

Monday 4 April 2016

**WAFarmers comment on proposed changes to the 2016/17 receival standards for Western Australia.**

WAFarmers Grains Section does not support the proposed changes to APW2 and ASW1, on the basis that there is insufficient market and economic information available to assess how the changes would benefit the industry.

As background, WAFarmers is the state's largest and most influential rural advocacy and service organisation. WAFarmers represents around 3,000 Western Australian farmers from primary industries, with the majority being grain growers. As the largest WA rural advocacy group, our members are responsible for approximately 35 per cent of the overall grain production in WA.

APW2 in Western Australia has a current minimum protein percentage of 10%, with no maximum protein limit. Currently, there is insufficient market information available to assess the claims that APW2 doesn't meet market standards. The availability of APW1 does fulfil the requirements for high protein APW2. The uptake of APW1 is variable and will be depending on if quality optimisation is offered for the segregation. APW2 remains an important segregation in Western Australia; however the uptake of APW1 can influence the ongoing importance. The proposed change to implement a protein maximum of 11% on APW2 is not supported by WAFarmers.

ASW1 in Western Australia have no protein minimum or maximum percentages. The proposal is to implement a minimum percentage to meet international market requirements. While WAFarmers accepts the reasoning that there is few markets for ASW1 grain below 9% protein, it does not accept the proposed changes. There is limited analysis on how implementing the protein parameters will improve market access or marketability of the ASW1 grain segregation. There is also limited information about low protein (below 9%) ASW1 in previous seasons and the implications for our export markets. The proposed changes can cause quality downgrades from ASW1 to AGP1, with discounts of \$15-\$35 per tonne. The discount will significantly decrease farmer profitability in low quality years.

In summary, WAFarmers will not accept changes to receival standards without clear economic analysis of the impact of current standards, compared to the proposed standards. The proposed changes can potentially target farmers in poor quality years, for the benefit of traders and marketers. WAFarmers encourages GTA to develop an economic evaluation mechanism before implementing any changes to standards to adequately assess why the current standards would no longer be adequate.

Yours sincerely,

A handwritten signature in black ink that reads "D.P. Young".

**Mr Duncan Young**  
WAFarmers Federation  
Grains Section President