

GRAINMatters



EDITION 82—FEBRUARY 2024

UPCOMING EVENTS

- [Grain Trading for Non Traders—14-15 February \(Via Zoom\)](#)
- [Understanding Grain Markets—21 February \(Via Zoom\)](#)
- [AGIC Asia 2024— Jakarta 5 March & Shanghai 7 March](#)
- [Australian Grain Storage & Protection Conference 2024 —5-6 June](#)
- [AGIC Australia 2024—31 July-1 August](#)

In this Issue:

- [Goyders Line](#)
- [Logistics, a key driver of change](#)
- [Wheat Port Code Review](#)
- [Industry complaints handling and contractual disputes resolution framework](#)
- [Proof-of-Concept – Image detection of Mycotoxins](#)
- [Changes to Unfair Contract Term \(UCT\) Legislation](#)
- [Submission to DAFF's Agriculture and Land Sectoral Plan](#)
- [GTA Welcomes New Member](#)
- [AGIC Asia](#)
- [Training & Development Program](#)



Happy New Year to all GTA members! Let's look forward to 2024 as a year of consolidation following three challenging yet rewarding years in the grain industry. ABARES predicts a 33% decline in total Australian winter crop production for 2023–24, reaching 46.1 million tonnes, slightly below the 10-year average.



Total winter crop

44.9 Mt

6th largest



Wheat

26.2 Mt

7th largest



Barley

9.9 Mt

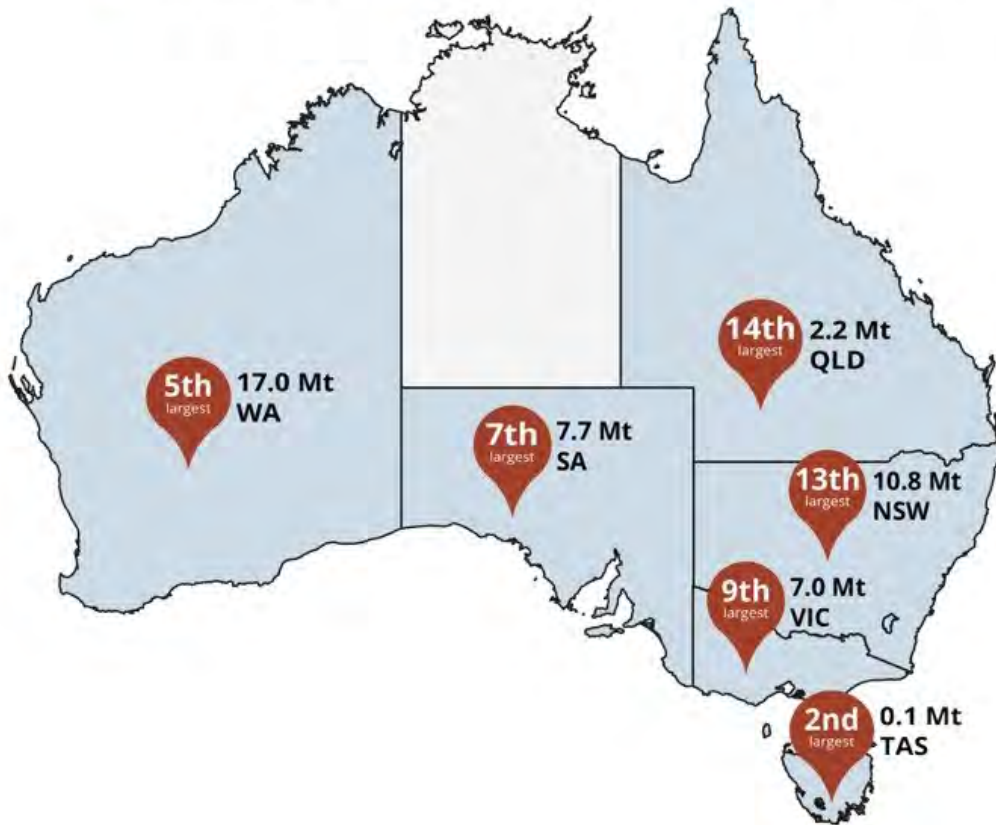
7th largest



Canola

4.9 Mt

3rd largest



With the winter harvest now complete except for the southern parts of Victoria, it's time to focus again on moving grain to meet customer demand.

The past three years underscored the vital role of our **supply chain capacity**, especially during high-production periods. The Australian supply chain's agility and reliability are highly valued by domestic and export customers, serving as a key competitive advantage in export markets. The GTA Board will maintain a strong focus on supply chain matters during its 2024 **Strategic Planning Day** in late February.

GOYDER'S LINE CONTINTUED

Efficient supply chains are crucial for a robust grain industry. Investments and operational efficiency are vital for competitiveness and fostering economic growth in Australia. GTA is committed to collaborative efforts with government and other supply chain participants to enhance efficiency. Input from GTA has contributed to the report [Connecting the Dots: Improving Australian Grain Supply Chain Efficiency](#) by Grain Growers Limited. Ongoing discussions will focus on implementing recommendations to alleviate supply chain bottlenecks.

GTA is actively addressing **port reform**, specifically the rise in **container terminal access fees**. Letters have been sent to Container Terminal Operators, state ministers, port owners, and the ACCC, emphasizing the impact of fee hikes on the grain supply chain. Follow-up meetings will be conducted to pursue relief for the industry.

In 2024, GTA will review the [Australian Grain Industry Code of Practice](#) (Code) for relevance and industry support, and we welcome your input. This code is vital, integrating GTA's self-regulatory framework with tools like Trading Standards, contracts, and dispute resolution services. Serving as a practical guide, the Code helps industry participants meet domestic and export customer standards and expectations.

AGIC Asia 2024 is in Jakarta on 5 March and Shanghai on 7 March. I encourage you and your industry contacts to [register](#). These conferences align with GTA's strategy to enhance relationships and marketing opportunities in Indonesia and China. Given recent government tensions and the barley embargo, there is a crucial emphasis on rebuilding relationships and trading partnerships.

In response to **Mandatory Fumigations** (as discussed in [Grain Matters December 2023](#)), GTA and the National Working Party on Grain Protection are coordinating a scientific trial to validate the use of gas monitoring lines in containers. GTA is in the initial stages of collecting information and resources for the trial and plans to resume discussions with DAFF before the April 2024 deadline.

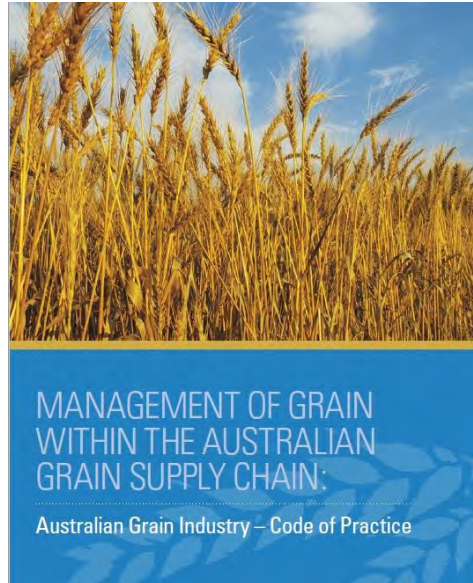
Finally on a very sad note, I would like to express my sympathy to CBH's Chairman Simon Stead and the Stead family from Esperance following the tragic death of their son Harry before Christmas last year, while fighting a fire on the property. My thoughts are with Simon and his family.

On closing I would like to take this opportunity to wish you all the best for the year ahead and I hope to catch up with as many of you as possible at GTA and other industry events during 2024.

Yours sincerely,



Andrew Goyder
Chair—Grain Trade Australia



LOGISTICS—A KEY DRIVER OF CHANGE

The grain supply chain is experiencing growth and adjustment, evident from the farm where massive harvesters can now harvest at 50–70 tonnes per hour.

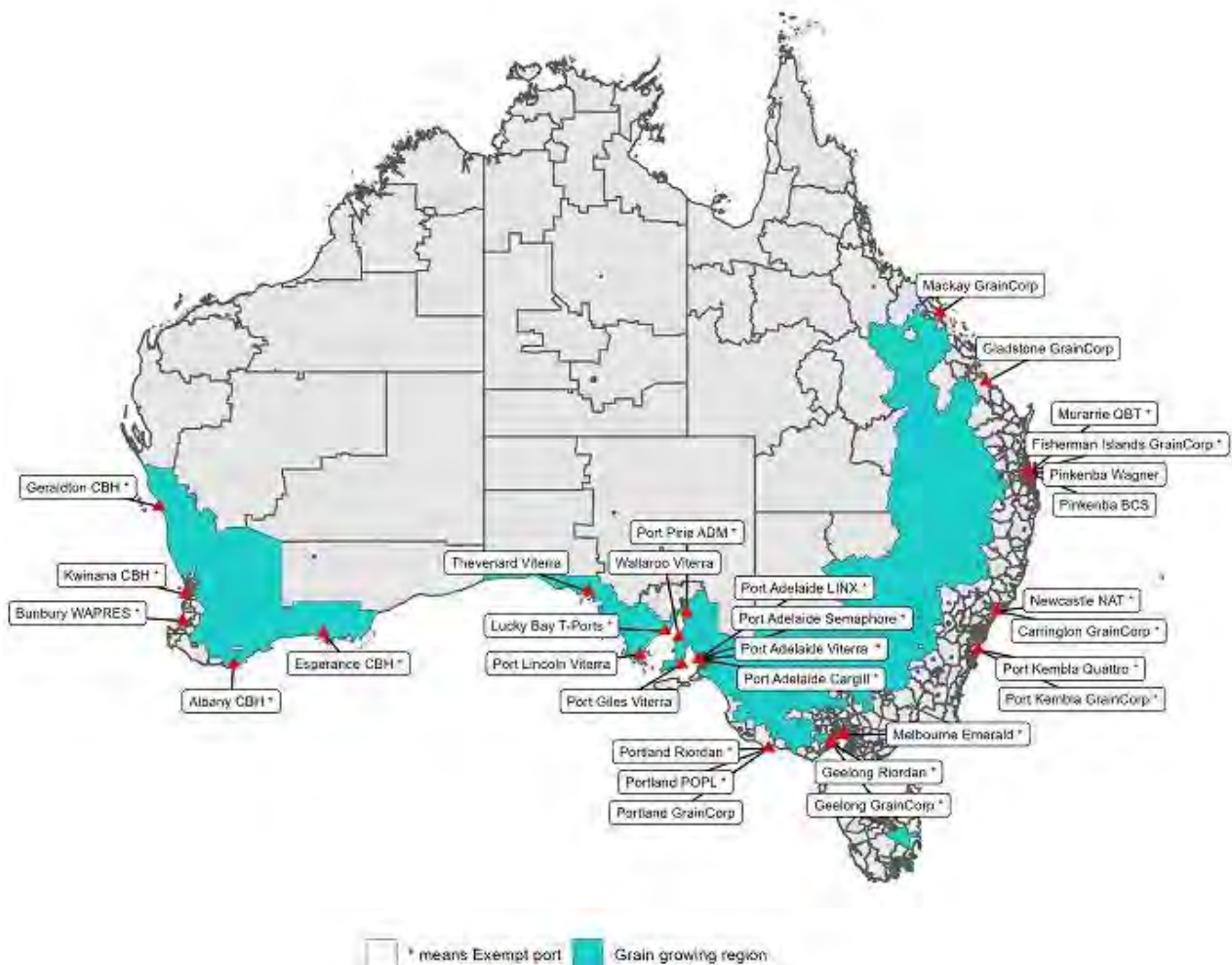
This puts pressure on commercial storage companies to increase receival speed. Many have invested in large scale sites with multiple bunkers, each capable of receiving grain at approximately 400 tph. In some states increased capacity is due to farmers investing in permanent and temporary farm storage (silo bags).

Port and transport investment has also led to increased capacity. The ACCC noted in its submission into the Second review of the Wheat Port Code that once Commodity Ag begins providing services from its facility at Albany WA, there will be **17 port terminal service providers (PTSPs) and 33 operational facilities**. This is up from 7 PTSPs and 21 operational facilities when the Code commenced.



The increase in capacity through increased investment has resulted in record shipments. Wheat, barley, canola and sorghum shipments for the 2022-23 shipping year are at record **47.81 million tonnes (mmt)**. This is a massive 10.6% higher than the previous record of 43.22 mmt, set in 2021-22 and extended the record run of export shipments to 3 years.

Figure 1: Map of Australia's bulk grain port terminal facilities and grain growing regions



LOGISTICS—A KEY DRIVER OF CHANGE continued

Figure 2: Record Australian grain exports

Shipping Year	Tonnes Exported Mt	Percentage Increase over Prior Record
22-23	47.81	10.6%
21-22	43.22	30%
20-21	33.3	6%

Source: ABARES & the ACCC Bulk grain monitoring reports.

Supply chain export capacity growth has been substantial. For example:

- In 2008/9 (when wheat exports were deregulated) the maximum monthly exports were **3 mmt** with an average of **1.8 mmt**.
- In 2022/23 the maximum monthly exports were **5.8 mmt** with an average of **4.3 mmt**, this equates to a growth of 93% and 39% respectively.

These three record seasons and the increase in the number of PTSPs have assisted the ACCC to reach its decision to call for the Wheat Port Code (WPC) to sunset in 2024 (more details below).

WHEAT PORT CODE REVIEW

The Port Terminal Access (Bulk Wheat) Code of Conduct (WPC) began in 2014 to ensure fair access to port terminal services for bulk wheat exporters.

Despite significant changes since bulk wheat export deregulation, the Australian grain industry has resiliently adapted, fostering a self-driven framework for trade.

The Second review of the Bulk Wheat Code of Conduct by DAFF started on 19 October 2023, and addresses questions about its necessity, impact, and potential improvements.



The ACCC recommends allowing the WPC to 'sunset' (be automatically repealed), citing outweighed benefits by costs. GTA supports this view and advocates for a credible industry-managed alternative.

GTA invites members to submit their views on the WPC review or assist in preparing GTA's submission, emphasising the need for a credible industry alternative.

INDUSTRY COMPLAINTS HANDLING AND CONTRACTUAL DISPUTES RESOLUTION FRAMEWORK

GTA is privileged to work on behalf of its members and industry to facilitate trade and through its products and services provide an industry driven self-regulatory framework.

A key aspect of the framework is the ability to address contractual disputes and the management of complaints that are not related to a grain contract. Confidence to trade and to execute sales contracts through the supply chain are paramount to a healthy and prosperous industry.

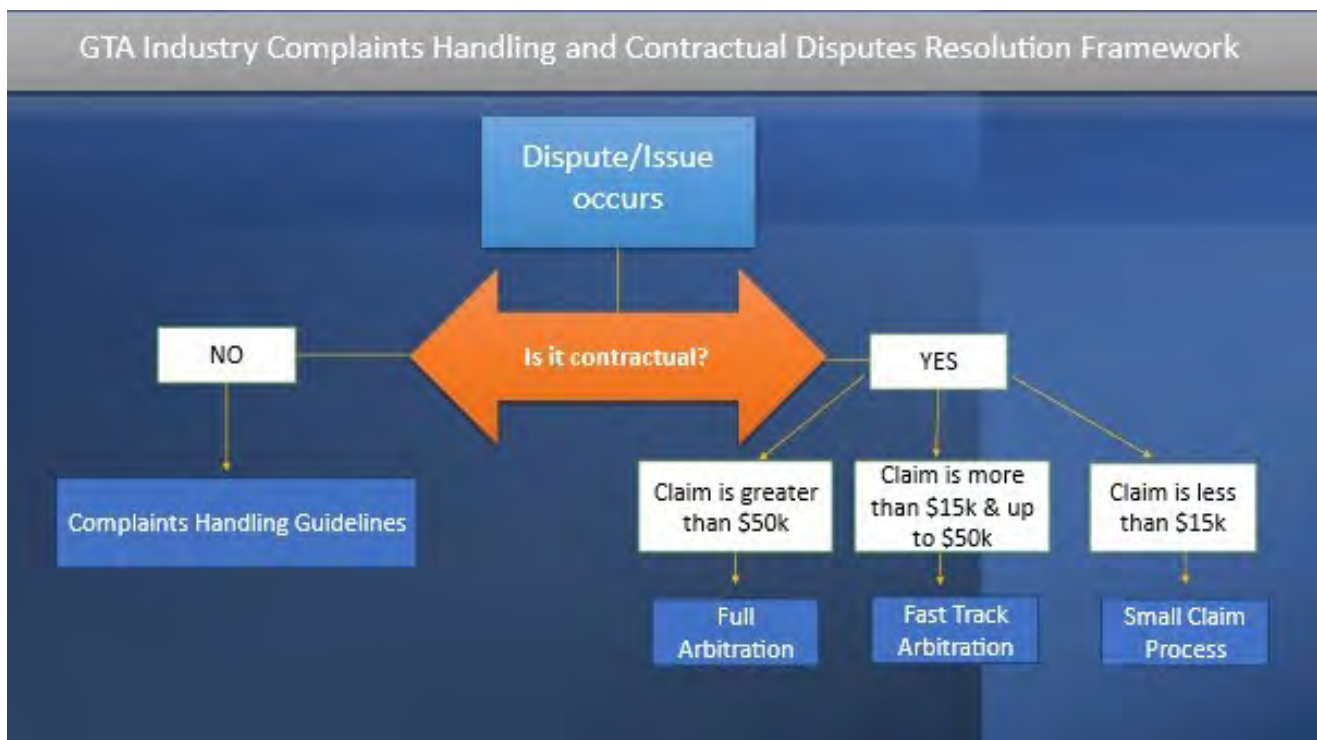
GTA's **Dispute Resolution & Arbitration** service instils commercial confidence in the industry by underpinning and providing sanctity in the grain contracts utilised within the Australian supply chain. This increases market efficiency and reduces risk across industry.

GTA is committed to seeking and receiving feedback and complaints about:

- Industry services
- Systems
- Practices
- Procedures
- Products relating to the Australian Grain Industry Code of Practice.

To manage complaints GTA has its [Complaints Handling Guidelines](#). They enable GTA to respond to issues, boost industry confidence and assist GTA to deliver improvements in the quality of industry processes.

Together these services provide a framework for all industry participants to resolve contractual disputes and industry complaints.



PROOF-OF-CONCEPT—IMAGE DETECTION OF MYCOTOXINS

The Grains Research & Development Corporation (GRDC) is sponsoring a **Proof-of-Concept** study for the detection of mycotoxin quantities in naturally infected wheat grain. This will help to inform on potential future investments which may lead to **more effective and rapid detection of mycotoxins** at receipt.

Currently it's difficult to assess grain for mould that may be harbouring mycotoxins. The findings from this study aim to support future research & development of Near Infrared (NIR) hyperspectral imaging for the grain industry.

Mycotoxins are naturally occurring toxins produced by certain moulds and can be found growing on grain. They grow on a variety of different crops including cereals and can cause a variety of adverse health effects and pose a threat to humans and livestock including acute poisoning and long-term health issues.

Mould growth can occur either before harvest or after harvest, during storage, often under warm, damp and humid conditions. Most mycotoxins are chemically stable and survive food processing.

Aflatoxins are amongst the most poisonous mycotoxins and are produced by certain moulds (*Aspergillus flavus* and *Aspergillus parasiticus*) which grow in soil, decaying vegetation, hay, and grains. Crops that are frequently affected by *Aspergillus* species include cereals (corn, sorghum, wheat and rice) and oilseeds (soybean, peanut, sunflower and cotton seeds).

GTA's Technology Sub-Committee will engage and provide input to GRDC on this proof-of-concept.



CHANGES TO UNFAIR CONTRACT TERM (UCT) LEGISLATION

GTA's [Member Update](#) of 11 December 2023, alerted members to legislative changes to Unfair Contract Terms (UCT), effective 9 November 2023. These reforms make Unfair Contract Terms (UCTs) illegal and subject to substantial penalties.

Examples of UCTs may include:

- A term allowing only one party to:
 - Avoid or limit their performance
 - Terminate
 - Decide whether a breach has occurred
 - Renew or not renew
 - Vary the terms
 - Vary the price (and the other party can't terminate)
- A term limiting only one party's:
 - Liability for its agents
 - Right to sue

GTA has reviewed its Standard Form Contracts (SFC) and are of the view they do not include UCTs. GTA members with their own SFC or amended GTA SFCs should also consider a review to ensure they do not include any UCTs.

Further and more detailed information is available on the [ACCC website](#).

GTA'S SUBMISSION TO DAFF'S AGRICULTURE AND LAND SECTORAL PLAN

The Australian Government has signed up to the Paris Agreement and committed to ambitious emission reduction goals including reaching net zero by 2050. The government has commissioned the production of six sectoral plans to support these goals, including one for agriculture and the land sector.

GTA has responded to this via Submission. The purpose of GTA's submission is to assist the Government in the understanding of what is possible for the agriculture and land sectors in terms of emissions reductions and what technologies and practices we need to invest in to help the sector to transition.

The Submission included the following facts about the Australian grain industry:

- It is a major economic contributor in regional Australia and to export revenue, with annual value of production in 2022-23 forecast (excluding rice) to be a record \$30.7 billion at the farm gate and \$28.3 billion of exports making it the highest value industry in the agriculture sector.
- The industry achieved record summer and winter production in 2022-23 of 71.7 million tonnes (mmt) following two prior large crops with 68.0 mmt in 2021/22, and 59.9 mmt in 2020-21.
- Trade and an efficient supply chain is vital for the Australian grain industry and regional communities, with the Australian grain industry being highly export oriented e.g., 65 -75% of grain is exported.

In terms of ESG and global food security, the Submission emphasised:

- The challenge and an opportunity for GTA and the grain industry to drive efficiency and **sustainability** in the grain value chain.
- The efficient trade of grain is an essential component to ensuring adequate nutrition **and global food security**.
- There is necessity to focus on reducing carbon emissions in the grain supply chain while balancing the need for comparative advantage of Australian agriculture and the world's demand for food security.
- That Australian grain producers already operate with a relatively low-emissions intensity compared to other major agricultural export countries, though it is hoped this can be further improved.

GTA requested that DAFF keep us updated on developments and progress in this important review.

GTA WELCOMES NEW MEMBER

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

Pentarch Agricultural (t/a Mallee Hay)

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 any member enquiries or ideas!


5-7 March 2024

The Australian Grains
Industry Conference

Asia 2024

Jakarta & Shanghai



Proudly hosted by  GRAIN TRADE AUSTRALIA

2024 Australian Grain Industry Conference Asia celebrates a return to Indonesia and China for the first time in 5 years. AGIC Asia showcases the Australian grain value chain to marketers, processors, consumers and regulators across Asia.

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 mill processors, consumers and value chain service providers.

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

You will hear from keynote speakers, technical experts and decision-makers from Australia and overseas on:

- Crop quality
- Quality assurance processes in supply chain
- Growth factors and local grain user perspectives
- Improving utilisation and processing efficiency of Australian grain
- Trade policy
- Market access issues

EVENT DATES & LOCATIONS:

- **5 MARCH 2024 - Shangri-La Hotel, Jakarta**
 - **7 MARCH 2024 - Jing An Shangri-La Hotel, Shanghai**
- [Click here to view special rates to book hotels.](#)

[REGISTER NOW](#)



GTA TRAINING AND DEVELOPMENT PROGRAM

Workshops Schedule Semester 1, 2024

February

NEW

Grain Trading for Non-Traders

Presented by Lloyd George

14-15 February - Zoom

Understanding Grain Markets

Presented by Lloyd George

21 February - Zoom

March

Trade Rules & Contracts

Presented by Lloyd George

13 March - Zoom or F2F

Grain Finance & Risk Management

Presented by Malcom Finlayson

21 March - Zoom or F2F

April

NEW

Trade Rules & Dispute Resolution

Presented by Lloyd George

11 April - Zoom

Understanding Grain Markets

Presented by Lloyd George

30 April - Zoom or F2F

May

Trade Rules & Contracts

Presented by Lloyd George

8 May - Zoom or F2F

Grain Export Execution & Risk Management

Various presenters

15-16 May - Melbourne & Zoom

June

NEW

Grain Trading for non-traders

Presented by Lloyd George

19-20 June - Melbourne

Arbitrator Training

Presented by Geoff Farnsworth

13 June - Zoom

Grain Merchandising

Presented by Lloyd George

26-27 June - Zoom or F2F

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