

Member Update

UPDATE 20 of 19 • 22 July 2019

TOPIC: Australian Grain Industry Chemical Compliance and Information Workshop Outcomes

1. Purpose

To provide increase awareness and provide Members with updated information on chemical compliance and the outcomes of the Australian Grain Industry Chemical Compliance and Information Workshop held on 3rd June 2019 .

2. Key Points

- The reputation of the Australian grain value chain relies on management of the hazards and risks associated with the use of chemicals in agriculture. Over sixty (60) people attended the Information Workshop, representing all parts of the grain supply chain.
- National Working Party on Grain Protection (NWPGP) is the key industry liaison point for industry on chemical and residue related issues.
- Australian Pesticides and Veterinary Medicines Authority (APVMA) is the Government regulator for the proper labelled use of chemicals.
- National Residue Survey (NRS) sits within the Department of Agriculture. NRS provides third party residue testing at out-turn or domestic receipt. NRS is not a regulator and engages state Agriculture Departments if required for trace back investigations. NRS is not a replacement for industry's own quality assurance system and monitoring.
- Presentations noted:
 - how the world is becoming increasingly focussed on chemical residues and their impact leading to greater scrutiny on agricultural practices and supply chains.
 - Australia has built a strong reputation over many years. However, one critical failure can erode the industry reputation and lead to the loss of valuable markets.
 - the complexity of the MRL processes,
 - better education and industry awareness and knowledge are essential,
 - the elevation of the increasing importance of chemical compliance amongst industry participants.

Information was provided on the existing organisations and tools that manage the process to assist industry being compliant when managing grain supply to customers.

Presenters challenged the grain industry to continue to manage this risk and to protect and further the reputation of the Australian grain supply chain.

Grain Trade Australia (GTA) and National Working Party on Grain Protection (NWPGP) have issued an [media release](#) to further highlight the outcomes of the workshop and raise awareness of the importance of chemical compliance.

3. Opportunities/Outcomes highlighted at the Information Workshop

1. Greater knowledge of and Industry support for the critical organisations focussed on assisting industry to protect the grain industry from chemical related issues.
2. Increased industry adherence through knowledge and awareness, including:
 - a. Greater support and tools to the pre-farm gate sector;
 - b. Improved awareness of the process to assess and review changing importing country MRLs; and
 - c. An increased overall level of knowledge and propensity to discuss and share information relating to chemical compliance.
3. The potential to consider the benefits of potentially introducing a Quality Management System such as the Hazards Analysis and Critical Control Point (HACCP) system for the grain industry. These systems focus on identifying hazards and hazard prevention rather than relying on end-product testing.
4. Establishment and the introduction of a standardised and practical process to collect and retain grain samples for assessment for chemical compliance.
5. The need for industry tools and processes to be improved to assist in the recording and tracking of grain and its chemical treatments to improve management of risk and allocation according to market requirements.
6. Industry acceptance of the need to 'call out' bad practices and to report concerns with any participants activity.
7. A change to testing methodology for MRLs to align to importing country processes.
8. Strategic planning and discussion focussed on the collaborative approach to chemical compliance:
 - a. Strategic industry approach to the sharing of knowledge and information; and
 - b. Greater transparency of information to assist coordinated planning.

4. Ensuring Compliance

The reputation of the Australian grain value chain relies on management of the hazards and risks associated with the use of chemicals in agriculture. The supply chain is complex made up of many participants including:

- chemical registrants,
- farmers
- farm advisers,
- transport operators,
- storage and handling operators,
- trading and marketing businesses,
- domestic end users,
- ports,
- shipping lines
- local governments,
- state governments & agencies
- federal government departments and agencies.

Coordination across these groups can at times be complex, time consuming and requires both leadership and patience.

GTA and the NWPGP accepts the opportunity and challenge to progress the opportunities highlighted at the Information Workshop and will seek input and advice from relevant industry and Government stakeholders, Technical Committees and GTA Board to support this task. The approach is likely to be a role of facilitating discussion and engagement with government and grain industry participants seeking support to harness these opportunities and drive to decrease the risk of non-compliance with market MRLs when supplying grain.

5. Workshop information

The Information Workshop Program and Topics covered are detailed in Table 1 below.

Table 1. Information Workshop Summary

Topic	Major Discussion Points
Role of Australian Pesticides & Veterinary Medicines Authority (APVMA)	<ul style="list-style-type: none"> • The APVMA must consider new proposed uses of pesticides against its safety (including food, worker, crop and environmental safety), efficacy, trade and labelling criteria. • The APVMA sets MRLs in the APVMA MRL standard that are required for Australian use patterns of pesticides. The use patterns and MRLs may differ to that overseas. • A role of the APVMA is to consider the risks to the International trade of treated produce from a residues perspective when considering new pesticide uses. • The APVMA holds open dialogue with other country government regulators and market participants. • Whilst governed by regulation the regulator has some discretion. • APVMA considers issues currently related to grain include: <ul style="list-style-type: none"> ○ Imazapyr in barley; ○ Haloxyfop in canola; and ○ Glyphosate in barley • The existing Barley (except malting barley) permit for glyphosate expires on 31 July 2019. • Industry needs to determine how to deal with grain in excess of any MRL, including glyphosate given grain cannot be sold if knowingly over the Australian MRL. Bulk Handling Companies are recommended to consider use of existing tools such as receipt segregations and sampling, testing and stock selection processes to manage supply according to market MRLs.
Role of the NWPGP	<ul style="list-style-type: none"> • The NWPGP has been in existence for over 45 years. As an organisation it sits between industry and government. • The NWPGP addresses issues as required through the establishment of Working Groups (WGs). Current WG activity includes: <ul style="list-style-type: none"> ○ MRL Compliance; ○ Haloxyfop management; ○ Suitability of on farm storage; and ○ Phosphine – Review of the label directions. • The Chair of the NWPGP attends Codex and reports to industry what is occurring. • NWPGP utilise the GTA website to provide information to industry for review. • The NWPGP considers one key area that needs to be improved is advice on the implications on market access of chemical use to the farmer.
Managing Risk to Reputation	<ul style="list-style-type: none"> • Industry is seeing increased scrutiny and testing for chemicals in overseas markets – as a result the risk of detection of non-compliant residues has increased. • Reputation is critical to maintain as having a good reputation potentially decreases scrutiny of export cargoes. • The assessment process for chemical residues differs throughout the world. There is no agreed international method. As an example, some countries test on whole grain whereas others test on ground grain. • There is a general lack of chemical registrant support for older chemicals due to the cost in generating the required data. <p>CODEX & MRLs</p> <ul style="list-style-type: none"> • Codex MRLs tend to be used as a guide by countries when developing their own MRLs. However, not all countries including Australia adopt Codex MRLs. • FSANZ is considering ways to link its MRLs to Codex. • Some importing countries have their own MRL regulations while others adopt other countries including Codex. • Each country has their own default and deferral pathway for chemicals when they do not have an MRL – with some deferring to Codex, some applying nil, and some may apply a default limit such as 0.01 mg/kg. • It is acknowledged the length of time Codex requires to discuss, establish and confirm an MRL could be improved. • Codex is reviewing adoption of crop group MRLs rather than an MRL for individual crop commodities.
Role of the National Residue Survey (NRS)	<ul style="list-style-type: none"> • NRS provides third party residue testing at out-turn or domestic receipt. NRS is not a regulator and engages state Agriculture Departments if required for trace back investigations. NRS is required to strictly adhere to the Privacy Act.

Topic	Major Discussion Points
	<ul style="list-style-type: none"> • NRS is funded by levies – however it provides value for money and residue testing is a cheaper alternative than other testing regimes. • NRS consider the traceability function when MRL breaches are detected within the grain industry is a good process, with an 80% resolution rate. • The process is to investigate with the individual companies involved in the breach and consider engagement of State Agricultural Departments. • NRS is moving to grinding sample for chemical residue testing as this is reflective of how importing countries are testing for MRLs.
Industry Use & Management of Chemicals	<ul style="list-style-type: none"> • It is critical that industry adhere to ‘Do Not’ statements and all other directions on labels when using chemicals. • Industry should seek to better utilise the networks of agronomists as they can provide a conduit to manage information on market access risks to those using chemicals on-farm. • It was noted the Australian grain industry in the main, as required by Legislation, do not support off label use of chemicals. • A question for industry is how trending information is communicated. Mechanisms for targeted extension of breaches was discussed and considered necessary. • Education relating to Chemical compliance is critical as is an awareness of the impact on market access when using chemicals. Misuse of chemicals or supplying grain not in compliance with market MRLs has the potential to damage reputation and lose markets. • Post farm gate sharing of data is also critical. A tool has been established to assist with this – The Food Safety Database and industry is encouraged to utilise this database. • It is critical that the vendor knows where the commodity is going and can research the destination MRL. • From a grower perspective this is difficult as the end buyer is normally unknown. • It was questioned if the Stewardship document – Growing Australian Grain is being referred to as often as required. This should be encouraged to assist industry education on best practice chemical use. <p>Supply Chain Activities</p> <ul style="list-style-type: none"> • Hazards Analysis and Critical Control Point (HACCP) process is a tool to assess hazards and establish control systems that focus on prevention rather than relying mainly on end-product testing. • Existing industry recording and tracking tools are fit for purpose, but industry needs to be more aware and adhere to the use of these. They can also be improved / updated including Truck Cleaning Records and Commodity Vendor Declarations through adoption of digital versions. • All industry participants must consider risk and implement a range of sampling and testing processes to determine the chemical residue status of grain before outloading as per requirements of the Grain Industry Code of Practice. • All stored grain should be sampled and tested. Industry may wish to consider a standardised formal process for sampling, testing and recording of MRL information. • All storage operators, packers and processors must comply with the NRS procedures. •
Market Access Activities (non-chemical)	<ul style="list-style-type: none"> • The Grain Industry Market Access Forum (GIMAF) works with industry and government to identify, prioritise and coordinate market access opportunities and issues. • Trade and market access initiatives support and add value to industry – value needs to be quantified. • Recent focus has been on Non-Tariff Measures (NTMs) – NTMs create cost and compliance risk.

To provide comments on this or any NWPGP related matters please email GTA at admin@graintrade.org.au

End.