



Senator Bill Heffernan is concerned ADM's purchase of GrainCorp could distort prices for local farmers. PHOTO: ANDREW MEARES

## Heffernan sows seeds for probe

### Julie-anne Sprague

Liberal senator **Bill Heffernan** wants "every bastard with a view" to take part in a parliamentary inquiry in to the ownership of bulk grain handlers, which could put further pressure on Treasurer Wayne Swan to impose conditions on **Archer Daniels Midland's** proposed \$3 billion takeover of **GrainCorp**.

The inquiry is the fourth Senate committee probe in to the operations of bulk handlers and wheat export arrangements since the wheat market was deregulated in 2008.

Mr Heffernan said the inquiry was necessary to ensure there was a proper examination of the issues.

"The stuff we are looking at should be looked at by the Australian Competition and Consumer Commission and the Foreign Investment Review Board," Mr Heffernan said. "This way they won't be able to avoid it."

Mr Heffernan, who also chaired an inquiry into the FIRB that is due to report recommendations on June 24, said the FIRB was "a mystery to most people" and did not release information to the public.

"Our inquiry will be public," he said. "I want every bastard with a view to come forward. What are the issues of letting a foreign company that has car-

tel power to come and buy 80 odd per cent of the infrastructure on the eastern seaboard? If there isn't regulation or agreement how do you as a smaller player get access?"

Mr Heffernan, a Junee wheat grower, is concerned ADM's larger presence in global grain trading could distort prices for local farmers. He said ADM could step out of the market, preferring cheaper offshore grain.

The terms of reference include whether the impact of competing grain traders getting access to infrastructure and conflicts of interest between com-

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pany shareholders and Australian farmers and consumers.

"This [inquiry] is to make sure that if ADM acquire GrainCorp that Australian wheat growers and other competitors are not disadvantaged by the market power of a monopoly situation," Mr Heffernan said.

Lobby group NSW Farmers has written to Mr Swan seeking a number of conditions on the deal, including the

divestment of ports and guaranteed access to storage infrastructure.

GrainCorp owns seven of eastern Australia's eight grain export terminals and 280 storage sites.

ADM and GrainCorp, which has recommended the offer to shareholders, expect to receive regulatory approval from Australian authorities well before the September election.

FIRB approval could be given as early as next month while the ACCC called for public submissions ahead of making a decision on June 27.

A mechanism to protect shareholders if regulatory approvals are not secured by October, in the form of additional dividend payments, was designed to counter concerns over lengthy delays by the Chinese Ministry of Commerce.

ADM has written to grain growers committing to keeping GrainCorp's infrastructure open to third parties.

In a speech in Sydney on Thursday, GrainCorp chief executive **Alison Watkins** said it made no sense for an owner of GrainCorp's assets to close off access to third party users.

"We maximise our return by making sure our assets are running as close to capacity as possible," she said.

"No rational owner is going to shut the gate on assets running at one-third capacity"