

CO-OPERATIVE GRAIN MARKETING ALREADY AVAILABLE FOR VICTORIAN GROWERS



Ballarat, Tuesday April 1st 2008: Recent calls by the Victorian Farmers Federation (VFF) for the greater use of a grain growers' marketing co-operative are welcome, but they are reinventing the wheel, according to Southern Quality Produce Co-operative (SQP).

Co-operative Chairman and Western Districts farmer Rod Laidlaw says the VFF proposal provides a clear direction for farmers but appears to ignore the existence of co-operative structures already in place. The SQP co-operative have been successfully marketing grain on behalf of Victorian growers since 2001. Initially this activity was undertaken in its own right and in recent years a more sophisticated New Generation Cooperative structure with grain industry specialists has emerged.

“SQP have established a unique structure that combines co-operative values and principles that protect growers, with the commercial rigor and risk management experience necessary to survive and prosper in the competitive world of grain marketing. The results are there for all the members to see, our pools have consistently outperformed industry benchmarks and in addition we have released a range of product innovations specifically designed for the benefit of Victorian growers.”

“I cannot see a good reason why VFF need to go to the cost of creating a duplicate structure. SQP is already operating a successful co-operative model, delivering innovative grain marketing products and services throughout Victoria, and all Victorian grain growers are eligible to join.” Mr Laidlaw said.

“SQP welcomes the opportunity to discuss these issues in more detail with the VFF and particularly the concept of VFF and SQP working together to expand the opportunity for co-operative grain marketing across Victoria.

“We would also be interested to work with the VFF to ensure a number of the other key issues relating to the new wheat legislation are clarified. Issues which we consider will be critical to the success of the Victorian grain industry in the years to come. These issues include open and fair access for all to both port and upcountry handling infrastructure, effective industry oversight, the impact of the contraction in credit markets, a properly functioning Australian grain futures market, accurate and timely release of stocks and shipping information and measures to ensure the profitability of the export grain supply chain, particularly rail freight” Mr Laidlaw said.

For more information please contact:

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BACKGROUND

Southern Quality Produce Co-operative is a Victorian farmers grain marketing co-operative that was established in 2001 in response to the poor focus of the major handlers and statutory marketers to the needs of local growers. It handled in excess of 30,000 mt of weather stained wheat that year and has grown steadily since. SQP Pty Ltd is now a major marketer of barley, wheat and canola and also handles a small volume of specialist oats. It currently represents approximately 200 Victorian grain growers.

SQP has grown steadily since its establishment, successfully navigating two consecutive droughts and unprecedented grain market volatility. It has predicted and responded to the changes impacting the Victorian grain market and despite the drought anticipates continued volume growth of approximately 50% this year.

The co-operative operates a joint venture grain marketing company, SQP Pty Ltd that offers a range of innovative grain marketing products, including marketing pools, to Victorian growers. SQP Pty Ltd is a joint venture between the co-operative and Emerald Group Australia. Emerald also operates joint ventures with other key grower groups throughout Australia including United Farmers Co-operative in Western Australia, the WA Farmers Federation in Western Australia, Free Eyre in South Australia.

SQP Pty Ltd will profitably handle around 200,000 mt of grain this year, and with normal seasonal conditions prevailing is anticipated it will grow to approximately 400,000 tonnes in season 2008/09.

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