

Agfarm Pty Ltd

ABN: 29 001 575 798

Level 7, 56 Clarence Street
Sydney NSW 2000

T 02 8305 1000 | F 08 9279 4700
E info@agfarm.com.au



Wednesday 19th July, 2017

Dear Mr Pat O'Shannassy

Agfarm appreciate the opportunity to provide feedback on the revised GTA Technical Guideline Document (TGD) No. 4 Operating Standards for Pool Providers draft and Pool Product Disclosure Guide (PPDG) draft.

In relation to Version 1.1a of the TGD, dated July 2017, Agfarm support making the document more transparent and detailed for Pool Providers and users creating greater protection and transparency for grower customers.

Agfarm has concerns around the quantity of elements which need to be audited, and recommend a checklist is formulated by the sub-committee in conjunction with an audit company, ensuring the list is auditable, clear and standardised for all Pool Providers.

Agfarm is supportive of the PPDG, and view it as a positive step for better self-governance and transparency to protect pooling customers, and ultimately the pooling industry.

In regard to the further feedback areas on page two of the Member Update dated 12th July 2017, comments are as follows:

- a. Whether or not, Estimated Pool Returns (EPRs) should be made available or published by Pool Providers while a Pool is open for contracting, and whether the TGD should specifically prohibit the availability or publication of EPR's while a Pool is open for contracting.

Agfarm view EPR's as a very important tool for both growers and pool operators. Agfarm use EPR's to provide non-recourse cash advances to growers, and growers use EPR's to help with budgeting and cashflow forecasting. Agfarm engaged KG2, an independent market research company, to survey over 250 growers across South Australia and Victoria on this topic, and the results are overwhelmingly supportive of EPR's. Growers view EPR's as vital information to help form decisions on grain marketing, either through cashflow requirements, budgeting or ease of contracting tonnes. Agfarm firmly believe any decision to remove EPR's would create a disadvantage for growers when seeking to assess the value of a pool product verse the cash bid.

Agfarm believe the latest draft of the TGD No.4 has already further expanded the regulation of EPR's, by having pool providers who post EPR's publish them at the time of pool payment making providers entirely accountable.

- b. The time period upon which a final audit of a pool must be undertaken (and published) from the final payment of the Pool to Pool Participants.

Agfarm support the current existing time frame of no later than six months of the final payment of a Pool under Section 5 subsection d.

Agfarm Pty Ltd

ABN: 29 001 575 798

Level 7, 56 Clarence Street
Sydney NSW 2000

T 02 8305 1000 | F 08 9279 4700
E info@agfarm.com.au



c. Whether or not the tonnage delivered into each Pool Product should be included in the Final Audit Report. The purpose of this would be to ascertain the relative significance of particular products and performance.

Agfarm disagree with Pool Operators having to show volumes of grain delivered into a particular pooling program, as this information is commercially sensitive.

d. Whether GTA Dispute Resolution and Arbitration processes be incorporated into the TGD and Pool Terms and Conditions (noting the Sub-Committee support this)

Agfarm support this.

e. Whether GTA Trade Rules be incorporated into the TGD and Pool Terms and Conditions. The Sub-Committee requests further guidance from Industry noting that many of the GTA Trade Rules may not be relevant to Pools and that Pool Providers own terms and conditions cater to specific "Trade" related issues around Pools.

Agfarm believe this clause should be incorporated where possible, provided there is no conflict with a pool operators governing terms and conditions.

Regards

A handwritten signature in blue ink that reads "Ron McCalman".

Ron McCalman

Agfarm Chief Executive Officer