

# GRAINMatters



EDITION 77—AUGUST 2023

## UPCOMING WORKSHOPS

Grain Trading Standards — 22-23 August 2023 (Dubbo, NSW)

Grain Trading for Non-Traders — 22-23 August 2023 (Zoom)

## In this Issue:

- [Goyders Line](#)
- [China Barley Trade Open Again](#)
- [India Market Diversification](#)
- [Key Industry Documents Released](#)
- [Focus On GTA Fact Sheets](#)
- [GTA Committees Working on Changes to the GTA Storage & Handling Agreement](#)
- [Grain Sampling & Analysis still Under Fire](#)
- [Upcoming Workshops](#)

# GOYDER'S LINE



If you were lucky enough to be at the Australian Grain Industry Conference (AGIC) 2023 and the AGIC dinner you may have had a great time as I did. What a celebration after three very successful, yet tough years for the industry.



## GOYDER'S LINE (Cont.)

Delegates joined AGIC Australia from across the globe, and enthusiastically connected, networked and discussed issues & opportunities with colleagues, potential customers and suppliers. The opportunity to connect and communicate as an industry is so important in developing industry leadership and culture. This is how resilience and sustainability within an industry is fostered and achieved. I must congratulate the industry and the AGIC Australia coordinators for delivering this conference and the dinner.

I think you will all agree the increasing complexities of trade and the sheer volumes handled through the Australian supply chain in recent seasons has placed pressures on the people working in the grain industry. People have been working incredibly hard in keeping the supply chain moving at maximum capacity, so it's great to be able to come together at AGIC 2023 as an industry and to recognise the success of organisations and the people who have made it all happen.

A big shout out to all the sponsors, delegates, presenters and organisers who make this event the success that it is. I thought this year's presentations were excellent – ranging from Government ministers, the Ukrainian Ambassador, international and domestic market experts, through to industry participants with special skills and knowledge.

I was given the honour by the GTA Board to launch at AGIC a great new GTA initiative **'Five under 30'**. GTA's 'Five Under 30' has been created to assist, guide and recognise future leaders in the industry, as well as to incentivise the increased involvement of younger members in GTA activities.

To engage further with younger grain industry people each year GTA will select 5 individuals as the 'Five under 30' and offer them additional opportunities, encourage involvement in GTA activities, and offer mentorship and guidance over a period of 12 months. For the individual participant in the program there are several direct and indirect benefits:

- Mentorship from senior industry leadership
- Public recognition and kudos amongst peers
- Visibility in the industry (to peers and other senior figures)
- Complimentary participation in 2 days of GTA training sessions in 12 months
- Complimentary ticket to AGIC Australia (inclusive of gala dinner)
- Invitation to CEO's breakfast at AGIC Australia
- Part of creating and driving an active under 30's network



**Andrew Goyder**  
Chair—Grain Trade Australia

## CHINA BARLEY TRADE OPEN AGAIN

The Australian grain industry has welcomed the announcement by China to remove the Anti-dumping (AD) and Countervailing Duties (CVD) imposed on Australian barley exports to China that was effective on the 5th of August 2023.

China's Ministry of Commerce (MOFCOM) have determined that due to a change in industry circumstances that lifting the AD and CVD duties would be in the public interest. This announcement is an important step forward in resuming the strong and mutually beneficial relationship between China's and Australia's barley industries.

The grain sector's view has always been that resolving the barley dispute is in the beneficial interests of both China and Australia, and respective industries and has respected and engaged fully with the processes under the dispute, hoping for this amicable resolution.

China is historically a very important export market for barley from Australia over many decades, with very strong customer relationships and considerable cooperation between industry partners in plant breeding and technical support to meet China's needs.

Barley exports to China peaked at 6.3 million tonnes in 2016-17 before falling to negligible levels once the duties were imposed in 2020.

As barley trade resumes with China GTA members are reminded this is an important market and all care should be exercised to ensure customer expectations and Chinese import protocols are strictly adhered to.



GTA has developed an India-Australia Strategic grain partnership. The project is funded under the ATMAC program. The project has involved extensive stakeholder consultation in Australia and India. 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 has a medium to longer term horizon, that will seek to be incorporated into the regular formal bi-lateral exchange process.

As part of this initiative GTA joined a **ministerial delegation to India during July**. Minister Murray Watt and a number of industry groups met with Indian officials including the Indian Trade and Commerce Ministers, to support country to country trade related discussions and bilateral relationships.

Key messages provided by GTA included and supported by the delegation included:

- Issues of weed seed tolerances and fumigation protocols were raised with the Australian delegation recommending a system approach rather than pure science-based approach.
- A key message is that Australian grain should not be seen as competition as it can complement Indian production providing niche styles of grain that are difficult to replicate within the Indian system.



This visit and the Partnership are a means to bring together Indian and Australian decision makers from government and industry to foster relations and to maximise the opportunities for development and collaboration amongst the Indian and Australian grains, food processing and livestock sectors. The Australia India Grains Partnership will support India enhance systems that underpins their food/nutrition security, while also focusing on capacity building and trade facilitation.



India was also the topic of discussion at AGIC 2023 with Dennis Richardson, AC, Former Director General of ASIO, Ambassador to USA, Secretary DFAT and Secretary Dept of Defence former recounting his initial contact with India in 1989, at a time when it was described by then Prime Minister Bob Hawke as being 'full of promise' and according to Mr Richardson it is still and has been full of promise ever since.

In his view India is changing, needs to continue to change and as it does will become an increasingly more important trading partner for Australia. He noted an issue for trade between the nations is the difference in legal frameworks that exist in the two countries.

## KEY INDUSTRY DOCUMENTS RELEASED

Two important industry documents have been updated and the 2023/2024 versions are now available on the GTA website. These industry documents released by Member Updates are the:

[Grain Trading Standards](#); and

The [Chemical Usage & Outturn Tolerances](#) Document.

The **Chemical Usage & Outturn Tolerances** document outlines permitted chemicals for use post-harvest and applicable Maximum Residue Limits (MRL) for grain outturned to the Australian domestic or the export markets. The MRLs apply for grain outturned during the 2023/24 season.

The most common treatments used in Australia for grain protectants are either fumigants or grain protectants. A relatively limited number of grain protectants are available for use to control stored grain insects in grain held in storage. Insect resistance and market perceptions/restrictions are also further limiting the availability and use of those chemicals.

When using grain protectants a range of issues need to be considered, including:

1. Market requirements (MRLs)
2. Storage type
3. Insect resistance
4. Many other factors

Industry is strongly encouraged to familiarise themselves with this document to ensure Australian grain continues to comply with market requirements for chemical residues both domestically and internationally. As discussed in the GTA Australia's Grain Supply Chain and its [ESG Credentials](#), food safety and particularly chemical residues are our customers primary concerns.



The Chemical Usage & Outturn Tolerances document should be referred to when marketing Australian grain to assist industry in adhering to the Maximum Residue Limits.

To review the Chemical Usage and Outturn Tolerances Document 2023/24 [click here](#)

## STORED GRAIN ENTITLEMENT

In previous Grain Matters GTA has provided a focus on several of the Technical Guideline Documents that support the Industry Grain [Code of Practice](#). It's now time to put the spotlight onto the GTA [Fact Sheets](#). This month's star is the Fact Sheet - [Stored Grain Entitlement](#)

This fact sheet describes the principles grain storage companies employ in managing a client's entitlement to grain stored within the storage companies' network and describes the industry process and mechanisms available if an entitlement issue should arise.

The Key Points of the Fact Sheet include:

### KEY POINTS

- Storage Operators have Inventory Management procedures to protect a client's grain entitlement.
- Entitlement to grain in a common stock arrangement can be held at a site level or port zone level.
- A stock swap is the exchange of one parcel of grain within a storage unit for another within another Storage unit either at the same site or at another physical location.
- Stock swapping is a common and effective process that supports an efficient market and logistical efficiency.
- Conduct a due diligence on grain entitlement conditions. **Know the terms & conditions of the storage operator so you can assess the level of risk in dealing with them.**
- Take the time to fully understand the terms and conditions that relate to grain entitlement.
- There are industry processes available **to manage disputes and complaints.**

- This Fact Sheet is topical given recent issues surrounding grain entitlement at a storage company that has gone into receivership.
- A key fact of the Australian storage industry is the companies responsible for Australia's storage networks have developed inventory management arrangements at a **site**, or **port zone** level to balance and meet operational objectives whilst delivering a client's grain entitlement requirements within their networks.
- A further matter to understand is that grain delivered into storage and commingled with other grain loses its identity and the grain owner accepts, they have entitlement or interest to common stocked grain.

To access GTA Fact Sheets, please visit GTA website [https://www.graintrade.org.au/fact\\_sheets](https://www.graintrade.org.au/fact_sheets)

# GTA COMMITTEES WORKING ON CHANGES TO THE GTA STORAGE AND HANDLING AGREEMENT

As reported in [GTA Member Update No. 13 of 22 Administrators](#) were appointed to Moulamein Grain Services Pty Ltd in August 2022. There is a further grain storage company that has also recently entered into administration.

With the consent of the owners of the remaining grain stocks held in the Co-Operative storage sites, and pursuant to Court Orders, the Administrators sold the remaining grain. A dispute arose as to the distribution of the proceeds as the grades and amounts of grain determined on outturn differed from the Co-Operative inventory ownership records.

A dispute occurred and Court proceedings commenced. The Court GTA ruled the storage clients did not have the primary claim to the value of the grain sold as the Court's ruling was based on the apparent abandonment of claims of ownership of the grain. The Court did not make a ruling on the merits of the differing methods for distribution of sale proceeds of the grain proposed by the Administrators and the Interested Parties and on particular the concept of "surplus grain".

The Interested Parties and GTA remain concerned by this ruling and around any possible precedent it may set for the grain industry in future insolvency and inventory related matters.

GTA is considering the Court's ruling and how it may be addressed in the interests for GTA Members and the broader industry.

An initial step is to **review the GTA Storage & Handling agreement** to consider if improvements can be made. A draft revision of the Storage & Handling process has commenced and is undergoing review by the Commerce Committee and the Transport Storage and Ports Committee.



This agreement is for the storage and/or warehousing and/or on-farm storage of the commodity specified in Schedule 1 pursuant to the storage and handling terms and conditions as follows.

Once the Committees have agreed a draft this **will be shared with all GTA members by a Member Update to allow consultation** on these changes.

**Changes** being made include:

- Storers records are prima facie evidence and can be challenged where evidence is available.
- Clarification of what is to occur at the end of the Agreement term.
- Strengthened the Outturn procedures.
- Clarified entitlement of commingled grain subject to regrading.
- Introduced new Definitions.

Keep an eye out for the Member Update and the updated Storage & Handling Agreement



## GRAIN ASSESSMENT IS STILL UNDER FIRE

The lead up to and the wild 2022/2023 harvest weather conditions created a wealth of issues for grain storage companies with the level and breadth of weather-related grain issues arising in 2022/2023 arguably being called the worst season ever.

Weather impacted grain delivered at harvest leads to issues at the sample stand with the use of Falling Number machines and subjective visual assessments of defects being questioned.

So called inconsistency in sample stand results has one farm advocacy group proposing changes to receivals staff training including assessment being performed by and/or supervised by an independently trained and experienced person that has received documented training from an accredited, registered training organisation.

GTA members who operate grain receival and grain assessment are responsible for developing their own process and protocols for this task. It is an area of exposure and risk for receivers and appropriate systems should be in place to assess grain assessment accuracy. GTA members are reminded they have a responsibility to determine the sampling, testing and classification (grading) requirements for the receival, storage and outturn of products handled at their sites.

GTA, through the various Trading Standards provides industry with the tools to accurately sample and assess grain deliveries. It is the responsibility of industry to interpret and implement those Standards based on their own commercial considerations.

As per the Code the operator shall ensure that:

- all sampling, testing and classification procedures are appropriately documented and are readily available to staff involved in the sampling, testing and classification of products.
- the correct equipment and methods for operating the equipment are available and that **site classification staff are properly trained**. Current industry requirements for the sampling, testing and classification of products are available from either, GTA, Australian Oilseeds Federation or Pulse Australia, websites.

Available information includes;

- Sampling requirements;
- Testing equipment requirements;
- Methods for testing products using defined equipment;
- Grade specifications for the classification of products; and the
- Visual Recognition Standards Guides for various commodities.

Each load delivered to a site must be sampled, tested, and classified in accordance with agreed specifications

GTA is developing a Grain Storage Assets & Management Standard. As part of this project GTA is considering the introduction of an assurance system for receival sites including an audit of the training of staff for the grain assessment process. Whilst adoption of the Standard is voluntary this will assist in providing further confidence in the Australian grain supply chain.

As a final note, as grain in a truck tendered for delivery is a bulk product, depending on the Quality parameter being assessed, variations may exist in sample results depending on the test itself and sample submitted for analysis. In this regard, for tests such as Falling

Number and mycotoxins, a load may not be homogeneous, but may be referred to as diverse in nature and heterogenous.

GTA developed an online Grain Sampling module available on our website [Grain Sampling Training](#).

GTA also conducts Grain Standards Workshops throughout different states to assist members with grain identifications and sampling [Grain Standards](#).



## August 2023

22-23 August—[Grain Trading Standards](#)

Presented by Gerard McMullen in Dubbo NSW

23-24 August—[Grain Trading for Non-Traders](#)

Presented by Pat O'Shannassy—via Zoom

## September 2023

[Grain Trading Standards](#)

5 September via Zoom

12-13 September—in VIC

26-27 September—in SA

Presented by Gerard McMullen

13 September—[Understanding Grain Markets](#)

Presented by Lloyd George via Zoom

28 September—[Trade Rules & Contracts](#)

Presented by Lloyd George via Zoom

[Register for 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](mailto:admin@graintrade.org.au)