Combined GIAV & SFMAV Meeting
Ballarat, VIC – 25 June 2015

Jodie Dean – Operations Manager
GTA HAS CONTRACTS AND STANDARDS THAT TAKE AUSTRALIAN GRAIN TO DOMESTIC AND EXPORT MARKETS

SUPPORTED BY:

Publication of Grain Trading Standards

Dispute Resolution Services (Arbitration)

Professional Development Programs

National Working Party on Grain Protection (GTA convenor)

Specialist workshops – Export Containers/Advisory & Compliance

Australian Grain Industry Conference (in conjunction with Australian Oilseeds Federation & Pulse Australia)

Australian Grain Industry Code of Practice

ACROSS THE ENTIRE SUPPLY CHAIN
GTA Vision
An efficient, equitable and open commercial grain industry in Australia.

GTA Mission
To facilitate trade by providing products, services and advocacy for the Australian grain value chain.

GTA is non political
GTA is a trade organisation
Memberships as at 30 June

- 2004: 100
- 2005: 120
- 2006: 140
- 2007: 160
- 2008: 180
- 2009: 200
- 2010: 220
- 2011: 240
- 2012: 260
- 2013: 280
- 2014: 300
Technical Committees

- Commerce
- Grain Standards
- Trade & Market Access
- Transport, Storage & Ports

NEW GM Grain & Seed Industry Consultative Committee

Transparent, public review process
National Working Party on Grain Protection

Providing management and leadership to industry in the areas of grain storage, chemical use, market requirements and chemical regulations.

AUSTRALIAN GRAIN STORAGE & PROTECTION CONFERENCE
Meeting Market Requirements

16-17 JUNE 2015
RYDGES
186 EXHIBITION STREET
MELBOURNE

BROUGHT TO YOU BY THE NATIONAL WORKING PARTY ON GRAIN PROTECTION (NWPGP)
Australian Grain Industry Conference

Melbourne 28-29 July
♫ Grand Hyatt Hotel
♫ Growers Day 27 July
♫ GTA Advisory & Compliance Workshop (27 July)

AGIC Asia
♫ Singapore 2014
♫ Singapore & Hong Kong in 2015
♫ 2016 ??
GTA Diploma in Grain Management
GTA Diploma in Grain Management

- Expansion of existing Training & Development Program
- Ten (10) units required – Three (3) years to complete
- Continued delivery of GTA workshops
- Full online delivery from 2016

Pathways to accreditation:
  - Workshops and assessment
  - Direct to online assessment (*past workshop participants & experienced industry participants*)
  - Recognition of Prior Learning (RPL)
Diploma of Grain Management – GTA units

• DGMRUL501A  Apply knowledge of trade rules and contracts – Trade Rules and Contracts

• DGMSTA502A  Apply grain industry standards – Grain Standards

• DGMMAR503A  Review and evaluate grain markets – Understanding Grain Markets

• DGMPER504A  Report on grain trading performance and risk – Grain Accounting

• DGMMER505A  Develop and apply strategies for grain merchandising – Grain Merchandising

• DGMDIS506A  Maintain knowledge of the GTA Dispute Resolution Service – Dispute Resolution Service and Arbitration
# Diploma of Grain Management – Electives

<table>
<thead>
<tr>
<th>Course Code</th>
<th>Course Title</th>
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<tbody>
<tr>
<td>DGMPER504A</td>
<td>Report on grain trading performance and risk</td>
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<tr>
<td>DGMMER505A</td>
<td>Develop and apply strategies for grain merchandising</td>
</tr>
<tr>
<td>DGMDIS506A</td>
<td>Maintain knowledge of the GTA Dispute Resolution Service</td>
</tr>
<tr>
<td>AHCBCAC309A</td>
<td>Sample and test grain and related commodities</td>
</tr>
<tr>
<td>AHCBCAC406A</td>
<td>Maintain grain quality in storage</td>
</tr>
<tr>
<td>AHCBCAC504A</td>
<td>Plan and manage a stored grain program</td>
</tr>
<tr>
<td>AHCBUS501A</td>
<td>Manage staff</td>
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<tr>
<td>AHCBUS502A</td>
<td>Market products and services</td>
</tr>
<tr>
<td>AHCCHS401A</td>
<td>Maintain occupational health and safety (OHS) processes</td>
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<tr>
<td>BSBHRM405A</td>
<td>Support recruitment selection and induction of staff</td>
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<tr>
<td>TLIL5019A</td>
<td>Implement and monitor transport logistics</td>
</tr>
<tr>
<td>TLIL5026A</td>
<td>Manage export logistics</td>
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</tbody>
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+ Dept. Agriculture Biosecurity – Authorised Officer (AO) Training
GTA Diploma in Grain Management

GTA has auspice agreements with 3 RTO’s –

- Great Southern Institute of Technology – Albany, WA
- Qld Agricultural Training Colleges – Gatton, QLD
- Wodonga TAFE – Albury/Wodonga, NSW/VIC

Assessment

- Students will have 8 weeks to complete the Assessment
- Each Assessment will take 3-5 hours to completed

GTA Member Costs (non-members add 50%)

- Workshop $880 1 day / $1320 2 day
- Assessment/RPL $440 per unit (minimum of 3)
Communications

Matched to a diversifying industry and participant base

- Website – grain industry reference library
- Twitter
- GRAINMatters – monthly electronic publication - members and others.
- GTA Fact Sheets – detailed information on a range of issues.
- NewsInGrain Newsletter - (electronic and hard copy)
- GTA LinkedIn Group – encouraging industry commentary on a range of issues.
- GTA Annual Report
Harvest period - GTA Standards and Contracts

With harvest currently in full swing across much of the country’s grain growing regions it is imperative to be across the GTA Trading Standards and Contracts.

2013/14 GTA Annual Report is now available

Highlights across GTA core functions, Technical Committee activities & the financial performance of GTA for 2013/14. Members will receive a hard copy in the mail.

2014/15 Location Differentials now available for all states

All Location Differentials are effective from 01 October 2014. Explanatory Memorandum is also available detailing amendments & additions for the 2014/15 season.
Regular communications to whole of industry

Subscribe from the GTA website homepage
www.graintrade.org.au
On-line resources www.graintrade.org.au/fact_sheets

**FACT SHEET**

**Series No. 002**

**Date of Issue: 18/07/2011**

**GRAIN TRADE AUSTRALIA**

### Industry Codes

**The Australian Grain Industry Code of Practice for the Management of Grain**

A quality product is one that has the ability to perform in service and is suitable for its intended purpose, i.e. it is predictable and will perform as intended.

Delivery of a quality product to an end user, domestic or export will ensure that Australian grain is recognised as a premium product able to compete on world markets based on its intrinsic properties. Also, Australia enjoys a natural freight advantage into Asian markets.

Therefore, into our largest regional export market the combination of a quality product plus a freight advantage is a formidable combination.

However, it would be wise to fly expecting this situation to continue unchanged.

To Australia’s historical competitors, i.e. Canada and the USA, this will no longer be the case and a natural freight advantage against Black Sea grain into Asian markets, however this “advantage” can be eroded should freight rates fall and the quality of product emanating from the Black Sea will only do one thing, improve. And as for Canada and the USA, quality improvement is embedded in their processes.

Therefore, it follows, that quality improvement must drive the behaviour of everyone involved in the Australian grain industry. For instance:

- What processes can the producer implement to ensure they deliver a “quality” product?
- Could a prior load in a trailer compromise delivery of a “quality” product?
- The rigour around the sampling & testing at point of receive determine the grade of a load and ensure segregations are appropriate to ensure that the product and customer requirements remain undamaged.
- Trading standards attached to the grain contract detail the customer requirements, detail a quality product.

The above are examples of the actions that are required across the Australian supply chain that ensure the ultimate end user receives product that suits their needs.

Grain Trade Australia recognised the cross supply chain challenges to ensure delivery to customers of a quality product and determined the need to develop the Australian Grain Industry Code of Practice (Code).

**PURPOSE OF THE CODE**

The purpose of the Code is to describe practices that the grain industry use to ensure Australian grain and grain products meet domestic or export customer requirements. Customer requirements include those stipulated in contracts and regulatory requirements at the Australian State, Territory Federal levels and international and overseas country level.

There are also a range of industry standards that are covered under the Code.

The Code focuses on those common standards, operating procedures and documented processes. The Code assumes that all participants in the grain supply chain have in place established practices that ensure compliance with the Code.

By following the Code, all sections related to the grain industry, governments, researchers and consumers will gain confidence that processes exist in Australia to successfully produce, store and supply grain that meets the expectations of the entire grain supply chain.

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**FACT SHEET**

**Series No. 005**

**Date of Issue: 14/07/2014**

**GRAIN TRADE AUSTRALIA**

### Location Differentials

**Understanding GTA Location Differentials**

GTA Location Differentials (LDD) are widely used by the Australian grain industry to price “port based” contracts in particular the GTA Contract No 2 Grain and Oilseeds in Built – Basis Trade commonly known as the “Track Contract”.

The majority of grain produced in Australia will, at some stage, be priced and transacted on a “port based” contract, which refers to the GTA LDD’s. GTA LDD’s (Location Differentials) are not freight rates or freight differentials.

**WHAT ARE LOCATION DIFFERENTIALS (LDD)?**

A Location Differential is the “value” attributed to a specific up-country grain bulk storage and handling facility to an export port terminal facility.

They are produced by the GTA Commerce Committee for the purpose of valuing up-country grain or a port facility.

The up-country grain bulk storage and handling facility must be operated by a GTA Member.

**WHY DOES GTA PRODUCE FREIGHT RATES?**

The price of freight is market driven and subject to continual change depending on amongst other things:

1. Tonnage to be moved versus the available freight capacity. In a tight market freight capacity could be in deficit, the market driven response - rates will be higher.
2. The converse also applies.
3. How far forward did you look the freight? Generally speaking, the further forward a booking is made the greater the discount to a spot price. Freight providers, like airline companies, like to get forward bookings as an indication of future cash flow. This is not always the case and for various reasons you may see an inverse in the freight market, in the same way that future grain prices could be higher than current values.
4. How much tonnage is being booked? An organisation moving 100,000 tonnes against an agreed, disciplined freight program will get their freight at a better rate than an organisation moving 1,000 tonnes with no freight program.
5. Is the grain being moved on rail or road? If rail, how many stops are required to fill the train, i.e. one stop or multiple stops down the line?
6. Time of year. The freight program is gradual just after harvest as organisations move grain to port.
7. Size efficiency

Any or all of the above can impact on Freight rates at any one time.

The freight market is a free market and acts accordingly. There is nothing constant about the freight market except continually changing rates.

**CONSIDERATION IN DETERMINING LOCATION DIFFERENTIALS**

1. The GTA Commerce Committee is responsible for development and ongoing review of the values used as the GTA LDD.
2. GTA will not change the current methodology (method of calculation) or the value of the GTA Location Differentials (LDD) for a period of no less than three (3) years from 2013, subject to any significant changes in the market, which will be determined by the GTA Commerce Committee.
3. GTA will provide industry with 18 months notice of any significant changes in the methodology used to calculate the GTA LDD.
4. GTA will provide industry with 18 month warning of any changes to the LDD as a result of Point 3 above.
GTA Contact Details

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