

1 December 2016

MAINLINE RAIL LOADING SOLUTION 'AUGERS' WELL FOR MAJOR NSW FARMER

From paddock direct to wagon, slashing freight costs for farmer to export markets

The Australian Rail Track Corporation (ARTC) has secured its very first 'direct from farm' mainline train loading event at Milguy (near Moree), in the heart of Northern NSW's grain belt this week.

The innovative mainline loading solution – a first of its kind on the ARTC network and using a customized grain auger – has slashed freight costs for a large local farmer, and demonstrated the kind of flexibility being explored by ARTC in the rail industry.

"This week we have had trains literally arrive at the farm gate loaded direct from the paddock to the wagon," ARTC's Executive General Manager – Hunter Valley, Jonathan Vandervoort said.

"This has all come about thanks to some local ingenuity and a close working relationship between farmer and the supply chain – and as result we will see tens of thousands of tonnes of farm produce loaded direct from the paddock into the wagon."

Farmers Stuart and Lyndall Tighe run the *Boolah Partnership* – a business that predominantly grows broad acre crops producing barley, wheat, sorghum, legumes and cotton – across farmland running from Gunnedah through to Pallamallawa north of Moree.

They are one of three national suppliers of the malting barley that goes into Crown Lager.

The Partnership has invested extensively in local farm storage and loading facilities enabling them to directly load into grain wagons at a rate of around 600 tonnes an hour with a custom grain auger.

"With one wagon loaded roughly every 6 minutes without additional loading or handling in between, and leveraging our own on-farm storage, our supply chain costs have been dramatically lowered for this delivery," Mr Tighe said.

"We are looking at a minimum of \$5 per tonne being saved through this approach – this massively alters our logistics cost base and sets a template for how we do things in the future."

Sam Conway, Boolah's Southern Operations Manager, has been instrumental in making this become a reality.

With the scale and volume of the Boolah Partnership operation, and being close to both a rail siding and the main railway line, they have always been keen to see how they could leverage rail better.

"Rail is by far the most efficient and cost effective transport mode for farmers, if done right – and in recent times working closely with ARTC we have been able to realise the opportunity," Mr Conway said.

"We have a big focus on how we can work directly with producers and the supply chain on looking at ways we can help rail 'work' for our customers in different markets," said Mr Vandervoort.

"With farmers, this is about understanding their cost drivers, looking at the broader supply chain and infrastructure capability and seeing what we can do to improve productivity through rail for them.

"By collaborating with Stuart and Lyndall and tapping into their innovation and drive – you can realise a different way of doing things and demonstrate the kind of flexibility rail is able to offer.

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“This is an important signal from us, asking farmers to see rail from a different perspective, and understand there are a variety of ways that rail can be utilised by the farming community.”

While the first trains will contain chick peas heading for the international market (largely South Asia), Boolah produced barley will be railed to Minto for processing at a malting plant prior to use by brewers.

“While this particular supply chain solution may not be the answer for every farmer – and is highly dependent on volume and the nature of the rail network – it demonstrates we are serious about making rail work for all of our customers,” Mr Vandervoort said.

The mainline loading milestone comes after ARTC ran the largest grain train in Australian history in December 2015. Then, in May 2016, after a review of how it managed its infrastructure, the company certified a 30 per cent increase in payloads at no additional cost for North West NSW farmers.

“With the region enjoying a great lead in to the current harvest we are hopeful of another bumper crop that can go by rail,” Mr Vandervoort said.

Stuart and his Boolah employees undertook rail safety training and worked with ARTC to produce operational plans that ensure the continued safe operation of the rail network.

Local Federal Member for Parkes, Mark Coulton, a long-time supporter and proponent of helping primary producers use rail more effectively also acknowledged the innovative loading solution.

“I applaud Stuart and Lyndall Tighe and their southern operations manager, Sam Conway, on this bold initiative and I believe this is a forerunner for what’s to come with grain transport,” Mr Coulton said.

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Useful numbers:

- Total payload of train +2500 tonnes
- Load Rate: +600tph (Typical silo rate +100tph)
- Total loading time of train saved when compared to standard loading time is over 10 hours.
- First train arrived Wednesday morning (30 Nov) with loading throughout the day. Second train arrives on Saturday for further loading.
- Approximate train length: 750m
- Number of wagons on train: 48 wagons at around 57 tonnes payload per wagon
- The loaded train is being exported via Port of Newcastle (Newcastle Agri Terminal) destined for South Asian markets