



**Grain Trade Australia  
2015-16 Standards Review  
2<sup>nd</sup> Call  
June 2015**

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**NSW Farmers' Association Background**

The NSW Farmers' Association (the Association) is Australia's largest State farmer organisation representing the interests of its farmer members – ranging from broad acre, Livestock, wool and grain producers, to more specialised producers in the horticulture, dairy, egg, poultry, pork, oyster and goat industries.

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## **Introduction**

NSW Farmers thanks the Chair of the Standards Committee, Mr Pat O'Shannessy for his correspondence in relation to the submission ('initial submission') made in response to the 1<sup>st</sup> Call; however feels that the response has failed to adequately deal with the concerns of its farming members articulated in the submission. This submission provides a further articulation of these issues and provides comment in response to the 2<sup>nd</sup> Call.

### ***Development of Criteria***

The creation and amendment of grain standards impacts on the risk allocation between those engaged in grain production, handling and marketing through the creation of cliff face points upon which premiums and discounts are applied. A recent example that illustrates this was the discounting applied to sorghum harvested in the Liverpool Plains in 2014 due to the difficulties of interpretation of the Stained tolerance and assessment presence of staining leading to downgrading. On this basis grain farmers are rightly concerned about ensuring that appropriate scrutiny is placed on these processes to protect their interests.

The level of scrutiny sought by grain farmers however goes beyond merely ensuring that there is across value chain representation on the Standards Committee, voting methodology and consultation process. Rather, in the view of NSW Farmers, this requires the development of settled and understood criteria to underpin decision making. By combining this predictability with improved transparency, including of the evidence considered by the Standards Committee, GTA would be in a better position to explain the decisions it has made, enable greater scrutiny of decisions by stakeholders, and improve the ownership of these decisions by all sectors participating in the value chain. Such a move would be beneficial to GTA in managing its reputation within participants of the agriculture industry.

NSW Farmers reiterates the position made in its initial submission recommending the development of criteria which includes the following indicia:

- That the standard will facilitate trade
- That the change is objectively linked to customers' functional needs
- That comparisons between Australian standards and methodologies and that of competitors are objectively made
- That the change will provide a net economic gain to the value chain and in particular to farmers.

NSW Farmers further offers to work with GTA, in conjunction with other grower representative groups and participants from the broader value chain, to establish such a criteria prior to the commencement of the 2016 review of commodity standards.

### ***Transparency of Data***

NSW Farmers maintains the position that greater transparency of evidence available to the Standards Committee is required to facilitate the critical industry discussion that leads to ensure better development and greater acceptance of standards implemented.

In response to NSW Farmers' request for the disclosure of the trial data provided to GTA as part of the Weed Seed Review, GTA outlined its concern that this information had been provided on a confidential basis and to disclose it may impact on the availability of data in the future.

Without withdrawing from the above position, NSW Farmers accepts on face value that there is strong validity to this argument. However in such cases, NSW Farmers believes that GTA should seek permission to release data that it has relied upon from the organisation that submitted it. In the alternative it would be open to GTA to use other accepted methodologies to manage confidential information. For example, the National Statistical Service has created a set of information sheets on confidentiality of information, including how to confidentialise data. These are available on the National Statistical Service's website  
<http://www.nss.gov.au/nss/home.NSF/pages/Confidentiality+Information+Sheets>.

## **Weed Seeds**

NSW Farmers continues to oppose the inclusion of the proposed amendments to the weed seed categories and tolerances without the disclosure of the data upon which these recommendations has been made.

Further, NSW Farmers recommends that GTA undertake targeted consultation with independent agronomists and relevant state departments to obtain the necessary agronomic evidence required to ensure that the thresholds proposed are achievable and balance the interests of end users and producers. Evidence that this targeted consultation is required prior to the implementation of the recommendations of the weed seed review can be found in correspondence made to NSW Farmers by GTA in response to its initial submission in 2014. This correspondence commented that little agronomic feedback had been received in response to the weed seed review to date. It is the view of NSW Farmers that this admission indicates that a new approach is required to ensure that any decision to amend the weed seed tolerances is fully informed.

NSW Farmers has made reference to two specific weed seed tolerances in its commentary on the proposed sorghum standard below.

***NSW Farmers continues to oppose the inclusion of the proposed amendments to the weed seed categories and tolerances***

## **Sorghum Standards**

### ***Timing of Standards***

NSW Farmers reiterates its support for the later commencement of sorghum commodity standards at 1 October, in contrast to the commencement of cereal commodity standards at 1 August. The argument for the retention of the later commencement date is based on the ability to include evidence from the most recent season in the review process.

NSW Farmers notes correspondence received from the Chair of the Standards Committee, Mr Pat O'Shannassy, in response to this position, in which he states that there is "an extensive period of consultation". However, such a static position fails to take

into account the emerging needs of industry that become apparent as a result of issues that arise during the harvest receival process.

A further examination of the amendment of the definition and tolerances available for “Stained” grain within the sorghum standard by GTA in 2014 highlights this issue. While GTA’s second call for submissions in the 2014 review process highlighted that the issue of stained grain was to be one considered beyond the 2014/15 season, the later commencement date enabled GTA to fast track some of these considerations into the 2014/15 standard. This was commenced after receiving advice from NSW Farmers in early June 2014; after the close of submissions in response to the second call.

***NSW Farmers recommend that the commencement date for sorghum standards be retained at 1 October.***

### **Grades**

NSW Farmers is concerned about the approach of the GTA Standards Committee to creep SOR1 towards the needs of the human consumption market; while the major use and value of the crop continues to be determined by feed markets both domestically and in export markets.

As NSW Farmers proposed within its initial submission, where human consumption markets are identified for sorghum this can be catered for by the trade through the development of off-specification grades or through direct contracting ex-farm. This position bears no real difference to the market behaviour proposed by GTA in response to any seasonal variation that will require the development of off-grades.

Further, NSW Farmers draws attention to the use of “Feed” standards in the barley commodity standards booklet, which facilitate the trade of barley that does not have functional use for malting.

NSW Farmers also seeks to address the statement by Mr O’Shannassy in his correspondence that the proposed amendments are necessary to meet the needs of the stockfeed industry. In accordance with the desire to have transparent, evidence based processes for the making and amending of standards, the impact of these requirements on end use should be disclosed. This would facilitate an informed discussion across the value chain on how to accommodate competing needs of the sectors created by the proposed amendments.

***NSW Farmers recommend that the sorghum standards be set to meet the functional needs of livestock feed.***

***NSW Farmers recommends that if changes are proposed on the genuine needs of the livestock industries a transparent discussion around the genuine needs of these industries is required to enable a transparent industry debate on finding the compromise between the interests of end users and producers.***

### **Total Admixture, Foreign Material, Trash and Screenings**

NSW Farmers has made specific comment in relation to the proposals to amend Foreign Material, Trash and Screenings below; however seeks also to respond to the inference

made in Mr O’Shannessy’s letter that the impact of the proposed amendment to the Total Admixture, Foreign Material, Trash and Screenings will be managed by the creation of regional grades. NSW Farmers agrees that the market place has successfully accommodated off-grade deliveries of grain where poorer quality within the crop is related to regional seasonal conditions. However NSW Farmers is concerned that the changes proposed are likely to impact further than the simplistic issue of whether a market for grain outside of the specifications will exist.

The proposed tightening of the standards alters the risk allocation and value flow created by the trade of sorghum. This results in an economic impact upon growers who have an increased likelihood of having grain deliveries discounted as a result of not meeting the amended parameters of SOR1. As outlined below, NSW Farmers understands that GrainCorp has already submitted data to GTA which indicates the likelihood of this even in years with favourable seasonal conditions. Additionally, NSW Farmers believes that the tightening of the standards proposed is likely to result in an increase of risk averse behaviour in growers when forward marketing sorghum; hindering, rather than facilitating, the trade. This matter was brought to the Standards Committee’s attention by Liverpool Plains based trader Agracom in response to the 1<sup>st</sup> Call.

Total Admixture

NSW Farmers continues to support the decision taken in the gazettal of the 2014-15 sorghum standards to delete the Total Admixture parameter within sorghum grades; noting that each of the components of Admixture are individually assessed under the standard.

***NSW Farmers supports the decision to remove Total Admixture from the standard.***

Foreign Material and Trash

NSW Farmers notes its earlier opposition to the proposed amendments to Foreign Material (FM) and Trash. This opposition focused on the 1<sup>st</sup> Call for Submission’s proposal that Trash should be deleted, with material defined as trash to be included within FM; while at the same time reduce the tolerance available for FM within SOR1 by half to 2% (by weight) and maintaining the SOR2 tolerance at 4%.

**Table 1: Foreign Material (FM) and Trash**

% by weight	SOR1		SOR2	
	Current	Proposed	Current	Proposed
Foreign Material	4	2	4	4
Trash	5		15	

NSW Farmers acknowledges that at the same time the amendment to the definition of FM (see table below) will reduce the amount of material that will be assessed as FM. This is particularly through removing weed seeds from the definition. NSW Farmers understands

weed seeds have historically comprised a large proportion of material assessed as FM under the present definition.

**Table 2: Foreign Material (FM) Definitions**

	<b>Current</b>	<b>Proposed</b>
<b>Foreign Material</b>	“Any matter in the sample being assessed that is not Sorghum.”	“all material not already categorised specifically in other definitions within the Standard”

NSW Farmers supports the exclusion of material otherwise categorised within the standard from the definition of FM. It however does not support the removal of the Trash definition without a concurrent increase in the FM tolerance.

Prior to further considering the appropriateness of this proposed amendment, NSW Farmers believes that industry should be provided with evidence as to:

- the likely reduction in the amount of material assessed as FM as a result of removing material ‘already categorised specifically in other definitions within the Standard’; and
- the impact of including all material presently defined as Trash within the FM standard.

This evidence will enable industry to consider the totality of the proposed changes.

***NSW Farmers supports the exclusion of material ‘already categorised specifically in other definitions within the Standard’ from the definition of Foreign Material.***

***NSW Farmers opposes the removal of the definition of Trash without a concurrent increase in the FM tolerance.***

### **Screenings**

NSW Farmers reiterates its opposition to the proposed reduction in the tolerance for screenings to SOR1 and SOR2; particularly indicating that the 1<sup>st</sup> Call failed to provide the necessary evidence required for industry to robustly debate its merits.

**Table 3: Screenings**

<b>% by weight</b>	<b>SOR1</b>		<b>SOR2</b>	
	<b>Current</b>	<b>Proposed</b>	<b>Current</b>	<b>Proposed</b>
<b>Screenings</b>	11	10	25	20

Further to the arguments NSW Farmers made in its initial submission, NSW Farmers is aware that GrainCorp has submitted data to GTA which indicates that based on historical receival data a substantial number of tonnes of sorghum will be discounted if the Screenings tolerance for SOR1 is reduced from 11% to 10%. This represents an unacceptable economic impact to the agriculture industry and should be rejected.

Further, NSW Farmers understands that the anecdotal evidence surrounding the comparative outcomes of using the  $\frac{5}{64}$  triangular-hole sieve prescribed by the USDA standards against the 2 mm slotted screen used under the GTA standard indicates a far higher level of screenings under the GTA methodology. On this basis NSW Farmers believes that seeking equivalence between the GTA tolerance for screenings in SOR1 and the tolerance for broken kernels within USDA No.2 sorghum is not a compelling argument.

**NSW Farmers opposes decreasing the tolerance for Screenings in both SOR1 and SOR2.**

**Defective Grains**

NSW Farmers retains its recommendation that the Stained definition be deleted from the standard.

Further, if the Stained definition is deleted, NSW Farmers is not opposed to the other proposed amendments to the defective grains tolerance within the standards; however will not support them without the provision of data which indicates how this will impact on deliveries.

**Ergot**

NSW Farmers reiterates its opposition to the proposed changes to the tolerance for Ergot. Further any future consideration on whether a reduction in the tolerance is necessary, and if so what magnitude, should be delayed until there is scientific evidence available that enables robust discussion between the stakeholders in the value chain.

NSW Farmers notes that at the present time there is not a Codex standard for Sorghum Ergot (*Claviceps africana*);<sup>1</sup> however the Agricultural Standards Regulation 1997 (QLD) sets a maximum amount of 0.3% by weight.<sup>2</sup> Additionally there is not presently a Codex standard for Ryegrass/Cereal Ergot (*Claviceps purpurea*) in sorghum;<sup>3</sup> however Codex does establish a tolerance in its “Wheat and Durum Wheat” and “Oats” standards at 0.05% for wheat, 0.5% for durum wheat, and 0.05% for oats. The Agricultural Standards Regulation 1997 (QLD) sets a maximum amount of 0.02% by weight,<sup>4</sup> and the Department of Agriculture’s Plant Operations Export Manual establishes 0.05% tolerance for exports.

As part of its proposed amendment to the sorghum standard, GTA has proposed to replace the current NIL tolerance for All other Ergot (being *Claviceps purpurea* presenting as Ryegrass Ergot or Cereal Ergot) with a combined All Ergot tolerance of 0.05%.

NSW Farmers understands that the regulatory thresholds for both Sorghum Ergot and Ryegrass/Cereal Ergot contained in Queensland law were developed as a result of

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<sup>1</sup> Codex Standard for Sorghum Grains (1995) Codex Standard for Sorghum Grains. CODEX STAN 172 – 1989, adopted 1989; revised 1995.

<sup>2</sup> Agricultural Standards Regulation 1997 (QLD) cl 46; cf Schedule 3, Part 4.

<sup>3</sup> Codex Standard for Sorghum Grains (1995) Codex Standard for Sorghum Grains. CODEX STAN 172 – 1989, adopted 1989; revised 1995.

<sup>4</sup> Agricultural Standards Regulation 1997 (QLD) cl 46; cf Schedule 3, Part 4.

studies across a number of species. The difference in the thresholds indicates the variance in the toxicity of the two types of ergot. This leads to the conclusion that it is inappropriate to utilise the regulated export standard for Ryegrass/Cereal Ergot of 0.05% as a tolerance within the standard for Sorghum Ergot.

In considering this issue, NSW Farmer believes that it may be useful for the sorghum standard to continue to deal with both types of ergot separately. NSW Farmers is not aware of any agronomical impacts of Cereal/Ryegrass Ergot in sorghum crops. As such NSW Farmers is not opposed to maintaining a NIL tolerance for Ryegrass/Cereal Ergot within the standard. If it is GTA's belief that a a low level presence threshold for *Claviceps purpurea* is preferable to the NIL tolerance, it should be done so without the proposed cascading impact on the threshold for Sorghum Ergot.

***NSW Farmers is opposed to the proposed reduction of the tolerance for Sorghum Ergot.***

***NSW Farmers is not opposed to retaining the NIL tolerance for All other Ergot in the sorghum standard.***

***NSW Farmers is opposed to using the introduction of a low level presence threshold for *Claviceps purpurea* as a rationale for reducing the tolerance for Sorghum Ergot in the sorghum standard.***

### ***Weed Seed Tolerance***

NSW Farmers has outlined its opposition to the proposed introduction of the outcomes of the Weed Seed Review without further transparency. In addition to this broad opposition, NSW Farmers also seeks to make comment with regard to the impact of the change proposed between the 1<sup>st</sup> Call and the 2<sup>nd</sup> Call for the allowable tolerance for Johnson Grass and Columbus Grass. As part of the consultation undertaken in the 1<sup>st</sup> Call, industry was advised that these two weed seeds were to be grouped together under Class F with a tolerance of 50 seeds per half litre. In the 2<sup>nd</sup> Call the two weed seeds were incorporated within Category B, which has a combined total of 5 seeds per half litre sample. These changes are outlined for SOR1 and SOR2 in Tables 4 and 5 below.

NSW Farmers believes that due to the agronomic difficulties of controlling both Johnsons Grass and Columbus Grass in sorghum crops the proposal put to industry in the 1<sup>st</sup> Call continues to be the only available solution for industry. While NSW Farmers is aware of permit issues for the export of sorghum into China, a well thought out solution is required to provide a sustainable way forward for industry. On this basis, NSW Farmers recommends that GTA engage a sub-committee to further discuss options for trade and market advocacy to ensure long term access for Australian sorghum to China.

***NSW Farmers supports the retention of weed seed Category F as presented in the 1<sup>st</sup> Call.***

Table 4: Comparison of SOR1 Weed Seed Tolerances

New Category	Current Type/Weed Seed	Existing Tolerance	1 <sup>st</sup> Call	2 <sup>nd</sup> Call
<b>A</b>	<b>Type 2</b> Castor Oil Plant, Coriander, Crow Garlic/ Wild Garlic, Darling Pea, Peanut seeds and pods, Ragweed, Rattlepods, Starburr, St. John's Wort	Nil	Nil	Nil
	<b>Type 1</b> Opium poppy	8 <sup>5</sup>		
<b>B</b>	<b>Type 3a</b> Bathurst Burr, Bulls Head/Caltrop/Cats Head, Cape Tulip, Cottonseed, Dodder, Noogoora Burr, Thornapple	2	5	5 <i>including Johnson Grass and Columbus Grass</i>
	<b>Type 3b</b> Vetch (Tare), Vetch (Commercial)	4		
	<b>Type 3c</b> Heliotrope (Blue), Heliotrope (Common)	8		
	<b>Type 1</b> Double Gees/Spiny Emex/Three Cornered Jack, Parthenium weed	8 <sup>1</sup>		
<b>C</b>	<b>Type 1</b> Jute, Knapweed (Creeping/Russian), Mexican Poppy	8 <sup>1</sup>	10	10
	<b>Type 6</b> Saffron Thistle	10		
<b>D</b>	<b>Type 4</b> Bindweed (Field), Darnel (Drake Seed), Hexham Scent/Melilot, Mintweed, Nightshades, Paddy Melon,	20	30	30
	<b>Type 5</b> Patterson's Curse/ Salvation Jane	40		
<b>E</b>	<b>Type 7a (components of)</b> Broad Beans, Chickpeas, Corn (Maize), Cowpea, Faba Beans, Lentils, Lupins, Peas (Field), Safflower, Soybean, Sunflower and any other seeds greater than 5mm in diameter	50	20	20
<b>F</b> <i>(removed in 2<sup>nd</sup> call)</i>	<b>Type 7a (components of)</b> Columbus Grass, Johnson Grass		50	<b>NA/</b> <i>included in B in 2<sup>nd</sup> Call</i>
<b>G</b> <i>(F in 2<sup>nd</sup> call)</i>	<b>All other weed seeds</b>	400	400	400
Max percentage by weight				
<b>SFS</b>		1.6	1.0	1.0

<sup>5</sup> Component of Type 1 tolerance.

Table 5: Comparison of SOR2 Weed Seed Tolerances

Category	Current Type/Weed Seed	Existing Tolerance	1 <sup>st</sup> Call	2 <sup>nd</sup> Call
<b>A</b>	<b>Type 2</b> Castor Oil Plant, Coriander, Crow Garlic/ Wild Garlic, Darling Pea, Peanut seeds and pods, Ragweed, Rattlepods, Starburr, St. John's Wort	Nil	Nil	Nil
	<b>Type 1</b> Opium poppy	8 <sup>6</sup>		
<b>B</b>	<b>Type 3a</b> Bathurst Burr, Bulls Head/Caltrop/Cats Head, Cape Tulip, Cottonseed, Dodder, Noogoora Burr, Thornapple	2	5	5 <i>including Johnson Grass and Columbus Grass in 2<sup>nd</sup> call</i>
	<b>Type 3b</b> Vetch (Tare), Vetch (Commercial)	4		
	<b>Type 3c</b> Heliotrope (Blue), Heliotrope (Common)	8		
	<b>Type 1</b> Double Gees/Spiny Emex/Three Cornered Jack, Parthenium weed	8 <sup>1</sup>		
<b>C</b>	<b>Type 1</b> Jute, Knapweed (Creeping/Russian), Mexican Poppy	8 <sup>1</sup>	10	10
	<b>Type 6</b> Saffron Thistle	10		
<b>D</b>	<b>Type 4</b> Bindweed (Field), Darnel (Drake Seed), Hexham Scent/Meliot, Mintweed, Nightshades, Paddy Melon,	20	30	30
	<b>Type 5</b> Patterson's Curse/ Salvation Jane	40		
Max percentage by weight				
<b>E</b>	<b>Type 7a</b> Broad Beans, Chickpeas, Corn (Maize), Cowpea, Faba Beans, Lentils, Lupins, Peas (Field), Safflower, Soybean, Sunflower and any other seeds greater than 5mm in diameter	50	4.0	4.0 <i>Not including Johnson Grass of Columbus Grass moved to Class B in 2<sup>nd</sup> call</i>
<b>F</b> <i>(removed in 2<sup>nd</sup> call)</i>	<b>Type 7a (components of)</b> Colombus Grass, Johnson Grass			
<b>G</b> <i>(F in 2<sup>nd</sup> call)</i>	Includes all other weed seeds not listed elsewhere in the Standards. Includes Saffron Thistle.			
<b>Small Foreign Seeds</b>	All foreign seeds not specified in Category A-G that fall below the 2.0mm screen during the Screenings process			

ENDS

<sup>6</sup> Component of Type 1 tolerance.