

SUBMISSION TO THE SELECT COMMITTEE ON THE GRAIN HANDLING INDUSTRY

CUMMINS STRATIGIC SITE COMMITTEE

TUMBY BAY STRATIGIC SITE COMMITTEE

The Cummins and Tumby Bay Strategic Site Committee's are pleased to make a submission to this select committee.

We are a group of farmers elected by other farmers in our district to represent them on matters relating to the operation of Viterra sites in our district. We are the first point of contact for Viterra to communicate with local growers and for growers to raise issues with Viterra on grain, receipt, site operation and crop forecasting in the Cummins and Tumby Bay district.

We intend to keep our comment to issues directly raised to us by local growers. We have attached a copy of the Report On The Post-Harvest Grain Technical Forum held in March to discuss problems arising from harvest and was attended by representatives of the whole of industry. Also attached is an email Jordan Wilksch outlining his concerns.

- The classification that our grain receives at the sampling office is the culmination of our years work. We believe that we have the right to be given the correct grade for what we have grown.
- Claim by Viterra that visual assessment for sprouting reduced silo waiting times is flawed. At most sites the long delays where at the unloading points- often hours. The time taken to conduct visual assessment at Tumby Bay was often as long as if falling numbers was used. It was not unusual for waits of up to 15mins for staff to individually inspect each grain on the tray, rolling them over with tweezers etc. Staff where aware of problems and so kept looking till they found problems. If visual assessment is to be used again then tests need a reasonable time limit. Suggest 3 minute limit
- Lack of consistency in classification within sites and between sites was a major issue. This is possibly the one thing that caused the most anger with in the farming community. One side of the sampling office/classifier would consistently give one assessment and the other would give another, same as between sites. There was a lot of money involved here and this was not an acceptable situation.
- In the past ABB and Viterra have used a system where grain could be classified at one site and then delivers at another. It was called agency transfer. It could be used if your site was not receiving a certain grade (no segregation or full) but one further away was (malt barley is a classic case, if it went feed then the local site was the delivery point but if it made malt then you could deliver to a site accepting that variety and grade with the original classification standing). Wheat was also the same. Some sites choose to retest grain and if the sample was of a lower grade than the original grading then the lower grading was the delivery grade. Moisture etc. was also retested and often resulted in loads being driven many extra miles only to be sent home. This caused a lot of anger, a huge freight increase and very inefficient use of trucks that where very busy and hard to get.

- Classification of legumes was extremely variable and this appeared to be caused by the volume of sample used to give a grading or inspected for defects. Some sites used the smaller normal volume, at others if the smaller sample was found to be sound then everything would be tipped into a bucket (the whole sample sucked from the truck) and more than one classifier would then go through the bucket till they found defective grain- they were very diligent at this and would keep looking till they found defects often taking a long time to find problems. One grain in the whole sample sucked from the truck would send you home. As sites filled growers would be classified at the local site and the grain found to be sound, told to deliver to another site where the original grading would be accepted only to have it reclassified and rejected (see attached letter from Jordan Wilksch). The correct identification of defects was also highly variable with weather staining often confused with mould and other staining (phromopsis in lupins) confused with moulds. Often individual growers were targeted for this with staff asking them on arrival at the silos if they had more of that mouldy stuff on the truck or telling them they would probably be rejected even before the load was sampled.
- We feel that Viterra has a duty of care to maintain the reputation of the S.A. grains industry as a supplier of a quality product. On this they have let us down and damaged our international reputation. It is our understanding that most loads currently being out loaded for export are now having falling number tests carried out on them- This shows there is problems with the visual assessment for sprouting used. It is almost impossible to blend shot grain out of a sample, with moisture and protein there is a linear correlation that is half each gives you the mean result. With shot grain it is a logarithmic correlation- that is a very small amount of shot grain in a parcel of grain needs a huge amount of sound grain very evenly distributed throughout the parcel to blend out the shot stuff.
- Weigh bridge discrepancy at sites with multiple bridges is a perceived problem. There is plenty of anecdotal evidence that at Tumby the top bridge will give a lower tare out weight than the bottom bridge. You can weigh out at the top bridge one load and then on your next load tare out down the bottom and get a higher tare than on the previous load even though you have used fuel (we suspect it to be around 200kg on a 42.5t gross load). Not sure if it is operator error in capturing the weight too early or is in fact a problem but it needs investigating
- Changes to testing standards was a problem for many growers delivering legumes. In the past the KETT machine was used to test moisture but this season the standard was changed to INFRITEC machine. These machines do not read the same and growers were not made aware of this change prior to the first loads being harvested. Growers harvested legumes during high moisture, tested it on the KETT and then delivered to the silos to be told INFRITEC was the new standard and the moisture was too high. COMMUNICATION NEEDS TO BE BETTER
- Opening hours are a problem with sites closing too early during high moisture periods for growers to bring in samples to get moisture tests done to find out when they could start and to calibrate the INFRITEC against their KETT machines. This is a huge problem in coastal areas with harvest often not commencing till well after the 4pm closing time. Moisture is the one thing that dictates if you can reap or not and can only be economically tested at the silos (machine needed costs around 20g). Sites could keep one staff member back to test for moisture only after normal closing for receivals.

- Viterra's management of the shipping stem is a huge advantage to them over the rest of the grain trade. To book a slot on the stem you need to lodge a non-refundable fee of \$5 per tonne. Cancel your slot or miss it due to shipping delays and you lose your money. Viterra on the other hand refunds the money to itself with no penalty. This allows them to block out the slots available and exclude other companies from exporting during some periods. Traders also need to know the belt capacity that will be available to them during their loading period so that the required tonnage can be loaded during their allocated slot
SHIPPING STEM NEEDS TO BE INDEPENDANTLY MANAGED WITH CONSULTATION WITH VITERRA SO THAT LOADS CAN BE ACCUMULTED AT PORT WHEN THEY ARE NEEDED.
- Viterra holds all the cards when it comes to stocks held in warehouse, the quality / grade of these stocks and at what sites they sit. This information is not released to the trade in a real time manner, gives Viterra a huge commercial advantage and discourages competition for our grain. Viterra admits that this is to their advantage. This is a particular problem after harvest with traders not knowing what is out there, where it is and making the selling and accumulation of cargos a risky business. In the past AUSBULK made all this information available to the trade and it made efficient accumulation of cargos possible. Viterra inherited this commercial advantage by default as the sole port operator and major storage provider. It is vital for farmers that the trade has access to all the information they require to accumulate grain in South Australia. THIS IS THE REAL ELEPHANT IN THE ROOM GOING FORWARD AND IF ANYTHING IS FIXED THIS IS THE ONE.
- Viterra charging to third parties for services they provide needs to be justified and approved by a regulating body. We don't deny Viterra the right to charge fair and reasonable rates and to make a profit but without competition there is no way to set a commercial/ competitive fee structure. This also applies to third party storage providers accessing the ports Viterra controls
- The current system of granting permits to use over mass vehicle (road trains and B doubles) needs to be examined. At present in South Australia the permit is granted to the vehicle rego/ VIN number and so means that each rego/ VIN requires a permit for each route it travels on. This system is inflexible in the event of breakdown or the need to substitute a particular truck for another. We suggest that the proposed changes outlined in the attached draft heavy vehicle national law has a lot of merit.

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