

GRAINMatters



EDITION 72 - JANUARY 2023

UPCOMING EVENTS

- [Grain Trading for Non Traders—15-16 February \(Via Zoom\)](#)
- [Understanding Grain Markets—22 February \(Via Zoom\)](#)
- [AGIC Asia— 7-9 March 2023](#)
- [Australian Grain Storage & Protection Conference— 7-8 June 2023—Save the Date](#)

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- [Productivity Commission Report on the Container Supply Chain](#)
- [Understanding Greenhouse Gas Emissions and Measuring Your Footprint](#)
- [Submissions](#)
- [DAFF/GTA Project—Storage Assets and Management Standard](#)
- [Upcoming Workshops](#)
- [AGIC Asia 2023—Face to Face Returns!](#)
- [Australian Grain Storage & Protection Conference](#)

GOYDER'S LINE— REFLECTING ON THE YEAR THAT WAS



Dear GTA Members,

Welcome to 2023 and all that it holds. It's going to be another exciting year for the grain industry after another record albeit challenging Australian production year. Congratulations to all those involved in the harvest and receival process and best wishes to the hard workers now tasked with moving the massive crop through to domestic and export customers. A truly monumental task.

Speaking of monumental I am extremely proud of the achievement of GTA members who have exported 45.2 million metric tonnes (mmt) during the 2021/2022 shipping year. Given the 20 year annual average exports from 2000/21 to 2021/22 is approximately 29.8 mmt this is an incredible performance that we all should be proud of. Unfortunately for those at the pointy end 2022/23 is now the third year where the supply chain is asked to outperform the average.

It just goes to show that the focus on supply chain efficiency is critical to a strong grain industry. Investment and operational efficiency are key elements for our industry to remain competitive into the future and to capture the benefits and to deliver economic growth for Australia.

GTA and its Board will have a strong supply chain focus at its **2023 Strategic Planning Day** to be held in late February 2023. GTA released its [Modernising the Grain Supply Chain Strategy](#) in 2020 and will be reviewing and updating this in 2023.

Another focus for 2023 is preparatory work to assist the review, capture and implementation of **new technology**. Technology innovations across several sectors have the potential to contribute to positive outcomes for governments, farmers, consumers, and the environment. The ability for the grain value chain to identify and address emerging regulatory compliance and market access issues, customer requirements and sensitivity around information and data is important as new technologies seek to be commercialised. Similarly, it is important for some forms of technology to be supported through frameworks that provide guidance and a certification process. This is particularly critical for technology that can be used to assess and quantify grain quality for segregation and sale.

During 2022 the Board had a strong focus on Environmental, Social and Governance (ESG) issues releasing [Australia's Grain Supply Chain and its Environmental, Social & Governance Credentials](#). This focus will continue in 2023 with further activity and material to be made available to GTA members.

ESG is becoming an important trade factor and in some cases may be trade restrictive when decisions are made that are not based on risk and scientific evidence. This was discussed at a gathering of international grain trade participants (including GTA) in Brussels in late November 2022 for the annual General Assembly of the International Grain Trade Coalition (IGTC). Delegates raised concerns that European Union policy including the 'Farm to Fork' strategy will result in ESG being used as a restrictive trade Non-Tariff Measure (NTM).

Any additional NTM measures will only add to the challenges that industry already faces with the EU policy of setting Maximum Residue Levels (MRLs) for chemicals.

On closing, please stay safe, play hard but fair and take care of your family and mates during another massive year in the grain supply chain.

Andrew Goyder
Chair—Grain Trade Australia



**The Australian Grains
Industry Conference**

Asia 2023



7-9 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

FOR TICKET OPTIONS, PROGRAM HIGHLIGHTS AND MORE INFORMATION VISIT:

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The Australian Grains
Industry Conference
Asia 2023



The Australian Grains Industry Conference (AGIC) Asia showcases the Australian grain value chain to marketers, processors, consumers and regulators across Asia.

AGIC Asia 2023 - 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 :

- Ho Chi Minh City, Vietnam - 7 March 2023
- Manila, Philippines - 9 March 2023

AGIC Asia 2023 events will build on the success of the previous conferences held in Asia as well as virtual events during the pandemic and will address multiple issues including:

- crop quality
- quality assurance process in the supply chain
- improving utilisation and processing efficiency of Australian grain
- trade policy
- market access issues

Keynote speakers, technical experts and decision makers from Australia, Vietnam and Philippines will feature throughout the program, including Australian Ambassadors to these countries.

AGIC Asia is a great opportunity to network with old and new friends and industry colleagues to learn about the value proposition and safety of Australian grain. Establish contacts with Australian exporters and Asia's key flour and feed processors, consumers and value chain providers.

"RECONNECTING & BUILDING VALUE"



INDIA—SMALL STEP TOWARDS A STRATEGIC GRAIN PARTNERSHIP

As part of an ATMAC project GTA is working towards developing an India-Australia Strategic grain partnership. The Strategic grain partnership model is based on the successful engagement model GTA has used in other Asian markets, notably China, by looking to build relationships, understanding and collaboration at Government, industry association, technical and commercial levels. An example of this is the AGIC Asia Roundtable sessions held as part of AGIC Asia events.

The India-Australia Strategic grain partnership looks to leverage the broader strategic relationship development by both Governments. It is a medium to longer term horizon, that will seek to be incorporated into the regular formal bi-lateral exchange process.

A grant has also been provided to Pulse Australia for an **Indian Grain Storage Pilot Project**. GTA is providing input into this project that has an objective to leverage Australian expertise on grain management practices and storage options to develop a concept grain storage, handling and management plan suited to India's conditions.

As well strengthening connections between Indian and Australian grain industries it will improve awareness of Australian grain handling, storage knowledge & practices and their applicability to on-farm/community grain storages in India.

GTA is assisting Pulse Australia through developing 'knowledge exchange webinars' designed to impart knowledge of the Australian system to Indian farmers, industry and other stakeholders.



TGD NO. 17—CONTAINER PACKER OPERATIONS MANUAL

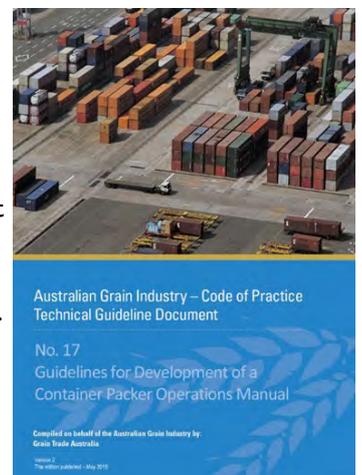
Technical Guideline Documents (TGDs) are the focus of the regular Grain Matters spotlight on the supporting documents to the Australian Grain Industry Code of Practice (Code). There are 22 TGDs that support and supplement the Code and assist implementation of each listed activity in the Code. The TGDs are very important reference materials for industry.

[TGD No. 17](#) is one of the more significant TGDs as it provides information that will support container exporters, both existing and new, in establishing effective export business procedures. A key objective of the TGD is to list and describe the component steps and processes relevant to operating a grain (and processed products) container packing business.

This TGD Code supports and enhances overall industry effectiveness as well as providing confidence to customers the Australian grain industry is committed to the provision of containerised grain and relevant services subject to industry recommended practices.

The [Container Packer Operations Manual](#) is divided into three (3) sections that explains:

- The pre-operational requirements a business needs to consider prior to commencing operations as a grain export facility.
- The Operational Planning & Management processes needed to be in place prior to the business commencing activity.
- The physical process and aspects of operating a grain export facility.
- This comprehensive document is a resource available to all of industry and in conjunction with the Code and other TGDs provides industry a sound base of instructional reference material.



CONSIDER THE NEED TO FUMIGATE—PROTOCOL / MANDATORY IMPORT COUNTRY FUMIGATIONS

As previously discussed in Grain Matters, the grain industry uses a range of strategies to protect stored grain against insect attack and to kill insects including the [Fumigation Protocol](#).

On occasions, regardless of the Australian industry and Government Quality Assurance practices and industry's Integrated Pest Management, the governments of grain importing countries can still require mandatory quarantine treatments with specific treatment instructions including application rates, times and temperature. The requirement generally stipulates grain exported from Australia **must be fumigated prior** to export inspection even if the grain is not infested.

These mandatory requirements and the stipulation the fumigation is to occur pre-inspection by the Australian Government agency has been discussed in two GTA Technical Committees after receiving Submissions from GTA members who operate container packing facilities.

The issues raised in the submissions include:

- *Mandatory fumigation prior to inspection is not always practical as it may require fumigation of entire storages (e.g., 10k tonne bunker) for small shipments. This restricts operational practices and further receives into the fumigated storage.*
- *Fumigations to meet the timing of container export orders reduce the type of fumigants that can be applied and inadvertently promote the use Methyl bromide (MB). Some importing countries also stipulate the requirement or option to use MB. MB is a Class 1 ozone depleting substance. Fumigating the containers post inspection will use less MB compared to fumigating part filled storages and /or fumigating more grain than is required for the shipment.*

GTA is discussing the issues raised with the Department of Agriculture, Fisheries & Forestry to consider the practical and environmental perspectives.

The [Australian Grain Industry Code of Practice for the Management of Grain along the Australian Grain Supply Chain](#) outlines for the management of live stored grain insects, industry follows the principles of Integrated Pest Management (IPM). This strategy to manage resistance to grain protection chemicals in the Australian grain industry is further articulated in this [National Working Party on Grain Protection initiative](#).



PRODUCTIVITY COMMISSION REPORT ON THE CONTAINER SUPPLY CHAIN

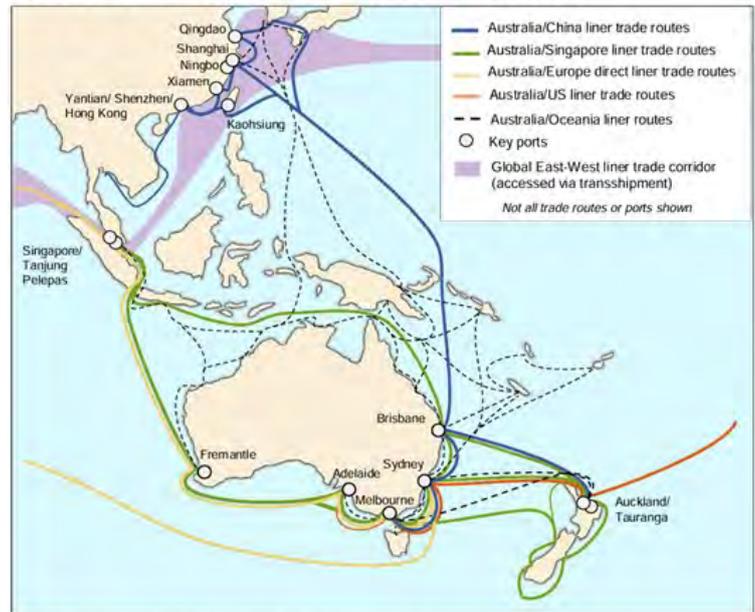
On the 9th of January 2023 the Productivity Commission released its Report into Australia's Maritime Logistics System.

The Report covers long term trends in the container supply chain performance, competition, industrial relations, infrastructure constraints and the uptake of technology.

During this inquiry GTA/AGEC provided the following submissions:

- i. [February 2022 Submission to PC](#)
- ii. [October 2022 Submission to PC](#)

Figure 2.10 – Principal container liner trade routes serving Australia



Source: Compiled from service information from shipping line websites.

There are some significant findings in the Report that are relevant to the grain industry including:

- a. The Report recognised the current supply chains have recently experienced overheated demand as well as facing multiple climatic and pandemic disruptions.
- b. International evidence indicates the Australian container ports can lift their productivity. However, overall, they are fit for purpose and are adequate performers.
- c. The Productivity Commission reported no evidence of Port owners exercising market power.
- d. The Report confirmed that transport operators are facing market power abuse from the port container terminal operators. The Commission recommended a mandatory industry code to be developed by the Treasury Department to provide some balance for transport operators who deliver containers to container terminal operators.
- e. Similarly, the Report found that container Detention Fees applied by container terminal operators are unfair and need to be addressed through Consumer Law.
- f. A consistent message from GTA and thankfully a Report recommendation is the Australian Government should repeal Part X of the Competition and Consumer Act 2010 (Cth) (CCA). This exemption allowed shipping lines to effectively perform as a cartel outside of Australian Consumer Law. No other industry has an exemption like Part X, even though there are industries with similar characteristics to the shipping industry.
 1. The Report recommended 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.
- g. Importantly the Report stated that workplace arrangements need to be addressed as they adversely impact productivity in the maritime sector.
- h. Further removal of restrictions to coastal shipping by international carriers should be removed.
- i. There is no need for a government-supported commercial strategic fleet.

It is important to understand the recommendations in the Report require Government action for change to occur. GTA will progress discussion and advocacy with Government to work to ensure these recommendations are acted upon.

UNDERSTANDING GREENHOUSE GAS EMISSIONS AND MEASURING YOUR FOOTPRINT

GTA recognises sustainability is an important issue for industry and GTA members.

Environmental, Social & Governance (ESG) can be challenging for businesses. Understanding the requirements and the science behind greenhouse gas emissions and the measuring and capture of this information can also be daunting. GTA's Board has asked GTA to make these challenges for its members a little easier by providing resources and instructional material to its members.

GTA is aware some members have already established or are establishing sustainability programs according to their particular business positions and commercial circumstances.

The sustainability objectives of individual companies in the grain supply chain whilst varied, support an efficient, health focussed and safe global grain trade that improves the world's food security.

To support members as they address and approach sustainability, GTA has previously provided [TGD 22. Sustainability Program Principles & Guidelines](#) and a publication [Australia's Grain Supply Chain and its Environmental Social & Governance credentials](#) that may assist individual businesses as they consider their sustainability objectives and programs and engage with their customers and stakeholders.

To further support GTA members in relation to ESG, GTA has released additional material via Member [Update No. 02 of 23](#) to assist with understanding Greenhouse Gas emissions and the rationale for monitoring emissions.

[Rationale for monitoring greenhouse gas emissions](#)

International Governments including Australia have been negotiating international treaties that provide a framework for international cooperation international treaty that provides a framework for international cooperation to combat climate change by limiting average global temperature increases and resulting climate changes.

As a good international citizen **Australia** is a party to these international treaties and has made commitments to:

- reduce its greenhouse gas emissions in line with its declared commitments;
- track progress towards its commitments; and
- report each year on Australia's greenhouse gas emissions.

International businesses do not have any mandatory standards that require businesses to monitor or report on their greenhouse gas emissions. However, there are a number of voluntary standards and guidelines that enable companies to voluntarily monitor and report publicly on their emissions. The rationale for these voluntary standards is the companies adopting them can reduce future compliance risks or gain a strategic advantage through identifying new opportunities or demonstrating good corporate citizenship.

At present in **Australia**, the only **legislated obligation on companies'** monitoring and reporting GHG emissions is through the National Greenhouse and Energy Reporting (NGER) scheme, which is administered by the Clean Energy Regulator under the National Greenhouse and *Energy Reporting Act 2007*. Under the Act, any business that exceeds a minimum threshold level of scope 1 and scope 2 emissions or production of consumption of energy, either at the facility level or corporate level, must annually report its emissions and energy via an online Emissions and Energy Reporting System. Our understanding is that, at present, only a small number of GTA members exceed one of more of these thresholds.

Whilst there are no (or minimal) legislative requirements **there are now in place significant drivers internationally and nationally** for businesses to **monitor and report on the GHG emissions** associated with their operations. Those drivers are likely to intensify in coming years as national governments, including the Australian Government, strengthen their commitments under the international treaties (UNFCCC and Paris Agreement).

In part linked to these policy drivers, commercial and business organisations are placing increasing emphasis on the monitoring and reporting of GHG emissions, especially emissions of high exposure sectors and industries such as **freight transport**.

UNDERSTANDING GREENHOUSE GAS EMISSIONS AND MEASURING YOUR FOOTPRINT (Cont..)

How to Measure transport greenhouse gas emissions

GTA has developed a model and a [documented methodology](#) relating to estimating carbon emissions that result from transporting grain.

The model estimates carbon emissions that result from transporting grain from each grain silo to terminal ports. The grain silos, the destination ports and the transport mode (road/rail) are defined in the GTA Location differentials.

At a high level, quantifying the carbon emissions per grain tonne for each silo to port route is estimated by multiplying the quantity of emissions per tonne-kilometre travelled by the transport movement distance (kilometres), as illustrated in Figure 1.

Figure 1: Basic formula for calculating carbon emissions



The analysis generated an emissions quantity for road and rail per grain tonne-kilometre for Western Australia, South Australia, Victoria, New South Wales, and Queensland. The values are summarised in Table 1. These figures were then applied to each silo to port route to generate a **whole of route emission quantity**.

Table 1: Grams of carbon emissions per freight tonne kilometre; Road compared with Rail

Transport type	WA	SA	Vic	NSW	QLD	Average
Road	125.9	119.2	118.2	116.0	134.8	122.8
Rail	13.9	13.9	14.4	14.2	14.3	14.1
Road value/ Rail value	9.1	8.6	8.2	8.1	9.4	8.7

Source: *Marsden Jacob analysis*

As indicated in Table 1 on average, a freight tonne kilometre of transport via road produces roughly 8 to 9 times more emissions than a freight tonne kilometre of transport via rail.

It is important to stress that these values are only one consideration when utilising and investing in road or rail transport infrastructure. Infrastructure investments also need to consider other factors such as construction, operation and maintenance costs, use and emissions of road and rail infrastructure as well as their expected use.

GTA will continue to make ESG and emission challenges for its members a little easier by providing further resources and material and would appreciate member feedback and suggestions to assist with this objective.

[ACCESS GTA ESG PAGE HERE](#)

SUBMISSIONS

GTA has recently provided Submissions to a number of Government studies and inquiries.

A) **[Inquiry into Food Security](#)** by the House Standing Committee on Agriculture

GTA stated that being able to manage risks and ensuring consumer confidence in food safety are paramount to food security.

In terms of ensuring and improving food security, there is an immediate role for government in the short and over the longer terms, including:

- improving infrastructure and efficiency for both road and rail modes of transport
- improving port efficiencies
- improving efficiency of import pathways
- ensuring a strong focus on market efficiency
- continue work to reduce the impact of illegitimate non-tariff measures (NTMs).

Government also has an important role to improve global food security and strengthen regional political stability by focusing on strengthening and improving trade in agricultural commodities and products.

B) **[Inquiry into the Implications of Severe Weather events on the National Regional Road Network](#)**

GTA stated the future success of Australia's grain industry is dependent on an efficient and competitive supply chain, noting that around 30-35% of a grower's total cost are supply chain costs, with significant road transport costs.

To enhance the competitiveness of the Australian value chain, government needs to play a significant role in investing in the long-term future to increase productivity and reduce supply chain costs to ensure our market position and to improve farm gate returns.

In developing policy to improve the position of Australia and importantly the Australian agricultural industry, the grain supply chain must be a focus and an important policy consideration must be the state and condition of national regional, rural and the remote road network.

This includes the funding for roads that will support the current and future road transport technology and their efficiency requirements including supporting company and industry sustainability goals and targets.

GTA will continue to engage and provide input as both these inquiries proceed.



DAFF / GTA PROJECT—STORAGE ASSETS AND MANAGEMENT STANDARD

As a key part of GTA's [Modernising the Grain Supply Chain](#) strategy to improve the competitiveness of the Australian grain industry through to 2030 GTA is developing a Grain Storage Assets and Management Standard (Standard) for Australian grain industry participants. The Standard recognizes that storage and overall supply chain requirements for grain handling facilities are needed by both the domestic grain market and the export market to meet expectations in relation to the quality and maintenance of Australia's reputation as reliable supplier of high-quality grain, food safety and meeting phytosanitary requirements.

For the export market, GTA and DAFF are pursuing a shared goal to deliver efficiencies to the Australian grain industry participants through recognition of the Standard in meeting DAFF regulatory requirements.

Joint project work to develop the Standard and a supporting assurance framework is being funded under the Government's Busting Congestion for Agricultural Exporters package, which commenced in 2020/21 and runs until 2023/24. The Standard will set out how industry will meet DAFF's regulatory objective so that DAFF can assess the Standard against the Commonwealth legislative requirements for entities involved in the grain export supply chain. This will provide increased clarity, simplicity, and confidence in the export grain supply chain, from both a commercial and a regulatory perspective.

Management of the Standard is required to ensure industry meets its industry obligations and those of DAFF. In general terms, the management process should ensure the following:

Element	Comment
General	
Compliance	Compliance with specific recognised industry systems.
Recognised systems	To ensure the grain industry is recognised as having a minimum standard for its operations.
Legal obligations	Various legal requirements exist in the grain industry and the Standard will assist to show industry is meeting its obligations.
Reputation	The grain industry reputation can be enhanced by having a common Standard that industry operates to.
Enhanced management systems	To show future requirements of the market are considered and adopted where required in all industry operations.
Industry	
GTA Code of Practice	All GTA Members must meet minimum standards as outlined in the Code of Practice. Currently no official or recognised oversight of industry obligations under the Code. Contractual and commercial requirements ensure rigour in grain quality management.
Non-GTA members	Not currently recognised other than through contractual obligations. Will assist to create some form of recognition to compare against GTA members.
DAFF	
Export Registered Establishment (ERE)	Obligations of all sectors currently recognised by DAFF as an ERE, under existing legislation will need to be met under the Standard.
Non-ERE participant	Industry who are not under DAFF "control", or those operating further up the supply chain than an ERE have an impact on EREs. DAFF have no current visibility or oversight of these participants and the Standard will assist to highlight their role in EREs meeting the export requirements.

DAFF / GTA PROJECT—STORAGE ASSETS AND MANAGEMENT STANDARD (Cont)

GTA will manage the Standard through development of a document outlining how the Standard will be managed to the satisfaction of all parties. A key component of the Standard will be the Audit and Compliance section which is under development.

There are various audit options to manage compliance with the Standard.

Auditing of the Standard is planned to involve a mixture of company internal audits and external third parties **depending on the level of operation** in the Standard by industry.

DAFF and GTA will need to agree on the auditing function via an “agreement letter” and any industry that choose not to be involved in the Standard will continue to have the existing DAFF auditing via current mechanisms.

Potential Storage Assets & Management Standard Audit & Compliance Model



For further information on the development of the Standard or the pilot program which is underway to test the draft Standard, please contact [GTA](#)

UPCOMING WORKSHOPS



GTA TRAINING AND DEVELOPMENT PROGRAM

Workshops Schedule Semester 1, 2023

February

NEW

Grain Trading for Non-Traders

Presented by Lloyd George

15-16 February - Zoom

Understanding Grain Markets

Presented by Lloyd George

22 February - Zoom

March

Trade Rules & Contracts

Presented by Lloyd George

16 March - Zoom

Grain Finance & Risk Management

Presented by Malcom Finlayson

23 March - Zoom

April

NEW

Trade Rules & Dispute Resolution

Presented by Lloyd George

19 April - Zoom

Understanding Grain Markets

Presented by Lloyd George

27 April - Melbourne

May

Trade Rules & Contracts

Presented by Lloyd George

4 May - Melbourne

Grain Export Execution & Risk Management

Various presenters

17-18 May - Melbourne & Zoom

June

NEW

Grain Trading for non-traders

Presented by Lloyd George

21-22 June - Melbourne

Arbitrator Training

Presented by Geoff Farnsworth

15 June - Zoom

Grain Merchandising

Presented by Lloyd George

28-29 June - Zoom

GTA Member fees

1 day Zoom Workshop - \$792
2 day Zoom Workshop - \$1,300
1 day F2F Workshop - \$990
2 day F2F Workshop - \$1,650

Non-Member fees

1 day Zoom Workshop - \$1,184
2 day Zoom Workshop - \$1,650
1 day F2F Workshop - \$1,480
2 day F2F Workshop - \$2,475

Please note all prices are GST inclusive

[Register online here](#)

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

AGIC ASIA 2023— FACE TO FACE RETURNS! REGISTRATIONS ARE NOW OPEN

7-9 March 2023

The Australian Grains
Industry Conference

Asia 2023

Ho Chi Minh City & Manila



Proudly hosted by  GRAIN TRADE AUSTRALIA

2023 Australian Grain Industry Conference Asia showcases the Australian grain value chain to marketers, processors, consumers and regulators across Asia. AGIC Asia 2023 returns to Asia for the first time in 3 years and will be held on 7th March in **Vietnam** (Ho Chi Minh City) & on the 9th March in the **Philippines** (Manila).

AGIC Asia is a great opportunity to virtually network with old and new friends and industry colleagues to learn about the value proposition and safety of Australian grain. Establish contacts with Australian exporters and Asia's key flour and feed mill processors, consumers and value chain service providers.

GTA members are encouraged to attend AGIC Asia, and to also invite their customers to be part of this important event, showcasing the Australian grain supply chain and Australian grain.

For more information and to register for AGIC Asia click [here](#)

AUSTRALIAN GRAIN STORAGE & PROTECTION CONFERENCE 2023

AUSTRALIAN GRAIN STORAGE & PROTECTION CONFERENCE

NWPGP

National Working Party on Grain Protection

Celebrating **50** years



MEETING MARKET REQUIREMENTS

BROUGHT TO YOU BY THE NATIONAL WORKING PARTY ON GRAIN PROTECTION

7-8 JUNE 2023

727 COLLINS ST, DOCKLANDS VIC



For more information and to register for the Australian Grain Storage & Protection Conference click [here](#)