

GRAINMatters



EDITION 56, June 2021

UPCOMING EVENTS

- 7-8 July 2021** Grain Merchandising
- 27 July 2021** Advisory & Compliance Day, via Zoom
- 28-29 July 2021** AGIC Australia
- 17-18 August 2021** Grain Export Execution & Risk Management
- July and August 2021** Grain Trading Standards will be held in various locations face to face

COVID-19

GTA have established a COVID-19 page on our website, as information source for Members.

In response to member demand, GTA has set up COVID-19 Safety Guidelines.

[Access COVID-19 page here](#)

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GTA IS TURNING IN JUNE



We'd like recognise and thank all our members, volunteers, committees and the Board members for their tremendous support and invaluable contribution over the past 30 years. It's the people that make it happen!

STAY TUNED FOR FURTHER ANNOUNCEMENTS
ON GTA 30th BIRTHDAY CELEBRATIONS



GRAIN TRADE
AUSTRALIA

30
YEARS OF TRADE
FACILITATION

WHEAT PORT CODE REVIEW - RECOMMENDATION 12

- As part of the government Wheat Port Access Code (Port Code), a three-year statutory review was undertaken by the Department of Agriculture Water and the Environment (DAWE) in 2017/18. [The DAWE report made 12 Recommendations for the Minister to consider.](#)
- The Federal Government [response to the Port Code review](#) was released in December 2020.

The findings of the port code review included:

- The Government supports retaining the Code with a further review in 2022;
- The Government supported 11 of the 12 Recommendations made by DAWE.
 - The Government supports (or supports in principle) a number of technical amendments to the Code;
 - The Government did not support expansion of the Code to all export grains
 - The Government supported in principle the **Recommendation (12) that GTA establish/confirm industry standards in relation to freight differentials and other costs arising from site swaps, but expects the industry to work together on how best to give effect to this recommendation** (*ie the Government will not appoint a specific agency (the Department or the ACCC) to conduct the work, but instead expects the industry to review itself*).

Recommendation 12 states:

- That GTA take the lead in engaging with open-access up-country storage operators and third-party exporters to **establish and/or confirm industry standards and expectations** in relation to the reconciliation of freight differentials and other costs arising from site swaps.
- If, despite action by industry, **new evidence emerges of a port terminal service provider using its market power** to intentionally and unreasonably restrict fair and transparent access to grain for export through operation of its up-country storage and handling network, **the need for intervention, including regulation**, should be considered.

So, what does this mean for GTA Members?

- It means GTA and its members are to **review and consider the existing arrangements around stock swaps and any reconciliation that occurs to ensure no-one is measurably worse from a stock swap.**
- This review has commenced through a Working Group of GTA members and has led to the drafting of an explanatory GTA Fact Sheet (Managing Stored Grain Entitlement) and analysis and review of the level of stock swaps performed on an annual basis.

WHEAT PORT CODE REVIEW—RECOMMENDATION 12 CONT.

- Now the preparatory work has progressed the GTA Working Group met with the major grower associations (with DAWE attending) to discuss issues raised.

Stock Swaps are integral to the efficient management of the supply chain:

Due to the nature of the Australian grain supply chain **stock swaps are critical to its efficiency**. The use of Stock Swaps has a long history in storage networks that operate grain entitlement at the site level. They are required for a number of reasons including:

- Market efficiency
- To support logistical efficiency
- To correct logistical constraints; and
- To clean up empty site inventory reconciliations.

It must also be recognised that “Stock Swaps” effectively take place in the market, as traders buy and sell stock to re-position inventory.

STANDARDS FOR BULK VESSEL AND SHIPPING CONTAINERS

- GTA recently released via [Member Update 11 of 21](#) the ***Standards for Empty Shipping Container Inspection***. This document provides guidance on export-acceptable shipping containers.
- These Standards are a result of cooperation with Shipping Australia Limited and the Department of Agriculture, Water & the Environment (DAWE) to cover container inspection, assessment, cleaning, and repairs. The *Standards for Empty Shipping Container Inspection*, is in an easy-to-access and easy-to-follow digital booklet form that is illustrated with flowcharts, diagrams, and pictures of acceptable and unacceptable containers.
- The **challenge is now on to repeat this effort** and to develop a **similar pictorial guide** to support Marine Surveyors and DAWE Authorized Officers to **perform inspections of empty bulk vessels** to ensure they are acceptable for loading for export.
- This work will be led by Australian Institute of Marine Surveyors and will be supported by Shipping Australia, GTA and DAWE.



DAWE IT UPGRADE


- DAWE is on a journey to both upgrade Information Technology (IT) systems and to replace some legacy systems. These are 'Plant Export Management Systems' (**PEMS**) (undergoing an upgrade) and 'Next Export Documentation System' (**NEXDOC**) which will replace the legacy system EXDOC.
- Delivery of the projects is critical to streamline and simplify DAWE processes and export services and to transform it into a modern and **efficient partner for industry**.
- However, progress to date on these projects and system upgrades has not been as timely as required with **lengthy delays**. These continue to **hamper the efficiency of industry** and prevent the Australian grain industry from benefitting from the recent surge in activity on **global reforms in the transfer of data between countries**.
- GTA has made comment to DAWE on many occasions seeking improvements to progress these reforms and information on the activities being undertaken.
- The government has recently **committed \$222.2m** to these projects. Given the tenure of the projects it is felt DAWE should be able to now **provide to industry a clear timeline and detailed steps and milestones** to complete the upgrades.

The most recent DAWE update on progress is:

- **NEXDOC**
- NEXDOC is currently in the planning/scoping stage for the Plant (grain) section after recently going live with Dairy.
- Key priorities for Plant have been identified and work is underway to dig deeper into each of these.
- DAWE has requested the relevant project teams to prepare some key messages for the grain and horticulture industries and will present these to the **Grain and Plant Products Export Industry Consultative Committee** on 7 July 2021.
- **PEMS** – There have been several recent enhancements to PEMS that benefits the grain industry including:
 - System integration with 9 third party software vendors so that AOs and clients can continue to use their existing software to capture data and this data is pulled into PEMS for assessment and authorisation.
 - AO lifecycle updates to allow AOs to manage their engagements with the department including training, assessment and payments.
 - Update system to align with the new plant exports legislation.
 - New functionality for External Executive roles to refresh data from EXDOC to ensure records are accurate across both systems.
 - Industry reporting capacity via Power BI is being developed.
 - Future activity:
 - New communication workflow is being developed that will allow industry users to request authorisations and receive notification of the outcome directly via PEMS.



INTERNATIONAL GRAINS COUNCIL CONFERENCE

- The International Grain Trade Coalition of which GTA is a member is a key sponsor of the International Grains Council Conference.
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- The **IGC Conference** was held on the 8th and 9th of June 2021 as a virtual conference and focused on the themes of:
 - Strategic risk for global markets;
 - Trade policy and finance; and the
 - Impact of climate change on the resilience of the grain trade.
 - GTA **Chair Andrew Goyder** participated in a session focused on the implications of official practices on the contribution of the global grain trade to **world food security and resilient food systems**. He presented on:
 - Food security, risk & confidence;
 - The importance of rules and a dispute resolution framework; and
 - Vigilance and advocacy to disruptions to trade from Non-Tariff Measures



CHANGES TO THE SOUTH AUSTRALIA LEVY FOR THE GRAIN INDUSTRY FUND

- The SA government Department of Primary Industries and Regions (PIRSA) has changed the levy amount payable by-grain purchasers for grain purchased from SA growers.
- The new rate for deductions is \$0.31 per tonne (up from \$0.30 per tonne) for the SA Grain Industry Fund and this will apply for all SA grain purchased on or after 1 July 2021 from a grain grower.
- Regulations require grain purchasers pay the grain grower contributions to PIRSA on a monthly basis falling due on the 28th day of the following month.
- **[GTA Technical Guideline Document No. 13 Grain Levies](#)** provides a reference for GTA Members on grain levies that apply to the Australian grain industry. This TGD now requires updating with the new PIRSA levy. Once updated it will be released to GTA Members via a Member Update.

AUSTRALIA'S CONTAINER SUPPLY CHAIN PERFORMANCE

- Container ports are critical nodes in supply chains and their efficiency is central to the strength of the economy of countries. To provide analysis and to benchmark the world's container ports the **World Bank in conjunction with the consulting firm HIS Markit** has developed '[The Container Port Performance Index \(CPPI\)](#)'. Its aim is to provide a reliable consistent and comparable basis on which to compare operational performance across different ports.
- **UNFORTUNATELY** the results for Australia's container ports indicate **abysmal performance** as compared to the world's most efficient port (Yokohama).
- Australia is highly reliant on international trade and container ports for our imports and exports of containerised goods. Our container ports handle about eight million TEU containerised cargo each year with the top three ports being Melbourne, Sydney (Port Botany) and Brisbane.
- The CPPI reviewed 351 ports around the globe and ranked them in order of efficiency to Yokohama with the three major Australian ports recording rankings of:

Port	Statistical Ranking
Port Botany	337
Melbourne	302
Brisbane	246

- For Australia's major ports **to rank so poorly in the global benchmark** of 351 ports is concerning. The analysis is based on total port hours per ship call, defined as the elapsed time between when a ship reaches a port to its departure from the berth having completed the cargo exchange.
- The purpose of the CPPI is intended **to identify gaps and opportunities** for improvement. Australian governments, ports and port service providers and their logistical supply chain certainly have an opportunity for improvement.



GTA SUBMISSION DAWE ON EXPORT COST RECOVERY FEES

- DAWE is responsible for applying fees and charges to industry and the public with fees and charges applied for services provided by the department. Cost recovery fees and charges are applied to the department's import and export services, including inspection and certification of goods and premises.
- Cost recovery fees and charges applied by DAWE are periodically reviewed. This review process includes the development by DAWE of a Cost Recovery Implementation Statement (CRIS). [The Plant CRIS for 2021-22 can be accessed here.](#)
- The CRIS document for the grain industry provides information on:
 - the legislative basis for cost recovery
 - the design of fees and charges
 - how fees and charges are applied
- DAWE calls for comment and input into its fees and services by seeking Submissions on each CRIS (produced annually).
- GTA has prepared and submitted a [Submission to the CRIS](#) including:
 - GTA supports DAWE's Congestion Busting projects and anticipate the dividend and benefit to industry from this investment will be reduced fees and charges from the cost-recovery program. Therefore, **delivery against the Congestion Building projects is seen as a critical m priority**. Industry will work with DAWE to achieve the objective of delivery on all projects as announced in a reasonable timeframe.
 - The CRIS arrangements and the level of transparency between DAWE and industry are **insufficient to provide confidence DAWE's services are benchmarked and cost effective**.
 - Data in the **CRIS is difficult to analyse, and charges appear to be fluid and subjective**.
 - GTA preference for **cost recovery** is an industry / DAWE initiative of a **strategic partnership approach** including forecasting of revenues and expenses and the discussion and agreement of fees.
 - DAWE and industry need a process to ensure where government activities and cost are transferred to industry there is **an equitable arrangement to manage poor adverse seasonal conditions**.

ADVISORY & COMPLIANCE DAY, 27 JULY 2021

Delivered via Zoom

The GTA Advisory Compliance Day is an annual forum for GTA Members to meet and to discuss and consider the risks and pitfalls that are present in the grain value chain. It provides a great opportunity to become informed and to understand the how to best manage exposure within your business.

Registration Cost: \$390 (inc GST) per person

Discounts apply for groups and for AGIC Australia ticket holders



[REGISTER NOW](#)

UPCOMING EVENTS

GTA TRAINING & DEVELOPMENT SEMESTER 2 SCHEDULE RELEASED

Workshops will be delivered through a combination of face-to-face and online for Semester 2

[Find entire Semester 2 workshop schedule here](#)

7-8 July 2021 Grain Merchandising

27 July 2021 Advisory & Compliance Day, via Zoom

2-3 August 2021 Grain Trading Standards, Toowoomba

17-18 August 2021 Grain Export Execution & Risk Management

19-20 August 2021 Grain Trading Standards Moree, NSW

30-31 August 2021 Grain Trading Standards Dubbo, NSW

[REGISTER NOW](#)



[Grain Export Execution & Risk Management](#)

17-18 August 2021

Topics include:

- Formation of Contracts
- Letters of Credit
- Logistics
- Bills of Lading
- Charter Parties
- Dispute Resolution

[REGISTER NOW](#)



GRAIN TRADE AUSTRALIA

Delivered via Zoom

This 2 day workshop will help you understand the risks and the complexities of exporting grain and completing International Trade Documentation. It is an interactive workshop with a unique opportunity to address your questions to the experts in the industry .

[Australian Grain Storage & Protection Conference](#)

24-25 August 2021 **New dates**

Rydges Melbourne - Face to face event

(with a hybrid option)

Visit [conference website](#) to register, for more information, ticket options and accommodation special rates

[REGISTER NOW](#)

AUSTRALIAN GRAIN STORAGE & PROTECTION CONFERENCE

MEETING MARKET REQUIREMENTS

BROUGHT TO YOU BY THE NATIONAL WORKING PARTY ON GRAIN PROTECTION (NWPGP)



24-25 AUGUST 2021
RYDGES MELBOURNE
186 EXHIBITION ST, VIC 3000

GRAIN TRADE AUSTRALIA

RECONNECT • REIGNITE • REVITALISE

Secure
your spot NOW.
Spaces are
limited.

The Australian Grains Industry Conference

2021

28 - 29 July 2021

Virtual + In Person, Melbourne

Due to popular demand, AGIC 2021 continues to move forward as an IN-PERSON and VIRTUAL event.

Be sure
to book your
ticket for the
dinner NOW
so you don't
miss out.



Will you attend in-person at the Crown Promenade, Melbourne and join us for dinner at the MCG?

Or will you tune in from your corner of the country (or world) using your virtual #AGIC21 ticket?



Book with confidence TODAY.

In the event you can't attend in-person, we'll simply convert your ticket so you can participate online. So get set for a jam-packed program ready to help you and your business reconnect, reignite and revitalise.

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