

GRAINMatters



EDITION 69 SEPTEMBER/OCTOBER 2022

UPCOMING EVENTS

- Grain Trading Standards Workshop—17 October 2022 (*Last Standards workshop for the year!*)
- Grain Finance & Risk Management Workshop—26 October 2022 (*Spaces are limited*)
- GTA Annual General Meeting—25 October 2022
- Grain NSW Industry Gathering—28 October 2022
- AGIC Asia—6-10 March 2023—*Save the Date*

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GOYDER'S LINE— LETS FOCUS ON PRODUCTIVITY



Dear GTA Members,

There has been and continues to be numerous discussions and calls for reviews and inquiries into the grain supply chain including the recent release of the ACCC Bulk grain ports monitoring report – industry update 2020–21 ([industry update report](#)). This report summarises the views expressed by stakeholders during a consultation process and provides the ACCC's views on certain matters relating to the grain supply chain.

These reviews, whilst valuable can be a distraction to industry and may not address the current challenges and constraints that participants in the supply chain face on a daily basis. A suggested better area to focus may be structural issues like labour shortages and the efficiency of shared supply chain assets including our road and rail assets. I am not sure what the state of your rural roads are like, but I have been hearing some horror stories whilst out meeting with GTA members.

It's important that as the market and grain supply chain assets (Port and country) continue to evolve, and as new assets are developed that governments match that continued development with infrastructure improvements that are well overdue.

Industry must also have in place a strategy that provides shared assets and infrastructure and operating arrangements that focus on efficiency and trade support. This is a focus that the GTA Board will continue to drive and promote on behalf of GTA members and will work with government and other industry associations to achieve progress.

Since the last newsletter the Board has met in Perth, Western Australia and enjoyed the company of GTA members and industry at a social event where the issues of industry were discussed and solved!

The Grain Industry Association of Victoria (GIAV) recently held its AGM and annual luncheon. Whilst I was not available to attend, GTA was represented at the event as during the luncheon event a past GTA Board member, Jim Riordan , was presented a Life Membership of the GIAV. My congratulations go out to Jim for this well-deserved award in recognition of his efforts and work to help shape the grain industry in Victoria.

Andrew Goyder
Chair—Grain Trade Australia



QUANTITY TOLERANCE

GTA's Commerce Committee has engaged with GTA members via a [Member Update](#) to seek input into the proposed amendment to the GTA Trade Rules (Rule No. 6) and also the amendment to the Terms & Conditions sections of the GTA No. 3 and the No.6 Contracts.

This Trade Rule No. 6 and the Contract Clauses relate to the Quantity Tolerance provided to manage the difficulty in delivering the exact nominated contractual tonnage when delivering grain in road trucks.

Currently Trade Rule No. 6 provides the Seller the option of delivering five percent [5.0%] or twelve [12.00] tonnes, whichever is the lesser quantity, more or less than the contractual quantity at the contract price. A Submission was received calling for a change.



The Submission proposed an increase to the minimum tonnage Quantity Tolerance from the existing 12.0 metric tonnes to 20.0 metric tonnes. The proposal stated the average size of road trucks utilised in the delivery of grain has increased with the introduction and use of larger B-Double configurations and an increase in the tonnage Quantity Tonnage is warranted.

The Committee discussed the proposal and agreed it had merit and that the proposed changes should be taken to GTA members for discussion prior to seeking GTA Board formal approval.

ROUNDUP TRIALS

The legal battles continue in the US courts over claims that Bayer AG's weedkiller Roundup causes cancer.

In September 2022 a jury returned a **favourable verdict on Roundup**.

A Bayer statement included,

- *The jury's verdict in favor of the company brings this trial to a successful conclusion.*
- *The jury's conclusions are consistent with the assessments of expert regulators worldwide as well as the overwhelming evidence from four decades of scientific studies concluding that Roundup™ can be used safely and is not carcinogenic.*

This is the 5th consecutive trial won by Bayer. Roundup is a key chemical used in broad acre farming.



PRODUCTIVITY COMMISSION AND THE MARITIME LOGISTICS SUPPLY CHAIN

The much-awaited Productivity Commission (PC) draft into Australia's Maritime Logistics System was released on 9 September 2022. The Report covers long term trends in system performance, competition, industrial relations, infrastructure constraints and technology uptakes. The draft Report can be accessed [here](#).

Grain Trade Australia (GTA) provided input into the Draft Report via a [detailed Submission](#) on the 11th of February 2022. This followed and an earlier [Submission](#) into Vulnerable Supply Chains in April 2021.

There are **some significant draft findings** in the Report that are of interest to the grain industry. These include:

- PC recognised the current supply chains have overheated demand and face multiple climatic and pandemic disruptions.
- PC report provides good performance data and explanatory comments and infographics.
- International evidence indicates the Australian container ports can lift their productivity.
- Improving container productivity can deliver significant benefits as Australia's major container ports are estimated to directly cost the economy around \$605m per year.
- PC saw **no evidence of Ports exercising market power**.
- The Australian Government should **repeal Part X** of the Competition and Consumer Act 2010 (Cth) (CCA).
 1. No other industry has an exemption like Part X, even though there are industries with similar characteristics to the shipping industry.
 2. Shipping lines should show that their agreements provide a net public benefit.
 3. Either a class exemption or the existing provisions under Part VII of the CCA could deal with shipping line agreements under a net public benefit test once Part X is repealed.
- Terminal access charges and other **fixed fees** for delivering or collecting a container from a shipping terminal should be regulated so that they **can only be charged to shipping lines and not to transport operators**.
- Transport operators and cargo owners are **paying fees to shipping lines for the late return of containers** even where the delay is because empty container parks are full. The exemption for shipping contracts, which means that these fees fall outside the scope of the Australian consumer law, should be removed.
- The report states that increased use of **rail for container movements** is only likely to be achieved with significant (and **possibly uneconomic**) investment in dedicated rail lines and intermodal terminals.
- There is a strong case for further reform of coastal shipping to allow greater competition from foreign vessels.

GTA will continue its review of the draft report and after consultation with the relevant Technical Committees will provide a Submission to the Productivity Commission Review prior to the deadline on 14 October 2022.





Australian Government

The Treasury

Grain Trade Australia (GTA) welcomed two recent opportunities to provide feedback on the federal Treasury review into Financial Adviser Education Standards and also its Quality of Advice review.

GTA members who are grain marketing advisors are required to hold an Australian Financial Services Licence (AFSL) and as a result are directly impacted by this legislation. Grain marketing advisors provide advice specifically to help a grain producer manage their grain price risk using specific financial products.

A summary of GTA's work in this area follows:

- ***Education Standards***

Under the requirements of an AFSL grain marketing advisors must have completed specific tertiary degrees in a Finance discipline and other requirements that are largely irrelevant for the provision of grain market advice.

GTA's recent [Submission](#) into the Education Standards called for a simpler process to minimise the cost and complexity for grain marketing advisers and to ensure the education Standards are fit for purpose and support rather than impede GTA members.

- ***Quality Of Advice***

GTA in its [Submission](#) commented on the proposed reforms that were included in the Treasury Proposals for Reform Paper August 2022 and noted that GTA's grain marketing advisor members continue to be burdened with the considerable consequences of the current AFSL legislation and its implementation.

A key issue for GTA members that provide grain marketing advice are cost increases to provide services that relate to an increased compliance burden, more comprehensive due diligence process, and more time required to meet the 'best interests duty'.

GTA will continue to work with Treasury to seek to address the issues that exist with the current legislative requirements impacting AFSL holders that provide grain marketing advisory services.



INDIAN MARKET—DELEGATIONS

GTA and the wider grain community in Australia is focussed on market diversification and as part of this goal has identified the opportunity for development of a long term and sustainable relationship with the Indian market. As part of this GTA is leading a project to develop an India/Australia Strategic Grain Partnership. This project is part of the suite of ATMAC supported market diversification projects coordinated by Grains Australia.

India is recognised as an attractive market for Australian exporters due to its rapidly growing large, diverse and wealthy consumer market.

For Australian stakeholders, the longer-term focus is on developing a more trade facilitative approach with India. Consistency is the key to reducing risk and facilitating trade between the two countries.

This is very much a long-term strategy, recognising a number of constraints have impeded trade with India including domestic policy settings, and tariff and non-tariff barriers. The recently signed free trade agreement (AI-ECTA) provides an opportunity to deepen and strengthen trade and economic ties with India, although to date has little immediate benefit for the grains sector.

Several initiatives are underway to support this market objective including an Indian delegation that will shortly visit Australia as a result of a government invitation for bi-lateral country consultations. The delegation will visit the east coast of Australia including areas with high levels of pulse production.

An Australian delegation will also visit India during October to further progress the Strategic Grain Partnership, discuss opportunities for collaboration and build relationships across industry and Government.



JOB & SKILLS SUMMIT



Jobs +
Skills
Summit

GTA has recently engaged with the National Farmers Federation to ensure that grain supply chain impacts and issues are registered and considered as part of the agricultural community feedback and input into the federal government Jobs + Skills Summit that was held in September 2022.

The Jobs and Skills Summit brought Australians together to work constructively on the challenges and opportunities facing the Australian labour market and economy.

GTA is aware of the challenges many of its members face in being able to attract and recruit younger people to careers in agriculture and this has been evidenced in recent times throughout the supply chain. The impacts of poor access to labour have been felt and has impacted the supply chain's ability to deal with the recent large production years.

GTA will continue to seek opportunities to work with government on the structural issues including workforce issues that impact the facilitation of trade. For those that are interested the Jobs + Skills Summit Outcomes are provided [here](#).



WHAT IS BLENDING?

Blending is defined as 'the action of mixing or combining things together'. The blending of grain may be defined as combining grain (varieties or grades) to obtain a particular quality or consistency. Grain is deliberately blended at numerous locations and for numerous reasons throughout the grain supply chain.

[TGD No. 7 Wheat Blending](#) is the focus of the regular Grain Matters 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.

TGD No. 7 discusses the numerous types of blending that can occur within the supply chain and why wheat grain is blended. Importantly it also, for each blending activity outlines the 'Major Considerations' and procedures the operator should be aware of prior to undertaking grain blending. Much of this TGD No.7 applies to commodities other than wheat.

It is important that individuals and companies that undertake blending are aware and understand the contents of this TGD No. 7 and apply its recommendations. This is especially the case in relation to obligations to implement industry Standards, the Australian grain Code of Practice and contractual obligations between the buyer and the seller of grain or the storage agent who receives/stores/outturns the grain on behalf of the relevant parties.

PILOT PROGRAM—GTA STORAGE & ASSET MANAGEMENT STANDARD

GTA in conjunction with government is developing a Standard for grain storages. This Standard will be a voluntary framework to be used by any storage operator including Export Registered Establishments, exporters, grain storage facility operators, domestic processors and grain producers.

Why is the Standard needed:

- The grain industry is increasingly faced with a fragmented supply chain which provides little consistency and has minimal oversight.
- The Department of Agriculture, Forestry and Fisheries (DAFF) current regulations do not allow for the recognition of alternative assurance to produce export compliant grain. The goal of the project is to develop a Standard to bring consistency across the supply chain and for DAFF to recognise this Standard in the export regulation.

The benefit of the Standard and broader project is:

- Costs savings for exporters. The project is exploring options such as a reduction in industry costs imposed by DAFF for provision of services, adoption of improved efficiency systems for both industry and DAFF).
- Delivering a competitive advantage for grain export supply participants (increased market access, improved business efficiency and commercial advantage).
- Provide a greater level of assurance through enhanced confidence across the export and domestic grain supply chain.

A joint GTA and DAFF project is tasked with designing and implementing this Standard. **The project is about to commence a pilot program** to test the value of the implementation of the Standard. The following range of benefits and outcomes will be assessed in the pilot program:

- Demonstrated compliance with the Australian grain industry Code of Practice
- Enhanced positive reputation of company and the wider industry
- Decreased risk of not meeting export regulatory requirements
- Lower risk of not meeting customer requirements

The pilot will consider various financial aspects of the Standard. The pilot also provides an opportunity to gather supporting information from participants for input into a cost benefit analysis.

The project will be completed in **June 2024** when the Standard will be released to industry and adopted in DAFF legislation.



AWW—THE NEW HARD WHEAT CLASS

Wheat Quality Australia (now Grains Australia Limited (GA)) has introduced a **new wheat Hard Class – Australian White Hard Wheat (AWW)**. This is a significant new Class and change to the way Australian wheat is classified.

A summary of AWW includes:

- The introduction of AWW is proposed to target customers who purchase Australian White Hard wheats for general purpose requirements. GA anticipate international buyer's preference is to purchase this general purpose AWW rather than Hard wheat Classes and their varieties that after assessment are graded as ASW or as down-grades.
- The aim of AWW is to provide scope for high yielding wheat varieties with a reduced focus on protein levels.
- It is considered that AWW represents a Class below APW requirements and like the ASW Class will not be subject to a protein minimum.
- As AWW varieties will not be subject to 'end-product' testing they will not be acceptable into any current Hard classifications and grades.



The GTA Trading Standards Committee has considered how to include AWW into the Trading Standards and has proposed Grade names and Cascades Rules for AWW. These have been outlined in a [GTA Member Update No. 22](#) that also includes the [AWW Grade Draft Standards](#) and an [Industry Consult Paper](#).

GTA members are reminded to provide feedback on the proposals for AWW by **COB Friday 14 October 2022**.

TECHNICAL COMMITTEE NOMINATIONS—REMINDER

Grain Trade Australia (GTA) called for 2022/2023 Technical Committee & Domestic Sector Council nominations on 12 September 2022.

Applicants will be selected by the GTA Board at a meeting following the Annual General Meeting (AGM) to be held on Tuesday 25th of October 2022.

REMINDER: All appointments to the GTA Technical Committees & Domestic Sector Council are for one year only, therefore current members must re-apply if they wish to be considered for a position on a GTA Technical Committee for 2022/2023.

Nominees must complete and submit each of the attached forms:

[GTA Technical Committee & Domestic Sector Council Nomination and Supporting Information Form – 2022/2023](#)



GRAIN NSW INDUSTRY GATHERING

2022 Grain NSW Industry Gathering will take place **Friday 28th October 2022**. For more information, please view [Grain NSW flyer and registration form](#).

UPCOMING WORKSHOPS



Grain Trading Standards Workshop

Last Standards workshop for the year!

17 October - **Zoom**

Grain Finance & Risk Management

Spaces are limited

26 October—Sydney, NSW (**Face to Face**) + Zoom

[REGISTER NOW](#)

GTA ANNUAL GENERAL MEETING (AGM)

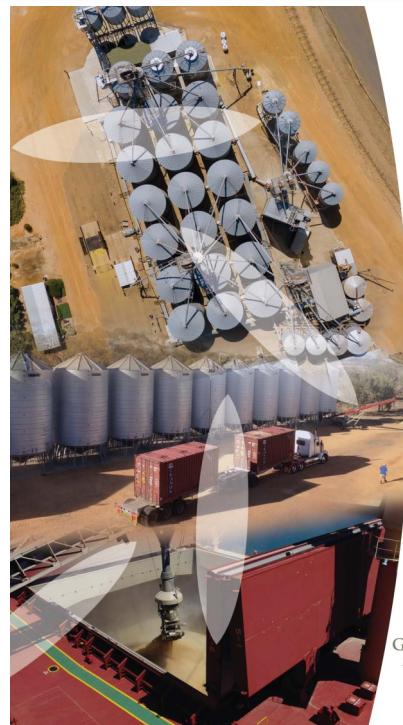


2022 Annual General Meeting of members of Grain Trade Australia Limited will occur at the 2022 Annual General Meeting (AGM) of Grain Trade Australia Limited (GTA), to be held on **25 October 2022** (in Sydney at Karstens 1/111 Harrington Street and via Zoom) commencing at **9:30 am AEDT**.

Members planning to attend 2022 GTA AGM are required to [register here](#).

Notice of AGM, Explanatory Memorandum, Proxy Form and Poll Papers can be found on [GTA website](#).

GTA Annual Report FY21-22 is now published and being distributed to members in paper copies. [Electronic version](#) of the report is available on GTA website:



ANNUAL REPORT 2021-22



AGIC ASIA 2023—SAVE THE DATE

The Australian Grains Industry Conference

Asia 2023



6-10 March 2023

AGIC Asia - now an integral part of the global calendar - returns as a face to face event for the first time in 3 years and will be held in Vietnam and Philippines

TICKET OPTIONS, PROGRAM HIGHLIGHTS AND MORE INFORMATION WILL BE AVAILABLE EARLY DECEMBER

For any inquiries please email: administration@ausgrainsconf.com

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