

28th July 2017

Pat O'Shannassy, CEO
Grain Trade Australia
PO Box R1829
Royal Exchange
Sydney NSW 1225

Dear Pat,

Thank you for the opportunity to provide feedback on the revised draft of the GTA Technical Guideline Document (TGD) No. 4 – Operating Standards for Pool Providers, and the draft Pool Product Disclosure Guide. Plum Grove support any initiatives that seek to enhance the transparency and quality of pool products available to the Australian grain grower.

Given the extensive work already done by the GTA Pool Providers Sub-committee, Plum Grove are supportive of the changes made to the GTA Technical Guideline Document No.4 and the inclusion of a Pool Product Disclosure Guide for the 2017/18 season.

In relation to the feedback sought by the Sub-committee, Plum Grove would like to comment on the following questions.

a) Should the TGD prohibit Estimated Pool Returns (EPR's) being made available to growers while a pool is open for contracting?

Plum Grove feel strongly that the EPR at the time of delivery should not be the major driver for a grower choosing a pool or deciding between pools and cash. While many of our products are indexed, with the aim of tracking the market from the point when deliveries close until finalisation, some products are designed for price certainty and the EPR is required.

As a result we feel prohibiting companies from publishing EPRs would limit the choice of products available to growers and prevent pool providers from being held accountable to any promises made at the time of delivery.

Should the GTA wish to provide guidance to growers in the form of a fact sheet or similar publication about how to interpret pool EPRs or what to be aware of when committing to a pool we would be a supporter and contributor to this.

b) How much time should be given for a pool audit to be undertaken and published once final payments have been made to pool participants?

Plum Grove agree that an independent review should be made available to the GTA and pool participants no more than six months after the final payments are made from a pool. We believe GTA has an active role to play in ensuring all pools are reviewed in accordance with the TGD, and would take appropriate action against those pool providers who fail to meet their obligations.

c) Is there merit in delivered pool tonnages being included in the final audit report?

If a product has been independently reviewed and found to be fully compliant with the TGD, we feel that there is little benefit to pool participants for this information to be made public. If this move is aimed at providing peace of mind around the reliability of published EPRs a more appropriate measure may be to include a list of grades and port zones for which there were physical deliveries in the audit report. There may also be instances where making public the total volume of grain that a pool receives may be perceived to be detrimental to the returns of that product in future years.

Kind Regards,



Andrew Young
Executive Chairman & Managing Director, Plum Grove