

# Member Update

No. 30 of 23 • 27<sup>th</sup> September 2023

**TOPIC:** *GTA Location Differentials – SA 2023-24*

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

## 1. Purpose

- To advise members the GTA Board has approved for release the 2023/24 GTA Location Differential (LDs) for South Australia (SA) as recommended by the GTA Commerce Committee.
- These are now available on the GTA [website](#) and will take effect from 1 October 2023.

## 2. Background:

### a) 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.
- With endorsement from the Commerce Committee, GTA Board approved SA LDs on the 26th of September 2023.
- GTA LDs for QLD, NSW and VIC have been published for 2023/24 season via GTA [Member Update 28 of 23](#) on the 18<sup>th</sup> of September 2023.
- The industry has agreed to use Viterra and CBH Group published freight rates for South Australia (SA) and Western Australia (WA) each year, subject to approval by the GTA Commerce Committee and the GTA Board
- For non-Viterra sites, (where its main port is a Viterra port) that are linked to the agreed methodology (per SOP) “In SA where a site is not owned by Viterra, the LD shall be calculated using the road distance to port of the particular site based on Google Maps based on the rate/t per km rate for adjacent Viterra sites adjusted for distance.”

*NB: Data for Location Differentials for WA is still to be provided. Once provided and reviewed by the Commerce Committee, it shall decide if a Member Consultation process is warranted.*

## 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”.*
- 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 **members** commercially.

#### **4. Effective Date**

The GTA 2023/24 Location Differentials are effective from **1 October 2023**.

#### **5. Excel Format**

*The GTA 2023/24 Location Differentials are available for GTA Members in excel format.*

*Please send your request for these to [admin@graintrade.org.au](mailto:admin@graintrade.org.au) and include “Excel Location Differentials Required” in the subject field.*

#### **6. 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](http://www.graintrade.org.au/fact_sheets)