



Western Grain Growers

Bulletin – 16 October 2015

Marsh vs. Baxter

After a ruling on September 3 by the Supreme Court's Court of Appeal that upheld last year's decision of Justice Kenneth Martin, which rejected Steve Marsh's claim for \$85,000 damages, Steve Marsh has lodged an application for special leave to appeal to the High Court of Australia.

Whilst the PGA respects that Steve Marsh has every right to make this appeal we believe it is completely unnecessary.

Michael Baxter has defended himself through two court cases and won. He was found to be neither negligent or a nuisance by growing GM canola. The accidental incursion did not damage Steve Marsh's property or affect any organic commodity produced. In addition, both the plaintiff and defence teams did not argue about the safety of GM canola because that is not in dispute.

We have always maintained the problem lies in the interpretation of the organic standards, which appear ambiguous, by those who inspect organic properties. We could easily argue that Steve Marsh does not understand the standards himself given his organic sheep were de-certified because he used a common drench to remedy a problem.

De-certifying organic growers for an unintended incursion of a safe product onto an organic farm and calling it a contamination issue is mischievous and sadly draws honest hard working organic farmers into the anti-GM industry.

Michael Baxter has acquitted himself honourably and honestly throughout this issue and the PGA will continue to support him and his family until the conclusion of this case wherever it may be heard.

Repeal of GM Crops Free Areas Act

Until the repeal of the *GM Crops Free Areas Act* has gone through Parliament we will not stop advocating and lobbying for this to occur. It is now at a crucial time in the political cycle.

It is pleasing to hear that Minister Baston is putting the final pieces of the puzzle together for the repeal to occur in this year's Parliament.

The Act's architects were the state Labor party who wanted to prohibit GM canola when it was approved by the Federal Regulator in 2003. If Labor were to win office at the next state election, they will once again use the Act to prohibit GM canola. If the Act is repealed it will give the grains industry the ability to defend the technology from interfering politicians when necessary. Operating under an exemption, within the Act, as we do now for GM canola and GM cotton makes the future cultivation of both crops uncertain.

Supply Chain Costs in Comparison to Brookfield Rail's increased access charges

The WGG committee has worked hard to collate the total supply chain costs to export a tonne of grain from Western Australia, as a guide for members.

We have undertaken this exercise for PGA members because these costs are rarely scrutinized, or well understood, because they are not direct costs but are taken off the price bids by exporters before posting. The comparison between 2013 and 2015 shows the costs are increasing.

Interestingly, the fee to access below rail is approximately \$7 per tonne, which represents 12% of the supply chain costs in 2015.

The Brookfield Rail/CBH dispute over the long-term access arrangements centres on the increased costs that Brookfield Rail intends to charge CBH. It is understood the figure is an extra \$2 per tonne.

However, as you will see by the spreadsheet below, any increase of the below rail access fee compared to the whole supply chain cost is minor. Whilst we would prefer that costs do not increase, it is important to put the potential access fee increase in context with all other supply chain costs.

Importantly, the access fee increase is negotiable to be locked in for ten years whereas all other costs can rise year upon year as they do and are likely to continue.

Moreover, a large tonnage year will see the access fee decrease and this could be more regular given the increasing hectares being planted and hopefully increasing production.

For argument's sake we have kept the premium/shipping slot cost and freight the same between years, as these changes have been minimal either way.

Lastly, members in the Northern Zone who export through Geraldton need to add on the Port Enhancement Charge (PEC) to the other costs. This amount is \$2.60

Western Australian Export Charges 2013	\$/t	note	Western Australian Export Charges 2015	\$/t	note
<u>Wheat - Kwinana Zone, Cunderdin Receival</u>			<u>Wheat - Kwinana Zone, Cunderdin Receival</u>		
Receival fee	10.5	varies depending on tonnes	Receival fee	10.8	
Freight <i>above rail</i>	7.88		Freight <i>above rail</i>	7.88	
<i>below rail (Brookfield Access)</i>	7		<i>below rail (Brookfield Access)</i>	7	
Upfront Marketer Fee	3.15	average figure	Upfront Marketer Fee	4	
Fobbing fee	14.8		Fobbing Fee	19.7	
Premium - shipping slot	7		Premium - shipping slot	7	
Shrinkage	1.6		Shrinkage	1.53	
Dust	0.8		Dust	0.76	
Total CBH charges including freight	52.73	-	Total CBH charges including freight	58.67	increase of \$5.94 in 2 years.
storage and handling	-	-	storage and handling	-	
Other Charges			Other Charges		
Wharfage	1.8		Wharfage	1.9	
Stevedoring	0.33		Stevedoring	0.35	
AQIS	0.7		AQIS	0.3	
Superintendence	0.2		Superintendence	0.22	
Port Access docs	0.25		Port Access Doc	0.25	
<u>Total other charges</u>	<u>3.28</u>	-	<u>Total other charges</u>	<u>3.02</u>	
Total Export Charge	56.01	-	Total Export Charges	61.69	

GrainsWest

The Grains West initiative was first raised in June.

It appears that the DAFWA led industry stakeholder briefing to discuss budget cuts and how it would affect DAFWA's work and priorities into the future, was interpreted as a crisis meeting, although this has been denied by the DAFWA Director-General.

Following this, a loose coalition of industry groups representing consultants, researchers and grain growers held a meeting to look at alternatives that would continue to support the current level of grains R&D in WA.

It was thought that Grains West would follow what is perceived to be the successful format of Australian Export Grains Innovation Centre (AEGIC), being a company Limited by Guarantee, 51% owned by DAFWA and 49% owned by GRDC, initially staffed by former DAFWA researchers, and attracting leveraged funding from government, etc.

It should be noted that the WGG Committee has yet to seek an update on how AEGIC will be funded when the state government seed capital expires in a couple of years or its long-term agenda.

DAFWA policy development has found that research will work better outside of the department.

It also appears an initial proposal is to establish research facilities at Northam that may duplicate the Centre for Crop and Disease Management at Curtin University

The loose coalition of industry groups representing consultants, researchers and grain growers has now formed into what is now called the Grains Industry Group. Its Chairman is Mr David Falconer. He envisages a structure that would employ a smaller number of high quality researchers, located in Perth that would not duplicate existing facilities, and be known as a centre of excellence. Mr Falconer is strong in the belief that the R&D should and will only encompass real on-ground research.

Dr Judy Carman

The last edition of the Western Grain Growers Bulletin dated 5th June 2015 included a statement to the effect that Judy Carman has been dismissed from two Australian Universities. There was no basis for these allegations against Dr Carman. The statements are retracted and an apology made to Dr Carman for any harm which the offending statements may have caused.

UPCOMING MEETINGS

Pastoral	October 21; at the PGA Boardroom, West Perth
Executive	October 22; at Studio ONE - Crown Perth, Burswood