

GRAINMatters



EDITION 57, July 2021

UPCOMING EVENTS

17-18 August 2021 Grain Export Execution & Risk Management

19 August 2021 Grain Trading Standards, delivered via zoom

24-25 August 2021 Australian Grain Storage & Protection Conference

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](#)

In this Issue:

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Grain Trade Australia is celebrating its 30th year of supporting members and striving to facilitate the effective trading of Australian grain for the benefit of all in the grain supply chain.

GTA during its 30th year will be recognising and thanking all our members, volunteers, committees and the Board for their tremendous support and invaluable contribution.

Our celebrations will acknowledge those who have come before and the events that helped shape GTA and the grain industry. To recognise the history and past momentous events GTA will provide a 10 year, 20 year 30 year snapshot of some of the major events and characters that helped take the industry to where it is today.

In this edition of Grain Matters the focus is on 10 years ago:

Tom Keene is Chair of GTA just prior to his retirement from this position and passing the mantle to Peter Reading

A major rain event and downgrading of grain occurred during harvest on the east coast and there was a drought on the west coast

Wheat Quality Australia (WQA), a not-for-profit company limited by guarantee, was established by the Grains Research and Development Corporation (GRDC) and GTA and commenced operations on 1 January 2011 taking responsibility for wheat classification and related activities.

Department of Agriculture, Water & the Environment (DAWE) was the Department of Agriculture, Fisheries and Forestry (DAFF)

GTA was involved with the government committee to establish the Voluntary Code of Conduct for Grain Export Terminals

GTA becomes a member of the International Grain Trade Coalition, taking over the role from AWB.

30
YEARS



Tom Keene

GTA Chairman
2011

10 year ago, GTA was:

Reviewing the Grain Industry Code of Practice

Developing C&F Bulk and Container Contracts

Proposing a model for post farm gate industry services organization that somehow morphed into becoming Grains Australia, only 10 years later!

- Continued growth in container exports
- Formation of the Grains Industry Market Access Forum (GIMAF)
- Working through the consultative process to change wheat Test Weight from 74 to 76 kg/hl
- Introduction of the AQIS Approved Officers arrangement
- Commencement of the EU Sustainability Certification requirements

In the next edition of Grain Matters we will review the major events shaping industry in 2001 (20 years ago). We welcome your input on what you see as key events for GTA over the last 30 years

A large, stylized '30' in a gold serif font, with the word 'YEARS' in a smaller, gold sans-serif font underneath it. The logo is positioned on the right side of the page, partially overlapping a white balloon graphic that has a gold outline and a long, thin, curved tail.

GTA LAUNCHES A DOMESTIC CONSUMER SECTOR COUNCIL

- The Australian domestic market is the largest single “destination” of Australian grown grain and is critically important to the growth and success of the grain industry. The importance of the domestic market will only increase as food and feed demand for grain is forecast to grow, and as Australia builds competitiveness in value adding and processing activities.
- In response to member feedback and the GTA Board’s 2021 Strategic Planning GTA has recently **established a Sector Council for GTA members involved in domestic end-use consumption and processing.**
- While there is much in common with the export supply chain, the domestic processing sector is impacted or required to meet a number of regulations and standards that are not necessarily part of the export grain supply chain.
- The purpose of the GTA Domestic Sector Council will be to focus on issues effecting GTA members in the domestic sector. It is anticipated the GTA Domestic Sector Council will engage, consult and collaborate across the value chain with other groups and sectors wherever it is sensible to do so, and particularly around cross sector issues to:
 - a. Build alignment of policy and direction wherever sensible
 - b. Seek synergy and stronger, more robust outcomes.
 - c. Address non-competitive trade impediments/barriers
 - d. Collaboratively analyse and review the impact of new technology.
 - e. Promote opportunities to improve the facilitation of trade.
 - f. Consolidate communication of agreed positions and activities
- At the inaugural meeting on June 23, 2021, GTA members from the domestic sector discussed the concept and agreed to form the Domestic Consumer Sector Council and approved the Sector Council Terms of Reference.
- The Domestic Consumer Sector Council now joins the Australian Grain Exporters Council (AGEC) as Sector Councils of GTA operating under the Charter of the GTA Sector Councils <https://www.graintrade.org.au/sector-councils>



SUPPORTING THE FUTURE CROP - END POINT ROYALTIES

Have you ever driven from Melbourne to Perth?

If so, you know that it is a long way!

Now, imagine if Australia's wheat breeders placed every trial plot that they planted this season end-on-end.... it would cover that distance!



That's a lot of plots, and a **significant investment from plant breeders** with the aim of identifying new, better performing, more profitable varieties for Australian farmers to grow and grain marketers to sell. We all know more grain is good for everyone's business

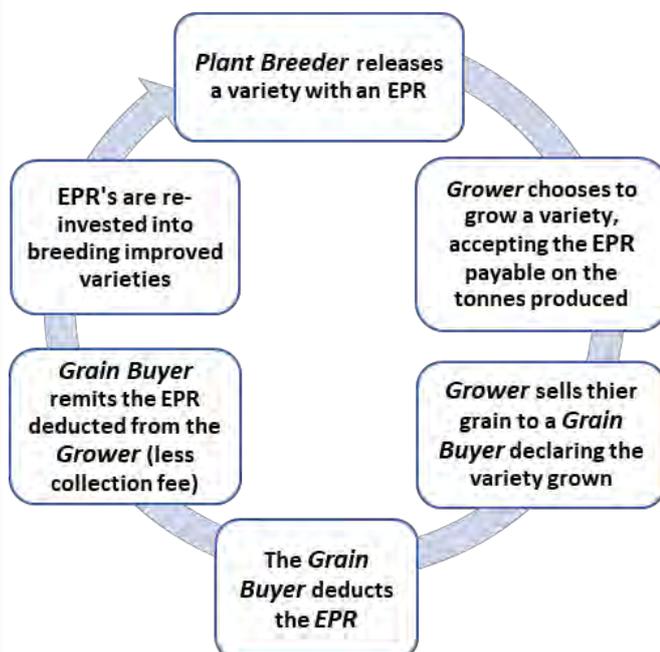
Australia's field crop breeders are funded by End Point Royalties (EPR's), paid by the farmers that grow their varieties. EPR's reward good breeding efforts: if a variety performs on farm, the breeder gets paid for the use of their improved genetics, and that income stream is **what continues to fund breeding into the future**.

EPR's are enacted at the first point of sale, and therefore crop breeders rely on the help of grain buyers to make sure that EPR's are collected.

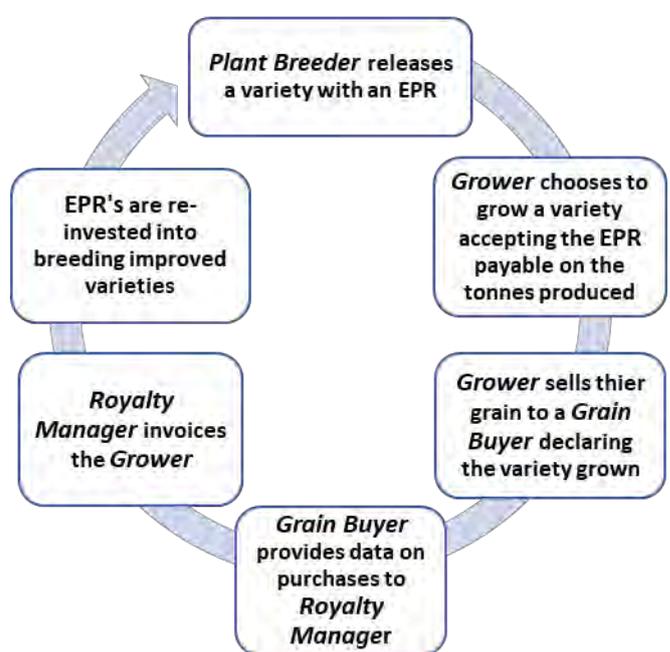
Compliance to the Australian Grain Industry Code of Practice, **requires grain buyers to assist in the collection of EPR's** on behalf of plant breeders. Grain buyers who automatically deduct EPR's are offered a collection fee to provide this service. However, if a grain buyer is unable to automatically deduct EPR's, they can still comply with the requirement through providing receival transaction data with breeder-managed royalty collectors to allow growers to be directly invoiced.

If your business is not currently auto deducting EPR's, or not sharing transaction data with royalty collectors, please contact Denis McGrath - denis@seedvise.com.au to discuss how best to meet the obligations as outlined in the Australian Grain Industry Code of Practice.

Option 1: Auto Deduction Process



Option 2: Data Provision Process



SUBMISSION TO SUPPORT ACCESS TO INNOVATION

- GTA has provided a Submission and input into the inquiry into [“the proposed changes to the explanatory notes on essentially derived varieties under the UPOV convention.”](#)
- **Let us translate that for you! GTA has provided comments into a Government inquiry that seeks to provide greater incentives and certainty through increased protection of the rights of crop breeders and to ensure the original breeder of a significant variety actually retains its rights over ownership.**
- The Australian grain industry relies on crop breeders bringing new traits and improved performance of varieties into the supply chain. The proposed changes outlined in the Revision of the *UPOC Explanatory Notes on Essentially Derived Varieties* provide assurance for Australia and its grain producers to have improved access to future innovative seed technology to maintain and enhance its position within the global trading environment.



AUSTRALIA'S CONTAINER SUPPLY CHAIN PERFORMANCE

- As highlighted in the June 2021 Grain Matters container supply chains are critical and their efficiency is central to the strength of the economy of many countries.
- A recent report on Australia's container ports indicate **poor performance** as compared to the world's most efficient port (Yokohama).
- On top of the relatively poor performance of Australia's container supply chain exporters and buyers of Australian grain are being impacted further by serious delays in documentation processes. At the recent GTA Advisory Compliance Day participants were provided a summary of recent issues resulting from documentation failures including:
 - Shipping Lines which have been consolidating through mergers and acquisitions and these arrangements have resulted in pressure and changes to internal processes including the creation of Back Office functions in central locations.
 - In some cases, these changes have created immense delays in the effective completion of the export sales documentation process. Until the documentation process is completed shipments can be detained in Container Parks incurring demurrage for the buyer or the seller.
- Exporters should be aware the documentation process can lead to delays and recompense for the demurrage from other parties in the chain can be difficult. As with all types of supply chains it is important to know your counterparties and have trust in their capability to manage their obligations to your expectations and requirements.



WHEAT PORT CODE REVIEW - RECOMMENDATION 12

- As reported in the June Grain Matters 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 including one that effects GTA – Recommendation 12

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.*

The Review Process

- GTA and its members through a Working Group **reviewed and considered the existing arrangements around stock swaps and any reconciliation** that occurs to ensure **no-one is measurable worse from a stock swap**.
- This review 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.
- The GTA Working Group **met with the national grower associations and DAWE** to discuss and reconcile any issues raised by the grower groups.
- Summary outcomes presented by Working Group included:
 - Most activity for repositioning grain inventory between sites is undertaken “naturally” in the market by commercial trade participants via the buying and selling of specific parcels of grain held in commercial storages.
 - Stock swaps are an important efficiency with overall benefit to all supply chain participants including growers. Most stock swaps are undertaken by trade buyers/sellers (99% by volume).
 - Stock swap principles are covered in S&H agreements. These terms and conditions also include the mechanisms for reconciling freight and oil bonifications (for canola), which include making payment to clients where applicable.
 - There are industry complaint & dispute mechanisms and legal avenues to address complaints.
 - The GTA Working Group has found no evidence of market failure or unresolved commercial complaints and therefore do not see any requirement for any increased regulation in the supply chain.
- Further communication and education covering Stock Swaps and Grain Entitlement will be of value to industry. GTA has prepared a draft Fact Sheet and has sought input and feedback from DAWE and the production sector (represented by Grain Growers Limited (**GGL**) and Grain Producers Australia (**GPA**)).

WHEAT PORT CODE REVIEW - RECOMMENDATION 12 CONT.

DAWE has noted:

- Having an industry approach and discussion is supportive of the intent of Recommendation 12 which is to consider and report if there is evidence of any 'unfair activity'.
- DAWE consider a Complaints Handling process is a suitable method to resolve issues and to establish evidence.
- A Complaints Handling process should be considered as a first option prior to escalating.
- There would need to be clear evidence that systems and processes in place were not working for them to consider other/or additional regulations or legislation.

WELCOME NEW MEMBERS

We would like to extend a very warm welcome to the following new members who have recently joined Grain Trade Australia:

- Inghams Enterprise Pty Ltd
- Pinnacle Grains Pty Ltd

We are pleased that these businesses have chosen to become part of GTA and contribute to GTA's mission to "facilitate trade". We are always on the look out for new members, please contact admin@graintrade.org.au for any new membership ideas.

Member should also note that the following companies are no longer GTA Members:

- Agrigrain
- CCIC Australia Pty Ltd
- Dalby-Bio Refining Ltd
- Phoenix Global Australia Pty Ltd
- Southern Cotton Trading Pty Ltd
- Tasmanian Agricultural Producers Pty Ltd
- Watershed Commodities
- Rhodium Trading Australia Pty Ltd
- Thallon Grain
- Riverina Oils & BioEnergy
- Greentree Farming

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](#)

17-18 August 2021 Grain Export Execution & Risk Management

19 August 2021 Grain Trading Standards, delivered via Zoom

30 August 2021 Grain Trading Standards, delivered via Zoom

[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

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

6 - 7 September 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 Pullman on the Park, 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?



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