



Mr Daniel Cooper
Grains Chairman

27 May 2016

Mr Pat O'Shannassy
Chairman
Standards Committee
Grain Trade Australia
PO Box R1829
Royal Exchange NSW 1225

Dear Mr O'Shannassy

RE: 2nd Industry Call for Submissions on 2016/17 GTA Standards

NSW Farmers welcomes the opportunity to provide feedback in response to Grain Trade Australia's Standards Committee's second industry call as part of its 2016/17 review of its grain trading standards.

As you would be aware, in 2015 NSW Farmers made submissions to the Standards Committee seeking the development and use of objective and measurable criteria in GTA's standards review process. We further recommended that GTA implement greater transparency within the review process, including publication of analysis of the economic impact of a proposal throughout the value chain. This transparency is required to facilitate the meaningful industry debate that will explore how proposals to amend standards will impact against review criteria. This will ultimately result in not only more suitable standards for those across the grain value chain, but also in enhanced acceptance of changes to standards. With NSW Farmers' membership continuing to raise concerns over the adoption of a number of proposals that have been considered detrimental to farmers by GTA; this is critical to the agriculture industry's long term support of GTA administration of standard setting.

In November of 2015, the peak body for grain farmers, Grain Producers Australia (GTA), wrote to the Chairman of the GTA Board, Mr Peter Reading, proposing that the making and amending of GTA standards should be based on an established set of criteria that balances:

- Public and grower interest;
- Maximises farm gate value;
- Facilitates trade;
- Improved grain functionality;
- Production constraints; and
- Where appropriate, the harmonisation with competing countries of origin.

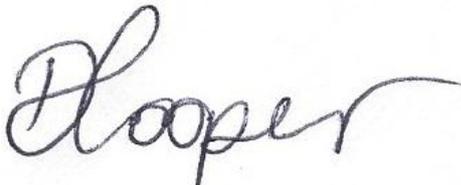
Lastly, GPA also called for changes to the selection mechanism of GTA's committees by providing greater freedom to the grain farming sector to select and appoint production sector representatives. This will better enable the production sector to identify and develop capabilities within its own ranks and to manage succession of these roles to maintain appropriate continuity and renewal upon these committees.

In response to this correspondence, the Chairman's stated that the 2015/16 grain standards are developed in accordance with the Guide to the GTA GRAIN TRADING STANDARDS 2015/16 SEASON. He further indicated that the development of the Guide is the responsibility of the Standards Committee and that a copy of the GPA letter would be forwarded to them for their consideration.

The existence of the Guide and the inadequacy of its articulation of the assessment of proposals for making and amending grain standards against objective criteria in a transparent manner was a matter that NSW Farmers addressed in its submission to GTA's first call for submissions in 2015. This submission has been appended to this correspondence. Additionally, NSW Farmers notes that the Standards Committee has not explicitly sought to address these issues and provide a rationale for the adoption or rejection of GPA's proposal in either call for submissions in 2016. This is despite the fact that GPA's submission to the Standards Committee in April 2016 reiterated these concerns.

NSW Farmers has access to the submission that GPA will be making in response to the second call. As part of our response to the concerns raised above, GPA's submission has the full support of NSW Farmers.

Yours sincerely,

A handwritten signature in black ink that reads "Cooper". The signature is written in a cursive, flowing style with a large initial 'C'.

Daniel Cooper
Grains Chairman