

Ross Durham
Chairman; NSW Durum Growers Association.
Firstly, thank you for taking my submission.

I Chair a Durum wheat grower organization representing growers in northern NSW and southern QLD. The production in these areas varies, depending on seasonal conditions, market price outlook and rotations

Tonnage can vary between 150,000T - 750,000T, the 2009 harvest was close to 400,000T, most of which was of DR1 quality. Based on the very limited information we are able to draw from the trade, since deregulation, we are unsure as to how much of our high grade durum has been exported. My understanding is most of it is going into the oversupplied east coast {AUST} feed market

2 Years experience in a deregulated market has NOT given Durum Growers confidence in their wheat industry; in fact it has been eroded.

- Golden Rewards {National pool product} where growers were encouraged to grow and got PAID for higher quality including particular varieties is gone.

- 2008 Harvest there was a price difference of 100\$T between DR1 and DR3. At various sites including Tamarang {Graincorp site} DR1 and DR3 were being tipped in the same pile.

Wheat delivered from "Nombi" {DR1/DR3} was tipped in that pile and suffered accordingly

- One grower gave a report on how BREAD wheat was being blended with Durum on an export shipment, obviously giving the trader involved a large profit {the trader would not confirm or deny this happened}.

- Another report mentioned that Aust Durum was being sold as US origin Durum {again the trader would not confirm or deny this}

- The BRAND name and REPUTATION of Australian Durum has been severely compromised since deregulation

- To say "following deregulation, growers are seeing prices that more accurately reflect the quality of the wheat they grow" {Productivity Com Draft Report March 2010} is RUBBISH.

- The message growers are receiving in the current pricing structure with little or no grade spreads is "grow more tonnes of lower quality in a vain hope to maintain your profit margins", it's a race to the bottom.

Risk management

- There is no futures product for Durum wheat, growers CANNOT hedge forward.

- In the past growers were able to "piggy back" on the National Pool through its ability to hedge currency, ocean freight and to some extent- basis.

- Against estimated national production estimations wholesale rates were negotiated on grower's behalf for rail, storage and FOB costs

- We now have to rely on unreliable information from the trade, which growers have declining confidence and trust in to make future planting decisions. Less confidence = Less production.

My concern is with this deregulatory disfunction we are losing our name for quality and consistent supply, and become irrelevant in world trade impacting our Wheat belt communities

Thank you again for allowing my submission
Ross Durham