



Grain Producers SA

MEDIA RELEASE

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Decision on GrainCorp highlights need for competition

GRAIN Producers SA welcomes the decision by the Federal Government to reject the Archer Daniels Midland takeover bid for GrainCorp as not in the national interest.

GPSA chief executive Darren Arney says the decision highlights the importance of a competitive grain storage, handling and bulk export system to the Australian grains industry.

“The decision indicates Federal Treasurer Joe Hockey's recognition of the lack of competition in Australian grain storage, handling and exports and was prepared to act,” Mr Arney said.

He says the underlying issue in the debate surrounding the takeover has been competition in relation to port access and the storage and handling system.

“It is such an important issue that can be a huge influence on growers' profitability and has already been raised in a number of Senate inquiries into the Australian grains industry,” he said.

“The previous Federal Government established a mandatory code for port access to ensure competition in grain exports which is current being developed and we need to see further action on this front.

“The Wheat Industry Advisory Taskforce will make recommendations to the Federal Government on grains stocks information, wheat export quality standards and the operation of grain pools.”

Mr Arney said the ports competition issue remained unresolved in South Australia.

“In 2011, the State Government established a Select Committee which made recommendations on South Australia's grain handling industry, tabling its report 18 months ago in State Parliament on how competition could be improved.

“The Select Committee wrote to the Foreign Investment Review Board and the Australian Competition and Consumer Commission regarding the Glencore takeover of Viterro, recommending a divestment of port facilities to increase competition in the South Australian grain storage, handling and export industry.

“GPSA awaits the South Australian Parliament's response to the recommendations of the Select Committee, and the new determination by the Federal Government, to ensure increased competition in the grains industry flows to all states of Australia.”

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About Grain Producers SA:

Grain Producers SA is a not-for-profit organisation that intends to represent all levy-paying grain producers in South Australia. GPSA's objective is to foster the development and implementation of policies that promote the economic and environmental sustainability of the South Australian grains industry for the benefit of its producers and the wider community. Growers are encouraged to have their say on policy and have input on the people who represent them.
