



Media Release

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Grain payments must be quicker

The Victorian Farmers Federation (VFF) Grains Group is calling on grain traders to transition to shorter payment terms as farmers recover from last month's grain trader collapse.

"Grain traders need to transition to two-day payment terms across all contracts in the near future and, within two years, we want to see same-day payments standard practice across the industry," said Mr Ashley Fraser, VFF Grains Group President.

"To help drive this change, I encourage all growers to ask for two-day payment terms when discussing potential grain sales.

"The current system allows for 30 to 60 day terms of payment, which places an unfair portion of the credit risk on growers.

"New information sharing platforms ensure accurate grain delivery data can be processed in real time, and there are already major buyers taking advantage of this technology and offering two day payment terms.

"We know the devastating impact the collapse of grain traders has on growers. To start rebuilding grower confidence, the industry needs shorter payment terms on all types of contracts.

"There will be farmers who have a good relationship with smaller buyers who may wish to commercially negotiate longer terms. But these need to be well informed decisions made on a case-by-case basis, not the industry standard," said Mr Fraser.

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About the VFF

The Victorian Farmers Federation (VFF) is dedicated to representing the interests of farmers and making a positive difference to their businesses and communities. We strive to create an environment for our members, our farmers, that enables profitable, safe, sustainable production to ensure an enduring social licence in a community that respects and values the sector.