

GRAINMatters



EDITION 75 - MAY / JUNE 2023

UPCOMING EVENTS

- [Australian Grain Storage & Protection Conference](#) — 7-8 June (Melbourne)
- [Arbitrator Training](#) — 15 June (Zoom)
- [Grain Trading for non-traders Workshop](#) — 21-22 June (Melbourne)
- [Grain Merchandising Workshop](#) — 28-29 June (Zoom)
- [Advisory & Compliance Day](#) — 6 July 2023 (Zoom)
- [Australian Grains Industry Conference](#) — 26-27 July (Melbourne)

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Dear GTA Members,

It gave me great pleasure to join with the Board of GTA in Adelaide on Monday 29th of May 2023 for a GTA Member event prior to the May 2023 Board meeting held on the Tuesday 30th May.

The member event was held at the Strathmore Hotel in North Terrace Adelaide for drinks and a chance for the Board to listen to and understand issues that are important to our SA Members. It was a great night attended by over 30 members and the full board and one that we will repeat in other locations around the country.

It was also an opportunity to catch up the state grain association the Grain Industry Association of SA (GIASA) and to hear what activity and issues they have been promoting for the SA grain industry.

The state associations have all been active recently with Victoria (GIAV) holding its annual joint meeting with the Stock Feed Manufacturers Council of Australia (SFMCA). NSW Grain also held its mid-year gathering in May with a social function and member meeting in Canberra that was attended by GTA CEO Pat O'Shannassy who updated the group on GTA and industry issues and activities. One agenda item NSW is focussed on is establishing Market Zones for NSW. More on this once it is finalised.

Australia's supply chain and its global competitiveness is critical to drive performance and growth for the grain industry. GTA has been in discussion and has been collaborating with other industry associations to focus on aspects of the supply chain where performance has potential for improvement.

In October 2021 GTA and a diverse range of import and export industry associations wrote to the then Treasurer the Hon Josh Frydenberg MP regarding the performance of Australia's air and maritime logistics systems in delivering competitive, affordable, and reliable service and their impact on the broader economy.

In response the Australian government commissioned a Productivity Commission inquiry – [Lifting productivity at Australia's container ports: between water, wharf, and warehouse](#) – a report to examine the structural issues affecting the productivity of Australia's maritime logistics system. The purpose of this inquiry was to understand any long-term trends, structural changes, and impediments that impact the efficiency and dependability of Australia's maritime logistics system and connected supply chains.

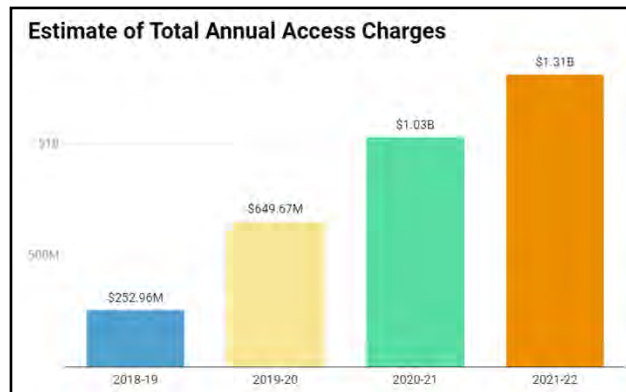
There were a number of recommendations in the report for Government to action that will lift the productivity of Australia's container ports and will provide benefits to the Australian economy.

To ensure the Government has a plan of action for the recommendations included in the report, GTA has [written on behalf of the 20 industry associations](#) to Treasurer Jim Chalmers seeking dialogue and feedback on the Albanese Governments plans.

Government action is definitely required as highlighted by the [NineSquared Landside Index Charges Index](#). Landside charges refer to the slew of fees paid by transport operators for moving containers into and out of ports on behalf of cargo owners. The increases in these fees continue with the Access Charges index growing substantially by 18% from 2022 to 2023 to a staggering \$1.31b in total cost to industry.

GOYDER'S LINE (Cont.)

Figure 1. NineSquared estimate of total annual access charges



I am also very proud to be opening the 50th annual Conference of the National Working Party on Grain Protection in June 2023. It is certainly a momentous occasion for the grain industry for a voluntary organisation that does so much unheralded work to reach its 50th anniversary. Well worth a celebration.

Andrew Goyder
Chair—Grain Trade Australia

GTA WORKING ON THE TRANSPORT INDUSTRY MASTER CODE

Grain Trade Australia (GTA) has developed the [Grain Transport Code of Practice](#) (Grain TCOP) as an important tool to assist Australian Grain Industry (industry) participants who transport grain in bulk and in containers to do so efficiently, safely and within the relevant laws.

The Grain TCOP is a voluntary Code. It references the registered industry code of practice under section 706 of the Heavy Vehicle National Law, known as the [Master Code](#). The **Master Code** is a practical guide for the whole of the heavy vehicle industry to achieve the standards of heavy vehicle safety and compliance required under the HVNL and the various Heavy Vehicle National Regulations (HVNR).

The NHVR has announced a review is to commence and be completed by March 2024 of the Master Code. A GTA Working Group will provide input into this review and work to ensure it is supportive of the grain sector requirements.

The review will consist of 6 phases with phase 1 requiring industry stakeholder feedback and comments on the current version of the Master Code. GTA will seek member input and provide a Submission to this first phase that runs from June to July 2023.

At the end of the Master Code review GTA and the Working Group will use the learnings from the NHVR process to update the Grain TCOP.



TWO WAY GRAIN SUPPLY CHAIN

As the Australian population grows and when the stockfeed market demand is high Australia will consume an estimated 16.20m tonnes of grain annually. So, when droughts impact on production in Australia the market may look to import grain from other Australian states (when available) or from overseas.

These imports also add to the approximately 1.18 million tonnes of soybean meal that are annually imported into Australia for combining into stockfeed rations.

The Government has specific protocols and permits in place for these imports as imported grain and meals pose a high biosecurity risk. Imported animal feed poses a high biosecurity risk. It can provide a direct pathway for exotic pests and diseases that can harm humans, animals, crops and the environment.



These Government protocols and processes have been the focus of a GTA/Government joint industry Working Group. This Working Group was formed after discussion at GTA's Domestic Sector Council and because the existing processes are unwieldy, frustrating and untimely. These processes must be more efficient so as not to impede or restrict imports when Australia's grain inventory is depleted.

Membership of the Working Group consists of representatives from Biosecurity Plant and Biosecurity Animal Divisions within DAFF along with GTA and selected members of the Domestic Sector Council.

Objectives of the Working Group include:

- provide a mechanism for a joint industry and government review of the current process and identify areas for improved efficiency across the import permit process.
- prioritise implementation of improved efficiency and raise awareness of the policy and procedures to increase industry readiness for future imports of bulk whole grains and soybean meal.

After 6 meetings the Working Group has arrived at the following key actions and direction:

Table 1. Working Group Key Outcomes

Action	Position
DAFF to progress extending the Protein Meal import permits from 2 years to 4 years.	Agreed and to be progressed
DAFF to introduce an extensive interview/awareness process to ensure each permit applicant is aware of the time/effort/cost prior to commencing the application process.	Agreed and to be progressed
GTA/DAFF awareness/training day to be coordinated for GTA members when droughts are apparent, and imports are likely.	Agreed and to be progressed
DAFF to consider continuing to provide an option for 3rd party OS audits.	Agreed under specific conditions

The Government are also **considering a number of other industry objectives**. These will be continued to be progressed and the Working Group will be formalised into an Industry Government Consultative Committee (ICC).

HIGHER WHEAT YIELDS OFFSET BY REDUCED PROTEIN IN WA

With the favourable seasons that Western Australia (WA) has experienced in recent years, lower protein wheat is a more common occurrence. During the 2021/22 season, WA experienced conditions where approximately around 50% of the state wheat crop classified as ASW, at a **state protein average of 8.7%**.

International buyers of low protein hard milling wheat from WA have a preference for wheat with a protein minimum of 9.0%.

To address the international buyer's demand and to protect the grower's delivering above 9% ASW1 CBH provided a Submission to the GTA Trading Standards Committee **seeking to introduce a new grade ASW9** (an ASW grade with a minimum protein floor of 9%). CBH's reasoning is this ASW9 will be more marketable, and less seasonally volatile.



ASW9 has been discussed by the Trading Standards Committee at several meetings and after discussion the Committee has agreed:

An industry Working Group be formed to discuss:

1. The changes to the declining protein content of the WA crop.
2. Consider the impact of the proposal on the entire Australian crop make-up.
3. Consult with all relevant industry sectors more fully on the implications of any change, including the grower sector, BHCs in terms of segregations, payments and end-users including the human consumption and stockfeed sectors of industry.

Discussions are underway to consider the impact with GTA attending a meeting in Perth during May with the Grain Industry Association of Western Australia and CBH.

The Trading Standards Committee will continue to provide and release information on the proposed ASW9 Grade as information comes to hand.

STILL NOT DUMPING

GTA reported in the last Grain Matters that progress is being made between China and Australia to review the **Anti-dumping (AD) and Countervailing Duties (CVD)** imposed on Australian barley exports to China.

The recent announcement is an important step forward in seeking resolution of these issues. The announcement details an agreement which may see the timely removal of the import duties on Australian barley.

This two-step process will see China initiate an expedited review of these duties on Australian barley. This review over three months will include an option to extend, and also time to implement the review's findings. Australia will also suspend the WTO dispute and if the duties are removed (from the China review) the case will be withdrawn. Further information is available in this [GTA media release](#).

As part of this change in the process a requirement recently requested industry to complete a MOFCOM Questionnaire by the 1st of June 2023. Discussion amongst the Australian Government and industry participants resolved for GTA to complete this questionnaire on behalf of members and industry.

The Questionnaire has been completed and lodged with the Chinese Government. It is hoped this will aid in a positive outcome of the AD and CVD issues.

MANAGEMENT OF RISK – EXPORT SUPPLY CHAIN

On the 17 – 18 May GTA held a 2-day training workshop – Grain Export Execution & Risk Management, to help GTA members understand the risks and the complexities of exporting grain and completing international trade documentation.

This in depth training covers all aspects of the export supply chain from management of suppliers of services including freight through to getting financial Letters of Credit in order.

Presentations included and introduction to the world of dry bulk ocean freight provided by Oldendorff's Paul Joukadjian. This presentation included:

- An overview of the different types of vessel chartering, from Bareboat Charters to Voyage Charters;
- The relationship between ship owners/brokers/shippers/financiers and who wears the risk in the different vessel charter arrangements.

Table 2. Risk Sharing under Different Charter arrangements.

	Voyage Charter	Time Charter
Weather	Owner	Charterer
Port Costs (excluding stevedoring)	Owner	Charterer
Currency Exposure	Owner	Charterer
Fuel costs	Owner	Charterer
Crewing	Owner	Owner
Vessel technical issues	Owner	Owner
Operational control	Owner	Charterer
Loading the vessel	Charterer	Charterer
Discharging the vessel	Charterer	Charterer

The session provided an explanation of important shipping jargon including:

- FIOST – Free in Out Stowed Trimmed
- ATDNSHINC – Any time day or night Sundays & Holidays included.
- The different types of Dry Bulk vessels used:

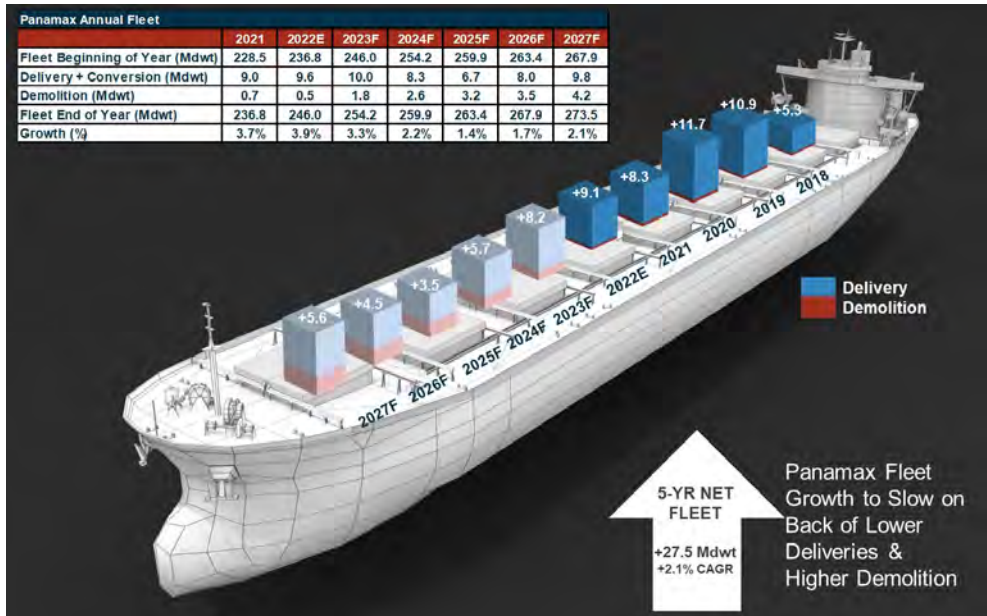
Table 3. Dry Bulk Vessel Classes

Ship Class	Usual carrying capacity, length, width and fully-laden depth	Typically used in Grains Trade
VLOC	310,000mt, 321.5m, 57m, 21.4m	Never
Capesize	180,000mt, 290m, 45m, 18.2m	Never
Baby Cape	115,000mt, 249m, 45m, 14.5m	Rarely
Post-Panamax	92,000mt, 229.5m, 38m, 14.65m	Rarely
Kamsarmax	81,750mt, 229.5m, 32.26m, 14.47m	Regularly
LME Panamax	76,250mt, 225m, 32.26m, 14.15m	Regularly
Ultramax	62,500mt, 199.99m, 32.26m, 13.15m	Regularly
Supramax	58,300mt, 189.99m, 32.26m, 12.95m	Regularly
Imabari 38 or B-Delta	38,200mt, 180m, 29.8m, 10.54m	Regularly
Newer Handysize	34,750mt, 177m, 28.4m, 10.3m	Regularly
Older Handysize	28,500mt, 170m, 27.1m, 9.8m	Regularly

MANAGEMENT OF RISK – EXPORT SUPPLY CHAIN (Cont.)

- How a shipowner determines a freight rate from multiple variables and the Baltic Freight Index.
- The different characteristics of Australian ports where grain export facilities are located.
- Risks and issues with loading and stowing grain in a bulk vessel
- An outlook on the **future delivery and scrapping of dry bulk vessels** in the global fleet.

PMX FLEET – Slower Fleet Growth Over Next Five Years



Source: Seaweb, Shipsales24, Oldendroff Research

There was an enormous amount of practical and valuable information provided over the 2-day workshop that is of great benefit for all participants involved in the export supply chain. This information is provided by industry specialists who voluntarily provide their time and access to their skills and industry knowledge to assist in training the next generation of grain industry experts.

A training course that is well worth considering in 2024.

NEW MEMBERS

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

- **Fodderlink Pty Ltd**
- **Queensland Cotton Corporation Pty Ltd**
- **Stock Feed Manufacturers' Council of Australia**

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 with your member enquiries or ideas!

SERIOUSLY GOOD PHOTOS

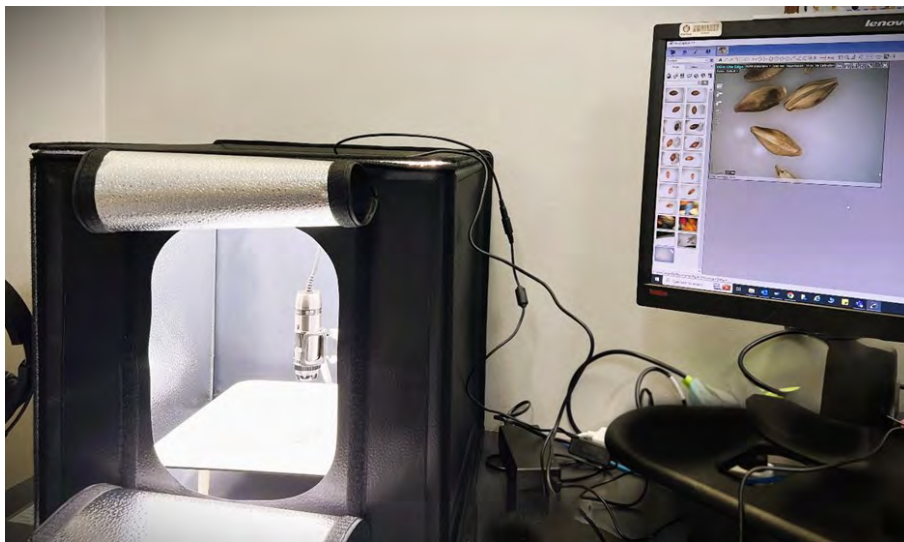
The Visual Recognition Standards Guide (VRSG) is produced to assist samplers and assessors of grain in the determination of defective grains which are covered by the Grain Trade Australia (GTA), Australian Oilseeds Federation (AOF), and Pulse Australia Standard

It includes representative photos of defective grains as is used by grain assessors to assist them to classify grain tendered for sale.

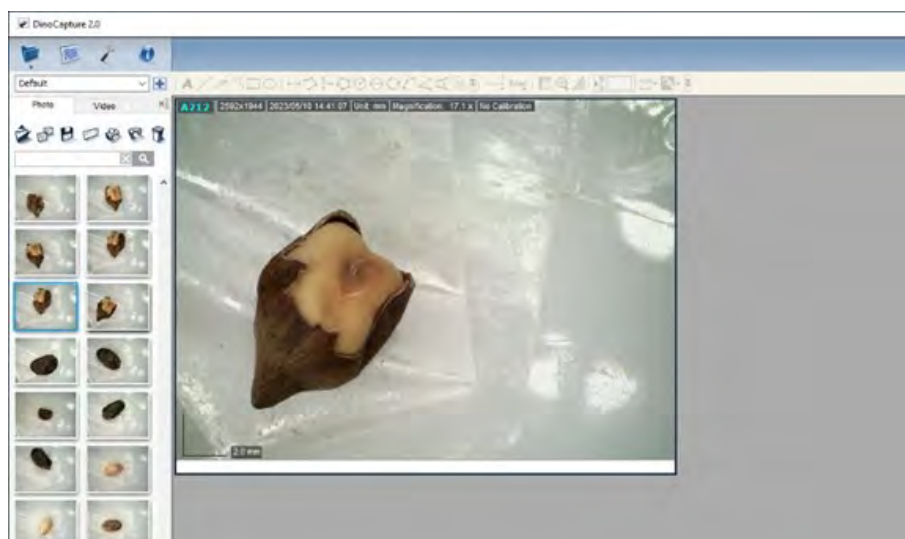
As a result, good representative photos are critical. To capture these photos the VRSG Sub-Committee collects a range of samples of each of the defective grains that are required and send these into GrainCorp who coordinate the process and capture the images.

GrainCorp may take multiple images of the same defect and even the same grain to show a different side or angle. These are provided back to the committee within a template to allow selection of the most appropriate image to be included in the VRSG.

The VRSG team is excited this year as GrainCorp has invested in a newer version of the camera utilised to capture images. For the camera nerds it's a Dino-Lite Digital Edge Microscope (5mp AM7915).



This camera/microscope comes with its own easy to use software to assist getting the image perfect prior to refining the background, colour and edge cleaning using Adobe Photoshop.



SERIOUSLY GOOD PHOTOS (Cont.)

WHEAT: COMMON DEFECTS

Issued: 1st August 2023

Pink Stained

Definition: Grains with distinct pink discolouration.

Grains that are pink but also contain a white to light grey fungal like discolouration over more than approximately 50% of the seed coat surface are to be classified as "White Grain Disorder / Head Scab".



Ventral

Dorsal

Insect Damaged

Definition: Any visible insect damage to the grain is classified as defective.



Stained

Definition: A distinct dark brown to black discolouration on the germ end that, in severe cases, may progress to other parts of the grain such as the crease. Grains are commonly referred to as "black point" or "black tip". Includes any staining beyond the minimum and up to 50% of the entire grain surface. For staining level greater than 50%, refer to Field Fungi.

Discolouration must be 50% or more of the germ

Includes grains that show streaking anywhere on the surface of the grain, and brush-end staining beyond the minimum. Also includes adherence of contaminants such as soil, dust, plant parts and other material.



Plant Material

Streaking

Brush Ventral

Brush Dorsal

Stained Crease

Black Tip

For the GTA members that will be purchasing new copies of the VRSG we are sure you will be impressed with the 2023/2024 version.

NEW LEVY AND TGD NO. 13 GRAIN LEVIES

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 13](#) refers to the various government levies that apply to the Australian grain industry. It explains the various levies that apply and the agreed industry process for the collection and administration of these levies.

Section 2.7.3 of the Australian Grain Industry Code of Practice states the following:

- a. "Buyers and other industry participants will implement the following protocols:
- b. Deduct statutory and industry levies and End Point Royalties (EPRs), as required by law or contract and remit same to the relevant agency (e.g. Plant Breeder's Rights)".
- c. Where EPR's are payable, these can be paid to the royalties manager by either the seller or the buyer. Some buyers offer this service, but it is not mandatory or legislated that they do so.
- d. The grain industry is committed to ensuring that the levy collection and payment mechanism is as accurate as possible and complies with all regulatory requirements.

DAFF has recently announced a [new biosecurity protection levy](#) will commence on all domestic primary producers to meet the cost of the new biosecurity sustainable funding for a stronger biosecurity system. Webinars are being provided to primary producers and the levy collectors to assist with the implementation of the new levy

JAPANESE FLOUR MILLS ASSOCIATION – ON TOUR

GTA recently met with members of the Japanese Flour Millers Association (JFMA) and the Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF). The delegation was visiting Western Australia and were interested in the GTA Trading Standards Committee review of the relationship between Screening and Foreign Material on the level of Dockage in bulk shipments to Japan.



The Japanese milling market is a key market for Australian grain and especially for the Australian noodle wheat industry. Noodle wheat sales into Japan are made through tenders operated by the MAFF on behalf of private flour millers. The JFMA represents these millers.

Bulk wheat shipments purchased through the MAFF tender are disaggregated on arrival to individual mills that have purchased portions of the cargo.

To address the Japanese concerns on the level of Dockage in bulk vessels a GTA industry Working Group was formed to complete a thorough and holistic review of the incidence of Dockage in Australian Wheat. This group considered all aspects from seasonal and harvest conditions through to Grain Trading Standards and grain/grade blending practices.

It was noted there are a number of elements to [Wheat Dockage](#) including 'Unmillable' and 'Foreign Seeds' (including 'Small Foreign Seeds') and any review and trial needed to consider the different elements. Harvester set-up and paddock weed seed management are elements considered. The review was satisfied that constant review and management is ongoing as a matter of course to maximise efficiency.

The Working Group also operated a number of trials involving the removal of any unmillable material (i.e., chaff) that collects on the face of grain stacks to determine if this has an impact on wheat Dockage as compared to other sites. Analysis of samples of grain into and out of stacks also occurred.

Australia generally produces clean grain and also utilises limits in the GTA Trading Standards to minimise the incidence of high Dockage levels. Therefore, the Australian grain supply chain has not invested in grain cleaning equipment and based on its review the Working Group consider the cleaning of grain in Australia may not be practical or commercially feasible due to the cost.

GTA's and WA industry engagement with JFMA explained the balance required in Trading Standards between meeting customer needs, supply chain management capability, producers ability and incentive to supply to the standard over the longer term and importantly to meet regulatory requirements.

Industry will continue to monitor the outcomes of wheat Dockage levels at points within the supply chain to ensure the requirements of the Japanese market are satisfied.

UPCOMING WORKSHOPS

June 2023

15 June 2023 — [Arbitrator Training](#)
Presented by Geoff Farnsworth via zoom

21-22 June 2023 — [Grain Trading for non-traders](#)
Presented by Lloyd George in Melbourne

Take the opportunity to attend **this face to face** workshop held in **Melbourne**

28-29 June 2023 — [Grain Merchandising](#)
Presented by Lloyd George via zoom

[Register for June Workshops](#)



GTA TRAINING AND DEVELOPMENT PROGRAM

Workshops Schedule Semester 2, 2023

July

Advisory & Compliance Day

Various Presenters

6 July - Zoom

[Register here](#)

Cost - \$390

August

Grain Trading Standards

Presented by Gerard McMullen

22-23 August - Dubbo, NSW

NEW Grain Trading for Non-Traders

Presented by Pat O'Shannassy

23-24 August - Zoom

September

Grain Trading Standards

Presented by Gerard McMullen

5 September - Zoom

12-13 September - VIC

26-27 September - SA

Understanding Grain Markets

Presented by Lloyd George

13 September - Zoom

Trade Rules & Contracts

Presented by Lloyd George

28 September - Zoom

October

Grain Trading Standards

Presented by Gerard McMullen

26 October - Zoom

Grain Finance & Risk Management

Presented by Malcom Finlayson

25 October - Sydney & Zoom

NEW Grain Trading for Non-Traders

Presented by Lloyd George

18-19 October - Zoom

In-House Workshops

GTA can host all of the above workshops "in-house" - just for your employees. To inquire about this option, please contact Julia Love.

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, group discounts apply

[Register online here](#)

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

ADVISORY & COMPLIANCE DAY



6 July 2023

Advisory & Compliance Day 2023

1 Day Workshop - Delivered via Zoom

Is your Business compliant?

Don't take a chance, register for our annual workshop today!

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
- Insolvencies
- Reputational risk
- Sustainability

REGISTER NOW