Chris Kelly awarded Life Membership of GTA

Life Membership of Grain Trade Australia (GTA) has been awarded to Mr Chris Kelly, in recognition of his outstanding contribution to the Australian grain industry. The award of Life Membership was announced at the Australian Grain Industry Conference in July 2015.

The award of Life Membership is a category of membership recognised in the Grain Trade Australia (GTA) Constitution and is conferred on individuals who have given outstanding or meritorious contribution, service or assistance to the grain industry in Australia through their work in support of or through GTA.

In the late 1990s, Chris recognised that the national grain market environment was changing rapidly and that the National Agricultural Commodities Marketing Association (NACMA) needed to make changes with the ever increasing amount of domestic grain activity due to ongoing deregulation within the Australian grain market.

Chris, from the family business founded by his parents, KM & WM Kelly & Sons based in Tocumwal, NSW, was the first Chairman of GTA when it transitioned from NACMA in 2003 and has been extremely active within merchant organisations in NSW and Victoria, and at a national level since the late 1990s.

In announcing the award, GTA Chairman Peter Reading said the organisation as it is today, is a direct result of the leadership displayed by Mr Kelly. Chris was instrumental in taking NACMA from a state-based association to an incorporated national body, and then saw it evolve into the current GTA.

Chris remained as Chairman of NACMA until 2007, saw the organisations name change from NACMA to Grain Trade Australia in 2008 and retired from the Board in 2010.

Chris said he was honoured to receive the Life Membership, and couldn’t have achieved what he has without the support of his family and others in his company.

Nominations for GTA Life Memberships can be made by any current members where it is felt the nominee has made a contribution that sets them apart from other valuable contributors.
Unique Nuffield grain fellowship to investigate supply chain issues

The GTA Chairman, Mr Peter Reading announced the first recipient of the GTA Nuffield Fellow at the Australian Grain Industry Conference in July.

Mr Lachlan Allen is the commodity manager based in Adelaide with GrainCorp as well as the President of the Grain Industry Association of SA. Mr Allen will investigate supply chains overseas, and how efficiencies can help a grain grower’s bottom line.

Mr Reading noted the high calibre of applications, which covered all aspects of the supply chain.

The fellowship is open to employees of GTA members and will fund an international study tour.

Mr Allen believes there’s room for improvement in the way supply chain organisations connect with growers to help them achieve a successful grain growing enterprise.

“I see problems where a lot of growers view the supply chain as expensive and in some cases try to avoid it, when it is trying to be a service for the grower,” Mr Allen said.

“I hope to visit not only countries with a well-developed supply chain, but those starting out on the export path, to see how growers are connecting to bulk handlers and adapting to a global market.”

CEO of Nuffield Australia, Jim Geltch, said he was thrilled with the new fellowship.

“Nuffield is able to offer amazing access to new scholars through our alumni. The networks that GTA have throughout the world will build on this, and is something we will both be able to benefit from going forward.”

Mr Allen will present the findings of his research at next year’s Australian Grains Industry Conference as well as the Nuffield conference.
Grain Trade Australia as well as GrainGrowers Limited and the Australian Export Grain Innovation Centre attended the inaugural Indonesia Australia Business Week (IABW) held from 16 to 20 November 2015 in Jakarta.

IABW was organised by Austrade and led by Trade Minister Andrew Robb and the Parliamentary Secretary for Trade, Senator Colbeck and was attended by over 350 Australian delegates.

Indonesia is Australia’s largest wheat market and wheat is the largest export earner for Australia in trade with Indonesia. Representation by the commercial grain sector was therefore vital to ensure that Indonesian customers recognised the importance that Australia places on the trade.

Wheat roundtable
The Wheat Roundtable was organised by Austrade and had a number of representatives from all the major Indonesian mills. GTA presented to the roundtable on the quality assurance programs that are across the Australian grain industry from pre breeding to export. GTA developed a hard copy presentation pack consisting of:

- Australian Grain – a quality product (developed specifically for this event)
- Australian Grain Industry Code of Practice for the management of Australian grain
- National Residue Survey 2014/2015 results
- GTA Annual Report

Key discussion points
- The Indonesian flour market is flat but the mills indicated an increased requirement for Australian wheat of around 4.5 million tonnes in the coming year. This represents around 65-70% of their annual requirements with the balance coming from North America and the Black Sea. There will always be a requirement for wheat from jurisdictions other than Australia to ensure that mills are able to produce a grist that suits their needs and at their price points.
- Following the overview of Australian QA processes, a major miller noted that the Code of Practice and associated activities were “excellent initiatives”.
- On question to the mills on the quality of wheat they are receiving against contract, they acknowledged that they have never had any issues. This was particularly pleasing and was repeated again on the trip to Bogasari Flour Mill by the Director, Mr Franciscus (Frankie) Weilring. Bogasari is the largest capacity flour mill in the world. The trip to Bogasari was led by Senator Colbeck.
Trade & Market Access

Potential for grain dust to be classified as an explosive substance

The UN Committee of Experts on the Transportation of Dangerous Goods and on the Globally Harmonized System (GHS) of Classification and Labelling of Chemicals is reviewing the potential for grain and grain dust to be categorised as a “dust explosion hazard”.

The Globally Harmonised System (GHS) is intended to provide for harmonisation of the classification of chemicals, labelling and safety data sheets. Grain is not exempted from consideration under the GHS. Since countries are obligated to adopt the GHS, developments that are designed to define and classify dust explosion hazards are of major concern to the Australian and global grain industry. The consequences would apply to all storage and transportation systems from farm to end user.

If a GHS chapter is adopted and it encompasses grain, the Australian and indeed the global grain handling, processing and distribution system will be forced to accommodate significant changes to both domestic and international regulatory requirements and management practices.

Changes such as this are unnecessary given proven and well established industry safety practices and actually could be counterproductive by creating confusion among the receivers of grain and grain products potentially leading to food security issues.

GTA has submitted to SafeWork Australia, part of the Department of Employment, the lead Australian agency responsible for taking the Australian view to the Committee.

GTA submitted that the reclassification was not necessary due to:

- Australian grain has a reputation of being low in screenings and relatively clean and free of dust. Extensive management systems are employed at all stages of the grain supply chain to manage the quality of the grain and ensure grain is supplied to customers that meets contractual requirements and is considered to be safe for human and animal consumption. These practices have operated successfully for many years, with minimal intervention from Government via legislation and regulations.

- Quality systems in the Australian grain industry. Bulk handling companies have ISO certified quality systems which would include:
  - ISO 9001 for quality management; and
  - ISO 14001 for environmental management.

- Australia Grain Industry Code of Practice for the management of grain within the Australian Grain Supply Chain
  Adherence to the Code of Practice (Code) is mandatory for all members of Grain Trade Australia. The purpose of the Code is to describe practices that the Australian grain industry use to ensure Australian grain and grain products meet domestic or export customer requirements.

- Grain is not a dangerous good in international transport regulations. The International Maritime Organisation has established grain as non-hazardous. The requirements for the transport of grain are specifically covered by the International Code for the Safe carriage of Grain in Bulk (International Grain Code), 1991.

The full submission is on the GTA website.

China’s proposed new grain import and export law

- China released a “Draft Administrative Measures for Inspection, Quarantine, and Supervision of Inbound and Outbound Grains” in July 2015
- At the invitation of the COFCO Group and the Chamber of Commerce of Import and Export of Foodstuffs, Native Produce and Animal By-Products (CNFA), Grain Trade Australia had the opportunity to engage with the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) on the new laws.
- AQSIQ is a ministerial administrative agency directly under the State Council of the People’s Republic of China in charge of national quality, metrology, entry-exit commodity inspection, entry-exit health quarantine, entry-exit animal and plant quarantine, import-export food safety, certification and accreditation, standardization, as well as administrative law-enforcement or in layman’s terms – The Chinese Governments Department of Quarantine
- In preparation for the meetings, GTA released an Industry Briefing Paper containing the wording of the “New Grain Laws” (with commentary from GTA and the Australian Government Department of Agriculture Biosecurity) and invited comments from GTA members.
- Following the meetings in Beijing, GTA submitted to the Australian Government on a number of concerns with the new draft laws. Issues of concern included:
  - there was no direct mention or linkage to China’s obligations under the WTO Agreements, notably Technical Barriers to Trade (TBT Agreement) and the Sanitary and Phyto-Sanitary Measures Affecting Trade (SPS Agreement); and
  - bilateral protocols i.e. Australia/China Wheat & Barley Protocol.
  - there was no basis to the requirement for Australia to register all grain producers
  - there was numerous mentions of “quality requirements” in the draft laws, although quality is not a phytosanitary requirement
  - the need for “Government issued” quality certificates.

The GTA submission is on the GTA website.

Bulk Vessel Inspection Pilot to be conducted at Kwinana WA

The Department of Agriculture and Water Resources (department) will pilot external Authorised Officers (A0s) inspecting empty bulk vessel holds at the protected anchorage port at Kwinana, Western Australia from January to June 2016.

Departmental Authorised Officers ceased empty bulk vessel inspections at anchorage in 2002, due to a work health and safety incident on a pilot vessel. All
empty bulk vessels for loading with prescribed goods are currently inspected at berth by departmental Authorised Officers. The job function has not yet been approved for external officers.

The pilot will enable the department to:

- Assess the suitability of proposed risk controls to ensure the safety of external Authorised Officers conducting bulk vessel inspections at the protected anchorage.
- Determine any improvements to regulatory efficiency and potential benefits to the export industry, including the grain export supply chain, from allowing bulk vessel inspections to be done before coming to berth for loading.
- Consider the appropriateness of the current bulk vessel inspection training and assessment under the Authorised Officer program and review if necessary.

DAWR Biosecurity Fees and Charges 2015/2016

The Department of Agriculture & Water Resources — Biosecurity (Biosecurity) commenced a review of fees and charges in October 2014 and which was finalised on 1 November 2015.

During this 12 month period, Biosecurity released a number of versions of the fees and charges and requested that industry provide commentary. GTA participated in numerous meetings over the last 12 months and provided the following submissions, all available on the GTA website:

2. GTA Supplementary submission — DA Biosecurity revised fees and charges, dated 4 September 2015;
3. GTA submission — DA Biosecurity — IN CONFIDENCE, dated 8 August 2015; and
4. GTA submission — DA Biosecurity CRIS Consultation draft, dated 8 August 2015.

Members are encouraged to review these documents to gauge the level of detail supplied by GTA in support of our members.

Outcomes — summary

GTA submitted that due to a lack of confidence in the process, that the current fees and charges should be maintained. This argument was not sustained. Over the consultation phase and as a result of submissions:

1. the estimated cost of conducting the Grain Export Program has been reduced by $8.1m;
2. the Grain Export Program was NOT aggregated with the Horticulture Export Program as proposed by the Department;
3. the Minister announced that an independent financial audit would be conducted of the Grain Export Program; and
4. the savings to industry from the reduction in the original proposed tonnage charge was $2.1m.
5. training of Authorised Officers will be conducted on a full cost recovery basis from 1 December 2015
6. increased tonnage and certification fees

Further information: GTA Member Update 21 of 15

What is the Foodbank Grain Program?

The Australian Grain Industry is helping Foodbank to source grain donations essential to the manufacture of vital foods such as pasta, breakfast cereal and bread. In addition to redirecting surplus food, Foodbank works with the food industry to manufacture key staple products it needs to meet the growing demand for food relief around Australia.

Foodbank needs 2,000 tonnes of grain a year to meet the need for these products and seeks assistance from the entire grain industry, from major bulk handlers, traders, producers and end users, to meet this target.

What is the need?

Hunger is traditionally associated with third world countries but unfortunately Australia is not immune. Each year two million Australians, or 1 in 10, require food assistance— with over 30% of those going without being children.

Over 70% of people seeking support are low-income families, the elderly and people with disabilities

Who is Foodbank?

Foodbank is the largest food relief organisation in Australia collecting donations from industry to disseminate to over 2,400 charities and community groups around the country. In 2014 Foodbank distributed 20 million kilograms of food and groceries with over 35% distributed to regional and rural areas. That’s the equivalent of 110,000 meals a day. Foodbank accounts for 80% of all the food distributed to charities by food rescue organisations in Australia.

How can you help?

HOW TO DONATE

Foodbank welcomes any grain donations. No quantity is too small, every bit helps!

There are just 3 easy steps to donate:

1. Nominate the quantity you wish to donate to the buyer/ storage provider.
2. They will transfer this grain to Foodbank via it’s NGR number.
Foodbank NGR: 13319395
3. Foodbank will issue you with a tax deductable donation receipt.

Am I protected if I donate?

You are protected by ‘Good Samaritan’ legislation in all states, which means there is no risk when you donate product in good faith to Foodbank.

What about claiming the donation?

When grain is donated via a trader or handler, Foodbank is advised of the donor and the weight of the donation.

Foodbank issues a Tax Donation Receipt to the donor, for the weight of the donation (not value).

The donor adds the value of the product (normally the wholesale price on the day of donation) on the receipt prior to claiming the deduction at tax time.

TRADERS & HANDLERS

Foodbank seeks your support in undertaking the administration associated with receiving grain donations and forwarding the details to Foodbank. There are just 3 easy steps:

1. Encourage your staff to promote the Foodbank Grain Donation Program to producers.
2. Brief them on transferring grain donations to Foodbank via it’s NGR number and supplying details to Foodbank so they can issue a tax deductible donation receipt.
Foodbank NGR: 13319395
3. Arrange the purchase of the donated grain annually with the proceeds going to Foodbank to fund grain for manufacturing.

Contact Us

For more information contact: Michael Davidson,
National Food Programs Manager
0400 724 613 or michael@foodbank.org.au

Thank you

Foodbank and the charities we support would like to say a big thank you to the grain industry for its help last year. Grain donations were over 1,000 tonnes this year which allowed us to work with our manufacturing partners and turn these donations into 3 million serves of pasta and 1.5 million serves of cereal for people in crisis.

Further information: GTA Member Update 21 of 15

FOODBANK

NewsInGrain December 2015 | 5
What is the National Residue Survey (NRS)?

The National Residue Survey (NRS), an agency of the Department of Agriculture & Water Resources, is a vital part of the Australian system for managing the risk of chemical residues and environmental contaminants in Australian food products. The NRS supports Australia’s food industry and primary producers by facilitating access to key export markets and confirming Australia’s status as a producer of clean food.

What grains are covered by the NRS?

The Grains Program covers 21 grain commodities:
- cereal grains (wheat, barley, oat, maize, sorghum, triticale)
- pulses (chickpea, cow pea, pigeon pea, field pea, faba bean, lentil, vetch, navy bean, mung bean, lupin)
- oilseeds (canola, sunflower, soybean, safflower, linseed); Milled fractions of wheat (whole grain, flour, bran), wheat durum (whole grain, semolina, durum bran), soybean (whole grain, flour, kibble) and maize (whole grain, flour and polenta) are also covered.

Does it cover export as well as domestic grain?

Yes the program comprises all known export and domestic grain streams. These are:
- export: bulk export, and export containers or bags
- domestic: milled products, maltsters, oilseed crushers, stock feed manufacturers, feedlots, chickpea processors and oat processors.

How is the NRS financed?

The program is funded by a statutory 0.015 per cent ‘farm-gate-value’ levy on producers of participating grains. This is a component of the full 1.015 per cent grain levy which also funds the Grains Research and Development Corporation (GRDC) and Plant Health Australia.

Is participation in the NRS a requirement of the Australian Grain Industry Code of Practice?

Yes
- All grain organisations out turning on the domestic market to an end-processor (who is not defined as a primary producer) are required to participate in the NRS grains residue monitoring program;
- All bulk grain exporters are required to participate in the NRS; and
- All container exporters are required to participate in the NRS.

How does Australian domestic and export grain comply?

<table>
<thead>
<tr>
<th>Year</th>
<th>Export Bulk Samples</th>
<th>Compliance (%)</th>
<th>Container Samples</th>
<th>Compliance (%)</th>
<th>Domestic Samples</th>
<th>Compliance (%)</th>
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<td>2011-12</td>
<td>4,005</td>
<td>99.9</td>
<td>886</td>
<td>99</td>
<td>828</td>
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<td>2012-13</td>
<td>3,802</td>
<td>99.8</td>
<td>1,229</td>
<td>98.9</td>
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</tr>
<tr>
<td>2014-15</td>
<td>3,452</td>
<td>99.9</td>
<td>2,034</td>
<td>98.8</td>
<td>753</td>
<td>97.5</td>
</tr>
</tbody>
</table>

2015/16 GTA BOARD APPOINTMENTS

Ahead of the 2015 Annual General Meeting (AGM), nominations were sought for the following classes of GTA membership, to fill four Director positions:
- Ordinary Level A – to fill one vacant Director position
- Ordinary Level B – to fill one vacant Director positions
- Ordinary Level C – to fill one vacant Director position
- Merchant Association – to fill one vacant Director position

Nominations received for these positions were:
- Ordinary Level A – Jason Craig, nominated by Cooperative Bulk Handling Limited (CBH)
- Ordinary Level B – Malcolm Finlayson, nominated by Arrow Commodities Pty Ltd
- Ordinary Level C – Andrew Goyder, nominated by Premium Grain Handlers Pty Ltd
- Merchant Association – Robert Imray, nominated by Queensland Agricultural Merchants (QAM)

The following Directors with Special Qualifications also retired on completion of their term, and offered themselves for reappointment.
- Peter Reading
- Geoff Farnsworth
- Rebecca Reardon

Voting was conducted at the AGM held in Melbourne on 27 October 2015 to appoint the final Board as seen below. Members were entitled to vote either in person or by proxy. All GTA members unable to attend the AGM were also eligible to vote for the appointment of GTA Directors by submitting their proxy forms.
COMPLETED GTA CONTRACT REVIEW
Contract No.1 Grain & Oilseed in Bulk FOB Terms & GTA Voyage Charter – AusGrain 2015

Following review and consultation with industry, a revised GTA Contract No.1 Grain & Oilseed in Bulk FOB Terms (FOB Contract) and GTA Voyage Charter 2015 (CharterParty) are now available for industry use.

Background
The Commerce Committee commenced a review into the GTA Contract No.1 Grain & Oilseed in Bulk FOB Terms and the GTA Voyage Charter – AusGrain 2013 (CharterParty Contract) during 2014/15. The aim was to ensure that the contracts were contemporary and adequately aligned.

Submissions were called for from industry on numerous occasions to allow members to provide feedback on the existing and then and draft amendments to the contracts. A direct consultation was also run focusing on ship owners/operators/brokers in addition to bulk exporters.

All submissions were reviewed in detail by the GTA Committee who finalised revisions and with their recommendation, both contracts were approved for release by the GTA Board on 25 September 2015.

GTA Contract No. 1 (FOB Contract) Amendments
Following extensive industry consultation as outlined above, the following amendments have been made to the GTA No.1 FOB Contract.

a) Clause 9 – Nomination of Vessels
This clause has been amended to better reflect local practices. Clause 9(b) has been included to make clear that there is no express right to extend the period for delivery.
Clause 9(c) now includes reference to relevant Port Protocols. The nomination must be as per the relevant Protocol subject to a minimum notice period of 22 days.

b) Clause 13 – Substitution of Vessels
Clause 11 has been amended to specify that a substitute vessel must meet the same conditions as the previously accepted nomination, and not have an earlier ETA, unless agreed by the Seller.

c) Clause 15 – Loading
Time for loading (and therefore laytime) is now calculated with reference to actual cargo loaded and not the mean loaded quantity.

The default load rate has been amended in this contract and the CharterParty to 7,000MT per day unless expressly agreed otherwise. This was felt to be a simplification more reflective of current practices.

The clause has been further amended to exclude Saturday from weather working days, to bring the contract into line with the GTA AusGrain Charterparty.

d) Clause 19 – Authorisations
This clause has been amended to reflect local export practices whereby local authorities may have regard to import country requirements before allowing export.
The clause now makes clear that Buyers must give clear instructions to Sellers including provision of any documents needed to facilitate export.
The clause is careful NOT to shift responsibility for import requirements to the Seller.

e) Clause 22 – Prevention of Delivery
GTA has adopted the new GAFTA Prevention of Delivery clause which replaces the previous Strikes and Prohibitions clauses. While it is important that the GTA FOB Contract reflect local conditions, GTA recognises that conflict with GAFTA Contracts should be avoided to the extent possible.

GTA Voyage Charter – AusGrain 2013 Amendments
The following amendments have been made to the GTA CharterParty, now renamed the GTA Voyage Charter – AusGrain 2015:

• The Loading Clauses in both contracts are now aligned to default to a load rate of 7000MT per day unless expressly agreed otherwise. This was felt to be a simplification more reflective of current practices.
• Arbitration under the CharterParty will now default to London Arbitration. This is reflective of current chartering practices.
• The AusGrain Bill of Lading form has been removed from the CharterParty as being unnecessary and not reflective of current practices.
• Various other small changes to better reflect market practices.

New Contract Templates
The amended contracts are now available to download from the GTA website.

Members can access a Word version of these documents by contacting the GTA office.

NEW GTA MEMBERS
GTA WELCOMES THE FOLLOWING ORGANISATIONS TO THE MEMBERSHIP RANKS FOR THE 2015/2016 FINANCIAL YEAR

<table>
<thead>
<tr>
<th>Applicant Name</th>
<th>Membership Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Commodities Pty Ltd</td>
<td>Level C</td>
</tr>
<tr>
<td>BFB Pty Ltd</td>
<td>Level C</td>
</tr>
<tr>
<td>Goldstar Commodities</td>
<td>Corporate – Small</td>
</tr>
<tr>
<td>TE Storage &amp; Logistics Pty Ltd</td>
<td>Corporate – Small</td>
</tr>
<tr>
<td>Elders Rural Services Australia Limited</td>
<td>Level C</td>
</tr>
<tr>
<td>Spargicon Australia Pty Ltd</td>
<td>Level C</td>
</tr>
<tr>
<td>Pallinup Logistics Pty Ltd</td>
<td>Level C</td>
</tr>
<tr>
<td>KB Agri Services Pty Ltd</td>
<td>Level C</td>
</tr>
<tr>
<td>Basis Commodities</td>
<td>Corporate – Small</td>
</tr>
<tr>
<td>Symbio Laboratories</td>
<td>Corporate – Large</td>
</tr>
</tbody>
</table>
AGIC Asia returns in 2016 with events planned for Singapore and mainland China

SINGAPORE – 1st March, Grand Hyatt
CHINA – Beijing 4th March – Guangzhou 7th March (venues to be confirmed)

AGIC Asia provides an opportunity for customers and marketers of Australian grain to access the latest information on the Australian crop prospects, quality profiles, innovations and trends.

AGIC Asia is a key event for customers/end users, marketers/traders, finance sector and other grain industry participants based in the region to hear the latest information on the Australian grain market and network with Australian grain industry participants.

RECENT AWARDS AT ARBITRATION

GTA Arbitration 201
Date of Issue: 04 September 2015
Claimant: Commodity Buyer & Respondent: Commodity Seller

ARBITRATION COMMITTEE (AC)
● Ms Michelle Kerr, Sole Arbitrator appointed by GTA.

CLAIM
● The Claimant states the contract was for March/April delivery and that they called on and discussed delivery of the grain within the delivery period.

At the beginning of May the seller got in touch with the buyer and refused to deliver stating they were out of contract.

The market had moved from $575 delivered at the time of contracting to $810 delivered at the end of the delivery period.

The Claimant is claiming $18,800 in damages.

AWARD
1. The Claim succeeds;
2. The Respondent is to pay the Claimant damages by way of washout of $18,800 within 7 days of the date of this Award;
3. The Respondent shall indemnify the Claimant in respect of GTA Arbitration fees in the amount of $3,850.

AWARD FINDINGS
The Tribunal found that:
● Whilst both parties submit that a conversation regarding delivery took place early in the delivery period, there was conflicting recollection of said discussions.
● Any alterations to a contract must be received in writing. In this instance, no re-negotiation regarding the delivery period was made under GTA Trade Rule 2.2 therefore the delivery period remain unchanged.

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@GrainTradeAus

GrainTradeAustralia Ltd | Phone: +61 2 9235 2155 | Fax: +61 2 9235 0194
Postal: PO Box R1829 Royal Exchange NSW 1225 Australia
Street: Level 7, 12 O’Connell Street, Sydney NSW 2000

www.graintrade.org.au