



AUSTRALIAN GRAIN EXPORTERS ASSOCIATION

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17 September 2009

Sarah Sheppard
Director, Wheat Access
Australian Competition and Consumer Commission
By Email: Sarah.sheppard@acc.gov.au

Dear Sarah

Re: Supplementary Comments re CBH Charges

AGEA has noted that from an article published in Lloyd's List Daily Commercial News today, 15 September 2009 (writer Rob McKay) that CBH has announced changes to its pricing structure.

In addition, in a circular email to customers including the members of AGEA, CBH has stated: "CBH Grain Operations has restructured its charges this year to align with the ACCC requirements for CBH's Port Access Undertaking."

CBH appears to claim, incorrectly, that changes to its pricing structure are in conformance with undertakings that have been accepted by ACCC.

AGEA members have also recently been advised by CBH that the standard storage carry charge, which is normally accumulated on a per month basis for grain over the period of the shipping season will be removed as a storage fee, but included as an export fee (bundled with the fobbing charge) and invoiced to exporters up front as a flat fee.

A flat fee on FOB including storage will have the impact of making the direct access cost higher, thus further restricting the ability for exporters to have choice in supply chains. This is further compounded by the fact that CBH rules require exporters to confirm whether they are using Grain Express or direct access within 7 days of the auction. Given the basis of this charging policy, it is critical that exporters are not bound to nominate Grain Express or direct port access within 7 days from auction as it makes pricing anti-competitive to developing direct port access supply chains.

Without going into further detail here, we also believe this move reduces transparency and camouflages price signals to the growers.

Yours sincerely

Robert Green
President