

Member Update

UPDATE 14 of 22 • 1st September 2022

TOPIC: 2022/23 Location Differentials for QLD, NSW & VIC

DISTRIBUTION: GTA Members – primary contact list. Please circulate to all appropriate internal parties.

1. Issue

The GTA Board has approved for release the 2022/23 GTA Location Differential (LDs) for QLD, NSW & VIC as recommended by the GTA Commerce Committee.

These are now available on the [website](#) and will take effect from **1 October 2022**.

2. Background

GTA publishes the LDs for the storage locations of our members in Qld, NSW, Vic, SA and WA annually to enable participants using the GTA Contract No. 2 Grain and Oilseeds in Bulk – Basis Track to price grain at up-country sites. Each year GTA consults with members and the wider grain industry to address potential changes.

This year GTA circulated [Member Update No.3 of 22](#) on 7th March 2022 calling for first round (Round 1) submissions and on 18th May 2022 called for further/final amendments (Round 2) by 3rd June 2022.

The GTA Commerce Committee subsequently reviewed all 2022/23 LD submissions at their meeting on 15th July 2022 and recommended they be approved for release by the GTA Board. The Board accepted this recommendation at their meeting on 30th August 2022. This means east coast LDs are now available for use and take effect from 1 October 2022.

3. Location Differentials ARE NOT freight rates

GTA releases Location Differentials each year to enable pricing of the GTA No 2 Contract – *Contract for grain and oilseeds in bulk delivered* price basing point or port terms (Basis Track) commonly referred to as the “*Track Contract*”.

If they are used for other purposes this should be done with the knowledge that there may be a difference between the GTA Location Differentials and the actual market related cost of freight execution. This “freight price risk” or “freight basis” must be managed by commercial interests.

Members should regularly adjust their port-based pricing according to their analysis of the Location Differentials and the freight market. The GTA Location Differentials are not published to be a substitute for management of freight price risk and the variation between the LD and the actual cost of execution of freight should be managed by the organisation commercially.

For more information refer to the GTA Fact Sheet – [Location Differentials](#)

4. Amendments to LDs in QLD, NSW and VIC

The following amendments/additions have been approved for NSW, QLD and VIC LDs:

a. Queensland

Site	Site Operator	Comment
Noorndoo	Cleveland Ag	Removed - Inactive Member
Noorndoo	GrainCorp	Request for a new site to be listed - Road only

b. New South Wales

Site	Site Operator	Comment
Cleveland	Cleveland Ag	Removed – Inactive Member
Trangie RGT	Robinson Grain Trading	Request for a new site to be listed - Road only.
Edgeroi	GrainCorp	Change of status – Changed to Road only
Gurley	GrainCorp	Change of status – Changed to Road only

c. Victoria

Site	Site Operator	Comment
Murchison East	GrainCorp	Status change. Changed from Road or Rail to Road only
Westmere	GrainCorp	Status change. Changed from Road or Rail to Road only

5. Location Differentials & Amendments for SA and WA

GTA set the LDs on behalf of industry for GTA Member sites only and only when requested by a GTA Member. GTA LDs are generated for QLD, NSW and VIC whilst the trade has agreed to use Viterro, CBH Group and other storage operator's published **freight rates** for South Australia and Western Australia each year, subject to approval by the GTA Commerce Committee and the GTA Board.

GTA does provide LDs on request for site operators other than Viterro and CBH in those states.

Please note: until such time as the South Australia and Western Australia LDs are approved by the GTA Board, the current 2021/22 LDs remain in place.

a) SA

The bulk of the GTA Location Differentials in South Australia are derived from the Viterra Export Select Rates provided to GTA.

Viterra Export Select Rates for all their SA sites **have not** been made available to GTA for 2022/23. They will be available on the GTA website once they have been approved by the GTA Board, after having been provided to and reviewed by the GTA Commerce Committee.

For SA sites linked to a Viterra port where the site is not owned by Viterra, the Committee agreed in 2010, to adopt a methodology that is based on the net tonnes per km rate for nearby Viterra sites adjusted for road distance (referred by Google Maps) to port and apply that rate.

T-Ports provide a proposed LD for its Kimba and Lock storage sites to the Commerce Committee for review and endorsement.

SA sites with a port destination in an adjacent state use the same methodology employed in the destination state e.g. Victoria.

b) WA

GTA anticipates CBH Group and Bunge will provide their 2022/23 rates in October. These will be posted on the GTA website and members will be notified at that time following GTA Commerce Committee and GTA Board approval.

6. Effective Date

The GTA 2022/23 Location Differentials are effective from **1 October 2022**.

7. Excel Format

The GTA 2022/23 Location Differentials are available for GTA Members in excel format.

Please send your request for these to admin@graintrade.org.au and include "Excel Location Differentials Required" in the subject field.

8. Further Information

For further information about the GTA Location Differentials please refer to GTA Fact Sheet - Understanding Location Differentials http://www.graintrade.org.au/fact_sheets