

## Grain Growers Limited Policy Position

<b>Test Weight Policy Position</b>	
<b>Key Issue</b>	<p>Grain Trade Australia (GTA) has proposed to increase the receival standard for the test weight of wheat from 74 kg/hl to 76 kg/hl for the 2013/2014 harvest.</p> <p>There is no available scientific reasoning or available market analysis to support a change in test weight.</p> <p>The decision will result in considerable financial cost to Australian grain growers.</p>
<b>Background</b>	<ul style="list-style-type: none"> <li>• Minimum Test Weight for most traditional milling grades of Australian wheat has traditionally been set at 74 kg/hl</li> <li>• GTA propose to raise the delivery standard to 76kg/hl in order to match the out turn standard of 76kg/hL in the US and other exporters.</li> <li>• GrainGrowers National Wheat Quality and Variety Report 2011/12 found 12.2 per cent of all wheat samples tested will not meet the new test weight requirements.</li> <li>• GTA rest the reasoning behind the increase of test weight on an argument of international competitiveness.</li> <li>• GrainGrowers find there are no pricing signals to industry that higher test weight wheat is desirable by the marketplace. As with many quality parameters exporters are unable to verify price premiums for increments of Test Weight.</li> </ul>
<b>Critical Consequences</b>	<p>The change to test weight has the potential to cause a significant impact on grain producers and the broader position of the Australian grains industry and of particular concern:</p> <ul style="list-style-type: none"> <li>○ Certain wheat varieties which would fit the milling grades. (APH, AH, APW and ASW) may not achieve the 76 kg/hL mark. As a result, they may be downgraded to AGP or AUH2 against current GTA Wheat Quality Standards.</li> <li>○ Financial deductions to growers as a result of the increase in test weight may range between \$50-\$100 per tonne as growers' wheat fails to meet revised standards.</li> <li>○ An increase in test weight will add to the existing cliff-face pricing structure that exists due to cut-off limits for other quality parameters</li> </ul>
<b>Policy Position</b>	<p>Grain Trade Australia should not force a change on the industry without providing clear, scientific reasoning behind the decision based on sound market feedback.</p>
<b>Desired Outcomes</b>	<p>No increase to the proposed test weight of wheat.</p>