

# MemberUpdate

UPDATE 23 of 18 • 5 September 2018

**TOPIC: 2018/19 Location Differentials for QLD, NSW & VIC**

**DISTRIBUTION: GTA Members – primary contact list. Please circulate to all appropriate internal parties.**

## 1. Issue

The GTA Board has approved for release the GTA Location Differential (LDs) for the 2018/19 season as recommended by the GTA Commerce Committee.

These are now available on the website and will take effect from **1 October 2018**.

[http://www.graintrade.org.au/location\\_differential\\_tables](http://www.graintrade.org.au/location_differential_tables)

## 2. Background

GTA publishes the LDs for the storage locations of our members in Qld, NSW, Vic, SA and WA annually to enable participants using the GTA Contract No. 2 Grain and Oilseeds in Bulk – Basis Track to price grain at up-country sites. Each year GTA consults with members and the wider grain industry to address potential changes.

This year GTA circulated [Member Update 2 of 18](#) on 6<sup>th</sup> March 2018 calling for first round (Round 1) submissions and [Member Update 11 of 18](#) on 11<sup>th</sup> May 2018 called for further/final amendments (Round 2) by 31<sup>st</sup> May 2018.

The GTA Commerce Committee subsequently reviewed all 2018/19 LD submissions at their meeting on 1<sup>st</sup> June 2018 and recommended they be approved for release by the GTA Board. The Board accepted this recommendation at their meeting on 28 August 2018. This means east coast LDs are now available for use.

## 3. Location Differentials ARE NOT freight rates

GTA releases Location Differentials each year to enable pricing of the GTA No 2 Contract – *Contract for grain and oilseeds in bulk delivered* price basing point or port terms (Basis Track) commonly referred to as the “Track Contract”.

If they are used for other purposes this should be done with the knowledge that there may be a difference between the GTA Location Differentials and the actual cost of freight execution. This “freight price risk” or “freight basis” must be managed by commercial interests.

Members should adjust their port based pricing according to their analysis of the Location Differentials. The GTA Location Differentials are not published to be a substitute for management of freight price risk and the variation between the LD and the actual cost of execution of freight should be managed by the organisation commercially.

For more information refer to the GTA Fact Sheet – [Location Differentials](#)

#### 4. Amendments to LDs in QLD, NSW and VIC

The following amendments/additions have been approved for NSW, QLD and VIC LDs:

##### a. Queensland

Bungunya	GNC	Road & Rail to Road Only
Moura	GNC	Road & Rail to Road Only
The Gums	GNC	Road & Rail to Road Only
Oakey	GNC	Remove, closed site
Ulimaroa	Parkinson Bros	New Site – Road Only

##### b. New South Wales

Merah North	GNC	Road Only to Road & Rail
Baan Baa	GNC	Remove, closed site
Narwonah	GNC	Remove, closed site
Harden	GNC	Road Only to Road & Rail

##### c. Victoria

Mitiamo	GNC	Road Only to Road & Rail
Lillimur	GNC	Road Only to Road & Rail
Jeparit	GNC	Road Only to Road & Rail
Litchfield	GNC	Remove, closed site
Meringur	GNC	Remove, closed site
Yaapeet	GNC	Remove, closed site
Bridgewater	Southern Grain	New Site - Road Only

#### 5. Location Differentials & Amendments for SA and WA

GTA set the LDs on behalf of industry for GTA Member sites only and only when requested by a member. GTA LDs are generated for QLD, NSW and VIC whilst the trade has agreed to use Viterra and CBH Group published **freight rates** for South Australia and Western Australia each year, subject to approval by the GTA Commerce Committee.

GTA does provide LDs on request for site operators other than Viterra and CBH in those states.

Please note; until such time as the South Australia and Western Australia LDs are approved by the GTA Board, the current 2017/18 LDs remain in place.

## **SA**

The GTA Location Differentials in South Australia are derived from the Viterra Export Select Rates provided to GTA.

Viterra Export Select Rates for all of their SA sites are yet to be provided to GTA. They will be available on the GTA website once they have been approved by the GTA Board, having been provided to and reviewed by the GTA Commerce Committee.

For SA sites where a site is not owned by Viterra, the Committee agreed in 2010, to adopt a methodology that is based on the net tonnes per km rate for nearby Viterra sites adjusted for road distance (referred to by Google Maps) to port and apply that rate.

SA sites with a port destination in an adjacent state use the same methodology employed in the destination state e.g. Victoria.

## **WA**

GTA anticipates CBH Group and Bunge will provide their 2018/19 rates in October. These will be posted on the GTA website and members will be notified at that time following GTA Commerce Committee and GTA Board approval.

## **6. Effective Date**

The GTA 2018/19 Location Differentials are effective from **1 October 2018**.

## **7. Excel Format**

*The GTA 2018/19 Location Differentials are available for GTA Members in excel format.*

*Please send your request for these to [admin@graintrade.org.au](mailto:admin@graintrade.org.au) and include "Excel Location Differentials Required" in the subject field.*

## **8. Further Information**

For further information about the GTA Location Differentials please refer to GTA Fact Sheet - Understanding Location Differentials [http://www.graintrade.org.au/fact\\_sheets](http://www.graintrade.org.au/fact_sheets)