



21 April 2008

Ms Jeanette Radcliffe
Committee Secretary
Senate Standing Committee on
Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Ms Radcliffe,

RE: Submission on Wheat Export Marketing Bill 2008 and Wheat Export Marketing (Repeal and Consequential Amendments) Bill 2008

SQP Co-operative Ltd (SQP) is a grain grower owned organisation with around 200 members from Geelong to Hamilton. SQP specialises in the provision of services to it's member shareholders including access to a range of grain marketing products, procurement of farm inputs, education and seed production to name a few.

SQP was formed in 2001 to extend the grain marketing options available to growers in the western districts of Victoria and now markets over 25% of all grain produced in the South Western Victorian region. Over half of SQP's grain accumulation program comprises wheat, with a substantial volume of red wheat.

In 2007 SQP Co-operative Ltd formed a joint venture with the Emerald Group, an independent grain pool management organisation, which has given SQP further reach into other grain growing regions.

SQP Pty Ltd recently developed a niche red wheat (high protein) export market in Vietnam. This is the first of its kind, and these opportunities will continue to grow with the deregulation of the export wheat market. In the 2007/08 season, SQP will export over 5,000 metric tonnes of milling quality red wheat into Asia.

The key issues which SQP would like to be addressed in the Wheat Export Marketing Bill 2008 and Wheat Export Marketing (Repeal and Consequential Amendments) Bill 2008 are:

1. Access to port and upcountry infrastructure

Open and fair access to existing infrastructure, including up-country storage sites, should be protected under the proposed legislation. This will ensure that growers have maximum competition at farm gate and will receive the benefits of deregulation.

2. Timely declaration of essential information

SQP would like to see regular wheat stocks and export information collected and released to ensure efficient operation of grain markets in the deregulated environment. The collation and release of this information will also ensure a more liquid grain futures market which will deliver better and transparent pricing signals to farmers.



3. Additional Concerns

In addition to these issues SQP would bring to the attention of the Committee the two further concerns relevant to our Victorian grower members. These issues relate more to the topics raised in the Wheat Industry Expert Group but will affect the ability of growers and grain companies to operate effectively in the deregulated environment.

3.1 Investment in rail infrastructure

The Victorian rail freight network is currently under threat. Infrastructure has deteriorated and gauge standardisation remains a high priority for its key stakeholders. Significant investment is needed in order to support the movement of an impending large harvest to domestic customers and the export terminals.

3.2 Research and development funding in the high rainfall zone (HRZ) of Victoria

There needs to be a priority on agronomic and varietal research and development in the HRZ of Victoria, given the increasing level of reliable and quality grain production in this region and the fact that the 'traditional' cropping areas of Victoria have become more marginal in recent years. The HRZ has in the past been overlooked as a grain growing region when in fact it's potential for growth is huge. It has become an extremely reliable source of human consumption and stockfeed grains.

We thank you for the opportunity to make this submission and if you require clarification on any of the points we raise please contact Ben Fleay, Managing Director, at the SQP office.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rod Laidlaw', written in a cursive style.

Rod Laidlaw
Chairman