



Grain exports progress

Media Release

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In the first year of deregulated export wheat marketing after changes to the marketing arrangements in July 2008, the Australian grains industry has achieved a series of major accomplishments and advancements.

Mr Robert Green, AGEA President, says that in assessing activities since the conclusion of the 2008/9 winter crop harvest, the over-riding view is that the new marketing era has worked well.

"Contrary to some reports, the huge nation-wide process of harvest, transport, storage, handling and marketing has worked extremely well. Very large volumes of wheat have been shipped by both bulk and container freight since harvest."

The Australian Grain Exporters Association is the representative body for exporters of Australian grains and draws its membership from a group of experienced Australian based grain exporters.

Wheat Exports Australia reports that since October 2008, more than 5.2 million tonnes of bulk wheat has been exported, by 15 accredited exporters, to 35 countries

This accomplishment to date is testament to the industry's ability to manage grain marketing and exports in a deregulated environment. Mr Green said Australian wheat is in strong demand globally and growers now have more flexible access to a selection of accredited buyers, offering a variety of marketing options.

"Grain price movements reflect international and local market conditions which in turn are influenced by supply and demand trends. It's a case of transparency and clear market signals, and the trade having systems in place to manage market risk."

He said exporters were prepared and ready for deregulation, though the transport task to service the excellent demand for Australian wheat had been underestimated.

"While there may have been large ship queues and long delays which highlight a need for logistical changes and infrastructure investment, the grain has been efficiently accumulated and marketed, and payments have flowed smoothly."

The spotlight has been on WA, due to the drought on the eastern seaboard last year.

"The fact that the CBH Group shipped a record monthly tonnage of 1.54 million tonnes of grain in March 2009 demonstrates that the deregulated marketing system is working successfully. However, in spite of this, many exporters have experienced long delays and incurred considerable costs so we still have a lot of work to do on the inland supply chain."

To date, WA has exported 5.04 million tonnes of grain from the total 12.3 million tonne 2008-09 WA grain crop, and is likely to export record tonnages through to the end of August.

"Even so, it is important that there is a long-term shipping allocation system across the nation, and exporters will participate in the process to find the solution. Industry can and will work this out as we develop a stronger, more efficient and competitive wheat export industry," Mr Green said.

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