

Growers join forces

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Alliances with regional grower groups are helping smaller marketing players become a force to be reckoned with in a soon-to-be all-new grain marketing environment.

The trend is spurring the introduction of new marketing options, including more regional pools and different contract types.

In the space of four years independent commodity management firm, the Emerald Group, has built up a client base of 3000 grower customers and last year was the third-largest receiver of wheat in Western Australia.

It's now making a concerted push into South Australia, teaming up with Eyre Peninsula farmer group, Free Eyre, in a joint venture to be known as EP Grain Pty Ltd, to kick off from July 1.

The 50:50 joint venture mirrors SQP Pty Ltd – a similar venture in Victoria with the Southern Quality Produce Co-operative.

Free Eyre members will have access to Emerald's marketing products, including its new Early Order Premium +Plus (EOPP) pool contract which will allow growers to earn a premium for committing tonnage early, lock in a minimum pool return and maximum washout cost.

Emerald deputy chairman, Mike Chaseling, said the new joint venture fell in line with the trader's strategy to join the company's risk management skills "at the hip" with grassroot grower groups.

Meanwhile, northern NSW grower co-operative, Walgett Special One, is gearing up for a big year but is still finalising the contracts it will offer.

Executive officer, Ed Colless, said the company was preparing to market between half and three quarters of a million tonnes of wheat – or two to three per cent of a potential 25m tonne national crop.

He said the company was still working out the "nuts and bolts" of its 2008 marketing options, which apart from its open harvest pool (not forward sold) would include hectare-based contracts with minimum tonnages.

Last year's small harvest was the first in Special One's 21-year history that it hadn't run a harvest pool, with growers preferring cash at the silo.

Despite a strong start to the season, he said the company was "very very wary" of production risk.

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