

GRAINMatters



EDITION 46, May 2020

UPCOMING EVENTS

- 21-22 May EXPORT CONTRACTS & DOCS WORKSHOP
- 2 JULY ADVISORY & COMPLIANCE DAY
- 29 JULY AGIC ASIA
- 30 JULY AGIC AUSTRALIA LIVE

COVID-19

GTA have established a COVID-19 page on our website, as information source for Members.

In response to member demand, GTA has set up COVID-19 Safety Guidelines.

[Access COVID-19 page here](#)

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THE CHINA ANTI-DUMPING INVESTIGATION

The China Anti-Dumping (AD) investigation has certainly hit the headlines this week. The yet to be finalised tariffs, may include a dumping margin of up to 73.6% and a subsidy margin of up to 6.9% for all barley imported from Australia. Australian barley exporters and the Australian Government have been provided with 10 days to respond.

It is understood MOFCOM may provide their final determination on, or before 19 May 2020.

The Industry Working Group (IWG) on this issue have convened and are liaising with Government on this issue. Briefly in terms of next steps and actions for industry the:

1. Trade Minister Birmingham has said Government will prepare a response for both the AD and CVD.
2. GPA and GGL have indicated they will prepare a response on behalf of the production sector.
3. GTA and GIMAF will prepare a response on behalf of trade /industry, as will several exporters.
4. All interested parties have the option to submit a response and GTA is available to discuss this.

GTA reminds members to be mindful of any comments in media, noting at this point the findings are preliminary, and would encourage members to direct any media enquires to GTA wherever possible.



POTENTIAL IMPLICATIONS FOR AUSTRALIAN EXPORTS AND MARKET ACCESS OF COVID-19

- Trade restricting and otherwise protectionist agriculture policies work against global food security, affordability and regional security as well as Australia's export interests.
- If countries remain concerned about domestic food security once the initial crisis has passed, they may be tempted to impose additional protectionist policy measures. This may be an issue as the economic effects of the crisis flow through major economies.
- It will be important to ensure that measures implemented during the COVID-19 situation do not become long-lived, or feed into already distorted agriculture markets.
- There have been widespread calls by international bodies such as The UN Secretary General, [OECD](#), G7 and G20 leaders and the WTO for countries to only impose targeted and temporary measures that avoid unnecessary interference with agricultural trade.
- GTA supports the Australian Government in its campaigning. The Australian Government is advocating the importance of keeping trade open and rules-based and is in regular discussions with likeminded countries on technical aspects of trade in plant, animal and food products, including inspection and certification best practices or other potential interim measures or approaches to assist the free flow of trade for grain, animal and food products.
- Australia will continue advocating—in both multilateral forums and bilaterally—for countries to maintain open agricultural trade based on scientific principles and international standards. This is in everyone's interests (including for the food security of many nations).

CONTINUED SUPPORT FOR TRUCKIES TO KEEP AUSTRALIA MOVING DURING COVID-19

- Australian truck owners and operators will save hundreds of dollars a year following the Federal Government's decision to **freeze the Heavy Vehicle Road User Charge** at current levels.
- Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development Michael McCormack said the Federal Government would continue to help industry through these challenging times.
- "The Road User Charge, which is set to recover the heavy vehicle share of road maintenance and improvements, will stay at 25.8 cents per litre for diesel in 2020-21 instead of increasing by the scheduled 2.5 per cent," Mr McCormack said.
- "Australia's heavy vehicle industry is crucial to sustaining our economy and distributing critical goods during the COVID-19 pandemic. This freeze will ease some of the current pressures on the industry."
- "It is so important we help maintain the supply and flow of medicines and medical equipment and food and essential items to our supermarket shelves at this time. Road freight is absolutely critical to this."

MICE NUMBERS ARE BUILDING IN PARTS OF SA & VIC

- Grain storage and processing companies need to be vigilant as the cold weather arrives in parts of South Australia and Victoria as mice numbers are building. DAWE has raised concerns with the number of hot spots in these areas and the potential for infestation in and around export premises. Industry is reminded of the need to control mice as part of their Export Registered Establishment responsibilities.
- CSIRO monitoring indicates a potential for possible crop damage in emerging plants post sowing and in the spring. They report mice numbers are moderate to high across the Wimmera and Mallee regions of Victoria. In SA they are moderate to high on the northern Adelaide Plains and moderate in the Mallee and Eyre and Yorke Peninsulas.

IMPORTANT CONSULTATION - A GOVERNMENT REVIEW OF THE USE OF ANTI - COAGULANT RODENTICIDES - GRAIN INDUSTRY INPUT IS REQUESTED

- The Australian Pesticides and Veterinary Medicines Authority (APVMA) is reviewing the use of anticoagulant rodenticides "on the basis of concerns for worker exposure, public health and environmental safety".
- Rodenticides products are regularly used by many premises throughout the grain supply chain to control rodent pests. Therefore, the impact of any potential usage changes may be significant on participants within the grain industry.
- Control of rodents is critical to industry given:
 - The failure of rodent control can lead to consignment rejection, consignment re-direction and suspension of exporters for a period of time. It could also lead to suspension of an export market, with resulting costs to the Australian economy & industry reputation.
 - There is a nil tolerance of live rodents and carcasses in all prescribed grain export consignments.
- The Plant Export Operations Manual lists various levels of rodent and vermin droppings that must be met in all grain export consignments:
 - In any single sample (2.25 L or equivalent) not more than seven droppings
 - In any two consecutive samples (each sample 2.25 L or equivalent) not more than four droppings in total
 - Nil in mung beans.
- The APVMA have asked for a range of information to be provided, through a series of short questions. Given the relative importance of this topic, GTA, via a [Member Update No.11 of 20](#), is seeking input into a Submission it will provide to the APVMA on behalf of GTA Members.

AUSTRALIAN MALT BARLEY FOR THE INDIAN MARKET

- GTA's Trade and Market Access Committee is pleased to announce that Australian malt barley for export to India is now officially permitted to be fumigated with phosphine an alternative to the previous phytosanitary requirement of treating the grain with methyl bromide. This previous treatment requirement effectively blocked sales into India as methyl bromide treatment reduces the barley germination viability that is a critical component of the malting process.
- The new change will mean malt barley to meet Indian phytosanitary requirements can now be fumigated with phosphine. The rate to be used is higher than the Australian label rate however DAWE holds an APVMA permit on behalf of industry allowing the higher rate required by India to be used by the Australian export industry. Industry should contact DAWE for details.
- It should be noted India has other strict phytosanitary requirements that must be adhered to including restrictions on specific weed seeds including wild radish and Italian ryegrass that may pose issues in some export port zones. This result came about despite a combined Australian Government and a grain industry approach to counteract this export impediment. GTA has engaged with GIMAF and AEGIC on this issue and continues to engage with DAWE to work with India on these seed issues.

MOBILE BULK LOADING GUIDELINES/REPRESENTATIVE SAMPLING

- GTA has facilitated an industry Working Group that is assisting the Department of Agriculture, Water and Environment (DAWE) with the preparation of a Government Guideline and Prescribed Goods Export Preparation Checklist for the export of grain using Mobile Bulk Loading (MBL) equipment.
- DAWE have long established practices and procedures for the operation by industry of fixed bulk loading grain terminals within Australia. With the advent of operators employing MBL equipment on common user wharfs in Australia DAWE and industry have engaged to ensure processes and protocols are in place for the MBL that apply to export grain. Outlined in the draft Guideline document are the following (not inclusive):
 - Roles and Responsibilities of all participants;
 - Standard Operating Procedures;
 - Determination of AO Inspection site/s; and
 - Prerequisite requirements that includes site plans, process maps, sampling systems, etc.



STANDARDS – WHAT’S CHANGING & PROPOSED TO CHANGE

GTA has released [Member Update 9 of 20](#) calling for a second round of Submissions to the 2020/21 Trading Standards. A summary of the proposed changes to the 2020/21 Trading Standards is provided here:

- A change to the Definition and Tolerance for Sticks and Stubble.
- Improved wording of Objectionable Material for cereal commodities.
- A change to Severely Damaged for Wheat, Barley, Sorghum, Cereal Rye & Triticale so that grains (previously meeting the definition of Severely Damaged) that fall below the screen are no longer classified as Severely Damaged but are permitted in the sample with no limit to apply.
- The creation of a new grade – SFWR for Red Wheat varieties only.
- Terminology changes to clarify the classification of Feed Wheat varieties.
- Change to the definition of Cleaved Barley.
- Changes to Maize Fungal Stained regarding Silk Cut and Star Burst definitions and tolerances.

REVIEW OF AGVET CHEMICAL FRAMEWORK

- The Department of Agriculture, Water and Environment (DAWE) has appointed an independent panel of experts in regulation, agricultural production, veterinary medicines and human health to comprehensively review the regulatory framework for AgVet chemicals.
- The review will examine the AgVet chemical regulatory framework’s aims, structure and operation, and make recommendations to ensure that it is contemporary, fit for purpose and reduces unnecessary red tape.
- In undertaking the review, the panel will:
 - assess the appropriateness, effectiveness and efficiency of the regulatory framework underpinning the operations of the National Registration Scheme
 - consider what the goals of Australian AgVet chemical regulation should be
 - consider the current and future requirements of Australia’s regulatory framework for AgVet chemicals
 - provide recommendations for reform of the regulatory framework to increase the value of Australian agriculture.
- The panel will deliver its final report to the Minister for Agriculture no later than May 2021.
- An initial review by GTA indicates the AgVet chemical review proposes options for significant changes that may significantly impact all chemical users and the grain industry in general.
- GTA will develop a draft response to the Review for GTA Member consideration. GTA will also engage directly with DAWE and its independent panel on this Review to ensure industry issues are considered.

CROSS INDUSTRY ASSOCIATION DISCUSSIONS - ALRTA

- GTA appreciates the value that can be generated through discussions and engagement with other related industry associations and has had a long-standing relationship and interaction with numerous organisations.
- GTA also enjoys the benefits of an excellent relationship with the Australian Livestock and Rural Transporters Association (ALRTA).
- In a recent workshop GTA and ALRTA discussed:

Agenda Item	Topic	Detail
1	Electronic Commodity Vendor Declarations (eCVD)	GTA has commenced a project to digitalise the existing CVD An e-CVD provides opportunities to capture and transfer consignment related information to all participants involved.
2	Truck Wash Facilities	GTA project considering the development of a 'truck wash' facility.
3	Grain Transport Code of Practice (TCOP) (Here)	During 2020 GTA will be updating its TCOP This includes a review of Transport Biosecurity.
4	Chain of Responsibility Training	GTA is running a practical CoR training program

GTA MEMBERSHIP

Grain Trade Australia **Life Membership** Nominations are now being accepted. To be eligible for Life Membership, a nominee must:

- have made a contribution to GTA's work that can be considered outstanding, over and above what might be reasonably expected from employment or voluntary involvement in the organisation;
- have contributed to GTA in the above manner for no less than five (5) years;
- have made a contribution that sets them apart from other valuable contributors;
- holds, in the opinion of the GTA Board, good standing within GTA and the grain industry; and
- not be a current employee of GTA.

Nominations close on 1st June 2020.

For more information, please refer to [GTA Member Update No.7 of 20](#).

GTA welcomes the following new members:

Cory Johnston (Aust) Pty Ltd— Ordinary Trading Level C
Chester Commodities Pty Ltd—Ordinary Trading Level C



Export Contracts & Documentation



This **2 day workshop** will help you understand the risks and the complexities of exporting grain and completing International Trade Documentation

2 day Webinar, includes live speakers Q&A

Topics include:

- Formation of Contracts
- Letters of Credit
- Logistics
- Bills of Lading
- Charter Parties
- Dispute Resolution

Speakers include:

- Holding Redlich
- HFW
- McDonald Pelz
- ANZ Bank
- Oldendorff Carriers
- GTA, DAWE

Early Bird Registration \$1,200 inc GST

Group discounts are available - register online

Full price registration after May 14th - \$1,300 inc GST

**For any inquiries please contact GTA on: (02) 9235 2155 or 0449 038 330
admin@graintrade.org.au**

UPCOMING EVENTS & TRAINING WORKSHOPS

GTA TRAINING & DEVELOPMENT WORKSHOPS

Currently delivered via Zoom Webinars

- 4 June 2020** Trade Rules & Contracts Workshop
- 5 June 2020** Dispute Resolution Service Workshop
- 10 June 2020** Grain Accounting Workshop
- 17-18 June 2020** Grain Merchandising Workshop



[REGISTER HERE](#)

2 July 2020

Mark your diaries for this yearly event hosted by GTA, this year via Zoom Webinar.

Registrations are coming soon.



30 July 2020



While the times we're living in may be uncertain, one thing's for sure: the Australian Grains Industry Conference (AGIC) is back in 2020 to once again bring you the premier event on the grains calendar.

This year's conference will take place on Wednesday 29 July and will focus, fittingly, on resilience and reinvention.

This year's conference will take place entirely online, on a cutting edge virtual conferencing platform.

"With travel restrictions in place across the country and globe, this year, instead of coming to us for the Australian Grains Industry Conference, we're coming directly to you,"

says Andrew Goyder, Chairman of Grain Trade Australia.

"Like others, we carefully considered whether we should be cancelling or postponing but, ultimately, decided that the way AGIC brings together our industry and its people was just too important to miss right now."

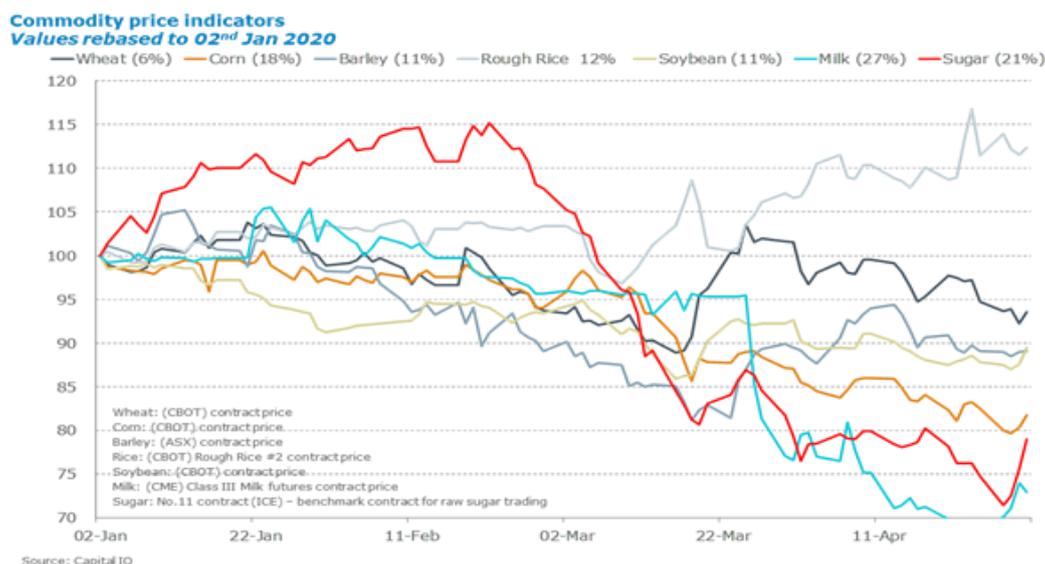
Registrations and more details are coming soon. For sponsorship or exhibitor opportunities, please contact Neredith Comrie on events@ausgrainsconf.com

KEY MESSAGES FROM THE LATEST GTA GRANT THORNTON, HFW WEBINAR

The focus of the most recent event in the Webinar series – C- 19 Impacts and Issues for GTA Members covered three areas with the main take home messages being:

- JobKeeper – Fair Work Act 2009 (CTH) Amendments
 - JobKeeper provides the Employer provisions that an employee must not unreasonably refuse.
 - Employer may request an employee entitled to receive JobKeeper payments to take annual leave
 - Employee must not unreasonably refuse this request where the employee retains a leave balance of at least 2 weeks
 - Employer an employee can agree to leave being taken at half pay
 - There are guidelines that employees must understand and must adhere to.
- Cash Flow Management
 - A focus on cash flow management is strongly recommended to ensure a business can make informed decisions.
 - Forecasting cash flows should revert to a weekly process and it is recommended to have a 13 -week timeline in the forecast
 - Consider balance sheet accruals if payments are deferred
- Financial Markets Update – Covid-19

COMMODITY PRICE FALL



- Major impact on grain-based commodities has seen a pronounced fall in price on grains linked to the oil market. This is due to the sharp reduction in ethanol production and consequently a marked reduction in demand for sugar and corn crops that supply this market.
- Downward pressure on foreign currencies of grain exporters (eg Russia, Australia) from C-19 impacts may help grain their exports and competitive world pricing.

The presenters were also asked to provide a closing comment. These included:

- Prepare for further volatility and consider whether we are currently emerging from the impacts or in the eye of a C-19 financial hurricane.
- Prepare to ensure safe workplace practices and procedures, and monitor for Safework Australia guidelines
- Focus on planning and forecasting of future events and be prepared and agile.

DISPUTE RESOLUTION RULES & GUIDELINES CHANGES

- **GTA Dispute Resolution Rules** were last reviewed/updated in November 2017
- The Secretariat, GTA management & GTA Board have reviewed the Rules and approved for release on April 28, 2020
- A key part of the update is to remove requirements for paper copies, as Arbitrations now generally run via e-mail.

- **GTA Dispute Resolution Guidelines** were last reviewed/updated in February 2016
- The Secretariat, GTA management & GTA Board have reviewed the Rules and approved for release on April 28, 2020
- Notable areas amended or included in this revised Guidelines include:
 - GTA Dispute Resolution will work on electronic copies (rather than paper copies)
 - A note that variation from the standard or vanilla process by the Parties may likely mean additional fees become payable.
 - Distinction of the role of the Secretariat
 - The importance of the Claimant to justify their claims when a Respondent does not participate in an Arbitration (ie Default Award).

Updated copies are available on GTA website and via below link.

