

Under the proposed Government model, wheat growers in Australia will be condemned to the same system used in the US and Europe run by a few multinational grain traders where growers need subsidies to survive. The only reason these same companies want to get their hands on Australian wheat is to make money for themselves and not maximise returns to growers as has been the charter of the single desk.

The question has to be asked as to why the Labor Party is determined to destroy the single desk wheat marketing arrangement. Has their support for the multiseller system been bought by these multinational traders through donations to the Labor Party, or is this some sort of payback to a group of coalition supporters by taking away our collective bargaining system in retaliation for the previous government's "Work Choices" legislation. These are the only two reasons I can think of because there are definitely no economic advantages for the majority of growers in the multiseller model.

Minister Tony Burke is quick to point out that they have gone to an election with this multiseller policy and therefore would be breaking an election promise if they don't continue. PM Kevin Rudd also promised that if elected he would govern for ALL Australians – it is just a matter of which election promise he is going to break.

Mr Burke raises the question of competition, or lack of, under the single desk, but competition works both ways. He seems to assume that the supply/demand situation that exists at the moment will continue and that is a flawed position. The world's wheat growers will respond to the incentive of higher prices and plant a massive crop. Once favourable weather conditions return, the supply will once again be greater than demand. Given that many Australian wheat growers are presently cash poor due to successive years of drought, they will be forced to compete against each other at harvest thus reducing the price to that of the weakest seller.

Mr Burke seems also determined to punish the AWB for the Iraq kick-back scandal, but the only people that will be punished will be the growers. This is because the AWB, as one of the newly licensed traders, will stand to make a lot more money if they don't have

"maximise returns to growers". It was not the system (single desk) that was at fault but the operators, so why destroy a system that has worked so well for many years when all that is needed is greater and more stringent regulation.

Mr Burke also notes that several groups, which he names, have come out in support of the new policy. AWB Ltd, ABB Ltd, CBH Ltd and Graincorp, the companies named, all have a vested interest as they will hope to make a lot of money at growers expense. The Grains Council of Australia does not represent the NSWFA or the WAFF – the two biggest wheat producing states. Both these associations have policies which support the single desk and consequently both have withdrawn from the GCA.

Another service that the single desk provided was stringent quality control, standards nationwide and uniform grades and varietal control to ensure that the wheat delivered to customers was of the grade and quality requested. Who is going to provide these controls in future under a multiseller model. We also saw last year many individual growers lose hundreds of thousands of dollars in forward selling contracts. It makes far more sense to have a single body with a guaranteed tonnage and experts in this volatile area to sell the national crop as the season progresses.

The export wheat industry contributes many billions of dollars to the Australian economy and it is my strong belief that if this multiseller model is introduced it will be the beginning of the end for this once great industry.

Bruce and Penny Black

