

FREE EYRE

MEDIA RELEASE

“Eyre Peninsula grain growers committed to invest in their future”

EYRE PENINSULA GRAIN GROWER’S INFRASTRUCTURE DEVELOPMENT FUND

Eyre Peninsula’s grain growers are poised to embark on one of their most ambitious plans ever to take control of their future and collectively investigate and invest in future portside grain handling, exporting and value adding infrastructure in the region.

Following an extensive six-month survey of the Eyre Peninsula’s grain growers, undertaken by the region’s grower owned agribusiness, FREE Eyre Limited, an overwhelming majority of growers have indicated their desire to establish a proposed *Eyre Peninsula Grain Growers Infrastructure Development Fund (EPGGIDF)*.

“Eyre Peninsula growers were asked if they supported the establishment of a grower owned co-operative, funded through the introduction of a levy on all Eyre Peninsula produced grain, expressly for investigating & investing in grain handling, exporting and value adding infrastructure on the Eyre Peninsula” said FREE Eyre CEO, Mark Rodda.

“We received feedback from over 400 of the Eyre Peninsula’s grain growing family businesses during the survey period. Over 92% of these farming enterprises supported the proposition of establishing such a Fund and we believe this demonstrates an incredible desire and willingness to take action”

Given the strong support received from Eyre Peninsula grain growers, FREE Eyre will now approach the South Australian Minister for Agriculture, Food and Fisheries Hon. Leon Bignell MP, seeking his consideration for the established of this Fund. The Minister has the capacity to implement a Primary Industry Funding Scheme (PIFS) for the collection of a voluntary contribution on all grain grown and sold from the Eyre Peninsula.

In the survey, growers were asked to nominate between \$1 and \$4 / ton that they would be prepared to contribute from their annual grain production.

“The weighted average of all respondent’s answers was \$3/ton. To put this into perspective, \$3/ton applied to the region’s average 2.5 million ton grain crop would see the Fund accumulate around \$7.5million per annum. Over five seasons, this becomes \$37 million. Leveraging these sums of capital with other funding sources suddenly gives the region’s grain growers some serious clout and ability to establish critical, competition building infrastructure that they own.” Said Mr Rodda.

It is recommended that a grower owned Association or Cooperative will be established to independently manage the accumulated funds for the express purpose of investigating and where appropriate, investing in portside grain handling, exporting and value adding infrastructure on the Eyre Peninsula.

Unlike existing voluntary contribution schemes that collect grower funds for advocacy, research and development and marketing endeavors, the aim of this Fund is to investigate and invest in future infrastructure projects.

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The regional benefits for the establishment of such infrastructure are numerous, including: competition in services and charges, investment in modern state-of-the-art infrastructure, reduced freight costs and turn-around-times during harvest, increase market appeal of SA grain due to freeing up of export pathways, creation of new manufacturing industries (jobs) in remote regions, competition for locally grown grain and value added exports rather than just bulk shipments.

“We believe that the existence of such a growing regionally specific Fund would likely cause a competitive response from incumbent operators and also inspire other commercial organisations, investors and governments to engage and co-invest with the Fund in targeted projects on the Eyre Peninsula.”

“The Eyre Peninsula’s farming community has a history of coming together in an effort to collectively improve their future sustainability and prosperity. The proposition to establish a future infrastructure fund is both visionary and bold and if implemented, will demonstrate leadership and determination to take control and add value to the region.”
Said Mr Rodda.

FREE Eyre’s full report and recommendations were presented to the South Australian Minister for Agriculture, Food and Fisheries Hon. Leon Bignell MP earlier this week. It is hoped that with State Government endorsement and required legislative approvals, the Fund will be in place for the forthcoming 2015 harvest.

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