

# Grain Storage

## The GTA Storage & Handling Agreement

In 2009, GTA released a Storage & Handling Agreement. This agreement was borne out of an identified need where grain producers had warehoused grain without any formal documentation being executed.

Serious issues arose when the financial capacity of the warehouse operator was questioned. The major issue was that administrators challenged organisations that had warehoused grain to be able to prove title in comingled grain. The GTA Storage and Handling Agreement, whilst not tested at court, sets out to address this issue.

As applies to all GTA contracts and agreements, this agreement can be amended to suit the specific needs of the parties. It was designed for the storage and handling of all grain types and could, with appropriate review by legal advisers, be used for on farm storage of grain.

### KEY TERMS COVERED IN THE AGREEMENT

**Agreement:** the client agrees to store the commodity identified in Schedule 1 to the agreement for the fees as specified in Schedule 1. The storer agrees to store that commodity subject to the terms and conditions of this agreement in clean, dry, ventilated and in all circumstances appropriate storage facilities including without limitation, silos, storage bins and/or covered bunkers. Under this agreement, any weighbridge docket and quality testing results shall be conclusive evidence of the quantity and specification of the commodity being stored.

**Receival:** the storer will sample, provide quality testing services, classify into available grades, weigh, store and load (if available) rail or (if available) road transport or transfer the commodity to another party under this agreement. The storer will

receive and load the commodity in accordance with recognised receival specifications and sampling methodology unless otherwise agreed. The storer may, at its discretion, accept or refuse to receive the commodity for storage and/or warehousing, based on quality, hygiene, safety and its capacity and efficiency. The client will immediately remove the commodity from the storage upon receipt of a notice from the storer requiring it to do so.

**Storage:** the commodity received and stored/warehoused may be comingled with commodity of the like type and specification, in which case all comingled commodity shall be jointly owned by all parties whose commodity has been so comingled to the exclusion of all other persons including but not limited to the storer.

**Chemical treatment:** the storer may at its expense treat the commodity with chemicals in accordance with industry practice.

**Interest:** payable at a rate of 1.5% per calendar month, calculated daily.

**Insolvency:** in the event of the insolvency of the storer, the client or any purchaser



remains the owner of the commodity. The client will be entitled to immediate discharge of its commodity, on demand, subject to any lien.

**Insurance:** the storer is under no obligation to insure commodity against loss, damage, and/or destruction. The client will at all times during this agreement keep the commodity insured against all risks while it is held at the nominated facility/facilities.

**Rules of Trade:** Trade Rules of GTA to apply.

**Dispute Resolution:** Dispute Resolution Rules of GTA to apply.

### FURTHER INFORMATION

The full agreement can be found on the GTA website Storage and Handling page. [http://www.graintrade.org.au/storage\\_and\\_handling](http://www.graintrade.org.au/storage_and_handling)