GRAIN TRADE AUSTRALIA

Industry driven and managed

Grain Trading Standards | Trade Rules & Contracts | Dispute Resolution Services | Trade & Market Access | Training & Development

Strategic Direction 2016/2017

Strategic Direction 2016/2017 follows widespread industry consultation to ensure that GTA fulfils its key task to "facilitate and promote trade" across the Australian grain value-chain.

Strategic Direction 2016/2017 has been prepared for members and others with an interest in the Australian grains industry and details the short to medium strategies and GTA's longer term vision for the Australian grain supply-chain.

Vision

An efficient, equitable and open commercial grain industry in Australia.

Mission

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

Our Members

GTA members are drawn from across the grain value-chain from production to domestic end-users and exporters. GTA members are involved in grain trading activities, grain storage, food production industries and stock-feed milling.

GTA also attracts membership from organisations to the side of the value-chain in related commercial activities such as financial (banking, stock exchange etc), communications, grain advisory services and professional services (solicitors and accountants).

Our Values

GTA will:

- Continually reassess its position in the Australian grain value-chain ensuring a contemporary approach to fulfilling its vision. Leadership and innovation will be key features of the manner in which GTA will conduct its operations.
- Commit to delivering products and services that add value to our members' businesses and harmonise standards associated with facilitation of trade.
- Work cooperatively with all parts of the grain value-chain and service all grain value-chain members.
- Build effective relationships with our members and stakeholders.

GTA – Core Tasks

- **Grain Trading Standards** - development and the ongoing maintenance of grain trading standards that reflect customer requirements, as well as supply-chain and production capabilities.
- **Grain trading contracts and trade rules** - that ensure legal rigour to commercial grain trading activities.
- **Dispute Resolution Services** - underpin contractual arrangements.
- **Trade and Market Access** - engaging with policy makers to ensure fair and equitable trade and market access into domestic and global markets.
- **Training and Professional Development** -a determination to increase capacity within the grain industry by provision of market-based vocational training & development programs.

In addition, GTA also has expansive products and services to provide strong foundations for an industry proud of its ability to develop and implement a self-regulatory approach to grain industry policy setting and processes.

This approach is supported and demanded by GTA members, industry stakeholders, government and its related agencies.
GTA members look to GTA to continually reassess and develop additional relevant capacity. GTA has responded and during 2016/2017 there will be continued major emphasis on:

- **Training and development** with the full roll-out of the Diploma in Grain Marketing;
- **Trade and market access** capabilities.
- Working with industry to develop **sustainable funding** model options **for WQA** post December 2017 to ensure continuation of a wheat varietal master-list as the key foundation of our grain classification and standards systems.
- Work with industry to look at improved **cooperation** and improved operating **efficiencies**.
- Promoting a **harmonious global grain trading**, regulatory and operating environment for the world's grain supply-chain.
- Technical Committees to draw on Members' industry **knowledge**, **experience** and **expertise** to advise and develop products, services, policies and guidelines to advance achievement towards GTA's Vision and Mission.
- Participate in the AGIDG and be involved in the allocation of WISA funds.

MANDATE MUST BE CONTINUALLY EARNED

- GTA does not have a right to exist – it must *continually* earn that right from its members.
- Members do not financially support GTA via membership fees or the purchase of products and services out of loyalty but out of the value that GTA is able to offer to their commercial activities.
- GTA is judged on whether it offers a sound value proposition to members by the value obtained by the member in their last interaction with GTA.
- GTA must:
  - be cognisant of factors in the external business environment that impact both the Australian grains industry and GTA and its operations; and
  - operate within the confines and needs of members and the immediate business environment in which GTA operates.

1 The core tasks of trade facilitation

*GTA will **continually** review the products & services that support "trade facilitation" to ensure they reflect the commercial grain trading environment. This will occur via input from the GTA Technical Committees, members and the broader grains industry. The review process will be public, transparent and open to all.*

1.1 Grain Trading Standards

Positioning statement	Activities 2016/2017	Future activities

GTA grain trading standards will reflect customer needs as well as supply-chain and production sector capabilities and are the benchmark for the Australian grains industry. They provide confidence to consumers and processors of Australian grains. Where advantageous to the Australian grain industry, standards and reference methods will be harmonised with international standards.	Develop, review and publish on a yearly basis:
	• Wheat & coarse grain trading standards
	• Reference methods for wheat and coarse grains
	• Commodity Vendor Declarations
	• Visual Recognition Standards Guide
	
	Publish:
	• Oilseed trading standards developed by the Australian Oilseeds Federation;
	• Pulse standards developed by Pulse Australia; and
	• Birdseed standards developed by Queensland Agricultural Merchants.
	
	Via the Food Safety Subcommittee, provide industry guidance to:
	• CODEX Australia, Food Standards Australia New Zealand and the Australian Pesticides & Veterinary Medicines Authority via the Food Safety subcommittee, on issues relating to grain food safety issues, chemical status and maximum residue levels.
		• Work with industry groups to ensure all grain, oilseeds and pulse standards are aligned where feasible.
		• Consideration & development of applications suitable for Smart Devices. Potential applications :
		  • GTA publications:
		  • Seed Impurities of Grain Identification Guide
		  • Visual Recognition Standards Guide
		  • Image analysis to identify seed impurities.
		• Continued engagement with pre and post farm gate stakeholders to ensure trading standards encompass the needs and capabilities of the production, supply chain, consumption and regulatory sectors.
		• Work with industry groups and other stakeholders to develop communication programs to demonstrate the critical roles that trading standards and variety classification play in the quality of Australian grain.
		• Continue to work with industry on development and adoption of new testing technology.
		• Standards database – develop database of grain standards for facilitating industry access to standards.

1.2 Contracts & Trade Rules

Positioning statement	Activities 2016/2017	Future activities
GTA contracts and rules provide a constant and consistent methodology for conducting trade along the supply-chain, from producer to processor/consumer. The outcome is greater commercial certainty and fairness, and lower risks for any participant in grain chain transactions and broader confidence in the marketplace to conduct trade.	Continuous review ensures the following documents remain contemporary in nature: 1. GTA Trade Rules 2. Grain and Oilseeds In Bulk FOB Terms 3. Grain and Oilseeds in Bulk Delivered Price Basing Point or Port Terms (Basis Track) 4. Grain and Oilseeds – Contract Confirmation 5. Revise SOP for Location Differentials 6. Contract for Grain / Oilseeds / Birdseeds & Pulses In Containers Delivered Container Terminal (DCT) 7. CFR-CIF for Grain in Containers 8. Contract for the Bulk Freight of Goods 9. Alignment of Ausgrain Charterparty with GTA No1 (FOB) Contract	• PPSR & Retention of Title – continued education to trade. • Commodity Vendor Declarations Review • Publish Broker / Agent technical guidelines • Unfair Contract Laws – review GTA contracts in context of new laws and provide information to Members. • Examine feasibility and Development of GTA Standard Grower Contract • Review of ASIC exemption for commodity pools from Managed Investment Scheme requirements. • Represent grains industry on ACCC Agricultural Advisory Committee.?

1.3 Dispute resolution services

Positioning statement	Activities 2016/2017	Future activities
GTA dispute resolution services are recognised by industry as the most efficient process to resolve commercial disputes. GTA awards are legally robust and when aligned to GTA contracts and agreements, ensure contracting integrity.	GTA will offer dispute resolution services: • for all GTA contracts and agreements; and • where GTA members have referenced the GTA Dispute Resolution Service in specialty or "tailor made" contracts.	• Investigate dispute resolution facility for Australian Financial Services Licence members with related agricultural commodity based disputes. • Continued facilitation of Dispute Resolution Services.

1.4 Training & Development Program – full roll out of the Diploma in Grain Marketing

Positioning statement	Activities 2016/2017	Future activities
GTA will deliver programs to upskill industry participants ensuring that the trade facilitation processes developed by GTA are well understood at all points in the value-chain from producers to trade intermediaries to end users.	Conduct the following: • GTA Diploma in Grain Management. 1. GTA Trade Rules, Contracts and Dispute Resolution 2. GTA Grain Standards 3. Grain Merchandising 4. Grain Accounting 5. Understanding Grain Markets 6. GTA Dispute Resolution Service • Advisory & Compliance Workshop • Export Contracts & Documentation course • Explore options for alignment of GTA Diploma with training activities carried out by other organisations such as Grain Growers Ltd and AEGIC	• Develop online assessments for remaining diploma units • Consideration to conduct a national coordinati0n role in chemical training • Seek funding for training and development programs suitable for growers. • Develop RPL opportunities for linkage into GTA Diploma via external professional development activities (eg. Export Contracts course, Baking & Milling course proposed by AEGIC)

1.5 *Trade & Market Access – enhanced capacity in 2016/2017 to indicate TMA as a core task of GTA*

Positioning statement	Activities 2016/2017	Future activities

GTA will advance independent, fact-based dialogue and advocacy for members and industry stakeholders.
GTA will support and where applicable shape the federal and state government efforts to ensure that trade is not impacted by technical barriers that may arise in forums such as the WTO, IPPC, FAO, CODEX etc, or via state based legislative actions
	• Allocation of increased capacity to represent the interests of members with direct engagement with Australian Government Commonwealth, State and Territory Departments and their agencies on T & MA activities including:
	  • bilateral and multilateral trade policy negotiations
	  • market access / potentially discriminating technical, or other barriers to trade
	• Active and ongoing membership of:
	  • DAWR Biosecurity Grain & Plant Product Export Industry Consultative Committee (GPPEICC)
	  • International Grain Trade Coalition (IGTC). GTA will be considered as the point of reference for IGTC on trade related activities involving the Australian grain industry and actively participate on matters of high significance to the Australian Grains Industry
	  • Support activities in relation to the ISPM Expert Working Group meeting occurring in Australia in Sept 16
	• Ongoing participation in the development of technical submissions to protect/enhance the market access of Australian grain in domestic and international markets.
	• Continue to share information with like overseas organisations to ensure a harmonised approach to commercial activities across the global grain trade.
	• Explore ways to ensure improved coordination of Trade and Market Access activities across the grains industry and work with Industry Groups to ensure "no gaps" exist in industry wide TMA activities.
	• Undertake consultation to obtain broad industry endorsement and implement the Market Choice Framework for GM Crops and implementation of related documents and response plans
		• Via GPPEICC - review of grain import protocols prior to next import event.
		• Represent grains industry on ACCC Agricultural Advisory Committee
		• Represent Industry on APEC Standards Harmonisation forum
		• Continue to work with IGTC and Australian Government authorities re development of policy around Non-technical Barriers to Trade (NBT)
		• Continue to provide input into global adoption of Edocs

2 Industry support functions

GTA will provide industry leadership in functions which are suitable for industry to manage and work with Government and their agencies where wider or community interests warrant a public partnership approach.

2.1 Grain value-chain partnerships

Positioning statement	Activities 2016/2017	Future activities
As the industry evolves, GTA will encourage efficiency across the grain supply-chain by working with other groups to improve efficiencies in the post-farm gate sector.	• Working with likeminded organisations, GTA will seek improved operating and structural efficiencies of the post farm gate industry sector, including the AGIDG and associated strategic planning activity • Continue to advocate for the WISA funds to be constructively allocated and ensuring the funds are spent to the benefit of the (wheat) industry • Achievement of this objective will protect the limited financial resources contributed by members and ensure a cohesive post farm gate voice for communication to Government and the wider grains industry. • Member funding requires a clear commercial benefit in the competitive environment. • Engage with AGEA, AOF, Pulse Australia, GPA, GGL and GIMAF	• Continually seek engagement with current and potentially evolving representative industry sectors and organisations with a view to establish organisational platforms that serve the industry, not the organisation.

2.2 Australian Grain Industry Code of Practice

Positioning statement	Activities 2016/2017	Future activities
This Code is a public demonstration of an industry that is self-regulating and conducts its operations in an ethical manner professionally and <u>according to best practice.</u>	• The Code was launched in July 2013 and compliance has been mandatory for GTA members from 1 July 2014. • GTA will continually promote the Code to members, government, end users and other industry stakeholders • Completion of PASE projects covering *1.* Food Safety Database – for compilation of grain food safety data to facilitate stock selection and provide input into international standards development 2. Standards Database – for ease of access to standards by industry 3. Guidelines for a Container Packer Operations Manual – to assist container packer to comply with the Code of Practice; and 4. Truck Cleaning Guidelines – to reduce the risk of chemical residues in grain	• Review of Code in 2016/2017 • Development of additional Technical Guidelines Documents: 1. Data capture / security 2. Truck Cleaning 3. Broker /Agent guidelines 4. Guidelines for a Container Packer Operations Manual

2.3 National Working Party on Grain Protection

Positioning statement	Activities 2016/2017	Future activities

NWPGP provides management and leadership to industry in the areas of post-harvest storage, chemical use, market requirements and chemical regulations.	• Continue to support the activities of the NWPGP by acting as the secretariat and manage the Australian Grain Storage & Protection Conference, NWPGP technical outcomes and associated work groups.
	  • In working with the NRS, update the Australian Grains Industry Post Harvest Chemical Usage Recommendations and Outturn Tolerances 2016/17o meet changing market requirements,
	  • Work with various industry groups to manage chemical use and provide submissions to various regulatory reviews of chemical use.
		• Continuing support of the National Working Party on Grain Protection ensuring science based decisions in relation to the use, application, storage and trading of grain for domestic and international markets.
		• Provide submissions, and input where required, on reviews of chemicals both in Australia and overseas in markets of importance to Australian grain

2.4 Wheat Quality Australia

Positioning statement	Activities 2016/2017	Future activities
Wheat Quality Australia provides the support needed to identify, develop and produce high quality wheat varieties in Australia by classification of new wheat varieties according to end product (or flour) qualities and market needs.	• GRDC recently made the decision to withdraw as a member of WQA to be replaced by AEGIC. • GRDC has agreed to continue funding WQA until December 2017. During that period industry needs to develop a co-funding model for WQA or else WQA will be transferred to AEGIC. • GTA will work closely with WQA to develop sustainable cost base and work with industry to develop funding model options going forward. • GTA will continue to support WQA by way of provision of one Director for the WQA Board and in-kind technical contribution to WQA from GTA Members • GTA and AEGIC will develop communication packages with WQA to highlight the important role that trading standards and variety classification play in the determination of grain quality.	• Working with GRDC, as the other member of WQA, and industry stakeholders, continue to review and develop strategies and processes in support of varietal classification.

2.5 Australian Grain Industry Conference(s)

Positioning statement	Activities 2016/2017	Future objectives
The Australian Grain Industry Conference will continue to be the pre-eminent grain conference held in Australia. Topics will engage the audience and aligned functions provide networking opportunities. *AGIC Asia will continue to showcase the Australian grain industry*	AGIC (Melbourne) • Conduct the Australian Grain Industry Conference (AGIC) and aligned workshops/meetings. AGIC ASIA • Contingent on a successful review and support by the broader industry, to conduct AGIC ASIA as a technical symposium in suitable location(s) to highlight the Australian grain industry to Asian end users. • Consider broadening of scope to develop partnerships with appropriate organisations to help ensure ongoing success and growth of the Asia conferences.	• Continually review like international grain conferences in terms of content and administration to identify opportunities to improve AGIC • Recognise need to maintain a sound value proposition to members and industry. • Ensure Conferences remain innovative and relevant to Member and delegate needs

2.6 Australian Grain Industry Discussion Group (AGIDG)

Positioning statement	Activities 2016/2017	Future objectives
AGIDG will provide a forum for grain industry organisations to develop overarching industry strategies and policies that promote and enhance a competitive and efficient Australian grain supply/value-chain.	• GTA will support the initiative via membership. • Project funding is sourced from participants on an equal basis. • Develop mechanism for securing residual wheat industry funds so as they can be utilised to support the wheat export market • Scope and approve industry preparedness plan with PHA and Strategic plan for industry good functions	• Continuing support of the AGIDG enabling cross sector discussion/resolution of industry matters/activities. • Investigate options for future evolvement of the AGIDG

3 Advocacy

Positioning statement	Activities 2016/2017	Future activities
As a net exporter of grain, GTA on behalf of members must continually assess the emerging and potential inhibitors to trade, both on a domestic and international basis. *GTA will continue to advance independent, fact-based dialogue and advocacy for members and industry stakeholders. Government will maintain a central role in many of the global issues for grain trade (WTO, DA Biosecurity, FTAs, Codex, etc), however it needs commercial support from industry to guide its position.*	• Ongoing participation in the development of technical submissions to protect/enhance the market access of Australian grain in domestic and international markets. These activities relate primarily to interaction with key sections of the Department of Agriculture. • The development of capacity in FY16 that will advance the competiveness of the Australian grain industry in regards to bilateral and multilateral trade policy negotiations conducted by the Australian Government. These activities relate primarily to interaction with key sections of the Department of Foreign Affairs & Trade. • Seek to further build and establish a more influential position in Canberra and, where possible, a unified voice for the grains industry	• Further extend capacity identified for development in FY16. • Ongoing support for Industry Management Plan (IMP) for facilitation of trade to China. • Collaborative work with other industry groups to support and benefit GTA Members and Australian Grains Industry. • Ensure Government positions and representatives attending support industry's position for up-coming CBP COP-MOP meetings in 2016 on CBP • Ensure Government maintain their support and participation in Global Initiative on LLP; ISPM, ephyto

4 Communication

Positioning statement	Activities 2016/2017	Future activities
GTA's profile is recognised as an industry communicator by Government, media, financial institutions, other industry organisations and members. The industry is seen as transparent, collaborative and supportive of innovation and entrepreneurship. *GTA will via various communication mediums disseminate its commercial resources and other material related to "facilitation and promotion of trade" to members and non-members. This also relates to international sectors of the grain industry.*	The GTA Communications Strategy will be updated for FY17, to meet members and industry's needs. 1. Focussed communications strategies associated with introduction of major initiatives, i.e.: • Australian Grain Industry Code of Practice; • Professional development, in particular the introduction of the Diploma in Grain Management 2. Focussed promotion and increased interaction with key associations i.e. state merchant associations and grower groups. 3. Submissions placed by GTA to various federal agencies and departments 4. Promote Key messages, including that GTA's products and services provide the key foundations for keeping the Australian Grains Industry *"House in order"*, providing a broad growth platform to benefit GTA Members and the Grains Industry at large.	Continued and increased engagement with federal and state (as required) governments. Programmed briefings to: • Federal politicians • Federal ministries including DA/DFAT. • Key stakeholders including members, state merchant organisations, GRDC and producer groups.

Industry Outcomes

The goal of GTA is to create an operating environment for the commercial grain industry that is efficient, effective and transparent. These attributes provide the foundation for the Australian value-chain and its members to participate in the growth of the global grains industry.

The following reflect the industry outcomes that GTA delivers / influence through its activities:

- **A well informed industry** – decisions based on sound data and research
- **A better skilled industry** – operating at best practice
- **Access to more effective tools and processes**
- **More harmonious and cooperative environment** – a common and clear commercial focus, balanced with a wider community and environment responsibility
- **Enhanced innovation and leadership** – where new ideas and challenges are welcomed, discussed openly, and advanced as appropriate
- **An industry responsible for itself (industry stewardship and management)** – self-reliant, but achieves Government support where common good outcomes justified and necessary.

Critical Success Factors

GTA must deliver:

- **Harmonised trading products and services** – so that trading risks are lowered, capital is attracted, and transparency is enhanced.
- **Suite of tools to enable trade to occur efficiently and seamlessly** – low cost transactions are critical to maintain global value-chain competitiveness.
- **Training & development programs that enhance the skills of industry participants** – other industries and countries are competing for skilled human resources; GTA must deliver programs to “grow our own”.
- **Knowledge sharing** – communicating the grain industry and GTA vision is critical to garnering the support required for growth.
- **Funds and Resources for GTA to deliver the outcomes** - growth in industry services and communication activities by GTA must be met within the budgetary scope and financial policies of GTA.
- **Partnerships/linkages with industry stakeholders**, Government and agencies, and international counterparts – members alone cannot fund the entire service load. Partnering will be an important component of success.

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