



News Release

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CBH shipping allocation system 'falls short'

The Australian Grain Exporters Association believes the CBH group's proposed shipping allocation system falls short of industry expectations and requirements.

AGEA President, Robert Green, said the revised scheme was put to AGEA Members on June 30.

"While an allocation process is required to avoid a repeat of the logistical problems that occurred in the last harvest, the AGEA position is that the process needs to be fair, cost effective, simple and actually enhances supply chain efficiencies."

"There are a number of issues with the proposed capacity allocation system. It appears to have taken little account of the industry's views and previous feedback; it is complex, it does not share the risks, and it does not provide full, transparent access to grain transport and handling capacity.

Discussion around a revised shipping allocation process has been occurring in the wake of the 2008/9 harvest where there had been considerable delays and blockages in grain exports from WA, largely through insufficient logistical and infrastructure preparation for the post-harvest shipping program.

The grain market has rapidly adjusted and it is critical that the infrastructure providers also adjust their operations to meet current and future market demands.

Mr Green observes that the new marketing arrangements are likely to see a number of changes to traditional supply chains and there will be ongoing challenges as all players seek to develop the most efficient supply chain models, and increase service and competition at the farm gate.

"Infrastructure operators need to be flexible to service multi supply chains to and at port. The current proposal falls short of our members' expectations and requirements."

"It is obviously critical for the next harvest and beyond that there is a system put in place which is a transparent and cost effective process that delivers operational flexibility and creates a more efficient and co-ordinated approach to allocating shipping slots for all.

"As a key industry body, AGEA will continue to work with all stakeholders, including CBH, on overcoming supply chain shortfalls to increase efficiencies," said Mr Green.

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