

# GRAINMatters



EDITION 66 JUNE 2022

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## GOYDER'S LINE— GTA KEEPING UP WITH TECHNOLOGY



Dear GTA Members

There are some great opportunities heading our way through the adoption of new technology. As one of the oldest industries, agriculture has radically transformed over the last decades. Plant breeding, agronomy, chemical use and fertilisers have all improved leading to yield improvements. The grain industry is now embarking on another revolution with data, artificial intelligence, analytics, connected sensors and visual imaging technologies going ahead at a fast rate.

Technology is steaming ahead, and the grain industry is struggling to adapt and to keep pace as the emerging technologies are expanding at a rate greater than the capacity for us to understand the opportunities. We must also establish the support frameworks, connectivity and suitable governance and data protection.

Agriculture in general, and the grain industry is less ready compared with other industries globally.

GTA's Board recently discussed how the grain industry can support these opportunities to adopt innovation through technology. It was acknowledged these opportunities are here now and frameworks that are currently required for existing opportunities including:



- Grain Assessment Technology including visual image assessment
- Plant Breeding Technology
- Government/Industry Information Technology and connectivity
- Data ownership and security

A key part of creating the industry framework is:

- Awareness of a new technology and its impact across the supply chain,
- A platform for transparency and discussion and
- Where required an assessment and certification process.

The Board has asked GTA to consider strategies, aligned to the existing **Modernising the Grain Supply Chain Strategy** that will provide a high-level framework for Technology Stewardship.

You will hear more about this as this initiative is progressed.

**Chair,  
Grain Trade Australia**

## A GREAT INNINGS CONTINUES

It was with great enthusiasm that the Australian grain industry was able to meet face to face over an information-packed two days at the **49th Australian Grain Storage & Protection Conference** on the 15th and 16th June 2022. Delegates were treated to a professional and information filled two-day program and were encouraged and inspired to continue to support and engage in the work and objectives of the National Working Party on Grain Protection (NWPGP).

For a Working Party to have a life of over 49 years and continue to add value to the grain industry is a testament to those involved and the objective of science combined with stewardship within the supply chain to enhance the reputation of the Australian grain industry as a provider of a quality and safe product.

30 speakers kept the more than 160 delegates engaged on a range of topics including communication, extension activities and research over a diverse range of topics including:

- National research is continuing on methods to manage the resistance of the five major stored product pests to the fumigant phosphine.
- Review and education into the process of venting grain post a phosphine fumigation to increase supply chain efficiency and to ensure a safe working environment.
- Insights into new technologies including flow chain image assessment technologies that allow real time grain quality assessment to support value-based decisions.
- The role of government in regulating the use of agricultural chemicals and the current review into the Agricultural and Veterinary Chemical Regulations was debated.

A clear message throughout the Conference is continued **industry stewardship, education and awareness** is critical to ensure the ever-demanding market expectations are satisfied.

Plans have commenced to ensure celebrations of a 'half century' are enjoyed by next year's delegates.

### **About the Australian Grain Storage and Protection Conference:**

*The Australian Grain Storage and Protection Conference is convened by Grain Trade Australia (GTA), chaired by the National Working Party on Grain Protection (NWPGP) which is funded by Grains Australia.*



## ACCC CONSULTATIVE COMMITTEE

The ACCC operates an Agriculture Consultative Committee, established to provide advice and information on competition issues affecting the agriculture sector. GTA is a member of this Committee and provides input on behalf of its members including raising the profile of the grain industry self-regulatory framework and views on any related matters.

The ACCC Consultative Committee met on the 2<sup>nd</sup> June 2022.

- There was a focus at this meeting on grain industry issues, including supply chain and port constraints. Comments from the ACCC at the meeting included they had received minimal concerns around grain supply chain issues, considering the large production levels and high throughput.
- Basis pricing concerns raised by grower groups was discussed. The ACCC are well aware of the issue as well as the record throughput in the supply chain. An ACCC market study in the grain supply chain would require close consultation and instruction from the Government.

GTA has previously made comments in the media, outlining the large production and export program, and the local supply chain issues around moving grain into ports being a key factor impacting local grain prices.

GTA will continue to engage, discuss, and provide information to the Committee that explains the market condition and supply chain capacity issues that create price outcomes.





## ITS NOT ALL BEER AND SKITTLES

We discussed in the April edition of Grain Matters recent articles and comment relating to the cash grain 'basis' price and the marked spread between the local wheat price compared to the global futures markets. Whilst the article addressed the market driven reasons why this has occurred basis pricing continues to be raised as an issue of concern.

A major cause of this 'basis' differential results from the supply chain being fully booked preventing access to further sales at current market values. A supply chain running at full capacity increases the exposure to issues for its participants as there is no capacity or leeway for supply chain shocks to be absorbed. Having said that the non-traditional mobile bulk loaders and transhippers have assisted in increasing the tonnes out of Australia with reports they have combined **shipped 1.9m tonnes** to date during this shipping year.

The GTA Transport, Storage and Ports Technical Committee has been discussing some of the issues that have plagued exporters across the country including:

### **Rail Performance** Issues:

- Weather impacts including floods have created numerous shutdowns and exacerbated access to consistent rail pathways.
- Maintenance and track related issues have been numerous across the nation with several derailments reported
- Rail operators having labour/train crew related concerns due to post drought demand, Covid-19 and movement to other export sectors.
- Some eastern states are experiencing 40% failure in planned rail journeys and Western Australia is operating below its capacity.

This poor performance of rail is creating additional demand on the **road fleet** that was already at peak demand levels:

- Storage operators are reporting issues with a large number of trucks booked to load and not arriving.
- Truck operators are struggling to service the demand due to a national shortage of available truck drivers and Covid-19 related impacts on the remaining drivers.
- The excess demand on road freight associated with the rail and road supply issues combined with current fuel prices is creating significant spikes in the spot road freight market with reports of rates of up to \$0.22 per net tonne kilometre on some routes,

So, what is the impact of a fully booked supply chain when the supply chain is not meeting its planned output – Pain and financial distress as a result of tonnes expected to be loaded now not leaving the country.

This lost capacity and any tonnage not shipped cannot be caught up and will need to be financially carried well into the next year when capacity becomes available. Time based storage charges and carryover penalties will also be applied to this tonnage.

Lost capacity also means vessels have to wait in lengthy queues to load. The below Table indicates the **average waiting time** for vessels during April at the major grain berths around the nation. (*Continued Over*)

## ITS NOT ALL BEER AND SKITTLES (CONT)...

Grain Terminals	Average Waiting Time (Days) April 2022
Brisbane	11
Newcastle	9
Port Kembla – GNC	17
Melbourne	0
Geelong	5
Adelaide - Outer	3
Port Lincoln	13
Geraldton	10
Kwinana	20
Albany	11
Esperance	10

As well as the potential for sales contract issues and increased inventory cost exporters are obligated to pay a penalty to ship owners for waiting time (Demurrage). Therefore, these delays create significant financial penalties.

The shipping market currently is supporting daily Demurrage rates in the vicinity of **US\$36,000 per day**. So, a 20-day delay can lead to a blowout in supply chain cost of approximately US\$720,000. A bitter pill to swallow on top of the additional land-based costs.

If you wish to hear the industry debate grain prices, price discovery and 'basis' this will be a feature at this year's **Australian Grains Industry Conference 2022**. GTA's believe this an important industry conversation and has lined up a special Panel Session facilitated by the well-known rural journalist Gregor Heard. The Panel will include Andrew Weideman from Grain Producers, David Johnson, CEO of Emerald Grain and Tim Andrieson, Managing Director Agricultural Products at CME Group. Don't miss it!!! Get your AGIC tickets [here](#).



## LONDON CALLING—IGC

The annual International Grains Council (IGC) Conference was held over two days on the 7<sup>th</sup> and 8<sup>th</sup> of June 2022 in London. GTA's CEO presented to the IGC Conference as part of the International Grain Trade Coalition session.

GTA's presentation covered several issues including the importance of confidence, rules-based trade and its support of global food security. The presentation highlighted several key points including:

- The key role trade associations have in working to improve the efficiency of trade.
- The importance of collaboration and working to improve harmonisation of systems, processes and methods to reduce risk and uncertainty in the value chain.

The Ukraine situation featured prominently at the IGC conference and included speakers from the Ukraine Government and industry. Delegates were told with the Ukraine ports blocked either by Russian occupation or Ukrainian mines, exports are being limited to rail to neighbouring countries to the west. This is severely limiting the capacity of the Ukraine supply chain. It is expected the upcoming harvest will face storage constraints as a result, impacting the farmers ability to harvest, sell grain and to generate cash for new crop plantings. This will likely result in the market impact of the Russian invasion to be multi-seasonal.

AGIC 2022 will feature Nikolay Gorbachov, President of the Ukraine Grain Association, to talk about the Ukraine situation. Nikolay spoke at the IGC Conference in London and captured the attention of the room with his practical knowledge of the situation in Ukraine. He will be travelling to Australia specifically for the AGIC, so don't miss this session.

GTA also presented to a special IGC session of more than 20 Mediterranean countries, focussed on supply risks for importing countries. GTA presented an Australian perspective highlighting the high production, exports and record shipments from Australia. Other presenters included Canada, US, France (lower crop prospects) and Brazil. These Mediterranean countries rely on imports and are seeking to monitor supplies and other sources outside of their region.

From these meetings and others over recent years, GTA has a very good strong working relationship with IGC as well as other grain groups in Sth America, Nth America, Europe, UK, Africa and China.



## CODE EXPANSION

No, we are not talking about football codes expanding into foreign states! Grain Matters is commencing a regular spotlight on the supporting documents to the [Australian Grain Industry Code of Practice](#) (Code), namely the [Technical Guideline Documents](#). The 22 Technical Guideline Documents (TGDs) are supportive and supplementary to the Code and assist implementation of each listed activity in the Code and are important reference materials for industry.

The first TGD to be highlighted is TGD No. 1 [Complaints Handling Guidelines](#).

The **Complaints Handling Guidelines** provide a formal complaint handling process to industry and are intended to ensure GTA handle complaints fairly, efficiently and effectively.

The complaints handling procedures described in TGD No. 1 apply to complaints from GTA members Industry participants and any other stakeholders regarding matters arising under the Code.

GTA is committed to seeking and receiving feedback and complaints about industry services, systems, practices, procedures and products with respect to the Code. Any concerns raised in feedback or complaints will be dealt with within a reasonable time frame. People making complaints will be:

- Provided with information about our complaint handling guidelines
- Provided with accessible ways to make complaints
- Listened to, treated with respect by staff and actively involved in the complaint process where possible and appropriate, and
- Provided with reasons for our decision/s and any options for redress or review.

The five key stages in GTA's complaint management guidelines are set out below:



The Complaints Handling Guidelines have been proved to work:

- The Complaints Handling Guidelines have been utilised to consider complaints received from two parties against Unique Grain Management relating to conduct under TGG No. 4 Operating Guidelines for Pool Operators. The outcome of this process under the Complaints Handling Guidelines was shared with industry through [Member Update No. 35 of 2020](#)
- The Complaints Handling Guidelines has been referred to in a letter by the previous Minister for Agriculture the Hon David Littleproud. This letter was provided to GTA after the process to consider Recommendation 12 of the review of the Port Terminal Access (Bulk Wheat) Code of Conduct. Minister Littleproud acknowledged the dispute and complaint handling process GTA provides industry and stated these processes can be used to gather information about, and resolve, any issues in up-country storage and handling networks.



## WHO DOESN'T LOVE A FREEBIE—NATIONAL RESIDUE SURVEY

The National Residue Survey (NRS) is a vital part of the Australian system for managing the risk of chemical residues and environmental contaminants in Australian animal and plant products. The NRS supports Australia's primary producers and agricultural industries by confirming Australia's status as a producer of clean food and facilitating access to domestic and export markets.

The core work of the NRS is to facilitate the testing of animal and plant products for pesticide and veterinary medicine residues, and environmental contaminants.

Residue monitoring aims to:

- Provide an estimate of the occurrence of residues in products (using systems based on sampling and statistical probability)
- Confirm (or otherwise) that residues in products are below set limits
- Alert responsible government authorities and industry if, and when, limits are exceeded, so that corrective action can be taken.

**Tests are free** – Yet the NRS informed delegates at the recent 49th Australian Grain Storage & Protection Conference the levels of participation by grain industry participants in both the export and domestic market was somewhat disappointing. GTA will seek to address this through further engagement with members in the coming months.

The NRS also reported the Sample Compliance with Australian Maximum Residue Level scorecard. This was positive with 3,626 bulk export samples being 99.5% compliant and 1400 container export samples being 97.9% compliant.



## NEW MEMBERS

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

- Futari Holdings Pty Ltd
- Hazeldenes Chicken Farm Pty Ltd

We are pleased that these businesses have chosen to become part of GTA and contribute to GTA's mission to "facilitate trade".

Please email [admin@graintrade.org.au](mailto:admin@graintrade.org.au) for any member enquiries or ideas!

## UPCOMING EVENTS

# REGISTER NOW

The Australian Grains  
Industry Conference

# 2022

## GROWING WITH GRAIN

27 - 28 July 2022  
Crown Promenade, Melbourne

[REGISTER NOW](#)

We are pleased to announce the Australian Grains Industry Conference 2022 will be held face to face at Crown Promenade, Melbourne from 27th to 28th July 2022. The Australian Grains Industry Conference (AGIC 2022) is an industry run conference for grain market participants and service providers, hosted by leading grain industry associations Grain Trade Australia, Australian Oilseeds Federation, and Pulse Australia.

This year's conference theme is **Growing With Grain** and will be a hybrid event, allowing delegates from around the Australia and the world to join both in person, and virtually.

The Conference provides a chance to connect with fellow industry colleagues through a variety of networking opportunities and AGIC offers exposure to:

- Grain and oilseed producers, processors, importers and exporters
- Manufacturers of food, animal feed, biofuels and bio-based industrial products
- Suppliers of services (financial/logistical/marketing/communications) to the grain and grain-products industry
- Ports businesses, freight forwarders, shipping/ocean line companies, container companies
- Technology, equipment and service providers
- Trade groups, government agencies and researchers
- Industry advisers/consultants; key policy/decision makers

AGIC 2022 is proudly hosted by the following leading grains industry organisations.

**Grain Trade Australia (GTA)** was formed in 1991 to formalise commodity trading standards, develop and publish the trade rules and standardise grain contracts across the Australian grain industry. GTA's role today is to ensure the efficient facilitation of commercial activities across the grain supply chain. GTA's has over 260 organisations as members ranging from regional family businesses to large national and international trading/storage and handling companies.

**Pulse Australia** is a peak industry body that represents all sectors of the pulse industry in Australia, from growers and agronomists through to researchers, merchants, traders and exporters. It is unique in that it is an independent, non-political and whole of industry organisation, which acts as a catalyst for the development of the pulse industry.

**Australian Oilseeds Federation Inc. (AOF)** was established in 1970 to represent the common interests of all Australian oilseed industry participants and to promote the development, expansion and improvement of Australian oilseed production. The AOF represents players across the total oilseed supply chain including Service Providers / Research, Development & Extension, Growers, Traders/Marketers (domestic and export), Processors (crushers, refiners, manufacturers) and Consumers.

## ADVISORY & COMPLIANCE DAY—14 JULY 2022

### **1 Day Workshop Delivered via Zoom**

The GTA Advisory Compliance Day is an annual forum for GTA Members to meet and 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 how to best manage exposure within your business.

The Advisory & Compliance Workshop is structured to meet GTA Members' requirements and cover specific topics of interest. The program has some flexibility so it can include discussion and provide information on 'breaking issues' or topics of particular interest to your business. The program objective is to meet your needs in this area and will include:

- Compliance with legislation, taxation, insurance, staff payments
- Arbitration lessons
- Managing catastrophic events such as COVID – 19
- Insolvencies
- Reputational risk
- Sustainability

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



[PROGRAM IS AVAILABLE](#)

[REGISTER NOW](#)







# GTA TRAINING AND DEVELOPMENT PROGRAM

## Workshops Schedule Semester 2, 2022

### July

#### Advisory & Compliance Day

14 July - Presented over Zoom,  
various presenters

**Register**

Cost - \$390

### August

#### Grain Trading Standards

Presented by Gerard McMullen

3 August - Zoom

8-9 August - QLD

19 August - Zoom

22-23 August - NSW

#### Understanding Grain Markets

Presented by Lloyd George

31 August - Zoom

### September

#### Grain Trading Standards

Presented by Gerard McMullen

6 September - Zoom

13-14 September - VIC

22 September - Zoom

27-28 September - SA

#### Trade Rules & Contracts

Presented by Lloyd George

7 September - VIC

15 September - Zoom

### October

#### Grain Trading Standards

Presented by Gerard McMullen

18-19 October - WA

#### Grain Finance & Risk Management

Presented by Malcom Finlayson

26 October - NSW & Zoom

#### GTA Member fees

Zoom Workshop - \$792

1 day F2F Workshop - \$990

2 day F2F Workshop - \$1,650

Register online

#### Non-Member fees

Zoom Workshop - \$1,184

1 day F2F Workshop - \$1,480

2 day F2F Workshop - \$2,475

To register, email [admin@graintrade.org.au](mailto:admin@graintrade.org.au)

Please note all prices are GST inclusive

For any inquiries please contact GTA on: Tel (02) 9235 2155 or 0449 038 330 [admin@graintrade.org.au](mailto:admin@graintrade.org.au)