested wheat at the tail end of harvest saw their harvest price dramatically lowered in a few weeks.

Compared to the USA., the European Community, the government buying agencies of China, Japan, the nations of the Arab world, Asian

countries, and the rest of the world Australia will stand alone in not having:

Intervention stocks
Strategic reserves
Loan reserves

Set aside programs

Carryover facilities

Other forms of supply and demand management schemes.

The AWB has been progressively stripped of its abilities and powers to manage any problems associated with keeping, fiancing, and managing a reserve stockpile. Australia's present position is that there is no carry over to 2008/9.

However in future years we would hope and expect that Australia will grow surplus wheat that can be exported to the world and also fill a domestic shortfall in years of low production. With the continuing advent of climate change Australia's ability to grow our own wheat needs and reliably supply wheat to export markets is becoming less certain. In years of exportable surplus it is not realistic to expect wheat growers to be able to finance the cost of a carryover of say 6 to 10 million tonnes of wheat, [a completely realistic possibility.] This should become a responsibility of government. In the absence of government the greed of wheat traders and wheat exporters [many of then foreign owned] would rule the day.

I ask the senate committee to recommend to government that experts such as professor Garnault, be appointed to recommend ways and means of addressing these problems.

Wheat marketing in Australia both domestic and export has a long history of ups and downs. The AWB incorporated most of the best marketing features and a lot of safety features for the benefit of domestic consumers and Australian wheat growers.

In deregulating the wheat exporting marketing system it is essential to keep and improve the best features of the old system and not "throw the baby out with the bath water'.

Malcolm E McLeod