

GRAINMatters



EDITION 70 OCTOBER 2022

UPCOMING EVENTS

- AGIC Asia—6-10 March 2023—*Save the Date*
- Australian Grain Storage & Protection Conference— 7-8 June 2023—*Save the Date*

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GOYDER'S LINE— REFLECTING ON THE YEAR THAT WAS



Dear GTA Members,

I was honoured and pleased to provide the 2021/22 annual address as Chair of Grain Trade Australia (GTA) at its AGM on the 25th of October 2022. Coming off the 30th Anniversary of the formation of NACMA/GTA and being a part of successive record crops traded domestically and exported is a momentous and auspicious time for myself as Chair.

The AGM gave me a moment to reflect on the achievements of 2021/2022 including:

- GTA hit the 30-year mark - our Pearl Anniversary, which was celebrated in style in March 2022 at the Crown ballroom in Barangaroo, Sydney. Our gratitude must go to the visionary industry leaders, all those years ago that laid the pathway to the current trade association with over 280 members that GTA is today.
- The 2021/22 season was exceptional with a record crop of 67.4 MT (12% above the previous record of 59.9 MT in 2020/21). The industry has never been in better shape, with ABARES estimate of industry value at a record \$27.5 billion for 2021/22.
- The continued grain industry support for the Grain Industry Code of Practice and the GTA framework including its Technical Committees, Trade Rules, Contracts and the Dispute Resolution mechanisms.
- AGIC Asia held in March 2022 with 650 delegates from 25 countries.
- AGIC Australia 2022 – what a great return to 'live events'!
- Continued success and focus provided by the '*Modernising the grain supply chain strategy*'
- The National Working Party on Grain Protection held its **consecutive 49th** Australian Grain Storage & Protection Conference.
- Ongoing active involvement with the International Grain Trade Coalition (IGTC)
- Success of the Sector Council model lead by the Australian Grain Exporters Council (AGEC) and more recently the GTA Domestic Sector council.
- Establishing the GTA Board Environmental, Social and Governance Committee.
- The strong industry support for the GTA Training & Professional Development programs.

Over the 30 years of GTA's existence the key to its success is and will continue to be based on the support and efforts of all the knowledgeable and skilled industry participants who **volunteer** their time and expertise as members of the various GTA Board, the Sector Councils, Technical Committees and Industry Working Groups, as well as the GTA Arbitrators.

GTA as an organisation works because of its "can do" attitude and the extraordinary hours of unpaid and volunteer commitment we have for our members. GTA does not have a right to exist we have to earn that right and I believe we have done this again this past year.

Finally, I would like to raise awareness and support of a specific charity established to assist deliver humanitarian support for Ukrainian farmers and their communities, from grain donated from this year's harvest. The [#AUSSIEGRAIN4UKRAINE](#) appeal was announced earlier this year with a farmer-led Grain Producers Australia (GPA) sub-committee formed to drive the fundraising campaign. Any assistance that GTA members can provide to promote and support this campaign will be greatly appreciated.

A handwritten signature in black ink, appearing to read 'Andrew Goyder', written in a cursive style.

Andrew Goyder
Chair—Grain Trade Australia

DISPUTES—FILLING IN THE CRACKS

The GTA Board Dispute Resolution Service Committee received requests to consider and to develop an arbitration process for smaller value disputes, where they may be able to be resolved quickly and easily.

The Board Dispute Resolution Service Committee and the Commerce Committee have considered the best means to deliver a “*Small Claims*” arbitration model into the suite of GTA Dispute Resolution Services.

The parameters of the Small Claims Arbitration model include:

- be compulsory for disputes with a claim value of less than \$15,000
- not apply to claims valued in excess of \$15,000
- issue binding Awards, rather than non-binding Opinions as per current Expert Determination
- provide efficiency for Parties and GTA.

It is proposed:

- To have a fee structure: \$1,700 (non-refundable) payable by Claimant on commencement (but which may be recoverable as part of the Final Award)
- Submissions are capped at three (3) pages in Points of Claim or Points of Defence with no more than ten (10) pages of supporting documentation
- GTA will appoint a sole Arbitrator (from its Panel of approved arbitrators)
- The final Award will include a brief statement of reasons
- The Arbitration Guidelines and Dispute Resolution Rules will be updated accordingly

GTA consulted with members via [a Member Update](#) and sought comment on the proposed Small Claims Arbitration process prior to **gaining final approval from the GTA Board at its October 2022 meeting.**

The Small Claims Arbitration Model aligns with NSW Commercial Arbitration Act.

The Small Claims Arbitrations will be made available once they incorporated into the next update and release of the GTA Trade Rules and the Dispute Resolution Rules and Guidelines.

More information on GTA Dispute Resolution Service can be found here:

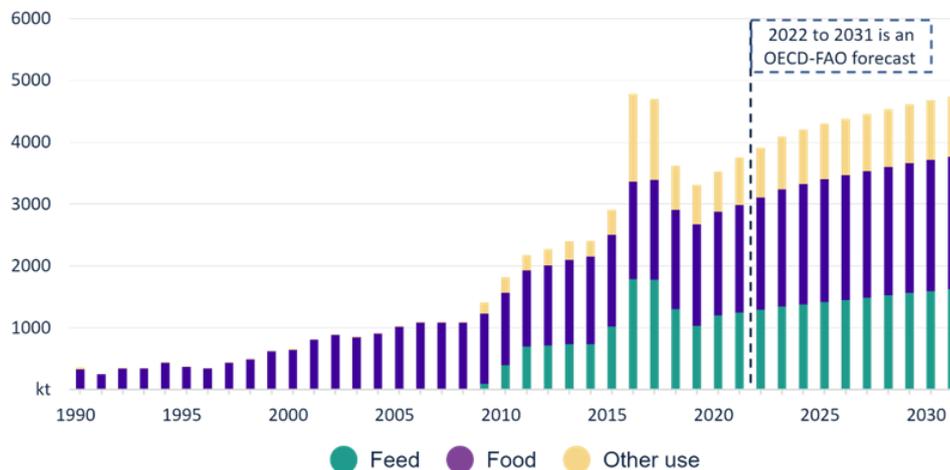
https://www.graintrade.org.au/dispute_resolution



A MARKET OF INCREASING IMPORTANCE

Vietnam is the 6th largest SE Asian economy and growing at a rate that will see it surpass Australia by 2030.

Vietnam is increasingly becoming an important market for Australian grain and especially wheat. Vietnam's wheat imports have grown considerably since 1990. Steady growth is expected to continue over the coming decade as indicated in the following Table 1.



Source: OECD-FAO Agricultural Outlook 2022-2031
Forecast by the OECD-FAO for the years of 2022 to 2031

Table 1. Vietnam wheat consumption by use, 1990 to 2031

The increased consumption of wheat-based food products and the use of wheat in animal feed is driving demand for wheat. As wheat is not commercially produced in Vietnam, this demand will be met by increased imports. Australian wheat exports to Vietnam are primarily used in bread, noodles and sweet biscuits (Source: AEGIC 2021). Vietnamese consumption and exports of these products is expected to increase.

Vietnam also imports animal feed to support its growing livestock industry. Demand for feed wheat is forecast to grow by 30.1%, from 1,250 kt in 2021 to 1,626 kt in 2031.

GTA recently attended the Department of Agriculture, Fisheries and Forestry (DAFF) National Agriculture Market Intelligence RoundTable held in Brisbane on Friday 14 October.

This RoundTable focussed on Vietnam and included addresses and presentations from Minister Watt , DAFF and Austrade officials and from exporters experienced in the Vietnam market.

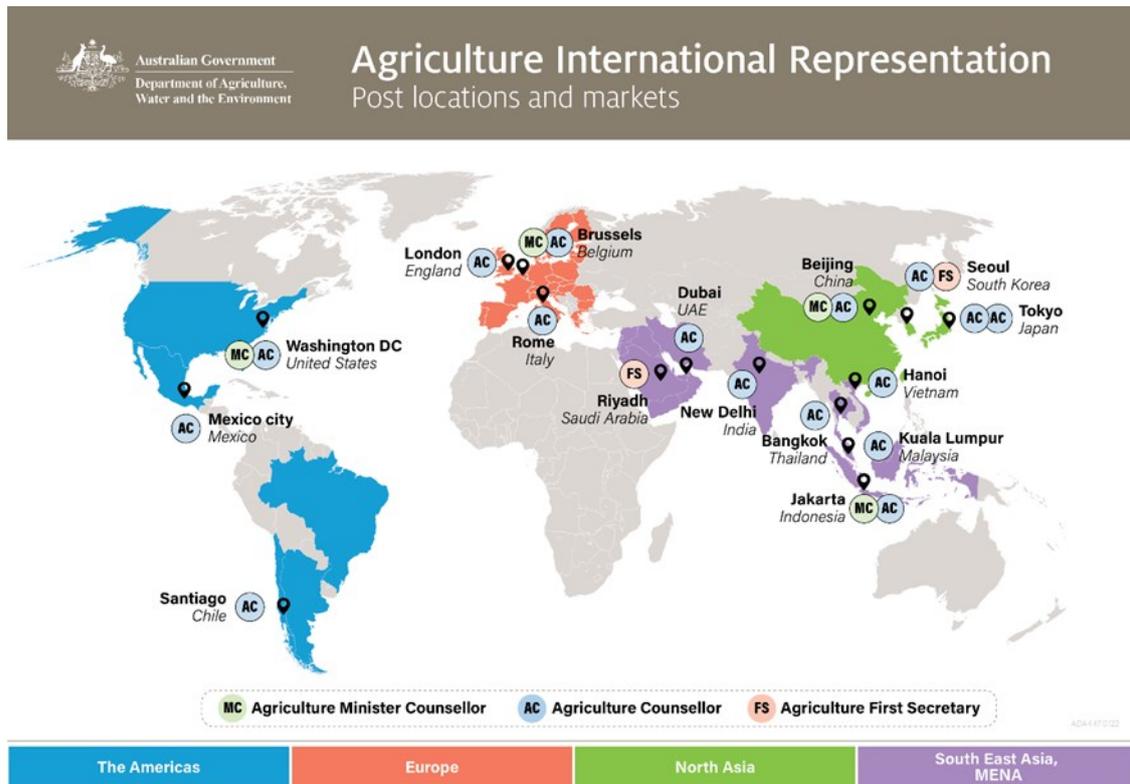
Importantly delegates heard from the Australian ambassador and trade Posts in Vietnam and were able to share experiences on exporting into Vietnam.

The RoundTable reinforced the importance on in-market representation and experienced partners and facilitators of trade.

The following map indicates where the Australian government has in market representation for Australia's agricultural trade.

(Continued Over)

A MARKET OF INCREASING IMPORTANCE (Cont.)



If required, GTA can provide to members, the contact details for each of the trade Posts.

GTA is also currently organising an AGIC Asia Conference to be held as a live event in Ho Chi Min City in March 2023. This will be the second AGIC Asia event in Vietnam and marks an important occasion as Australia and Vietnam are celebrating the 50th Anniversary of Australia-Vietnam bilateral relations in 2023.

LOCKING DOWN 2022/23 LOCATION DIFFERENTIALS

The 2022/2023 Western Australian Location Differentials (LDs) and an update to the SA LDs were released in a [Member Update](#) on the 19th of October 2022. The primary purpose of LDs is to provide a value to title transfer grain under the GTA “Track” (No 2) contract.

A further change was approved by the GTA Board at its 25th October 2022 Board meeting. These changes were a result of additional Viterra sites at Cungena and Tooligie being opened to manage the large production year. The additional SA LDs are provided below:

Site	Port	OCT 2022 Viterra Export Select Rates
Tooligie	Port Lincoln	\$ 16.33
Cungena	Port Lincoln	\$ 41.72
Cungena	Thevenard	\$ 21.72

SA LD Anomalies

GTA has also received comments and a submission regarding the **LD anomalies** that the different methodologies used for the **SA LDs as compared to the Victorian LDs**.

In Qld, NSW and Victoria the industry (some time ago) established specific values for the LDs that while regularly reviewed by the Commerce Committee **are generally not changed each year, with the Committee also noting the importance of relative site relativities**. The emphasis for GTA members has been for these LDs to remain at a consistent value as the key factor is the LD value relativity between the sites. These LDs are not meant to reflect actual execution cost for freight movements.

Whereas industry has agreed a different methodology for the establishing LDs in WA and SA. This is to use Viterra and CBH Group published freight rates as the base of the South Australia (SA) and Western Australia (WA) LDs each year, subject to approval by the GTA Commerce Committee and the GTA Board.

This reflects that the relevant BHC provide the bulk of the freight service into the ports, that they produce a freight table and provide freight services at these gazetted values. In SA and WA, the market is based on BHC freight and GTA mirrors this in the LDs.

Grain buyers on the east coast focus on site prices and generally do not use the LDs to establish site prices. They will establish a view of what the actual freight cost will be for each site and use that to determine its grower bid. For example, a grain buyer will determine its view of the market value for grain to move from a Victorian site (e.g., Murrayville) to Outer Harbour port (OHB) in SA that currently will be substantially above the GTA LD value for Murrayville.

The use of the Viterra rates in SA was reviewed in 2020 by the Commerce Committee and it was agreed to continue this methodology.

It is acknowledged this can throw up **anomalies in the LDs at SA border sites** as the SA LDs will track the Viterra rates and will change/increase as compared to the locked in Victorian LDs. Grain Buyers are aware of this anomaly and will factor it into pricing and logistics planning.

In Summary:

- The primary purpose of LDs is to provide a value to title transfer grain under the GTA “Track” (No 2) contract.
- Industry has agreed to different methodologies for SA (Viterra annual gazetted freight rates) and Vic LDs (Locked in values).
- The Victorian LDs have been set on a different methodology are currently below the actual execution cost. The key factor for LDs in these states is the relative LD value between the sites.
- This can mean anomalies in the GTA LDs at cross border sites – This is accepted as the Vic LDs may not be representative of the freight market and Grain Buyers will deal with the difference between the LDs and the actual freight cost for a particular site.
- The LD methodologies used will continue to be considered by the Commerce Committee and these cross-border anomalies will be part of the considerations .

NATIONAL RESIDUE SURVEY—INDUSTRY PERFORMANCE 2021/22

The National Residue Survey (NRS) is an operational unit within the Australian Department of Agriculture, Fisheries and Forestry (DAFF). The NRS is an essential part of Australia's pesticide and veterinary medicine residue management framework providing verification of good agricultural practice in support of chemical control of-use legislation and guidelines.

NRS residue monitoring programs monitor the levels of, and associated risks from, pesticides and veterinary medicine residues in Australian food products. The programs help to facilitate and encourage ongoing access to domestic and export markets. Further information on the NRS is available in [GTA's Technical Guideline Document No. 20 – National Residue Survey Participation](#).

The [NRS 2021/22 Survey](#) indicates a total of 6,568 grain samples were collected for analysis. The results were compared with the Australian standards and export samples were compared with the relevant international standards. **In 2021/22 the overall compliance with Australian Standards was 99.2%.**

The results **highlight excellent compliance** with Australian standards and demonstrate the strong commitment of the grain industry to good agricultural practice. The consistently high compliance rates help maintain the reputation and integrity of Australian grain in international and domestic markets.

GTA members are reminded that as per the [Australian Grain Industry Code of Practice industry](#) **are required to** participate in the NRS program as per the export/domestic activities as outlined in the Code. It has been noted that there have been several instances where industry participation has been lacking as per the requirement of the Code.

INDIAN MARKET—VISITATION



In 2020 Indian Prime Minister Modi and Australian Prime Minister Morrison agreed to establish an India-Australia Strategic Grain Partnership, as both countries sought to strengthen their bi-lateral trade and strategic relationships.

GTA is managing an Agricultural Trade Market Access Co-operation project funded by DAFF through Grains Australia to develop the Strategic Grain Partnership, that follows a similar and successful model used to strengthen government and industry relationships in several other markets.

An early phase of the project included extensive consultation with Australian industry looking at issues, challenges and mutual opportunities to strengthen the bi-lateral relationships.

GTA has recently returned from a visit to India to further progress the Strategic Grain Partnership, discuss opportunities for collaboration and build relationships across industry and Government. The visit has assisted in understanding the complexity of the Indian market, the issues and challenges important to India as it focuses on its food and nutrition security, and how Australia may be able to contribute and collaborate with India at various levels (government, academic, industry and commercial).

Central to the Project is being clear in communication and understanding of the objectives, and recognising that given the sheer quantum of the India's agricultural production that Australia is not there to compete with Indian farmers and their food distribution, but rather identify how Australia and India can work together for mutual benefits and understand growth and value-add opportunities that may emerge over time, as our economies evolve.

GRAIN DRYING TO REDUCE MOISTURE

Unfortunately, this is topical in 2022/23.

Grain in storage can be mechanically dried to reduce the moisture content of the grain to prevent spoilage during storage. Drying is carried out as a requisite for safe storage, in order to inhibit microbial growth. However, low temperatures in storage are also highly recommended to avoid degradative reactions and, especially, the growth of insects and mites.



Grain may be dried for a number of reasons:

- To reduce the moisture content to enable the grain to be safely stored for a period of time.
- To reduce the moisture content to a level that meets the relevant standards, enabling that grain to be marketed.
- Prior to harvesting, grain is subject to downgrading due to a number of reasons, mainly inclement weather. By harvesting grain at a high moisture content (that may be higher than permitted in standards), the risk of weather damage and subsequent reduction in quality is reduced. Grain may then be placed in storage and undergo some form of drying to enable it to be safely stored or sold.

There are a number of different methods and commercial aspects that should be considered in the decision to dry grain. These are discussed in [TGD No. 9 Grain Drying](#).

Technical Guideline Documents are the focus of the regular Grain Matters spotlight on the supporting documents to the [Australian Grain Industry Code of Practice](#) (Code). 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. 9 discusses the reasons and methods to dry grain and discusses the **risk and damage** that may be done to the grain if not performed correctly. Many commodity standards have a maximum temperature for grain to be received. This generally infers that grain artificially dried should not to be delivered direct from the dryer to the storage or end-user. Grain must not be delivered until it is cooled, either artificially or naturally.

RECENT SUBMISSIONS

GTA has welcomed two recent opportunities to provide comment into Government reviews. These are summarised in the following Table:

Inquiry	Inquiry Purpose	Submission Lodged	GTA Submission
Productivity Commission Inquiry into Australia's Maritime Logistics System	It examines the performance of Australia's maritime logistics system. Long-term trends in system performance are analysed, and competition, industrial relations, infrastructure constraints and technology uptake are among the inquiry's areas of focus.	14 October 2022	Link: here
Australian Treasury Quality of Advice Review	Proposals of reform to the regulatory framework applying to financial advice.	22 September 2022	Link: here

NINESQUARED—LANDSIDE PORT CHARGES INDEX

NineSquared are a leading Australian economics and strategy consulting firm that has developed and now publish the [NineSquared Landside Port Charges Index \(LCPI\)](#). The LCPI aims to provide a readily accessible source of information on national container freight charges and to allow for charges to be tracked over time. The first report contains the index with data from 2018 to 2022. The **Report indicates** and will confirm what grain container exporters are aware of – excessive and ongoing increases in service fees including:



- Since 2018 the cost of **Indexed Landside Access Charges** has increased by **389%**
- Average increase in the access charges index 2018-2022 **Ancillary Charges** of **148%**
- **Penalty Charges: 70%** Average increase in index of penalty charges

The NineSquared report allows you to track these charges and to understand the difference in cost between the relevant ports. Please access the report and data [here](#).

GTA has and will continue to utilise reports like the NineSquared report to assist in its advocacy work and submissions on behalf of GTA members

RISKS—LATE SEASON HERBICIDE USAGE

Grain exporters must be vigilant regarding chemical maximum residue limits (MRLs). GTA's Technical Guideline Document No. 15 [Managing Chemical Violations](#) has been provided to assist grain industry participants to understand and to manage chemical violations. A chemical residue violation is the presence of a chemical above a specified limit (maximum residue limit, or MRL).

Given the nature of the current wet weather patterns growers may be considering the application of herbicides late in the growing season:

- To manage late season weeds;
- In-crop spray topping of weeds to prevent weed set; and
- For pre-harvest desiccation of the crop and weeds to accelerate or even-up ripening to assist with harvest.



This late crop spraying can heighten **the risk of chemical violations** in domestic and export markets and all grain buyers and exporters should be aware of this risk and be vigilant with the selection of grain for sale. This should include selecting grain that has been chemical residue tested and is compliant with domestic and importing country MRLs.

The Grains Research & Development Corporation (GRDC) has recently revised its Fact Sheet – [Stewardship for pre-harvest application of herbicides in winter crops](#). This Fact Sheet is provided to grain producers to make them aware of their growers, and their agronomic advisers responsibility to avoid herbicide residues in delivered cereal, pulse and oilseed grains.

GTA members are advised to make their grower clients aware of the food safety and market access risks associated with the application of herbicides late in the growing season and the existence of this GRDC Fact Sheet.

GTA AGM 2022 & BOARD APPOINTMENTS



Following the **2022 GTA Annual General Meeting (AGM)** on Tuesday 25 October 2022 the GTA Board, for the coming year, has been elected by members. **The 2021/22 Annual Report** and the Chairman's Report as well as 2022 AGM Meeting Papers can be found on the GTA website <http://www.graintrade.org.au/governance>. Nominations were sought for the following classes of GTA membership, to fill two Director Positions. These vacancies included:

- Ordinary Level B - to fill one vacant Director position
- Merchant Association - to fill one vacant Director position

Nominations received for these positions were:

- Ordinary Level B – Ole Houe, nominated by Robinson Grain; Michael Reeves, nominated by Ridley Agriproducts
- Merchant Association – Matt Kelly, nominated by Grain NSW

The following Directors with Special Qualifications were appointed for the 2022/2023 year:

- Andrew Goyder
- Geoff Farnsworth
- Simon Tickner

Voting was conducted at the AGM on 25 October 2022. Members were entitled to vote either during a hybrid AGM meeting or by proxy. All GTA members unable to attend the AGM were also eligible to vote for the appointment of GTA Directors by submitting their proxy forms.

Appointments:

Director Appointment	Category	Nominating GTA Member	Status
Andrew Goyder (Chair)	Special Qualifications (Chair)	Appointed by the Board	Re-appointed 25.10.22
Geoff Farnsworth	Special Qualifications (Legal)	Appointed by the Board	Re-appointed 25.10.22
Simon Tickner	Special Qualifications (Production)	Appointed by the Board	Re-appointed 25.10.22
Ole Houe	Director - Ordinary Level B	Robinson Grain	Re-elected on 25.10.22
Matt Kelly	Director - Merchant Association	Grain NSW	Elected on 25.10.22
Robert Imray	Director - Merchant Association	QAM	Re-elected on 26.10.21
Jason Craig	Director - Ordinary Level A	CBH Group	Re-elected on 26.10.21
Michelle Kerr	Director - Ordinary Level C	Rural Logic	Re-elected on 26.10.21
Michael Wood	Director - Merchant Association	GIAV - Victoria	Re-elected on 27.10.20
Lyndon Asser	Director - Ordinary Level A	Glencore Agriculture	Re-elected on 27.10.20
Richard Perkins	Director - Ordinary Level B	Arrow Commodities	Elected on 27.10.20

Board Positions & Committees:

The following appointments were made in the Board Meeting following the AGM:

- GTA Chair – Andrew Goyder
- GTA Deputy Chairs – Michelle Kerr and Michael Wood

Chair	Dispute Resolution Service	ESG
Andrew Goyder	Geoff Farnsworth (Chair)	Andrew Goyder (Chair)
Deputy Chairs	Michelle Kerr	Lyndon Asser
Michelle Kerr	Michael Wood	Geoff Farnsworth
Michael Wood	Ole Houe	Jason Craig
Audit, Finance & Remuneration	Matt Kelly	Simon Tickner
Robert Imray (Chair)	Membership	Michelle Kerr
Andrew Goyder	Ole Houe (Chair)	Michael Wood
Richard Perkins	Geoff Farnsworth	
Jason Craig	Simon Tickner	
Ole Houe	Lyndon Asser	
	Matt Kelly	

WELCOME TO OUR NEW MEMBERS

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

- HX Food Group (Aus) Pty Ltd
- Symbio Laboratories Pty Ltd
- Trentham Grazing Pty Ltd (T/A Godde's Grain & Fertiliser 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 for any member enquiries or ideas!

NWPGP CONFERENCE 2023—SAVE THE DATE

AUSTRALIAN GRAIN STORAGE & PROTECTION CONFERENCE

MEETING MARKET REQUIREMENTS

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



7-8 JUNE 2023

727 COLLINS ST, DOCKLANDS VIC



[Sponsorship enquiries: admin@graintrade.org.au](mailto:admin@graintrade.org.au)

**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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