

Do your homework before selling, storing grain

Every year at harvest, attention is focused on getting the crop in, but growers also need to ensure they have all their bases covered when it comes to trading, contract administration and due diligence on buyers and warehouseers.

Before selling grain

> Have you done a reference check on the buyer or warehouseer you are considering? This can include information from other growers who have sold to the buyer you are considering, or searching for publicly available information on the financial status of a company.

If you are selling grain

> Are you using the Grain Trade Australia Number 3 contract? Many traders are using that contract, or their own version of it, but for producers trading privately the contract is free and available for use. One thing that is important generally with any contract is that it contains a retention of title clause.

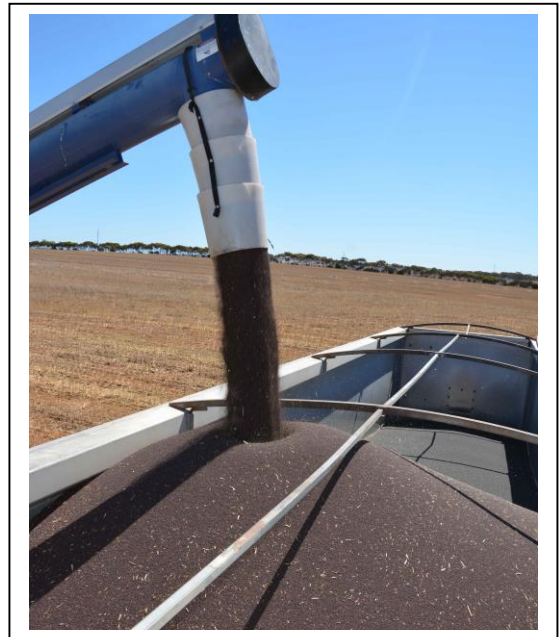
> If you are an unpaid seller of grain, you may have a registrable interest under the *Personal Property Securities Act 2009* (PPSA). This means you can register your interest in the grain you have sold on the Personal Property Securities Register (PPSR) and, if you have a contract in place and something goes wrong, you could be in a better position to receive payment. However, the contract must meet certain parameters, including that there is a retention of title clause – which is in the Number 3 contract.

If you are storing grain

> Are you using the Grain Trade Australia Storage and Handling Agreement? Many storage and handling providers have their own versions of the agreement. However it is important to check there is one and it protects your interests. The GTA agreement is free and available for use.

> For growers storing grain at a storage facility, there is some conjecture over whether you have a registrable interest under the PPSA. However, it is clear that if you register your interest in the grain on the Personal Property Securities Register, you will have greater protection in the event that there is a dispute regarding the ownership of the grain and the relevant authority finds you did in fact have a registrable interest.

The PPSA and registering an interest on the PPSR can be a difficult area to navigate. If you think all of this is beyond your capacity or a bit too much to keep track of during harvest, then consider getting professional advice.



Find out more

Download the GTA Number 3 contract at www.graintrade.org.au/contracts or call 02 9235 2155.

Download the GTA Storage and Handling Agreement at

http://www.graintrade.org.au/sites/default/files/file/Contracts/2015/GTA_Storage%20and%20Handling%20Agreement%20plus%20Schedules%20as%20at%201%20November%202015_For%20website.pdf

Learn more about the Personal Property Security Register at <https://www.ppsr.gov.au/ppsр-key-terminology>

Watch a YouTube video on how to create a registration on the PPSR at

<https://www.youtube.com/watch?v=VijSVSZh2WA&list=PLpPK2sbuxNOcDNhicoyWi4LRHMOHh1REQ&index=2>

Details

Grain Producers SA, 1300 734 884 or www.grainproducerssa.com.au

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