

26th May 2017



Mary Raynes
Operations Manager
Grain Trade Australia
Level 7, 12 O'Connell Street
Sydney NSW 2000

c/o submissions@graintrade.org.au

Re: Buyers call default period

Dear Mary,

Grain Producers Australia thanks you for the opportunity to provide a submission to your review of the trade rules with reference to the default period for buyers call.

On behalf of all State members and independent grower members, GPA supports retention of the fifteen-day period as stipulated under the current trade rules. This position is also consistent with and supportive of the submissions made by GPA members, NSW Farmers Association and VFF Grains Group.

The trade rules state buyers call “means that the Seller shall have fifteen (15) calendar days or such other time specified in the contract after receipt of instructions from the Buyer in which to make Delivery or Shipment”.

If individual grain buyers prefer to negotiate alternative terms and conditions they are already free to do so. Rather than change the trade rules to make delivery period tighter for grain producers, GPA would encourage the GTA to promote the need for clear communication between buyer and seller, and to educate their members regarding the implications of the arbitration case.

The arbitration outcome should be seen as an opportunity to educate and communicate the need for both buyer and seller to clearly understand the terms and conditions of the contract. The arbitration outcome does not indicate anything is inherently wrong with the current default position.

There are a number of potential impacts on growers should the default period be shortened:

1. Many grain producers rely on contract trucking companies and labour. During busy periods organising transport or other resources to assist with arranging delivery within a short period is not feasible.

2. Depending on the time since harvest, the contract specifications for quality and any associated testing requirements, the preparation of the parcel of grain and associated paperwork for delivery may require the full notice period.
3. Should fumigation or other treatment be required the grain producer would potentially be breaching withholding period requirements should a shorter default period be implemented. With relation to phosphine products in particular the industry as a whole has been implementing a stewardship approach to ensure the ongoing access to this important product. Forcing growers to comply with a shorter default delivery period would undermine the industry message regarding appropriate use of the product.

GPA recommendation

GPA strongly supports the need for the default period to remain fifteen days as currently specified. GPA would support greater communication and education regarding the implications and use of the default period but does not support the default period being shortened.

Where different periods are required, GPA believes that GTA should encourage grain buyers to work transparently with grain producers to develop, and clearly communicate, alternative contract terms and conditions.

Thank you for the opportunity to make a submission.

Regards,



Andrew Weidemann
Chairman
Grain Producers Australia Ltd