

Submission to a GTA Technical Committee**Instructions**

Please complete **all** sections of this form to ensure the Committee receives a clear indication of the issue and your recommended course of action.

Proposal from: Stephen Howells

GTA Member name: Ridley Corporation

Contact details:

Date submitted: 26/5/17

sent, via email, to GTA at submissions@graintrade.org.au

NOTE

Submissions will be published on the GTA website unless there is a request not to, based on confidentiality. GTA publishes submissions:

1. to aid industry in understanding the issues on a particular topic; and
2. as a method for submitters to check that their submission has been received.

Issue - *outline what the issue is.*

The current definition of Buyers Call is outdated and does not reflect "custom of the trade". The current definition is ambiguous resulting in it being used opportunistically by buyers and sellers to avoid execution of contracts, or absolve themselves of the consequences of delivery failure. The intent of a contract should be to facilitate efficient trade and this ambiguity frustrates that intent.

Impact on Member Business - *detail how the issue affects the business operations of not just your business but other GTA members as well.*

Suppliers regularly meet delivery requirements as requested, in a time-frame considerably shorter than the defined "Buyers Call" as per GTA's Trade Rules. However on occasions where delivery fails, Sellers use the definition as a fall back position to argue they are within "GTA Terms", leaving the Buyer short the undelivered tonnage in the market where they believed they had their delivery, quality and price risk mitigated. In some cases causing production to stop, potentially creating animal welfare issues when feed cannot be made.

Recommendation - *detail your recommendation to address the issue.*

Incorporate "Buyers Call" into the GTA Trade Rules, rather than as a definition outside the trade rules. Shorten the call period to "in the week prior to expected delivery, a minimum four [4] Business Days notice of request for delivery". i.e Ordering on a Tuesday (at latest) for delivery the following Monday (at earliest).

Members who Support this Submission - *list other GTA members who support this submission. Insert their name and contact person with phone number.*

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