



# Australian Grain Industry – Code of Practice Technical Guideline Document

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## No. 17 Guidelines for Development of a Container Packer Operations Manual

Compiled on behalf of the Australian Grain Industry by:  
**Grain Trade Australia**

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## Australian Grain Industry – Code of Practice

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### Technical Guideline Document

#### No. 17 Guidelines for Development of a Container Packer Operations Manual

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## 1.0 Introduction

### 1.1 Purpose of the Guidelines

The purpose of a Container Packer Guidelines document is to provide summary level information that will support small container exporters, both existing and new, in the establishment of effective export business procedures. A key objective of the Guidelines is to list and describe the component steps and processes relevant to operating a grain (and processed products) container packing business.

These Guidelines in conjunction with the Grain Trade Australia (GTA) Grain Industry Code of Practice (Code) will support and enhance overall industry effectiveness as well as providing confidence to customers the Australian grain industry is committed to the provision of containerised grain and relevant services subject to industry recommended practices.

### 1.2 Funding and Scope

GTA was successful in receiving funding from the Australian Department of Agriculture and Water Resources (DAWR) under its Package - Assisting Small Exporters. DAWR and GTA formally agreed the scope for the Guidelines document. This is:

- The development of a document (Guidelines for Development of a Container Packer Operations Manual) with the primary objective being to detail all the relevant activities required under each section of the Code.
- It is envisaged this Guidelines document will assist container packer exporters to develop a company specific Container Packer Operations Manual where required.

### 1.3 Who Benefits from the Guidelines?

GTA undertook this project to further DAWR's objective of assisting small exporters of agricultural produce. All grain industry participants have access to the Guidelines document and may utilise the document as relevant to their business activity.

### 1.4 Guidelines Structure

The Guidelines document follows three component areas:

- **Pre-Operational Requirements - Site and Support Capability**  
This section outlines the pre-planning and preparatory activity that is suggested to be addressed prior to commencing operations of the container packer business.
- **Live Operational Planning and Management**  
The focus of this section is to provides an outline of the required operational planning processes an operator must consider, prior to, and during operation. These processes are critical to ensure effective management and operation of the business.
- **Physical Operations and Process**  
Detailed outline of the physical processes upon the business commencing to operate and product is received and processed.

Structuring the Guidelines in this format allows the operator to consider the phased commencement of the business as part of a logical process.

## 2.0 Pre-Operational Requirements – Site and Supporting Processes

### 2.1 Site Registration

All container packers, where goods prescribed in legislation are prepared for export must be registered by the DAWR under the Export Control (Prescribed Goods—General) Order 2005.

Refer: DAWR export legislation <http://www.agriculture.gov.au/export/controlled-goods/plants-plant-products/plantexportsmanual/volume-2>

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The business manager must complete an Export registration form (EX26) . As part of the process of registration the establishment of registration will be audited to confirm compliance with export requirements.

Once the site is registered the registration certificate should be prominently displayed in the establishment.

## 2.2 Site Design/Construction

- **Site design** - The site should be designed, constructed and maintained to prevent contamination of products handled at the site. This shall include the prevention of cross-contamination between products handled at the site, including the separation of different grain and grade types and the separation of other materials (i.e. canola meal, etc.).
- **Site construction** - The facility shall be constructed of suitable materials and in a manner that minimises contamination of products from:
  - the structure;
  - equipment used in the facility; and
  - the environment.

The facility design should also prevent access and harbourages for pests.

Roofs, beams, overhead structures and equipment should be designed to prevent the build-up of dust and must not cause contamination of products. There must be adequate and safe access to enable proper cleaning.

- **Site security and boundaries** - The facility should have a map of the site that identifies site boundaries, key access point, the layout of buildings, fire protection equipment, emergency exits and assembly points.

Access to the site should be controlled, with procedures established to ensure only authorised personnel have access to the facility.

The site shall have adequate fencing to minimise un-authorised access. Where site access cannot be adequately controlled, other appropriate measures must be implemented to prevent access to product.

All silos and other grain storage locations must be locked to prevent un-authorised access.

- **Environment** - A risk assessment of possible sources of contamination from the environment must be completed and where potential sources are identified, measures shall be introduced to prevent environmental contamination. These measures must be documented and reviewed at least annually.
- **Drainage** - Site drainage should comply with relevant local council guidelines and be adequate to prevent the build-up of standing water as well as ensuring there is no overflow of water into grain storage and handling areas.
- **Roadways** - Roadways and yards should be constructed from materials that prevent the movement of soil, mud and other contaminants into grain storage and handling areas. Surfaces should also support the sweeping of spilt grain.
- **Glass and brittle plastics** - Product must be protected from contamination by glass and brittle plastics. All lightbulbs, fluorescent tubes and windows in grain storage and/or handling areas

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must be covered with non-glass or other approved protective covers. Brittle plastics should not be used in grain storage and/or handling areas.

A register of all glass and brittle plastics on site must be kept and monthly inspections must be undertaken. Any breakages must be reported immediately and investigated.

- **Chemical Storage(s)** - All chemicals used on site must be approved before use. Copies of the Material Safety Data Sheets (MSDS) for chemicals used on site must be readily available.

All chemicals stored on site must be stored in secure locations separate from any grain / product handling areas.

All containers that are used or may potentially be used to store chemicals must be appropriately, clearly and correctly labelled.

- **Motors & Gearboxes** - Motors and gearboxes should be designed to minimise potential contamination from lubricants, including oils and greases. A food safety risk assessment should be conducted on all equipment and food grade greases and oils should be used in all equipment where there is the potential for inadvertent contamination of product.
- **Allergens** - Special attention must be taken to ensure the prevention of cross-contamination where allergens are handled on the site. Where allergens are handled on site, special procedures for cleaning of equipment and pathways must be developed.
- **Staff facilities and amenities** - There shall be adequate staff amenities, including meal rooms, wash rooms and toilet facilities. Amenities shall be readily accessible to staff and shall be kept clean and in good working order.

Eating and drinking shall only be in designated areas.

Smoking shall be restricted to designated areas that are away from product storage and handling areas.

- **Waste bins and disposal** - There shall be adequate facilities for the isolation and storage of rubbish and other waste material, including waste grain.

Waste containers shall be emptied at a suitable frequency to prevent the build-up of waste material. Waste material must be disposed of appropriately.

Waste containers must be appropriately labelled and must not be used for grain / product storage or handling.

Any waste grain / product must be recorded and accounted for in stock accounting records.

### 2.3 Permanent Equipment design / maintenance

- **General equipment** - Equipment must be constructed from material suitable for the handling of products and must not contaminate the product.

Equipment must be designed and constructed to allow adequate access to enable inspection, cleaning and maintenance. Internal surfaces of equipment shall be designed and constructed to minimise the likelihood of residues remaining inside equipment.

There shall be adequate space between equipment and walls to allow for proper cleaning and maintenance. Floors must be constructed of suitable materials that enable thorough cleaning and do not contaminate products.

All equipment must be designed to comply with relevant safety requirements.

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- **Sealed Silos** - Silos that are to be used for the fumigation of grain must be sealed to ensure fumigations are able to achieve the required minimum concentration x time (Ct) values. Where an individual storage is categorised as sealed (and used on that basis) it is to comply with the Australian Standard AS2685. This includes a requirement to comply with the pressure test as outlined in the Standard.
- **Sealed Horizontal Sheds** – Grain within horizontal storages (and internal bays utilised for segregated storage) that are used for fumigations must be able to be covered with tarpaulins and sealed to also achieve the required minimum concentration x time (Ct) values.

#### 2.4 Mobile equipment construction and availability

All mobile equipment, including Front End Loaders, Tractors, Bobcats, Forklifts, Augers, Portable Belt Conveyors, Bulk / Bag Loaders, etc., shall be designed to minimise:

- The retention of product during use;
- Provide ease of access to enable proper cleaning; and
- Be constructed of materials suitable for the handling of grains and other products and will not cause contamination.

Adequate and suitable equipment necessary for the task shall be made available and be in proper working order.

All mobile equipment must be designed to comply with relevant safety requirements.

#### 2.5 Container In-Loading Weighing Process

A container packing facility must have the capability to accurately weigh product into containers. Whilst there are many methods available to capture the weight of goods they normally fall into the following three categories:

- i. Pre-weighing grain into a holding cell;
- ii. Weighing grain as it is loaded into the container using container specific weigh scales; or
- iii. Tare and gross weighing the container and associated transport vehicle on a road weighbridge.

When employing a road weighbridge for check weighing procedures the operator must have in place systems and procedures to efficiently manage the loading process. This is to remove the risk of the delivery of overweight containers, or to adversely impact transport operators. These procedures must include:

- Pre-weighing loading facilities/premises must have systems and procedures in place to ensure accurate mass management of the loaded container. These procedures should be on display and visible to non-company drivers;
- These procedures should include an outline of the process for the management of the discharge of excess weight loaded in error to individual containers;
- Chain of Responsibility legislation has been introduced by all states and territories. Facility operators must be aware of this legislation and have procedures in place to manage overloaded vehicles and meet the requirements of the Chain of Responsibility legislation; and
- All vehicle weights and registrations will be recorded at the weighing point. These records will be forwarded or made available to state road transport authorities as required.

The operator is also required to provide Verified Gross Mass (VGM) details for each loaded container to allow compliance with the International Safety of Life at Sea Convention, approved by the International Maritime Organisation. The gross mass of a container continues to be part of the required cargo information and a container cannot be loaded onto a vessel if a VGM is not provided on the shipping documents.

GTA have developed the Grain Transport Code of Practice (Transport Code) to assist participants to understand relevant laws associated with the movement of grain. It is suggested container packers review the Transport Code available on the GTA website accessible via the following link:  
<http://bit.ly/2bWjhCF>

## 2.6 Container False Bulkhead Plan/Procedure

To correctly load a container with grain the operator must fit a false bulkhead to the inside frame of the container doors. The purpose of the bulkhead is to:

- Provide safe access to the container at destination when discharge commences; and to
- Secure the grain during transport independently of the door.

The operator shall be familiar with options to fit bulkheads, choose an appropriate method for the loading operations at the site and ensure an adequate supply of equipment and skilled operators are available for this exercise.

Common materials utilised are plywood or fibre board with either timber or metal reinforcement (solid frame or bars etc.). All materials used in false bulkheads must meet export quarantine guidelines. It is essential the false bulkhead will contain the grain when the container door is in the open position.

Several industry research papers are available to assist with this requirement. One available resource is Shipping Australia's 'Industry Standard for Loading Grain In Containers (available at: <http://bit.ly/2crpzW3>) and the European Chemical Transport Association Guidelines document on the safe use of containers for dry bulk products (<http://bit.ly/2bX0vbi>).

## 2.7 Key Suppliers & Service Contracts

The facility management shall engage key suppliers required for the process of executing a packing order on behalf of a customer. These include.

- i. Fumigation services;
  - ii. Authorised officers;
  - iii. Container freight services; and
  - iv. Port handling or container hub services.
- **Fumigation services** – In accordance with the buyer's instructions export contracts normally require fumigation. This requirement is often driven by stipulations of the importing country and may include specific chemical requirements. However, the main requirement is the grain is free of insect pests and the consignment is accompanied by a fumigation certificate. The fumigation certificate can only be issued by a licenced fumigator. A fumigator can be an employee or external contractors; however, they must comply with the standards set out for a licenced fumigator.

Failure to issue a genuine Fumigation Certificate is a breach of the export act and carries severe penalties.

- **Authorised officers** - Authorised Officers (AO) are trained and assessed individuals who are authorised under the Export Control Act 1982 to perform specific export inspection functions in accordance with Australian export legislation. An AO is accredited by the DAWR to sample and test grain so that it complies with DAWR standards. An AO is also required to be able to inspect the loading facility and the empty containers prior to loading grain to ensure they are fit for purpose.

An AO can either be an employee or a contractor and will issue certificates on behalf of DAWR that comply with Australian export regulations.

Australian container packers should regularly have staff trained by DAWR so there is at least one AO available at all times.

- **Container road freight services** - Specialised container road freight services are required to collect empty containers from the port and deliver them to the premises for packing and subsequently return the loaded containers to the wharf. Empty containers are not always readily available, so it is important to ensure there are enough freight trucks available to match the supply of empty containers. Similarly, the container packer must have freight trucks organised and available when delivery of loaded containers to the port is permitted.

Empty containers are under the control of the shipping line and are released when available.

Full containers are returned to the port when loaded and ready to comply with contract conditions. It is important that they arrive at the wharf within the contracted delivery period.

- **Port handling or hub services** – Ports operate on regimented processes. Facility operators should become familiar with the basics of a container port operation and also the general terminology. The following link provides a glossary of general port and shipping terms for reference. [http://www.seinemaritime.net/Glossary of shipping terms](http://www.seinemaritime.net/Glossary_of_shipping_terms)  
A major consideration for an operator is the delivery to port timeframe. Prior to containers being loaded onto a vessel there is a narrow timeframe with periods of 2-3 days when containers are permitted to be moved into the port berth area prior to loading onto the vessel.

Direct freight movement of containers from the container packer to the port berth area is not always possible. As a result, arrangements need to be made to deliver to a container hub or holding area in close proximity to the port. The container hub operators will accumulate and store the loaded containers on your behalf prior to delivering them to the wharf when the accumulation window is open. This service ensures containers can be aggregated at the wharf to meet the vessel sailing times.

## 2.8 Site Traffic Management

The operator shall ensure that vehicles moving through the work site are not a risk to pedestrians, other vehicles or buildings.

It is a requirement to have a Traffic Management Plan to minimise the risk of vehicular movements. The Plan should include:

- An assessment of the Risk;
- Actions to minimise assessed risk; and
- Production of a formal plan including training requirements.

Attention to road surfaces and road markings is critical. This includes ensuring all pedestrian access areas are clearly visible and with ample space for both vehicles and pedestrians.

Safe Work Australia has available the General Guide for Workplace Traffic Management. This provides information relating to the process an operator of a container packing facility should employ to minimise workplace risk.

More detailed information and resources are available at the Safe Work Australia website.

## 2.9 EPA Guidelines

The operator of a container packing facility must abide by all Environmental Protection Authorities (EPA) laws. The EPA is responsible for the application of state managed and legislated environment laws and regulations. Each state operates a separate authority and has its own process and procedures that a business must adhere to.

These regulations and processes are relatively complex and require time to process and understand how the regulation applies to a business.

Whilst the process and documentation do vary in each state a facility operator (to gain approval to operate a container packing business) shall seek access to a Works Approval and a subsequent Licence. A summary of the process is:

- **Works Approval** - Any **new business** (or an existing business that is implementing a changed process) that will generate emissions must seek a Works Approval from the EPA. The Works Approval documents the business and the likely emission risk to the environment. The process of completing the Works Approval form submitting it to the EPA and receiving approval will consume a minimum of 4 months and may require the assistance of a consultant/environmental auditor to ensure the appropriate information is collected, correctly analysed and documented.
- **EPA Licence** - After the completion of a Works Approval the EPA will issue the business a Licence. EPA licences are required for all scheduled premises. Licences cover the actual operation of the site, and set operating conditions, waste discharge limits and waste acceptance conditions, as appropriate. These licences are transferable in the event a business changes ownership.

## 2.10 Waste Grain Management Plans

The receipt and handling of grain will result in lost and damaged stock. The operator must have in place a management plan to deal with both the physical waste and the accounting loss.

- **Physical Waste** - Damaged and or spilt grain shall be collected at regular intervals and held (for short timeframes only) in an isolated area within the business confines prior to being disposed of in a manner acceptable to both EPA and local council regulations. Waste grain whilst held on site shall be regularly inspected for insect contamination and pest activity (birds and rodents).
- **Accounting Loss** - If the container packer is providing commercial services to clients and is commingling grain ownership then the operator must have a commercial stock-loss attribution procedure in place. This includes a pre-ordained methodology to share any inventory deficit between owners of the commingled stock.

## 2.11 Building and Equipment Structural Integrity

The structural integrity of storages and buildings, including silos, shall be monitored regularly during the storage period to assess the integrity of the stored grain and to assist in maintaining its quality. Any storage condition that may impact on the quality of grain stored should be addressed as soon as possible following detection.

### 2.12 Maintenance Program

The facility operator shall have a documented maintenance program that ensures equipment is properly serviced and maintained to prevent contamination of products and ensures products meet contractual specifications.

Temporary fixes to equipment must not cause contamination of product and a permanent remedy must be scheduled as soon as possible.

The maintenance program must include a process for the inspection and approval of equipment prior to release back into service. All tools must be accounted for and any materials that may potentially contaminate product must be collected and disposed of properly.

### 2.13 Workplace Health and Safety

The operator shall comply with all aspects of the Workplace Health and Safety Act. There are many risks associated with operating a container packing facility including but not limited to

- Working at heights;
- Traffic flow, particularly trucks and large cranes or forklifts;
- Chemical monitoring of the air to ensure no fumigation chemicals can affect employees;
- Maintenance programmes; and
- Slips and falls.

It is a requirement that the operator fully understands the risk across the full spectrum of the business.

Authorities that enforce Workplace Health and Safety (WHS) come under the control of state governments which provide information and websites that can assist businesses to manage this critical function. There are also many private advisors and consultants that can assist in this areas with safety audits and safety plans.

The facility operator shall have a designated safety officer/s and hold regular safety meetings. A safety committee is also recommended with representatives from across the business.

Given senior managers and businesses owners are personally liable for safety breaches, it is critical WHS is embraced and managed at the highest level within an organisation.

### 2.14 Product Testing Equipment

Operators shall ensure that for each product that is to be sampled and tested the appropriate equipment is available, suitably accurate, calibrated (where necessary) and otherwise ready for use. The operator shall establish procedures to ensure the ongoing accuracy of all testing equipment (i.e. all measuring equipment must be regularly monitored and calibrated).

Information on the appropriate equipment to be used for sampling and testing is available from industry websites, including GTA, the Australian Oilseeds Federation and Pulse Australia.

When products are handled that are not listed in the above industry sites and/or there are special conditions associated with a product, the operator shall ensure product testing equipment requirements are known and complied with prior to handling the product.

Operators shall determine prior to handling a product if external testing services will be required and shall ensure these testing arrangements are in place.

Testing equipment shall, where necessary, be calibrated in accordance with regulatory and/or industry standards against traceable national standards by a competent authority. Where no national standard exists, the operator shall define and document the method used.

The National Measurement Institute (NMI) has introduced a national standard for grain protein measuring instruments. This means that all such instruments must, by law, be approved by the NMI for use in trade.

There is also a requirement for such instruments to be calibrated by an NMI recognised certification agency. Further details of the approval procedures for grain protein measuring instruments can be found by contacting the NMI at [www.measurement.gov.au](http://www.measurement.gov.au).

The operator shall determine what other equipment will need to be calibrated. This includes, but is not limited to,

- Electronic Balances (NMI certification);
- Chondrometers;
- ½ litre measures;
- Grain screens;
- Agtators;
- Aspirators; and
- Moisture meters/measuring devices.

Testing equipment shall be calibrated in accordance with regulatory or industry standards. Where no standard frequency exists, testing equipment shall be calibrated at least annually.

Note: it is essential the operator employs an on-going monitoring of testing equipment in addition to the calibration activities.

More information on trade certification requirements is available in the GTA website (refer **Australia Grain Industry Code of Practice Technical Guidance Document No. 16 Trade Certification**).  
<http://www.graintrade.org.au/grain-industry-code-practice/gta-technical-guidelines>

### **2.15 Quality Assurance Systems and processes including DAWR inspection**

These guidelines describe a Quality Assurance (QA) system by which facilities should be operated. The operator shall establish internal audit procedures to monitor the effective implementation of their quality assurance systems.

Depending on the needs of the business, operators may also consider the implementation of other industry quality management systems. These systems may include;

- ISO 9001 – Quality Management Systems;
- HACCP – Hazard Analysis and Critical Control Points; and
- ISO 22000 – Food Safety Management Systems.

Operators shall determine if there are any importing country requirements for registration and/or implementation of specific QA systems. An example is for products being exported to the United States of America (USA) for food and feed where there may be a requirement to register with the USA Food and Drug Administration (FDA) and to comply with the requirements of the USA Food Safety Modernisation Act (FSMA).

The DAWR have responsibility for ensuring grains and plant products exported from Australia comply with conditions outlined in the Export Control Act 1982 and its subordinated legislation. DAWR have transitioned from Approved Arrangements to a program of Authorised Officers (AOs) who have responsibility for the inspection of grains and plant products under the Export Control Act 1982. When undertaking these duties, AOs are regarded as Australian Government officials. AOs may conduct a range of functions for a number of the commodities, based on their training and assessment history. All AOs are subject to a rigorous audit regime.

An operator shall ensure that all requirements and conditions imposed by the Export Control 1982 are complied with and that where necessary, AOs are present to perform specific export inspection functions in accordance with Australian export legislation.

Information on the Export Control Act 1982 and on Authorised Officers is available from the DAWR website (<http://www.agriculture.gov.au/export>).

An operator shall also confirm with the exporter and specific importing country requirements that may be applicable to an export shipment. Importing country requirements are available from the MCoR database on the DAWR website.

### 2.16 Mass Weighing Facilities

The facility operator must have access to a weighbridge that has been approved under the commonwealth National Measurements Act 1960. Under the Act, and where the weighbridge is made available for trade use the business owner will be deemed the Weighbridge Controller and will be responsible to:

- i. Appoint a weighbridge operator/s;
- ii. Perform all functions required to determine weighbridge measurement; and
- iii. Ensure the ongoing accuracy of the weighbridge through regular verification.

Guidelines on these functions and the Act are available through the website of the National Measurements Institute <http://www.measurement.gov.au/Pages/default.aspx>

### 2.17 Supporting Client-based Stock/inventory Processes

The facility operator must maintain transactional records of inventory when receiving and handling grain on behalf of third party clients. Records that need to be kept are:

- **Grain/Product**
  - Weight records, including vehicle gross and tare weights with clear indication to identify the supplier and the purchase contract the sale is to be processed under.
  - A progressive record of inventory levels at the required grade level for each client.
  - Identification of the mode of transport and the transport provider, including registration numbers and driver details.
  - Quality information linked to the receipt ticket that captures the information in points 1&2.
  - Identification of which storage cell, or unit the grain was directed to.
  - Any deduction of weight (shrinkage) that is applied to the load as per the facility storage and handling agreement. Shrinkage deductions must be identified in the receipt and documentation process.
  - History of fumigation treatments including type of chemical, dosage rates, date and the person who completed the task.
- **Containers** - The operator shall track and record all individual containers that are processed through the facility. Records include:
  - Empty pickup date, container number and location of pickup.
  - Date container is packed.
  - Weight of grain packed into containers and associated container number.
  - Quality loaded into the container.
  - Nett tonnage out turned.
  - Date, gross and tare weight of container leaving the facility and its destination, including carrier details, registration numbers and driver identification.

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Management will ensure internal systems record and capture all tonnage coming in and out of the facility on behalf of 3<sup>rd</sup> party clients. This includes the tracking of grain quality linked to the ship consignment.

Records need to be made available to the client in a timely manner and should be able to be transmitted electronically to ensure timely record keeping.

It is preferable that a stock reconciliation is completed either at the end of each consignment, or if the client is continually holding inventory for packing, on a regular basis, such as monthly.

It is critical inventory records used for stock control, invoicing and planning are accurate.

Storing grain on behalf of 3<sup>rd</sup> parties also requires compliance with state-based warehousing liens legislation. The operator must review and understand the rights of the warehouse and the client associated with this legislation.

### 2.18 Accounting Process and Supporting Systems

Efficient accounting and supporting processes shall be implemented and managed by facility managers.

Container packers normally charge for services on dollars per metric tonne. As a result, transactions such as invoices and receipts are to be calculated based on tonnage transactions and converted to a dollar amount.

It is preferable to have an accounting package that can extract the inventory and pricing data and generate invoices and receipts within the accounts receivable and payable components of the accounts. If this is not possible, and information needs to be transferred manually, then a reconciliation process is critical to ensure correct financial accountability.

This reconciliation process should ensure that tonnage and financial data is reconciled to each other. The reconciliations of both inventory and finances should be done for each shipment to ensure ongoing accuracy.

## 3.0 Operational Planning and Management

### 3.1 Mapping the Export Supply Chain

The operator shall understand the end to end process (and the actors involved) of the export of grain in containers as well as the associated commodity trading activities and regulations.

An operator must design their business model and market service offering based on this understanding of the export supply chain and their chosen areas of operations within that supply chain. This will include:

- **Business Model** – decision on the extent of the business and the services provided. This can range from a fully integrated commodity marketing/trading and external service provider through to a sole operation only servicing its own requirements.
- **Service Offering** – a clear understanding of the existing market and how the business will position within (price and service) that market.

### 3.2 Understanding market preferences and import requirements

Whether or not a container packer's business model is defined as:

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- a marketer selling its grain on a Cost and Freight (CFR) basis with delivery to an overseas port; or
- simply provides toll packing services for exporter clients (DCT);

The operator must understand the country destination market requirements. Every country has different import requirements and each buyer may have different preferences for shipment method and quality of the grain. Some key things to consider are:

- **Import permits** - A destination country, such as China, requires the importer to have an import permit. Whilst it is the responsibility of the buyer/importer to obtain the permit, the seller and/or container packer shall ensure a permit is in place prior to packing the shipment for consignment. If an import permit is not in place a container should not be loaded. In the event a container is loaded, it cannot be shipped and will need to be stored or re-directed. This will add cost, disrupt operations and impact other planned shipments occurring simultaneously.
- **Quality parameters** - Quality specifications need to be very clearly set out in the contract of sale. If the container packer is operating as the exporter and is the principal in the sales contract it is critical the specifications agreed are met. Sales quality specifications can be different to the receipt specifications of the purchase contract. Failure to manage this process creates a risk exposure. Similarly, where the operator is providing contract packing arrangements, ensuring the sale specifications are provided is also critical. The operator must ensure the sales quality parameters are provided by the contacted seller. This should be part of the checklist of information the contracted seller provides to the packer.
- **Residue Levels** - Australia has a set of Maximum Residue Limits (MRLs) that determine the maximum level of chemical residues that are permitted in grain. Compliance with these MRLs is mandatory for export from Australia. In some cases, importing countries require conformance to different MRLs than the prescribed Australian MRLs. Non-conformance to the importing countries MRLs may result in rejection of the shipment upon arrival. Export contracts should clearly define MRLs and the seller and container packers shall conform to these MRLs.
- **Container weights** - Importing countries may have a maximum gross container weight that is permitted for each container. The facility operator should be provided this information by the client and will comply with any destination weight limit when either selling or packing grain for delivery. Similarly, even if firm contractual arrangements are in place between buyer, seller and packer the operator shall check with the client if there are any specific market requirements they need to be made aware.

Useful detailed information is available from the DAWR Manual of Importing Country Requirements.

### 3.3 Counterparty Contracts – Management and Systems

There are several standard contracts issued by GTA and governed by GTA Rule that support the activities of the container packing industry.

- **GTA Trade Rules** - GTA Trade Rules govern all disputes of a mercantile, financial or commercial character connected with grain, feed, oilseeds or other agricultural commodities when traded under the terms and conditions of GTA. They may be amended from time to time and shall be the basis of GTA arbitration on such controversies, unless otherwise and

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specifically agreed by the counterparties to the trade. All Members or Non-Members of GTA and related counter-parties are free to agree upon any contractual provisions that they deem appropriate. The GTA Trade Rules apply only to the extent that the parties to a contract have not altered the terms of these Rules or the contract is silent as to a matter dealt with by the pertinent Rule.

GTA Trade Rules govern the specific contracts that relate to the container packing industry.

These specific contracts are:

- **Sales Contract No.4: Delivered Container Terminal (DCT)** - This GTA DCT contract is the basis for transactions where a seller will be delivering grain for sale to the buyer at the container terminal. The seller is required to execute the contract for the volume agreed within the time period with the appropriate documentation.
- **Sales Contract No.5 CFR/CIF Contract for Grain in Containers** - The GTA CFR/CIF contract is the basis for transactions where a seller will be delivering grain for sale to the buyer at an overseas port. In this contract the seller is responsible for procuring the ocean freight to deliver the grain to the agreed port.
- **GTA Storage and Handling Agreement** - The GTA storage and handling agreement sets out the rules and obligations that parties have to each other in the instance where the container packer is handling grain on behalf of a client. In this case, the grain remains the property of the client and the warehouse operator/packer is performing the operational tasks of receiving, packing and out-turning grain.

### 3.4 Linkage of Sales & Purchases to Inventory/Accounting Procedures

A facility operator that trades in the buying and selling of grain shall have systems and processes to support these transactions. There will often be a high number of purchase and sale contracts being executed concurrently, including grain either being purchased for specific sales contracts or sold to match a specific purchase contract. To ensure efficient tracking, these contracts are often linked within a grain inventory and accounting management system. This is to ensure when the purchase contract is turned into inventory, this inventory is tagged to fill a specific sale.

The operator must ensure procedural controls are available to ensure inventory is correctly applied to sales and is reflected in the accounting system through profit or loss on the matched transactions. In this way, a record of the profitability of each trade can be tracked and inventory managed according to requirements.

### 3.5 Accounting risk management

A facility operator shall ensure an accounting risk management practice is employed to manage counter-party credit risk (especially when a facility operator is marketing and trading grain). Given, the capital involved in buying and selling grain, (as well as the value of the product stored for clients), it is important risk is managed. As part of managing risk the operator shall keep a data base on credit limits for each counter- party, and the terms of trade for each one.

Critical elements to consider are:

- Specifics of the counter party;
- Tonnage and credit limits applicable to each counter-party;
- Payment terms; and
- How much mark to market risk is acceptable?

To compile this information, credit checks should be performed through the collection of trade references and in larger cases, examination of financial performance of the counter-party.

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Businesses may insure their debtors. In this case, the insurance company sets a credit limit and the business manages within this limit.

### 3.6 Ocean Freight Capability

When the management of the facility is involved in selling grain on a CIF/CFR contract, the operator shall ensure arrangements are in place with a shipping line for ocean freight. The contract obligates the shipping line to:

- Provide empty containers when they are available;
- Accept the loaded containers back within the time window stipulated; and
- Deliver the cargo to the port you have contracted them to deliver to.

The operator shall develop a good understanding of the process and risks prior to operating in this market. Knowledge of maritime laws, insurance, shipping protocols and the industry in general is required. If this capability is not employed directly within the business, there is a number of freight forwarding companies who can perform this function under contract arrangements.

### 3.7 Staff Management

Procedures shall be in place to manage the employment of staff including meeting government requirements related to pay, leave, super and tax.

Prior to engaging employees, the operator must consider and determine:

- The nature of the employment contract;
- Relevant pay and conditions;
- Superannuation;
- Training of employees; and
- Equal opportunity and diversity.

Being an employer requires a commitment from the business to create a suitable environment that will promote a healthy and happy workplace. This includes both the physical and mental aspects of the working environment. Areas for consideration to promote such an environment include WHS, professional development, and a dispute resolution process.

Further information is available through the following link to the federal government's Business website. <https://www.business.gov.au/info/run/employ-people>

### 3.8 Grain Sampling and Testing Capability and Procedures

The operator shall determine the sampling, testing and classification (grading) requirements for the receipt, storage and outturn of products to be handled prior to accepting the product onto the site.

The operator shall also determine with the exporter if there are any specific importing country quarantine requirements and packing / exporting requirements that must be applied to products being received, stored and out-turned.

The operator shall ensure that all sampling, testing and classification requirements are appropriately documented and are readily available to staff involved in the sampling, testing and classification of products. The operator shall ensure that the correct equipment and methods for operating the equipment are available and that site classification staff are properly trained.

Current industry requirements for the sampling, testing and classification of products are available from either, GTA, Australian Oilseeds Federation or Pulse Australia, websites. Available information includes;

- Sampling requirements;
- Testing equipment requirements;
- Methods for testing products using defined equipment;
- Grade specifications for the classification of products; and

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- Visual Recognition Guides for various commodities.

Where a rapid test method is used on site, the operator must be able to, if required, demonstrate acceptable correlation to the appropriate reference method.

Where there is any unique sampling, testing and/or classification requirements that are specific to the client's requirements, the operator must ensure these are appropriately documented and staff are trained and competent in these unique requirements.

Each load delivered to the site must be sampled, tested and classified in accordance with agreed specifications, unless there are alternative documented requirements for the client.

Note: products that are not sampled, tested and classified in the same manner must not be stored together. Binning / storage requirements for each product must be discussed and agreed with individual clients. These arrangements should form part of the Storage & Handling Agreement between the operator and the client.

**Authorised Officers** - The DAWR appoints Authorised Officers (AOs) to undertake the inspection and certification of products as required by the Export Control Act 1982 and its subordinate legislation. This inspection is only concerned with ensuring product and the facility meets the requirements of the Act, including freedom in inspected samples of live grain insects and other defined contaminants as well as compliance to specified importing country quarantine requirements.

Where and when required, the operator shall ensure DAWR AOs are available and present to enable the inspection and certification of products being exported.

### 3.9 Grain Hygiene and Pest Control Procedure

In general, the operator shall ensure there are sufficient resources with the required capabilities to maintain hygiene around the site and to implement an effective pest control program.

The operator shall establish documented procedures for the effective protection and management of grain in storage as well as the control of pests.

A pest management strategy for all anticipated pests, including grain insects, rodents, birds and other animals, shall be documented and reviewed at least annually. In addition, additional pest management strategies should be implemented based on seasonal conditions (i.e., a mouse plague).

The pest management strategy should incorporate Integrated Pest Management (IPM) principles, where a range of pest management programs are used to reduce the reliance on any one program, including hygiene and cleaning, insecticide and fumigants, and aeration and refrigeration.

The pest control program shall include a schedule of required reporting, and a schedule of the cleaning of storages, the surrounds, all associated handling equipment and the facility infrastructure. The cleaning schedule should specify:

- the equipment / area to be cleaned;
- the frequency of cleaning (daily, weekly, monthly, etc.);
- the method of cleaning, including any equipment and cleaning agents; and
- the expected standard after cleaning has been completed.

More frequent spot cleaning may be required where contamination has occurred, or where evidence of pests has been detected.

Grain spillages and dust shall be cleaned up as soon as practicable following grain movements. Any grain that is contaminated, or otherwise unfit for use shall be treated as waste and removed from the site.

The intention is that the facility is maintained in an insect, pest and weed free condition.

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When the facility is operational daily inspections shall occur. If the site has periods of down-time then, at a minimum, monthly inspections of the facility shall be scheduled. Areas of concern must be clearly identified, and remedial actions scheduled as soon as practicable.

Grain in storage shall also be sampled and inspected regularly to determine the presence of live stored grain insects.

- Any insect infestations (whether in stored grain or in surrounding infrastructure) should be treated as soon as possible following detection.
- Any chemical use must follow label requirements and industry guidelines (refer GTA Australian Grains Industry Post Harvest Chemical Usage recommendations and Outturn Tolerances).
- Operators must consult with the exporter to determine if there are potential market (both customer and importing country) implications from possible chemical residues prior to commencing any treatments.
- All chemical treatments should be undertaken to ensure compliance with applicable MRLs. This includes treatments to both the grain and any structures that may come in contact with grain.

For facilities that are DAWR Registered Establishments or operate as grain and plant product export facilities, specific pest control and site hygiene standards are applicable. These requirements are outlined in the DAWR Plant Exports Operations Manual which is available on the DAWR website: <http://www.agriculture.gov.au/export/controlled-goods/plants-plant-products/plantexportsmanual>

Further components of this area include:

- **Qualifications** - Persons undertaking chemical treatments (includes herbicides, insecticides and fumigants) shall be appropriately trained and qualified. Records of each person's qualifications shall be kept on site. Where a contractor is used, evidence of their qualifications shall be obtained prior to any treatments commencing.
- **Chemical treatments**
- **Notice of Intent** - Prior to undertaking any chemical usage, a notice of intent to treat shall be issued, that includes as a minimum, the
  - Name of the authorised person undertaking the treatment;
  - Area / location to be treated;
  - Type and quantity of product (if applicable) to be treated;
  - Date treatment is to occur;
  - Chemical (including active ingredient) to be used;
  - Rate of chemical to be used; and
  - Any access restriction that may be applicable.All staff on site must be advised of any treatments prior to the treatment commencing.
- **Treatment Records** - A record of each and all treatments shall be completed by the person who completed the treatment. The record shall include as a minimum,
  - Name of the authorised person who undertook the treatment;
  - Area / location treated, the type and quantity of product (if applicable) treated;
  - Date the treatment occurred;
  - Chemical (including active ingredient) used; and
  - The rate and actual quantity of chemical applied.
- **Monitoring records of – fumigations.** During fumigations, regular monitoring of gas concentrations shall be undertaken, and records maintained. To ensure the fumigation is

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effective, the person responsible for the fumigation shall ensure the appropriate concentration x time (Ct) values are being achieved.

- **Treatment clearance** - Where appropriate (i.e. at the completion of a fumigation treatment), a clearance certificate shall be issued by an authorised person, stating that the location / product has been tested and is safe to use / handle.
- **Rodent baiting** - Operators shall develop a procedure for the control and management of rodent baiting activities. It is essential that any rodent baiting undertaken on site is done in a manner that ensures there is no possibility of grain being contaminated.

Toxic baits shall not be used inside grain storages or grain handling areas. Baits used inside bait stations must be of a type that can be adequately secured to minimise the risk of bait falling out of the bait station. Typically, pellet type baits are not suitable.

A plan of the facility shall be completed, and the location of all rodent bait stations shall be identified. Each bait station shall be uniquely numbered, the location of baiting station shall be correspondingly numbered, and the bait station shall be secured to prevent unintended movement. The type of bait used in each bait station shall be identified.

Bait stations shall be inspected on a regular basis to determine the level of activity. The frequency of inspections should be proportional to the level of activity being observed, however inspections should be frequent enough to ensure rodents are being controlled and that the level of activity is known.

There must be regular removal of debris and good control of weeds and grasses to reduce the amount of shelter available.

- **Bird activity** - Where pigeons, corellas and galahs are congregating in an area, and this is leading to a build-up of droppings, the area must be cleaned at least once every week. Storages must be suitably guarded to prevent the entry of birds.

To discourage birds from feeding, all grain spillages must be cleaned and removed immediately.

- **Weed Control** - Effective weed control is an essential element of site hygiene. Weeds around storage sites can affect water drainage, add to the fire risk, provide harbourage to rodents and insect pests, and contribute to the further spread of weeds into other areas.

All areas within 5 metres of storage sheds and 10 metres around silos and bunkers must be kept free of all grass and weed species.

### 3.10 Legal Framework

Operating any business in Australia requires an understanding of the relevant laws and regulations that apply. The operator must gather relevant information and ensure compliance. Areas of review that must be considered include:

- Business structures and registrations (federal, state & council).
- Consumer protection and competition regulation.
- Human resource management and industrial relations.
- Supplier Contracts.
- Trade rules and regulation.
- Plant operations and transport rules and regulations.
- Export licensing and accreditation.

More information and access to a checklist is available through the government business website: <https://www.business.gov.au/info/plan-and-start>

### 3.11 Financial arrangements negotiated with banks

The operator of the facility shall consider the financial structure and on-going viability of the business and provide confidence and visibility to the market. This process can be assisted through financial banking or service arrangements. There are numerous financial services available to the business commensurate with the relevant level of participation being considered.

At a minimum, most clients and exporters will want visibility of your records to understand the business contracted to deliver the packing service (or grain) is financially viable with adequate cash-flow to perform the tasks required. This will be performed by the client's internal approval/vetting process prior to conducting business with any supplier.

Beyond this, other arrangements to consider are

- **Inventory Finance.** As an operator of an integrated trading and container business an inventory finance facility may be required as grain trading and marketing requires high levels of working capital.
- **Foreign Exchange Hedging.** Grain sold internationally normally is transacted in United States Dollars (USD). A hedging facility to minimise the timing risk of converting these USD back into Australian Dollars may be required. These transactions allow the exchange rate to be set at the time of your choosing, rather than post sale when funds become available.
- **Letters of Credit.** An operator must consider counterparty risk in export sales. To reduce the risk of payment default, particularly with international transactions, payments can be made via a bank supported Letter of Credit (LOC). A LOC is a commitment from the buyer's bank to pay for the contracted goods once the correct sales and export documents have been delivered. The arrangement usually involves the buyer's bank and the seller's bank.

### 3.12 Business Insurance

A business operating a physical service such as container packing is exposed to risk. The operator shall consider protection provided through insurance for some of this risk (in some cases insurance is a legal requirement).

The operator must gather relevant information and assess the business insurance requirements. Areas that must be considered are:

- **Public Liability** – cover for the financial risk of being found liable for negligence such as injury, death, property damage.
- **Professional Indemnity** – insurance for the cost of litigation for contact breaches, and the provision of poor advice.
- **Product Liability** - cover in the event the provision of the business service results in property damage, injury or death.
- **Worker Compensation** - legislative requirements are in place that a business must have Workers Compensation insurance cover for its employees.

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- **Building & Assets** - Protection for damage and loss to buildings and assets.

➤ **In Transit Insurance** - insurance to cover inventory when being transported prior to sale. Further information on insurance can be sourced through insurance companies, brokers or through state and federal government websites.

### 3.13 Inventory Insurance

A facility operator must consider and have a management plan for inventory damage and or loss. This plan shall consider both inventories belonging to the business as well as product stored on behalf of clients of the business. The key consideration of the management plan should be:

- **Risk attribution** - The operator prior to agreeing to store a client's inventory must agree who will be responsible for any loss and damage to the product. The entity at risk should consider insuring the product.
- **Loss attribution** – The container packer shall keep extensive accounting records of client stock and will have a documented method to attribute any loss of stock amongst clients who have grain stored in a commingled ownership arrangement that is subject to a loss.

### 3.14 Stocktake Procedures

As a 'good practice' management procedure a facility operator shall implement a regular process of physically stocktaking product held within storage and matching these results against accounting stock held by the business, and for individual clients.

Stocktakes should occur on a regular basis and whenever a stock-out occurs. Stock-outs can occur when a client order and/or stock are completed, or when a specific grain/grade or stock season is no longer available.

### 3.15 Quality audit process & procedures

Regular internal auditing of the businesses activities, procedures and processes is essential in ensuring that all activities are being completed as required and to identify gaps and/or opportunities for improvement in the current procedures.

Operators shall have a documented internal audit procedure that includes an audit schedule that identifies:

- The activities to be audited.
- The frequency each activity is to be audited.
- The frequency of audits shall be such that all elements of the operations activities are audited at least annually.

When developing an audit schedule (activities to be audited x frequency), operators should consider all activities outlined in this document and the activities effected by the flow of commodities through the facility.

### 3.16 Emergency plans

The facility operator shall design and document emergency plans for any event that may lead to threat or injury to staff and visitors to the site. Given, a container packing business may be classified as a Higher Risk facility by WHS a specific level of detail is necessary.

These emergency plans must include a written set of instructions that outline what workers and visitors shall do including:

- Evacuation procedures;

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- Emergency service organisation contact details and the procedures for making and maintaining contact;
- A map of the workplace illustrating the location of fire protection equipment, emergency exits, and assembly points;
- Communication processes for alerting people of an emergency including advising neighbouring businesses; and
- Information, training and instruction to relevant workers in relation to implementing the emergency procedures. Training to involve regular testing of emergency procedures.

To gain an understanding of the requirements the operator must refer to the relevant chapters in the WHS Regulations and the related WHS Codes of Practice.

### 3.17 Commodity market risk management plan/process

If operating as an integrated trading and container packing business, the facility shall implement and maintain a commodity market risk management policy. This risk management policy shall ensure the business and its employees have a clear set of rules that outline the limits and boundaries the company will trade within. This is critical to ensure the financial viability of the business is not threatened.

Guidelines shall include:

- What commodities can be purchased and sold;
- Staff with the authority to agree and commit to contracts;
- The size of the trading positions that will be permitted;
- Acceptable counterparties and their relevant limits of financial exposure;
- Levels of authority within the business to make decisions;
- Capital allocated;
- Foreign exchange management;
- Formal reporting of trading positions, including timing and distribution;
  - Measuring the gain or loss on these positions;
  - Mark to market processes; and
- The amount of loss the business is prepared to withstand before closing trading positions.

### 3.18 Heavy Vehicle National Laws – Chain of Responsibility

Management of the facility must become familiar with Heavy Vehicle National Law (HVNL) as under 'Chain of Responsibility' the facility operator shares responsibility for ensuring breaches of the HVNL does not occur.

The operator shares the responsibility as facility owner, operator, and loader and consigner of goods. Therefore, the operator must have performed a risk review that becomes the basis for a written policy and plan available to staff. This policy and plan shall provide a procedure for the management of transport vehicles coming into the site, and vehicles loading and exiting the site that are **not** compliant with the HVNL. This includes a written process for loaded vehicles that arrive for delivery that are in excess of the road mass limit.

Information on the requirements and compliance can be sourced from the website of the National Heavy Vehicle Regulator and from the GTA Grain Transport Code of Practice.

### 3.19 Planning Process – Operational Management

Scheduling is a critical task for the facility operator and requires a formal planning process to ensure the container packing operations do not negatively impact the integrated supply chain it operates in or breach Chain of Responsibility legislation.

The operator must implement formal planning processes (Packing Plan) to manage, coordinate and schedule:

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- The demands of clients and subsequent sales;
- Allocation of storage and elevation capacity;
- Booking of sea freight;
- Staff and equipment availability;
- Collection, readiness and allocation to consignments of empty containers;
- Booking in grain receipt deliveries; and
- The loading and subsequent delivery of containers.

These plans must be monitored and modified by the operator as each consignment process is enacted to ensure critical steps are occurring.

### 3.20 Customer & Market Requirements

- **Assess market/contract requirements.** The facility operator shall design and implement a process that ensures sales contractual requirements are reviewed and works performed comply with these requirements. Contract requirements, as negotiated and nominated by the buyer are critical and must drive the execution of a packing order.
  - Upon receipt of a container packing order from a client the operator shall review the requirements and ensure these comply with the contractual requirements received. If there is a variation between the packing order and the contract, the operator must notify the client to allow the counterparties to resolve and re-submit.
  - The process to be implemented will focus on ensuring efficient communication channels within the organisation and with the client.
- **Allocate blends** A stock management capability and process is required. This process is to ensure inventory availability and suitability prior to accepting an order to pack grain. The operator must ensure stock available will meet the quality specification of the contract. At times, blending of different grades of grain to meet the contract specification may be required.
  - Commodity blending strategies must be professionally managed by the facility operator. This process shall be constantly reviewed and adjusted to ensure compliance.
- **Determine sampling and monitoring requirements.** Prior to handling a product through the facility, operators shall determine the sampling and monitoring requirements for the product.
  - Details of the sampling and monitoring requirements shall be obtained from the client / exporter. Where there is no specific sampling and monitoring requirements, then sampling and monitoring should meet the minimum requirements defined in the respective GTA Commodity Standards.
  - The operator shall ensure all sampling and monitoring requirements are understood, documented and effectively implemented.
- **Determine certification & labelling.** Prior to handling a product through the facility, the operator shall determine any certification and/or labelling requirements for the product.

Certification and/or labelling may be defined as the provision of some form of documentary evidence attesting to the nature of the grain.

Certification may be required for various reasons on any parcel of grain traded along the supply chain. The type of certification required will depend on a range of factors and may include,

- A simple statement such as the general description of the grain e.g., the commodity type of the season produced.

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- An inherent characteristic of the grain e.g., the grain is a particular variety.
- A statement advising of external influences on the grain e.g. specific details of chemical treatments.
- Detailed statements advising of the characteristics following a series of analytical tests e.g., chemical residues or specific quality characteristics.

Details of the certification and/or labelling requirements shall be obtained from the client / exporter.

More information on certification and/or labelling requirements is available in the GTA website (refer **Australia Grain Industry Code of Practice Technical Guidance Document No6 Grain Certification**).

<http://www.graintrade.org.au/grain-industry-code-practice/gta-technical-guidelines>

## 4.0 Physical Process – Steps as Product is Received

### 4.1 Receive grain deliveries

**Sampling, Testing and Acceptance/Classification Procedure** - Prior to the receipt, storage and outturn of any products, the operator shall determine the applicable sampling, testing and classification requirements. The operator shall have documented procedures for the sampling, testing and classification of products. All staff involved in the sampling, testing and classification of products shall be appropriately trained.

Facility documented procedures should include the following key elements (listed non-exhaustively);

- The role of classification staff.
- A checklist of key activities that classification staff must undertake, including the frequency tasks are undertaken (i.e. daily, weekly, monthly).
- Description of all testing equipment used, included instructions on how to correctly use each piece of equipment.
- There is a range of equipment available for the sampling and testing of grain. Only equipment suited to its intended purpose is to be used. The preference is for the use of;
  - Automated versus manual probes.
  - A grain divider to obtain a sub-sample.
  - Objective technology unless specified in the contract.
  - Industry reference material where available.
- Procedures for the daily monitoring of critical pieces of testing equipment. This should include;
  - Protein testing equipment
    - A set of 3 standard samples across the range of protein likely to be encountered (low, medium, high) should be tested at least daily and the result recorded. The operator should establish industry acceptable limits for variation in results. Where a result is outside of the established limits, corrective action must be taken.
  - Electronic Balances
    - Electronic balances should be tested daily using a set of standard weights that enable the balance(s) to be tested across the instruments operating range. The operator should establish industry acceptable limits for variation in results. Where a result is outside of the established limits, corrective action must be taken.
- Procedures for the sampling of trucks.

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- Procedures describing the method for testing (i.e. the sequence and method of tests required) each product being received.
- Classification charts that describe the applicable test criteria for each product so that classification staff are able to determine the applicable grade.
- Additional reference documents to assist in the classification of products. Where possible, industry acceptable reference material shall be used (i.e. the GTA Visual Recognition Standards Guide).
- Procedures for the recording of test results, grade details, etc. on delivery dockets and the issuing of delivery dockets/
- Procedures for the declining of unacceptable loads
- Procedures for disputed loads.
- Procedures for the collection and retention of sample (see below).

**Sample Collection and Retention** - The operator shall establish procedures for the collection, identification and retention of samples collected during the receipt and outturn of products.

Receipt samples may include;

- Grower delivery samples;
- Daily grade sample;
- Daily bin samples;
- 250t or 500t grade samples;
- Genetic Material (GM) testing samples;
- Samples required under the contract; and
- National Residue Survey samples (domestic program).

Outturn samples may include;

- Individual container samples;
- Parcel specific running samples;
- Grade running samples; and
- National Residue Survey samples (export program).

All samples must be clearly labelled to enable identification and traceability.

Samples must be kept in a secure area to prevent potential tampering. Samples must also be stored in a manner that protects the samples from exposure to water and other contaminants, including insects, birds and rodents.

The documented procedure must identify the minimum retention time for each sample and the method by which sample retention will be managed and procedures for the correct disposal of obsolete samples.

When considering sample retention times, the operator should consult with the client / exporter. In the event that no specific sample times are required, samples should be retained until the product is expected to have been utilised.

#### 4.2 Load Discharge & Binning the Load

The discharging of a load and the binning of the load are two very critical steps in ensuring;

- The load is of the correct quality (no hidden defects or contaminants); and
- The load is segregated into the correct silo/bin, thus preventing admixtures.

It is very important that each load is binned correctly. Where more than one grade and/or commodity is being received, appropriate controls must be in place to ensure the load is discharged into the

correct storage bin. Where common grain hoppers/paths are used for different commodities/grades, controls must be in place to minimise the risk of admixture and chemical contamination.

Where there are to be multiple owners of stock in a bin/silo, this must be clearly established with the owners prior to the binning of the load.

Operators must be aware of the chemical status of the delivery and ensure that grain/products that are treated with a chemical (i.e. insecticide) are not binned with grain/products that are classified as Pesticide Residue Free (PRF), unless approval is obtained in writing from the client/owner of the grain/product prior to the binning of the load. Where there are multiple clients with ownership in the silo, approval must be sought from all owners.

The operator shall ensure that staff involved in the unloading of trucks and the binning of the load (i.e. grid operators) are properly trained and have the necessary work instructions and visual aids to assist in the identification of contaminants. Grid operators should be advised of the loads/grades that are expected to be received each day to enable them to cross-check deliveries.

During discharging and binning of a load, activities the grid operator may undertake, include, (non-exhaustively);

- Check the truck for any fuel or oil leaks and broken glass (headlights / mirrors) that may cause contamination before the truck enters the grid;
- Verify the grade of the load on the ticket matches the expected delivery;
- Check the silo sequence/pathways are correct;
- Ensuring the delivery truck is correctly positioned on the grid (to prevent unnecessary spillage);
- Instruct the driver when to tip the load (note: grid operator should not handle the tailgate or tipping mechanism, must be visible to the truck driver at all times and must be in a safe distance away from the truck); and
- If safe to do so, the grid operator should visually inspect the grain during and/or after discharge for evidence of contaminants.
- Contaminants can include;
  - Wire and other metal fragments;
  - Pickled grain;
  - Snail and/or rodent baits;
  - Glass and/or Brittle plastics (includes mobile phones, Fitbits, etc);
  - Sticks and/or stones;
  - Any other contaminant that may be harmful to consumers; and
  - Oil and grease that may cause contamination of the grain.
- Grid operators should also watch for evidence that the load does meet the expected grade classification (i.e. no excessive soil, screenings or admixture).

In the event the grid operator suspects the presence of contaminants, or the load does not meet the grade specification, discharge of the load must stop immediately, and management advised.

After discharge, the grid operator must sign-off the delivery weigh-note/docket attesting that the load has been received.

The grid operator should verify the delivery grid/ hopper is empty in readiness for the next delivery (Note: if the same grade is being delivered into the same silo/bin, then it may be permissible for sequential loads to be delivered subject to approval by management).

The grid operator should immediately sweep up any grain spills. If the grain is not contaminated in any way it may be returned to the grid, otherwise it should be disposed of as waste.

#### 4.3 Weighbridge Operation & Documentation

The authorised weighbridge operator will process each vehicle presented at the weighbridge as a discrete transaction, recording the gross and tare weights on the company weight docket and ensuring the capture of all relevant information.

The level of information will be adequate to allow the recording of inventory, the completion of contractual sales, purchases and/or consignment. Electronic data and hard copies are to be provided to the relevant parties.

Management of the facility will ensure the weighbridge operator is trained in all aspects of Heavy Vehicle National Law as well as in the practical application of the weighbridge.

#### 4.4 Grain In-Store Management

The facility operator shall ensure business capability in the following areas:

- **Recording grain movements.** The operator shall have documented procedures to enable the full traceability of grain / products:
  - coming into the facility from suppliers (including the identity of the supplier);
  - through each and all steps within the facility; and
  - to the first immediate client / customer.

The procedure should include all movements into and out of silos and storages.

Each storage location shall have a unique identification name and/or number.

Stock information shall be identifiable to the client level and should identify the grade, season, tonnes of ownership and storage location.

Stock information should include details of:

- Storage location (name and/or number);
  - Grade;
  - Season;
  - Tonnes;
  - Owner; and
  - Date of movement in / out.
- **Monitoring grain for pests and damage.** The operator shall establish documented procedures for the monitoring of grain held in storage to ensure:
    - Insect infestations have not developed;
    - The general hygiene status of the grain is being maintained; and
    - The quality parameters have not changed, either through deterioration of the grain or as a result of inadvertent admixtures.

The frequency of inspections will be dependent on how long the grain is held in storage but shall be at least monthly.

Where there are extraordinary conditions, such as severe weather events or higher levels of pest activity, inspections shall be more frequent.

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The method of inspection will be dependent on the storage design, but sufficient sub-samples must be taken to ensure the grain is adequately inspected. If too few sub-samples are taken then low levels of insect infestations may not be detected (refer to DAWR inspection requirements).

Possible inspection methods include,

- Probing of the bulk - In horizontal storage units, spear probe samples are to be taken from the surface of the grain bulk along the length of the store from the peak and along the sides.
- Insect traps - Traps should be set vertically into the grain in rows of three. One row should run along the top of the peak. The other should run down both sides of the grain bulk. Traps should be examined on at least a monthly basis for the presence of insects.
- Turning (recirculating) the bulk - Where possible grain within bins should be turned for a minimum of 20 minutes and during this time samples are to be taken from the grain flow at approximately 30 second intervals using a 100-gram sample cup.

Upon the detection of pests, the operator shall establish and implement a pest control program in accordance with the process capabilities requirements (section 2, i.).

- **Fumigation plan.** The operator shall establish and implement a fumigation plan for all grain held in storage.

In establishing a fumigation plan the operator shall consider;

- The type of fumigant to be used;
- Length of time the grain is to held in storage;
- Time since the grain was last treated;
- Chemical treatment (insecticide treatments that may have been applied previously;
- Risk of infestation occurring;
- Market/importing country/customer requirement;
- Timing of grain outturns;
- Risk of Maximum Residue Limits being exceeded (solid Aluminium Phosphide formulations (tablets/pellets) must not be admixed into a grain bulk); and
- Risk of phosphine resistance developing (refer GTA website).

The fumigation plan shall be discussed and communicated with all clients / owners of grain. Once established, the fumigation plan should not be altered without prior consultation with clients / owners of grain.

Note: Methyl Bromide can only be used for approved Quarantine and Pre-Shipment (QPS) purposes (refer to the Department of environment website: <https://www.environment.gov.au/protection/ozone/methyl-bromide/users-methyl-bromide>)

Fumigations must be conducted in accordance with the process capability requirements.

#### 4.5 Empty Container Process

The operator shall work with clients and/or shipping lines to ensure a supply of empty containers suitable to meet the packing plan. Upon arrival, the empty containers (unless being loaded promptly, will need to be off-loaded in a storage area and the unique number recorded for allocation to a client's packing list order.

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Prior to loading the container the operator is to ensure:

- A DAWR AO inspects the container to ensure it is fit for purpose (inside and outside);
- The fitting of a false bulkhead to each container, the sealing of vents with tape; and
- The recording of the unique container number to the Packing List workflow documentation.

#### 4.6 Sample Collection and Retention During Loading of Containers

The operator shall establish all sample collection and retention requirements prior to loading containers and ensure the container is sealed.

- **Sample retention.** The operator shall ensure suitable sampling equipment is available that enables accurate and representative samples to be collected.

The sampling frequency should comply with established industry and regulatory standards, including where necessary, GTA, DAWR, GAFTA, FOSFA, and ISTA.

Examples of samples that may need collecting include;

- **Quality** - Quality samples may be required to verify the quality of grain loaded into containers meets contract specifications.
- **National Residue Survey** - The National Residue Survey (NRS) is an agency of the DAWR and undertakes the testing of animal and plant products for pesticide and veterinary medicine residues, and environmental contaminants. Product testing is done through either random or specifically designed sampling protocols.

Industry participation in these programs is voluntary and based on export and domestic market access and quality assurance objectives, however under the GTA COP, container exporters are required to participate in the NRS program. While the container packer may not necessarily be the exporter, they will facilitate the collection of samples on behalf of the NRS.

Samples are collected at grain handling establishments in accordance with NRS protocols and procedures using NRS sampling equipment.

Export grain samples are collected at export terminals and container packing facilities. Each bulk grain sample is collected using automatic sampling equipment as the grain is loaded onto ships and containers.

More information on the National Residue Survey is available from <http://www.agriculture.gov.au/ag-farm-food/food/nrs>. Operators should contact the NRS to discuss sampling requirements.

- **Customer** - The operator shall establish requirements for the collection of samples on behalf of customers.
- **3<sup>rd</sup> party inspection** - Depending on the export contract conditions, there may be a client and/or customer requirement for an independent 3<sup>rd</sup> party inspection agency to be present during the loading of containers.

The operator should confirm with the client / exporter if there will be any 3<sup>rd</sup> party inspection agencies in attendance during the loading of containers and what their sampling requirements will be.

- **DAWR** - The sampling of grain being exported in containers is a mandatory legislative requirement and must be completed at the prescribed rate in accordance with the Export

Control Act 1982 and procedures documented in the DAWR Plant Export Operations Manual.

Sampling of grain for export must be completed by DAWR Authorised Officers. Sampling systems must be approved by DAWR.

- **Seal Container.** The operator must establish requirements for the sealing of containers post loading, ensuring the container is properly sealed to prevent tampering. Once sealed a unique seal number is allocated and recorded on the necessary export documentation. Where required, external photographs of the sealed container should be taken, clearly showing that the seals in place and the seal numbers.

#### 4.7 Coordination to Container Terminal

Once loaded, containers are booked to be road freighted back to the port for either storage at a holding area or directly to the berth area if the 'accumulation to vessel' time frame has commenced.

Administration processes and relevant paperwork will be required at this point. The level of responsibility for the administration by the operator is dependent on the type of sale (e.g. DCT) and the operator's level of involvement in the sale.

#### 4.8 End of Process - Supporting Documentation Process

The facility operator shall ensure supporting processes (and trained staff) are available to record transactional flow through the business, including:

- **Export documents.** To facilitate the completion of a packing order and to ensure payment for the goods is received, the facility operator shall ensure export documents are processed. Required export documents are agreed in the initial contract and confirmed when the packing order is placed. The operator shall implement a process to manage each order/contract that includes a specific file for each contract that is the central point for holding all documentation relating to the contract.

Documents required may include a list of commercial documents as well as documents specified in the country Import Permit and/or required for export compliance. Export documents are time critical and are required to complete the sales process. This is especially the case for Letter of Credit transactions as banks require enough time to process the documents before the arrival of the cargo at the destination port.

- **Accounts processing.** An efficient accounting process must be maintained by the facility operator. To ensure the smooth process of receiving money from the buyer and paying suppliers, all records pertaining to the contract shall be available to staff managing the accounts receivable/payable process. The operator will implement processes that support financial transactions, record keeping and analysis. Analysis shall include reconciling the profitability of each order to see if the revenue and costs were in line with projections.
- **Contract and stock reconciliation.** Business processes to be implemented and managed by the operator are the review and close-out any related sales and purchase contracts of completed orders and to reconcile inventory. Tonnage tolerances on sales are a standard industry concept. This results in residue stock post the order completion, and/or variance in the delivered versus contracted tonnage. Once the physical order is completed, and the balance of the contracts or packing orders is known

then if the contracts are within tolerance, variances should be written off and the counterparty advised of this.

The operator prior to entering into a service contract with a client for grain packing services shall agree a process for residue grain stocks. These will include options to store the grain for a subsequent packing order, sales to other clients, or physically removed from the facility.

Ensuring each contract is reconciled via this process will reduce the risk of any inventory or contract issues occurring in the future.