

### **Wheat Varietal Backflip Hurts Grain Producers**

Grain producers in South Australia have once again been denied higher grain prices.

On Thursday 15 November 2012, Grain Trade Australia (GTA) updated the wheat varietal master list to include upgrades to four wheat varieties\* from APW to AH.

With prices for the H1 and H2 grades trading at \$12 to \$17 per tonne premium over APW1, the changes to the varietal classification were welcomed by growers who are experiencing lower yields due to a poor spring finish to their wheat crops.

The upgrades resulted from work undertaken by Wheat Quality Australia (WQA), the organisation that independently classifies Australian wheat. On the face of it, it appears WQA and GTA were looking to assist wheat growers and industry by releasing the updates as soon as possible, in time for the 2012/13 wheat harvest in the southern states where the upgrades take effect.

However an urgent meeting was convened early the next morning by members of GTA including the bulk handling companies (BHC) and by mid-afternoon that day, the upgrades to the GTA wheat varietal master list had been rescinded by the GTA board. The reason given for the backflip was that due process had not been followed by the GTA board signing off on the upgrades.

Grain Producers SA (GPSA) sees no reason why the upgrades cannot be implemented for this season. Grain growers would benefit and the industry would not be disadvantaged from the upgrades. The "oversight" in not following due process by GTA is not detrimental to the industry. GPSA calls upon GTA to reinstate the upgrades to the wheat varietal master list, and conduct a review of their internal processes for making amendments post-harvest.

Grain harvest in South Australia has only just commenced with the 687,000 tonnes delivered so far of the expected 6.2 million tonne crop and those deliveries would be mainly barley and canola. As at the 15 November 2012, very little wheat would have been received by the bulk handling companies (BHC), with practically all growers with the upgraded varieties likely to benefit from the upgrade.

GPSA also understands that some BHC's in Victoria have made the decision to support the varietal upgrades and segregate the varieties to enable growers to receive the financial benefit of having an AH variety. GPSA calls upon the BHC's in South Australia to provide the segregation of these varieties to enable competing grain purchaser to buy and pay for an AH variety to benefit their grain producer customers.

\* Varieties affected

Scout – upgraded to AH in SA and Vic

Cobra – upgraded to AH in SA

Kord – upgrade to AH in SA

Axe – upgraded to AH in Vic

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#### **About Grain Producers SA Limited**

GPSA is a not-for-profit, South Australian organisation, seeking to improve the profitability and sustainability of all grain producers in South Australia.

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