



Joint Media Statement – March 11th 2008.

INDUSTRY ASSURES KEY ELEMENTS OF WHEAT MARKETING

The three companies that handle the accumulation, logistics and storage of 80 per cent of the Australian wheat crop, GrainCorp, the CBH Group and ABB Grain, have provided a number of assurances to growers, as the wheat industry prepares for a new era.

The companies have moved to assure all Australian wheat growers that they would continue to offer a range of marketing options, including wheat pools and quality incentive payments during the 2008/09 harvest.

Don Taylor, Chairman of GrainCorp, said the draft wheat legislation provided certainty to the industry, and the benefits from open markets and greater transparency would be evident from day one.

“There have been unfounded rumours about the capacity of our industry to provide services that are important to growers, following the removal of the monopoly pool. The key message to growers from our companies is that 2008/09 will be ‘business as usual’ and we will offer growers a range of marketing options. Growers can plant their 2008 wheat crop with total confidence”, he said.

“We can put a lot of minds at rest and assure growers that the normal process of securing finance for buying grain is on track. We will be providing pools for the coming harvest and will continue to pay growers incentives for delivering quality wheat. Claims that we are not going to provide quality based price signals are wrong”, Mr. Taylor said.

Tony Critch, Chairman of the CBH Group, said the Government had the full support of the corporate sector of the industry and grower shareholders.

“The CBH Group will be offering competitive pools this harvest to accumulate wheat for our Asian milling investments and other customers. We have increased our wheat team and are now putting the final touches in place with our systems and finance. This will be a significant gain for the members of our cooperative, the wheat growers of Western Australia, who are almost totally dependent on the export market”, Mr. Critch said.

“The most important single point about the removal of the monopoly is that growers will have more choice, and there will be more companies competing to buy wheat from growers”, he said.

ABB Grain Chairman Perry Gunner said the Government’s decision to use the deregulated South Australian barley industry as a template for the legislation was sensible.

“The prudential arrangements for the barley industry in our home State and the very successful accreditation process for potential exporters have worked well. The adaptation of this system to the wheat industry will work just as well. It will allow all industry participants to proceed toward the new season crop with confidence and certainty,” Mr. Gunner said.

Mr. Taylor, Mr. Critch and Mr. Gunner said their companies were looking forward to servicing growers in the new more competitive wheat market and working with the Government to successfully implement the new system.

They urged the Opposition to support passage of the legislation through the Senate to provide certainty for marketing of the 08/09 wheat crop.

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