

Glencore, AACL deal settled without fuss

By COLIN BETTLES

AFTER signing an agreement for up to \$28.8 million for pre-payment of grain from this year's Grain Co-Production scheme last week, Glencore Grain is now looking to secure a longer term deal with AACL and could make an announcement in the near future.

Glencore Grain managing director Chris Brooks was in Perth this week for talks with AACL about an extended partnership which could be for five years, that also involves sharing the grain marketing program.

Mr Brooks said he also believed CBH was "hissing and spitting" about Glencore Grain stepping into the breach to fund AACL after negotiations stalled over the past two months.

"They are calling me all sorts of nasty names over the breakdown in negotiations with AACL," he said.

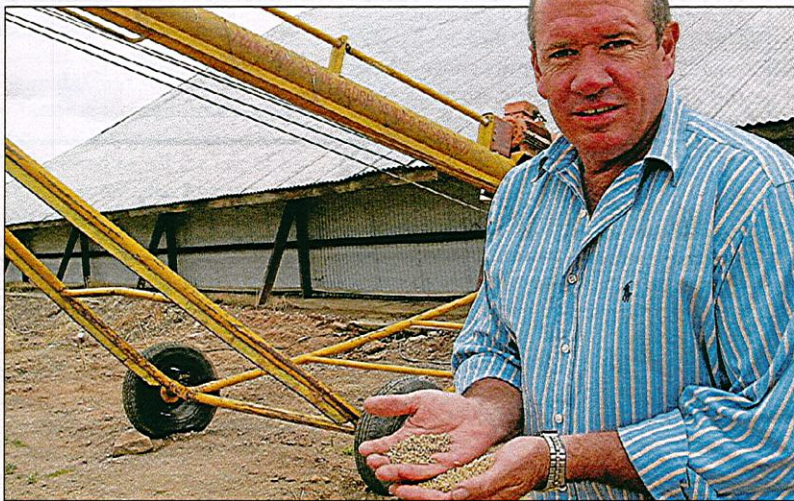
"But they (AACL) made a commercial decision based on the returns for their growers.

"Our offer was commercially more attractive than the one they had from CBH I am led to believe.

"I'm very comfortable with the guys I'm dealing with at AACL and trust what they are doing because I believe it works.

"This arrangement has plenty of potential and will provide a better return for the growers who use AACL."

AACL chairman Peter Mr McEwen said the Glencore deal was executed fast and without fuss.



□ Glencore Grain managing director Chris Brooks.

"It certainly wasn't days or hours," he said.

"In early June when the process slowed, Glencore and a number of other parties approached us because they could see the value of this particular product and we were able to satisfy all their requirements."

However, Mr McEwen could not explain why Glencore could see value where CBH Grain couldn't.

"I don't think it's a question of seeing the value," he said.

"I think all parties that we have been in discussions with were able to conclude it quicker so they won the deal.

"CBH were following their protocols and we respect that but we are certain-

ly pleased Glencore was able to conclude the deal so we were ultimately able to pay our growers.

"We were of the view that the deal would be concluded earlier (with CBH) but unfortunately it couldn't and we are just delighted, as our customers are that Glencore was able to step into the fold."

□ **The next edition of *Farm Weekly* will provide an in-depth analysis of the new partnership between AACL and Glencore Grain, what it means for growers, the future of the Grain Co-Production product and the stalled negotiations with CBH Grain. Included will be an exclusive interview with Glencore's Chris Brooks.**