

4 September 2014

**For public register**

Ms Lyn Camilleri  
Acting Deputy General Manager, Infrastructure & Transport – Access & Pricing  
Australian Competition & Consumer Commission

Email: [transport@accc.gov.au](mailto:transport@accc.gov.au)

Dear Ms Camilleri

**Co-operative Bulk Handling Limited's proposed 2014-17 Port Terminal Services Access Undertaking – proposed change to long term capacity allocation process**

Glencore Grain Pty Ltd and Viterra Ltd (together “the Company”) supports CBH's proposed change to the long term capacity allocation process as part of their long term agreements.

The Company considers allocations taking into account historical exports of customers over a three year average as well as the current year to date and the length of time a customer has been shipping from CBH's port terminals to be an equitable way of allocating capacity given the oversubscription of capacity by the market. The company considers that if these factors are not being taken into account applicants with no proven track record of executing shipments and buying grain from growers are being given an unfair advantage over companies that have been investing in the CBH system and reliably providing marketing options to growers for a long period of time. There will be 33% of capacity available to the market post the LTA allocations which is ample capacity for marketers who are looking to enter the market or ship less than 600,000 tonnes per annum.

The Company has made significant investments in exporting grain from Western Australia, through CBH's port terminals over a number of years. The Company has invested in shipping capacity, supply chain logistics and accumulation and requires certainty to continue this investment and provide competition in the marketplace.

The Company has a proven track record as a significant exporter from Western Australia. The company's recent annual exports are shown below.

2013/14 (YTD)	1,602,491 tonnes
2012/13	1,512,400 tonnes
2011/12	2,612,872 tonnes
2010/11	1,440,356 tonnes

# GLENCORE GRAIN



There is considerable benefit to growers in providing them with the certainty that they will be able to continue to sell their grain to the companies they have been reliably dealing with over the past few years.

The allocation of capacity via LTAs will allow for international customers of Australian grain and oilseeds to enter long term supply agreements with Australian grain exporters on a multi-year basis.

Other commodities such as iron ore and coal are sold on multi-year supply agreements with port allocation determined years in advance.

Currently the short term allocation of capacity by auction prohibits long term export agreements with overseas customers as the capacity cost is unknown and not secured.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'D Fitzgerald'.

**Damian Fitzgerald**  
**Director Legal**