



CBH Case Study

CBH Group

CBH Group is Australia's largest co-operative and a leader in the Australian grain industry, with operations extending along the value chain from grain storage, handling and transport, to marketing, shipping and processing.

Our co-operative is owned and controlled by approximately 3,700 Western Australian grain growing businesses.

CBH's purpose as a Western Australian, grower-owned co-operative is to sustainably create and return value to WA grain growers – current and future.

[View our corporate video here.](#)

Our governance structure

The CBH Board is comprised of nine (9) Member Directors and up to three (3) Independent Directors.

The Board sets our Strategy, with the support of the Chief Executive Officer and Lead Team.

At CBH, we value feedback from our members to ensure we provide the services that meet their needs. Member interaction is key to the long-running success of our co-operative.

Made up of 16 grower councillors, the Growers' Advisory Council (GAC) provides a formal channel to facilitate feedback and communication between CBH's grower members and the co-operative's Board and management team.

The value of our business model

CBH was founded on 5 April 1933, based on the co-operative principles of one-member, one-vote and democratic member control.

We have retained those principles ever since, while growing into a leading global grain company providing growth and value for several generations of Western Australian grain farmers. Our strength lies in our grower member base, and our strategic logistics network with Australia's most cost-efficient grain supply chain.

Our network provides growers with an invaluable and seamless service. From paddock to port, Western Australian growers reap substantial savings in the storage, handling and transport of their grain. With discounts of ~\$21 for every tonne of grain produced compared

to the costs borne by our east coast peers. The CBH network gives CBH grower members a distinct competitive advantage.

We serve growers' needs and increase their farm profitability through:

- Low supply chain fees and competitive freight rates
- Continued investment in the storage and handling network to maintain the integrity of our assets and provide efficient services
- Competitive grain prices, grower-focused products and ongoing development of international markets for WA grain
- Competitive fertiliser prices to reduce on-farm input costs

In addition to generating value for Western Australian grain growers, we advocate for and provide financial support to regional communities, and the wider grain industry to ensure the long-term sustainability of our industry.



Economies of scale: The scale of the CBH network means members enjoy substantial fee reductions.

Our history

1920 — 1950

The CBH Group was founded during the Great Depression through the realisation that a cheap and efficient bulk handling system would reduce growers' costs and strengthen the struggling wheat industry.

Five experimental bins to handle bulk wheat were established at Benjabbering, Nembudding, Korrelocking, Yelbeni and Trayning.

The CBH Group was founded on 5 April 1933 with the trustees of the Wheat Pool of WA and Wesfarmers Ltd jointly registering the Co-operative.

In the first year CBH received 42,565 tonnes of wheat.

The founding Co-operative had an authorised capital of £100,000 divided into 100,000 shares and was based on the co-operative principles of one-member, one-vote. By 1943 CBH had repaid all its start-up debts and control of the company was handed to growers.

1950 — 1980

In 1955 all grain port facilities were handed over to CBH control and management.

In 1961 the standard gauge railway was introduced through the eastern Wheatbelt to the coast.

The CBH storage system expanded rapidly and by the 1960s there were more than 300 grain receival points. Then as the receival systems became more efficient, the sites were rationalised. Many silos were dismantled and others upgraded to take larger tonnages at a faster rate.

1980 — 2010

In 1989 the deregulation of the domestic grain market saw CBH lose sole handling rights.

In 2002, Co-operative Bulk Handling moved into grain marketing through the merger with fellow grower-controlled organisation, the Grain Pool of Western Australia.

This was a defining moment for CBH, beginning the transformation of the company into an integrated business focused on delivering a greater share of the grain value chain to growers.

In 2004 CBH partnered with the Salim Group to form Pacific Agrifoods, which is now known as Interflour. In 2007 CBH was granted a licence to export wheat in bulk from Australia and on 1 July 2008 bulk wheat exports were deregulated.

2010 — Today

Western Australian grain is now exported to more than over 20 countries including Japan, South Korea, Indonesia, Iran, Pakistan and China.

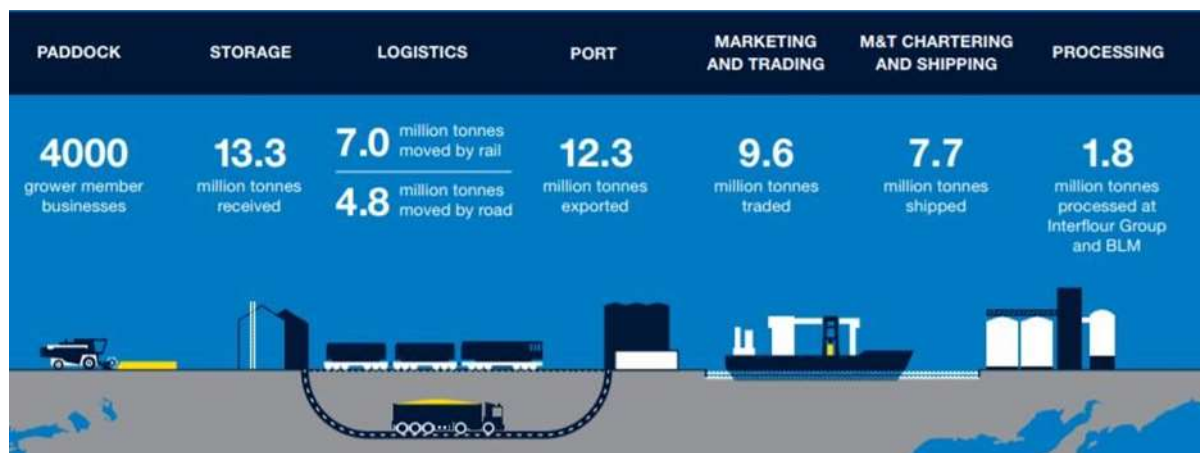
As we move further into the 21st century we have a much more competitive environment; with CBH confident that its grower-members will ensure we remain strong and sustainable in the years ahead.

In 2016 CBH bought Blue Lake Milling is a leading manufacturer of premium Australian oat products operating in South Australia and Victoria.

The 2016/17 harvest was a record year with 16.6 million tonnes received.

Today the CBH Group has around 3,700 grower members and is the only major participant in the Australian grain industry owned by growers.

It has 197 sites across Western Australia, four ports and investments in trains and flour mills creating an integrated supply chain.



CBH has operations extending along the value chain from grain storage, handling and transport, to marketing, shipping and processing.