



## **MEDIA RELEASE**

### **SOUTH AUSTRALIA SET TO BENEFIT FROM LONG TERM AGREEMENTS**

ADELAIDE, South Australia – 3 December 2015

Viterra welcomes the decision by the Australian Competition and Consumer Commission (ACCC) today, to approve the introduction of long term agreements (LTAs) in South Australia for the allocation of port capacity at Viterra's six bulk grain port terminals.

Following strong feedback from grain exporters using South Australian ports, Viterra has worked closely with industry and the ACCC for more than 12 months to develop a more suitable system to replace the current auction.

Tim Krause, General Manager, Viterra Operations, said the ACCC's decision would provide significant benefits to the South Australian grains industry including growers, exporters, end-use customers, service providers and infrastructure owners.

"The take up of LTAs in the CBH system in Western Australia this year has been very successful and it is the third year of LTAs on the East Coast. This decision will allow us to provide a service to export customers that better meets their needs for long term certainty and flexibility.

"LTAs benefit growers by providing a robust marketplace, with multiple buyers, in which to sell their grain. It helps South Australia compete with other origins to attract grain exporters," Tim said.

Exporters will now be able to book shipping capacity for up to three years ahead.

"This gives them greater certainty when dealing with their end-use customers and greater confidence to commit to buying and exporting grain from South Australia."

Capacity will also be reserved for short term allocation each year.

"The short term capacity provides new exporters or those not wishing to enter into LTAs, the opportunity to book capacity alongside existing exporters wishing to secure additional tonnage.

"It is all about providing a range of services that meets the differing needs of our customers."

Tim Krause said that ensuring South Australia's competitiveness in the international market was a key focus of the business.

"We work closely with growers and exporters to provide an efficient, cost effective and reliable supply chain that also meets the increasing demands from overseas customers for safe and high quality products.

"The introduction of LTAs along with Viterra's \$100m multi-year rail agreement with Genesee & Wyoming Australia provides a strong platform for the South Australian grains industry," Tim said.

Viterra will be working with export customers to introduce LTAs for the 2016/17 shipping year.

#ENDS#



## **BACKGROUND ABOUT VITERRA'S LONG TERM AGREEMENTS:**

- Long term agreements will replace the current auction system as the primary method of allocating shipping capacity at Viterra's South Australian ports.
- Viterra will be working with export customers to introduce LTAs for the 2016/17 shipping year.
- Capacity for the current year has already being allocated through the auction system and first-in-first-served process.
- Long term agreements will be available to export customers for an initial fixed term of three years. The minimum commitment is 25,000 tonnes of capacity in each of the three years.
- There is more than two million tonnes of shipping capacity reserved for short term allocation each year.
- The LTAs provide exporters with greater flexibility. They will be able to transfer their shipping slots between ports, to different time periods and trade them with other exporters.

More information about the Viterra's Long Term Agreements is available on the ACCC website, <http://www.accc.gov.au/regulated-infrastructure/wheat-export/viterra-2015/final-decision>

More information about Viterra can be found at [www.viterra.com.au](http://www.viterra.com.au) or by contacting:

Jane McBride  
Communications Manager  
08 8304 1368  
0448 910 886  
[jane.mcbride@viterra.com](mailto:jane.mcbride@viterra.com)