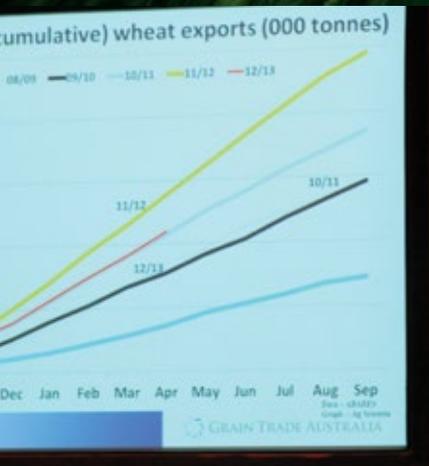


NewsInGrain

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Geoff Honey GTA CEO addresses IGC 2013

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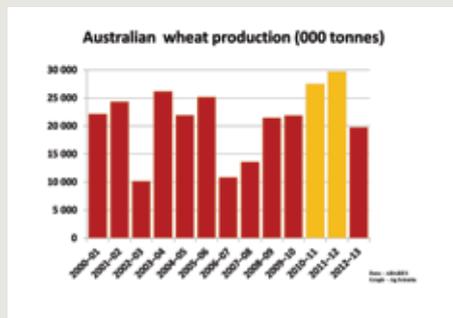
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INTERNATIONAL GRAINS COUNCIL, 2013 GRAINS CONFERENCE

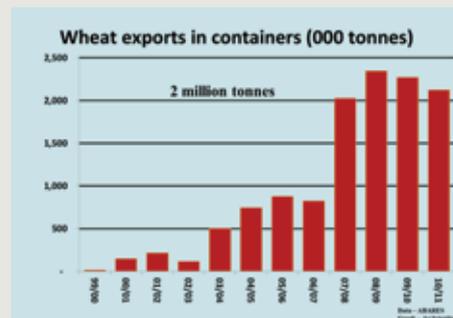
Geoff Honey GTA CEO was invited to address the 2013 International Grains Conference hosted by the International Grains Council (IGC), at the Queen Elizabeth II Conference Centre, Westminster London, on 11 June 2013.

The IGC Grains Conference brings together key global decision makers, industry representatives and other stakeholders to discuss the latest developments in the grain and oilseed markets together with the policy challenges they present.

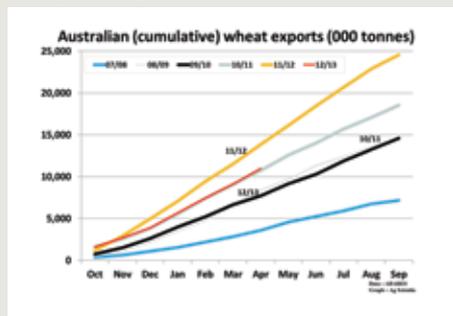
Geoff provided the conference with an insight into the restructuring of the Australian grain industry since deregulation in 2008, titled "Australian wheat – a quality product in a deregulated market". Geoff's presentation can be accessed on the GTA website.



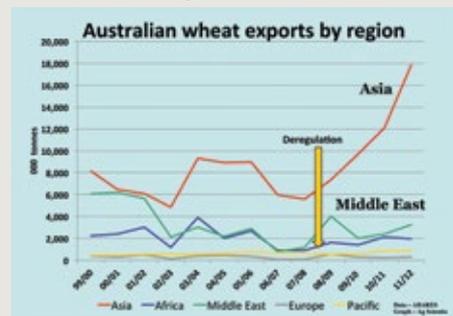
Record production years



Growth in container exports



Record bulk shipping programs



Shift from Middle Eastern to Asia

Test weight increase for milling grades of wheat

The published minimum test weight is seen as an indicator to (potential) customers of the standard of grain produced in that country. Increasing Australia's minimum test weight for milling grades of wheat to 76kg/hl, will align Australia with our top tier export counterparts internationally.

What is the current policy for wheat test weight?

The current policy of GTA is to increase test weight for milling grades of wheat to 76kg/hl in the 2013-14 season. This was a unanimous decision of the Standards Committee, and was endorsed by the GTA Board in 2010.

Organisations that utilise the standards expect full implementation of the policy in the 2013-14 season.

Why does GTA produce grain standards?

1. To set expectations and provide customers with confidence

"GTA quality standards are the benchmark for the Australian grains industry. The objective is to unequivocally **provide confidence to consumers and processors** of Australian grains."

Reference: *GTA Strategic Direction 2009, 2010, 2011, 2012*

2. To reflect customer requirements as specified in their contracts

Customers detail their requirements in their contract specifications. GTA needs to be cognisant of both domestic customer requirements and those of export customers. Both domestic and export markets have clearly demanded a higher test weight.

DOMESTIC

Australian wheat has worldwide a good reputation, for stable quality, low impurities and generally low moisture. On the international level the change could improve the image of Australian wheat.

US, Canada and other major wheat exporters make the difference between milling and feed wheat at a test weight of 76kg/hl. Minor wheat exporters set their benchmark at 72 to 74kg/hl, low quality, low price; not the target market for the high quality Australian wheat.

Thomas Breitenmoser
Divisional Milling Excellence Manager, Weston
Milling a division of George Weston Foods

Allied Mills and our customers support the increase in the minimum test weight for milling wheat from 74kg/hl to 76kg/hl.

A higher test weight provides a greater level of confidence for Allied Mills and our customers that the milling wheat being milled will meet their increasing expectations of flour quality, end product performance and consistency.

Joshua Lawrence
Allied Mills

Laucke Flour Mills as a processor of wheat are of the opinion that any parcel of wheat grain that has a test weight of less than 78 has some basic defect. We believe that "sound" grain these days typically has a density of circa 82-84.

Mark Laucke
Managing Director, Laucke Flour Mills

INTERNATIONAL

The minimum test weight in contracts, from aggregated data provided to GTA by grain exporters, is as follows:

Minimum test weight	Markets	Tonnage (5 year average)	% of total contracts
76	Vietnam, China, Malaysia, Yemen, Sudan, UAE, Bangladesh, other SE Asia, Oceania	5,924,000	36%
77	Thailand, Egypt, NZ, Saudi, Taiwan, EU, other SE Asia, other Africa	2,429,000	15%
78	Indonesia, Sth Korea, Philippines, Japan, Iraq, Iran, Kuwait, Sth Africa, other	7,884,000	49%
Total		16,237,000	100%

Rosemary Richards
Executive Officer, Australian Grain Exporters Association

Are GTA Standards 'receival standards'?

No. GTA produces standards that reflect customer requirements via their contractual arrangements. GTA Standards would be more accurately described as "Trading Standards".

What is the published test weight of our international competitors?

The published minimum test weight is seen as an indicator to (potential) customers of the standard of grain produced in that country. The test weight specifications of Australia's wheat competitors are at right.

Supplier Country	Test Weight Minimum (kg/hl)
United Kingdom	76
South Africa	76/77
France, Germany	77/78
Argentina, Brazil (Hard wheat) Bulgaria, Kazakhstan, India (Hard wheat) Romania (Hard wheat), Russia, Ukraine (Group A, Grade No.1)	78
United States of America • HRW, SRW, SWW • HRS	76 75
Canada • CWAD No.1 • CWHWS No.1, CWRS No.1 • CPSW No.1 (No.2)	79 75 77 (75)

Conclusion

GTA increased the test weight to 76 kg/hl to meet customer requirements and demonstrate to world markets the high quality of Australian wheat.

- Major reasons why GTA produces grain standards is to:
 - Promote the fact that Australian produces milling wheat at an acceptable minimum test weight of 76 kg/hl
 - Reflect customer contractual requirements
 - Compare favourably with international competitor grades and quality
- Domestic flour millers and consumptive feed users strongly support a higher test weight.
- 100% of international contracts stipulate a higher test weight.
- The international competition starts at 76 kg/hl.

EU Renewable Energy Directive (RED) Scheme

The European Union (EU) is considering changes to its 2009 Renewable Energy Directive (RED) which may reduce the demand for Australian canola imports as a source of biofuel. The Australian Government is joining a number of other countries, including Canada, United States of America, Argentina and Brazil, in making joint representations over the proposed changes.

Under the RED, adopted in 2009, renewable energy must contribute a 20 per cent share of all energy used in the EU and 10 per cent share of that used in the transport sector.

Renewable energy can take various forms, such as hydrogen or electricity from solar, but it is widely expected that the bulk of the target will be met through the use of biofuels.

The directive requires that biofuels emit at least 35 per cent less greenhouse gases than the fossil fuels they replace. This requirement will increase to 50 per cent in 2017.

The RED sets out sustainability criteria that companies importing or producing biofuels must meet in order to demonstrate they are produced in a sustainable way.

Energy produced from plants grown on cleared land that had high biodiversity value cannot contribute to meeting the targets established under the RED. The sustainability criteria prevent the direct conversion of areas with a high biodiversity value, such as forests and wetlands.

Following a review of the RED, the European Commission (EC) perceived a risk that part of the additional demand for biofuels will be met through an increase in the amount of land devoted to agriculture worldwide, leading to an indirect increase in emissions due to land conversion.

In October 2012, the EC published a proposal to limit global land conversion for biofuel production, and increase the effectiveness of the directive. Specifically, the proposal includes provisions to:

- limit the amount of food-based biofuels that can contribute to the 10 per cent renewable energy target for the transport sector to 5 per cent; and
- include the requirement for Indirect Land Use Change (ILUC) calculations to be included when assessing the greenhouse gas performance of biofuels.

The EC believes these changes will, amongst other things, stimulate the development of alternative second-generation biofuels from non-food feedstock and limit direct interference with global food production.

Australia's perspective

- Canola can be used as a first generation biofuel
- During 2011-12, Australia exported 2.3 million tonnes of canola globally, worth \$1.3 billion. The majority of shipments were destined for EU member countries (ABARES, AC March quarter 2013). Anecdotal evidence from industry has suggested that almost all shipments to the EU are used for the purposes of producing biofuels.

The Australian industry, represented by Grain Trade Australia, the Australian Oilseeds Federation and the Australian Grain Exporters Association, believe that the proposed changes to RED are ill-conceived and unnecessary because they do not reflect the realities of either the biofuels market or Australian agricultural systems.

- There is no evidence that second generation biofuels will be at a commercially viable stage by 2020;
- There is a lack of solid scientific basis and appropriate methodology to calculate ILUC, and limit the contribution that may be made to renewable energy targets by first generation biofuels.;
- Within the Australian context, the ability to experience ILUC as a result of canola production is non-existent due to stringent and well enforced land clearing legislation at both State and Federal levels;
- Estimates for one industry participant on the costs of complying with existing EU certification requirements was calculated at \$400-500,000 per annum. Providing calculations for green house gas (GHG) impact of ILUC in Australia, despite domestic ILUC being zero, will only serve to increase the cost of supplying the EU market,

The change has the potential to significantly limit Australia's export trade in canola to the EU. The Australian Government agricultural appointment in Brussels has been approached by representatives from Argentina, Brazil, Canada, and the USA to join a representation by exporting nations to the Commission on proposed changes to the EU's renewable energy directive.

- Australian Government has similar concerns to the exporting nations agreed to participate in joint representations to raise these matters with both the EC and European Parliament.

The EU is an important high-value market for Australian exports of canola and any disruption to this trade could have a serious impact on the viability of the industry.

Under the RED, there are two ways (outside of bilateral arrangements) companies can obtain certification against the criteria; under a national system or through a voluntary scheme approved by the European Commission (EC).

- **National systems:** member states have to set up a national system through which companies can show that they comply with the sustainability requirements for biofuels. However, there is no requirement for these systems to be standardised, which has resulted in systems differing between member states and each national system is normally only valid in the member state where it was set up.

- **Voluntary Schemes:** Voluntary schemes are control systems run by commercial companies that certify sustainability of biofuels. These systems need to be approved by the EC. As of 6 May 2013, 13 voluntary schemes had been recognised by the EC.

Two certification schemes are applicable for the certification of Australian canola in line with EU RED requirements:

1. **2BSvs:** (Biomass, Biofuel Sustainability voluntary scheme)
2. **ISCC** (International Sustainability and Carbon certification)

Both schemes have strengths and weaknesses, however, in time, unless 2BSvs is modified, only ISCC will be applicable in Australia. The three month mass balance calculation permitted with ISCC is more suited to Australia's supply chain, while the local GHG calculations, which are permitted within ISCC, will be essential for Australian canola to continue to access the EU post 2017. There is little incentive for the proponents of the 2BSvs scheme to modify this to meet Australian needs.

Comparison of the two schemes:

Attribute	ISCC	2BSVS
Provides certification for Australian canola	✓	✓
Auditing of warehouses required	✓	✓
Grower Declarations	✓	✓
Mass balance calculation window	3 mths	1 mth
Enables local GHG calculations	✓	
Mandated time based audits	✓	
Auditing of farms required	✓	

Following a record planted area in the previous season, canola plantings are forecast to decline by 11 per cent in 2013-14 to 2.1 million hectares. This decline is mainly due to low soil moisture profiles in most states and favourable prices for competing grains. The value of exports is also forecast to decline by 13 per cent to \$1.25 billion in 2013-14, reflecting an 11 per cent decline in export volume to just over 2.2 million tonnes (ABARES, March quarter, 2013). Europe is expected to remain a primary and priority destination for Australian canola even within the context of a low overall export volume due to the relatively higher prices paid for in this market for Australian canola.

Protecting Market Access

DAFF BIOSECURITY – UPDATE

Australia exports over \$6 billion worth of grain each year. DAFF Biosecurity has to certify that each consignment, be it in container or bulk, complies with the phytosanitary requirements of the importing country.

AQIS has been retitled to DAFF Biosecurity

Over the past two years DAFF Biosecurity, in conjunction with industry, has reviewed its operations and made significant changes. These changes were as a result of the outcomes of the Export Certification Reform Program (ECRP).

Full details of the ECRP are contained in Member Update 9 of 13

New step-by-step guide for exporting plants and plant products

DAFF Biosecurity Plant Export Operations has released a new exporters' guide, *Exporting plants and plant products: A step-by-step guide for Australian exporters*.

As well as instructions so exporters can meet export requirements, it offers advice on how to reduce the costs of exporting. There are six steps to getting plant and plant products to an overseas market. The guide walks exporters through these steps and clearly sets out the roles and responsibilities of the exporter and DAFF. The guide is now available on the DAFF website.

Early inspection to avoid risk of goods being rejected at export

With the finalisation of the *Plant Exports Operation Manual* Volume 7A, the Export Compliant Goods Storage Policy Document, and the Hazard Identification Mitigation Survey, Export Compliant Goods Storage is now a reality.

Export Compliant Goods Storage allows exporters to have their prescribed goods inspected at an early point in the supply chain and stored in an approved receptacle for up to 28 days before export.

This new capacity provides greater flexibility for exporters by giving an alternative to conventional end-point inspections and as a result reduces the risk of goods being rejected at the time of export.

To get this new system up and running DAFF worked in close consultation with industry, exporters and the bulk handlers to ensure that a robust mechanism for maintaining the phytosanitary integrity of prescribed goods was devised.

A comprehensive compliance and verification process will ensure that establishments maintain an approved status and that the integrity of stored product is maintained until export.

Simplified and updated bulk vessel and empty container instructional material

Bulk vessel and empty container reference materials have been realigned with the *Export Control (Plants and Plant Products) Order 2011*. For bulk vessels, treatment requirements have been simplified and inspection procedures updated. For empty containers, the use of lamination to upgrade non-consumable grade containers to consumable grade has been included.

Plant Export Operation Manual volume 10 – Inspection of Empty Bulk Vessels; volume 11 – Empty Container Inspections; Work Instruction – Inspection of empty bulk vessels; and Work Instruction – Inspection of empty containers, have been uploaded to the DAFF website.

Authorised Officers (AOs)

Consistent numbers of Authorised Officer applications are received each week from people actively seeking training via DAFF Plant Export Assessors. As of 15 March, 1148 industry applications were received, of which 919 directly relate to Grain and Plant Products for Export.

Once an industry Authorised Officer has completed a competency assessment and is found competent they are able to fully utilise the benefits that the National Training and Assessment Framework provides.

As at 15 March, 291 industry candidates have been appointed as Authorised Officers, of which 266 were appointed for one or more job function directly relating to Grain and Plant Products for Export.

Inspection technique guides

DAFF is working with a consultant to develop easy to use inspection technique guides for Authorised Officers conducting plant export phytosanitary inspections.

The guides will consist of photos with brief text describing the techniques used for inspecting various plant commodity groups. They will also have image rich sections on identifying common pests and diseases, including their signs and symptoms.

The guides will be a useful tool for Authorised Officers to use during inspections and will complement training materials used by DAFF Plant Export Assessors. It is expected that the guides will increase efficiency and national consistency in plant export inspections across both industry and DAFF Authorised Officers.

Export Permits

DAFF is aware that in some cases prescribed goods are being exported prior to an Export Permit being issued.

This presents a potential risk as consignments may be exported that are not compliant with importing country requirements.

DAFF is investigating options to ensure that all export permits are issued in accordance with legislation prior to export from Australia, ensuring all products are export compliant prior to departure.

Phytosanitary processes to be enhanced

GTA is working with the International Grain Trade Coalition and DAFF Biosecurity to support the delivery of a standard to enhance phytosanitary processes.

The proposal to introduce an International Standard for Phytosanitary Measures (ISPM) for the international movement of grain was detailed in the February 2013 edition of *NewsInGrain*.

The original proposal called for an all-encompassing standard that would severely impact on the flexibility of exporting countries to conduct their phytosanitary inspections according to the needs of their exporters and, importantly, the requirements of the country of import.

GTA, in conjunction with the International Grain Trade Coalition, supported the development of a guideline document in preference to a rigid standard. This view was shared by the lead Australian Government agency, DAFF Biosecurity.

At its last meeting in April, the Commission on Phytosanitary Measures (CPM) of the International Plant Protection Convention (IPPC) resolved to develop a standard, based on a reduced scope. The challenge now will be to ensure that the standard is developed in a manner that limits restrictions to international trade.

GTA, in conjunction DAFF Biosecurity, will advocate that the standard focus on issues that are most appropriate to Australia as an export nation and are non-controversial, i.e.:

1. effective treatments of shipments of bulk grain; and
2. suitability of bulk vessels to load grain.

The above activities would enhance the current phytosanitary processes. The Assistant Steward for the development of this ISPM is Dr. Jan Bart Rossel, DAFF, Canberra. This is a positive outcome for Australia and other grain export countries.

RMSA - Name Change Announced

The President of Rural Marketing and Supply Association Incorporated (RMSA), Mr Matthew Kelly, has advised the Association has changed its name to **Grain NSW Incorporated**. The change was voted in at the Association's half yearly general meeting held on the 12th April 2013, effective immediately.

The association was formed in 1971 to promote an effective network within the grains industry of NSW by linking rural & commercial enterprises. The name change reflects the wider membership that now represents the post farm-gate sector within NSW, which includes traders, brokers, logistics operations, stock feed manufactures and exporters.

They are a founding member of Grain Trade Australia, formally known as NACMA, and look forward to working with GTA, and other organisations, in promoting a code of practice for the grains industry.

The new website and email addresses are;

Website: www.grainnsw.com.au

Email: enquiries@grainnsw.com.au

CBH Group and FOSS work together to develop new grain analyser

The CBH Group will pilot a new grain analysis unit for the 2013-14 season at seven sites in the Geraldton and Kwinana zones.

CBH Group Grain Quality Manager, Mat Regan, said that CBH have been working with FOSS for the past eight years to jointly develop the new EyeFoss™ image analysis instrument, which is now at a stage where it can be used as a grading tool to remove many subjective quality tests.

"The EyeFoss™ has been specifically designed to remove the subjectivity from wheat and barley visual quality assessments such as sprouted grain, weed seeds, un-millable material and grain defects. Where the Infratec™ can provide measured results on protein and moisture, the EyeFoss™ is able to provide results on the visual tests that are normally determined by the naked eye," he said.

"The sampling analysis takes approximately four minutes and the EyeFoss™ will sit alongside the Infratec™ to provide a streamlined grading process at the site during harvest receivals."

During the pilot program CBH will monitor the performance of the EyeFoss™ to ensure its accuracy, and have appropriate support in place for staff and growers.

"This is a revolutionary step in providing innovative technological solutions on grain analysis to improve sampling processes, which will provide benefits to growers and customers. If the pilot is successful, CBH will engage with FOSS to roll out further implementation of EyeFoss™ instruments for future harvests."

Background on FOSS and relationship with CBH Group

FOSS is a privately-owned company with a global team of 1100 employees with manufacturing and R&D facilities in Denmark, Sweden and the USA. Their solutions are sold and supported through FOSS sales and service companies in 25 countries and by more than 75 dedicated distributors.



As the world's leading provider of analytical solutions for the agricultural, food, pharmaceutical and chemical industries, their solutions are based on indirect and reference methods. FOSS solutions provide analysis and control throughout the production process from raw material to finished product with routine analysis, at-line and in-line process control. FOSS solutions give accurate information to optimise quality and profit.

CBH has heavily invested in FOSS technology since 1987 and currently has over 450 instruments within Australia. These grain analysis instruments are business critical tools for ensuring fair payment to growers as well as ensuring that the value of grain is maximised.

FOSS and CBH have developed a close working partnership moving from an operational to a strategic relationship that facilitates the sharing and development of intellectual property and market access knowledge. This knowledge will result in benefits and opportunities for both parties by being able to influence and engage on future aligned projects.

CBH is continually seeking to create and return value to growers through more efficient quality assurance and product testing systems. Close collaboration with FOSS will ensure a continued contribution towards increasing the value of grain received, as well as continued efforts to reduce test costs through deployment of new and innovative technologies.

**Contributed by CBH
Media Contact:
Nikki Wilson-Smith
Ph (08) 9237 9820**

Australian Grain Industry Code of Practice

GTA members, in collaboration with the broader grain industry, have developed a Code of Practice to support the industry's self-regulation in an evolving market. The Code formally defines processes and procedures, demonstrating the high level of quality integrity and self-regulation of the industry.

The draft *Australian Grain Industry Code of Practice* (Code) will become effective in July 2013. It is planned for the Code to become mandatory for all GTA members at the commencement of the 2014/2015 membership year.

The grain industry is committed to self-regulation. The Code supports this by providing a transparent process that outlines minimum requirements of all involved in the Australian grain supply chain.



GTA strongly encourages all members to review the Code carefully, to determine their obligations.

The Code describes practices used by the grain industry to ensure Australian grain and grain products meet domestic or export customer requirements. Customer requirements include those stipulated in contracts, as well as regulatory requirements at a state/territory and federal level in Australia and internationally. There are also a range of industry standards that are covered under the Code.

The processes employed by industry at each point along the grain supply chain vary depending on the outcome required. Each industry participant manages their own operations based on the needs of their customers and their own internal procedures and systems.

It is anticipated that by following the Code, the grains industry and related sectors including government, researchers and consumers, will have greater confidence in the Australian grain supply chain.

A copy of the Code is available on the GTA website:
www.graintrade.org.au

REQUIREMENTS FOR POOL PROVIDERS

In April 2013, GTA released a draft set of requirements for Pool Providers. Key aspects of the requirements include:

- The separation of Pool assets and liabilities from other Pools and the general trading book
- The ability of Pool Participants to measure the Pool performance against the strategy and management plan adopted by the Pool Provider
- That the Pool Provider must be able to justify the end point royalties (EPR) to Pool Participants
- That if there is an Adverse Material Change of more than 5% to the EPR, this needs to be notified to Pool Participants immediately.
- Following closure of a Pool, and within six months of the final payment of a Pool, the Pool Provider will:

- > engage an independent auditor to audit:
 - the accounting records of the Pool;
 - the Pool Provider's compliance with its duties under this Code;
 - the Pool Provider's compliance with the terms and conditions of the Pool; and
- > publish and deliver the findings of the audit to Pool Participants.

It is expected that the above key elements will be integrated into:

1. The Australian Grain Industry Code of Practice; or
2. A stand-alone standard that Pool Providers can integrate into the Terms and Conditions of their Pool Contracts.

Quality at overseas destination, DCT Contracts and Arbitration awards

The use of Delivered Container Terminal (DCT) contracts has increased significantly over the past 20 years. The contract is used mainly for the sale of bulk commodities in shipping containers, mainly twenty foot equivalent units (TEU), and includes various commodities such as grain, cotton seed, pulses and hay.

At the recent GTA Export Container Forum, held on 16 May 2013 in Melbourne, there was discussion of the issue of arbitrations involving the GTA No 4 Contract, DCT Contract.

There has been a recurring theme involving the DCT Contract in recent arbitrations where the quality of the grain in the container consignment, upon reaching its overseas destination, does not meet the contract specifications. The Australian based exporter then attempts to seek redress from their DCT Seller. All arbitrations that have been concluded and that revolve around this or a similar theme have been unsuccessful for the party claiming redress.

The following guidance notes were prepared by Geoff Farnsworth, Macpherson + Kelley, who provides legal assistance to the arbitration tribunals.

GTA DCT Contract needs to be expressly incorporated into the Contract

DCT is not an INCOTERM, so there is no accepted industry definition that can be used in the event of dispute, although the GTA Contract No.4 has gone some way to addressing this need. However, if you wish to use this form, it must be expressly incorporated by reference into your contract i.e. simply saying that the contract incorporates the GTA Trade Rules, or "all other terms as per GTA" will not be sufficient to incorporate the GTA Contract No. 4.

The DCT contract is not an export contract, though it is usually used in conjunction with a CFR/CIF contract, under which the (last) DCT Buyer is the CFR Seller. It needs to be emphasised that DCT and CFR contracts are not back-to-back. This can lead to problems when it comes to documentation, quality and claims.

Certificates

The DCT Buyer will need to be able to obtain from the DCT Seller any certificates they may need under their CFR contract. These may be specific to the intended country of import under the CFR contract, which may not be known or advised to the DCT Seller when the DCT contract is concluded. Therefore, DCT Sellers should be wary about entering into contracts that may require them to procure any certificate the buyer may need, at any time.

Security of payment & insolvency

DCT Contracts provide Sellers with no security for payment given that the bills of lading will be issued to the DCT Buyer (who has booked the freight). Once the containers are delivered to the terminal they are under the control of the DCT Buyer and the Seller has limited recourse in the event of non-payment, by which time the containers may well have left the country.

DCT Sellers should be aware of the remedy of "stoppage in transit", which may be available in the event of the insolvency of the DCT Buyer. If the shipping line still has custody of the containers it can be required to deliver them to the DCT Seller. This should be considered a last resort. Use of retention of title clauses may also protect the Seller's interests.

Quality at final destination

Quality issues will usually only become apparent when containers are opened at the ultimate destination. Under the DCT contract the Seller does not warrant that the goods will be sound when they arrive at destination, only when delivered at the container terminal and before export. Proof of damage at destination is not proof that the goods were damaged on delivery at the container terminal, particularly when there is some evidence from the packer that the grain was in sound contractual condition.

DCT Sellers can protect themselves from quality claims by keeping samples; obtaining quality certificates; and providing in the contract that "quality is final" on sealing containers or at load port against quality certificates. DCT Buyers can similarly protect themselves against quality claims by obtaining samples and quality certificates, preferably from an independent surveyor.

AUSTRALIAN BIOSECURITY AWARDS 2013

The 2013 Australian Biosecurity Awards, held on 5 March 2013, recognised individuals and organisations that have made a significant contribution to maintaining Australia's Biosecurity integrity across the continuum—offshore, at the border and onshore.

The Export Certification Reform Package is enhancing Australia's world-class export certification system. A valuable initiative for the Plant Export Sector is the implementation of the Authorised Officer model, allowing individuals from industry to participate in DAFF training and competency assessments to become Authorised Officers.

GrainCorp, CT Freight and Grenfell Commodities were recognised for their proactive uptake and early advocacy of the Authorised Officer model and the benefits that the model provides industry.



From left: Kylie Calhoun (DAFF), Trevor Mawhinney (Grenfell Commodities), Rita Mawhinney, Rona Mellor (DAFF) and Jenny Dunn (DAFF), as Trevor receives his award in Canberra.



Phillip Clamp and Jason Shanley (GrainCorp) receive their Australian Biosecurity Award 2013 in Canberra.

2013 Grain Photo Competition



2012 Winning entry by Roger Vater

GTA is looking for interesting photos with a strong focus on grain.

- The last date for entries is 19th July 2013.
- The top 10 entries will be selected and displayed at the Australian Grains Industry Conference in Melbourne

- The winning entry will be judged by attendees at the conference on Tuesday 30th July
- Prize is a \$500 Travel Voucher
- Winner will be announced between conferences on Wednesday 31st July

Conditions of entry

- Entries must be in .jpg format
- File size of each entry must not exceed 1mb
- Entries received after the closing date will not be considered
- Selection of Top 10 will be determined by GTA and the judges' decision is final
- All images remain the property of GTA and may be used in promotional material (with full attribution supplied where-ever possible)

NEW GTA MEMBERS

GTA would like to welcome to the membership the following organisations in the 2012/2013 financial year.

Applicant Name	Membership Category
Agman Group	Ordinary – Level C
Igrain.com.au Pty Ltd	Broker - Medium
Horizon Grain Brokers Pty Ltd	Broker - Medium
Commex International Pty Ltd	Ordinary – Level C
Pulse Association of the South East (PASE) Inc	Ordinary – Level C
SBA Law	Corporate - Medium
Cleveland Agriculture	Ordinary – Level C
Cobalt Commodities Pty Ltd	Ordinary – Level C
Harvestcheck Pty Ltd	Corporate - Small
Wimmera Mallee Commodities Pty Ltd	Ordinary – Level C
Whitty Produce	Ordinary – Level C
Link Brokering	Broker – Sole Operator
Brightcom Australia Pty Ltd	Broker - Medium

Grain Trade Australia Voyage Charter - AusGrain 2013

Grain Trade Australia (GTA) has developed a new voyage charter, AusGrain 2013. This voyage charter is now available for use by all GTA Members, and can be found on the GTA website www.graintrade.org.au/.

Prior to deregulation of the Australian wheat export market, AWB was the custodian of the Australian Wheat Charter (Austwheat), as endorsed by the Baltic and International Maritime Council (BIMCO). The most recent edition being Austwheat 1990 (amended 1991).

The Austwheat Charter had become one of the most commonly used charter forms in the Australian export grain trade, although in recent times it had become out of date and more difficult to find an unamended version.

GTA was asked to consider becoming the new custodian of the Austwheat charterparty and review the charterparty to bring it in line with the current market environment.

GTA coordinated the appointment of an Australian Grain Industry Charterparty Development Committee consisting of industry representatives with experience in export contracts and documentation. Geoff Farnsworth, Macpherson + Kelley Lawyers and a specialist in Maritime Law was appointed as the Chairman by the Committee.

The Committee comprised of;

Geoff Farnsworth	Chairman - Macpherson + Kelley
Rob Wilson	Glencore/Viterra Ltd
Ben Geneve	Co-operative Bulk Handling Ltd
Patrick Turner	GrainCorp Operations Ltd
Alister Boyd	Cargill Australia Ltd
Greg Burk	Glencore/Viterra Ltd
Hans Van Adrichem	GrainCorp Operations Ltd
Josh Taylor	Toepfer International (Aust) P/L
Michael Walsh	Cargill Australia Ltd

The Committee considered that changes to the existing Charterparties were necessary and met on several occasions to develop an appropriate draft document for initial consultation with shipowners and brokers.

The Committee released a first draft voyage charter for industry comment in September 2012 (Member Update 21 of 12) and again in February 2013 (Member Update 04 of 13), on both occasions, receiving a number of submissions which were considered by the Committee and implemented. These implementations were approved by the Commerce Committee on 17 April 2013, and latter indorsed by the GTA Board of Directors on 28 April 2012.

GTA Calendar of Upcoming Events

Date	Program	Event	Venue
19 July 2013	One day	Grain Accounting	Vic - Melbourne - Cliftons
29 July 2013	One day	GTA Advisory & Compliance Workshop	Vic - Melbourne - Crown Conference Centre
30 & 31 July 2013	Two days	Australian Grain Industry Conference	Vic - Melbourne - Crown Conference Centre
8 August 2013	One day	Trade Rules & Contracts	Vic - Melbourne - Cliftons
13 & 14 August 2013	Two days	Grain Standards	Vic - Melbourne - Cliftons
15 August 2013	One day	UGM	NSW - Sydney - Cliftons
20 & 21 August 2013	Two days	Grain Standards	QLD - Toowoomba - Cedar Centre
27 & 28 August 2013	Two days	Grain Standards	NSW - Wagga Wagga - Mercure
29 August 2013	One day	UGM	Vic - Melbourne - Cliftons
05 & 06 September 2013	Two days	Export Contracts & Documentation	Vic - Melbourne - Cliftons
10 September 2013	One day	Trade Rules & Contracts	NSW - Sydney - Cliftons
17 & 18 September 2013	Two days	Grain Standards	SA - Adelaide - Cliftons
19 & 20 September 2013	Two days	Grain Merchandising	Vic - Melbourne - Cliftons
24 & 25 September 2013	Two days	Grain Standards	WA - Perth - Cliftons
26 September 2013	One day	Grain Accounting	NSW - Sydney - Cliftons
16 & 17 October 2013	Two days	Grain Merchandising	NSW - Sydney - Cliftons
29 October 2013		GTA AGM	Melbourne
5 November 2013		Course Assessments	
12 November 2013		Course Assessments	
19 November 2013		Course Assessments	

GTA Professional Development Program

Grain Sampling and Testing Competency Standard

GTA has been working closely with AgriFood Skills Australia to develop and endorse a key unit of competency within the industry, identified as an important training requirement.

The unit – **AHCBC309A – Sample and Test Grain and Related Commodities** – has been developed through extensive industry consultation and is in the final stages of national endorsement.

Once endorsed, the unit will set the standard for accepted industry best practice for sampling and testing procedure/s for grain and related commodities. It will also be nationally recognised within the Vocational Education and Training (VET) Sector.

AgriFood Skills Australia will submit the unit of competency to the National Skills Standards Council (NSSC) for endorsement at its August meeting. Once endorsed, it will be available via <http://training.gov.au> for all of industry to access.

GTA will send out a Member Alert once the unit is endorsed.

GTA will continue to work with members who currently deliver in-house sampling and testing training to align their programs with the unit of competency to support best practice across the industry.

Diploma in Grain Management

GTA has also been working with AgriFood Skills Australia to obtain approval to develop a nationally recognised, industry designed "Diploma in Grain Management" and an associated Certificate IV, which would build on the Certificate in Professional Grain Trading (Grain Trade Australia).

The development of the Diploma will provide a post-farm gate career pathway, and assist in the attraction and retention of employees within the industry.

In the coming weeks, AgriFood Skills Australia will release a determination regarding the progression of the new qualifications. Development of the structure and content (units of competency) is expected around September, dependant on the decision by AgriFood Skills Australia.

GTA is seeking nominations from members who would like volunteer their industry expertise to assist in the development of the units of competency for the Diploma and Certificate IV. Please forward your name, contact details and your area/s of expertise to admin@graintrade.org.au.

Export Grain Container Forum

Grain Trade Australia held its first Grain Export Container Forum on 16th May, in Melbourne. The Forum attracted over 160 participants from all sectors of the supply chain.

Having already recognised a need, GTA has increased its support for members operating in this sector in a number of ways, from hosting this very successful Forum to chairing the recently completed AQIS Ministerial Task Force and developing specialist contracts for use by the container trade.

Containerised exports have been a major growth sector of the Australian grain industry. Wheat exports in containers have increased from 846,000 tonnes in 2007 to a staggering 2,232,000 tonnes in 2011. This represents an industry sector growth of 264% in just five [5] years.

Containerised wheat exports account for over 11% of all wheat exports, with consignments being placed in more than 42 countries, many of them first time users of Australian wheat.

This growth in export tonnage has not been without its challenges, from the logistics of obtaining food grade containers for both regional and metropolitan based packing facilities, to phytosanitary certification and contractual issues.

The Forum presenters on the day, industry experts in their field, covered all the major issues being encountered by this burgeoning export sector. All fifteen presentations were followed by the opportunity for questions, which stimulated open discussion from the floor.

This Grain Industry Export Container Forum enabled exporters, packers, shippers, government agencies and product & service providers with the opportunity to discuss the issues that matter, including;

- Container industry outlook
- Fumigation and documentation
- Container logistics
- Grain quality, hygiene and packing
- WHS
- Export certification process
- Market access
- GTA's role in the facilitation of container trading



Greg Winstanley of Patricks addresses Export Container Forum

During his opening address Mr John Orr, GTA Director and Chairman of the GTA Transport, Storage & Ports Committee, reaffirmed the need for industry to maintain integrity. He urged industry to supply customers with quality assurance certification, establish a knowledge of the importing countries Maximum Residue Limits (MRL), conduct residue testing before loading and, finally, utilise the National Residue Survey to benchmark their own testing regime.

All presentations from the day can be viewed on the GTA website. <http://www.graintrade.org.au/news/presentations>

RECENT AWARDS AT ARBITRATION

Summaries and full awards are on the GTA website

Arbitration 150

Date of Issue: February 2013

Claimant: Grain Buyer

&

Respondent: Grain Seller

Arbitration Committee (AC)

- Mr Gerard Langtry, nominated by the Claimant
- Mr Vern Ezy, nominated by GTA at the request of the Respondent
- Mr Leo Delahunty, Chairman appointed by GTA

Claim

- According to the Claimant, they (the Claimant) overpaid the Respondent and are entitled to financial rectification of the mistake.
- The Claimant claims rectification, and \$113,423.91 from the Respondents.

Award

1. The Claim was denied and the Claimant was responsible to pay the Respondent's Arbitration and legal fees.

Details

The Parties entered into a contract for the sale of wheat. The Confirmation sent to the seller and signed by both Parties clearly stated the price basing point was the local silo.

The Claimant, some months later, after the grain had been delivered and paid for, claimed the contract confirmation was wrong and the price basing point was a Port and hence the price at the country silo should have been the Port price less the GTA Location Differential.

In effect the Claimant claimed they overpaid the Respondent \$51 per tonne. The issue was picked up by the auditors.

Award findings

The AC found that:

- There is insufficient evidence to conclude that the Respondent's subjective intention was to sell their grain to the Claimant at A\$261 basis Track Newcastle.
- Even if they were convinced, they would have elected not to exercise our discretion to grant rectification due to the considerable time that has now elapsed.

"On the Claimant's evidence, the error was not discovered until on or about 19 June 2009. By that time the grain has been transferred and paid for. The error in this case was entirely that of the Claimant. It had numerous opportunities to detect its errors, but took at least 6 months to do so. That is too long, in our view."

Arbitration 157 & 158

Date of Issue: November 2011

Claimant: Commodity Buyer

&

Respondent: Commodity Seller

Arbitration Committee (AC)

- Mr Stuart Richardson, nominated by the Claimant;
- Mr Jack Fahey, nominated by the Respondent;
- Mr Graham Barron, Chairman appointed by GTA.

Claim

The Claimant's case is that on 31 August 2010, through oral and written communication between the parties and conduct of the Respondent, there was an agreement to vary the Contracts by extending the time for delivery.

Issues for determination:

1. Was the contract period for on farm pick up extended?
2. Who was in default, the Claimant Buyer or the Respondent Seller?

Award

Having considered the Submissions and for the reasons stated above, the Tribunal made the following Final Award:

1. The Claim is allowed.
2. The Respondent shall pay the Claimant the amount of \$119,000.00 immediately.
3. The Respondent shall pay the interest on the damages at the rate of 8.75% per annum from 28 September 2010.
4. The Respondent shall indemnify the Claimant in respect of any fees paid by the Claimant to GTA in relation to this arbitration.
5. The Respondent shall pay the Claimant's legal costs on a party and party basis. The parties are directed to attempt to settle costs between them within the next 14 days, failing which the costs shall be assessed by the Supreme Court of New South Wales in accordance with section 33B(5) of the Commercial Arbitration Act (NSW) 2010.

Details

The Tribunal consider that it would be unreasonable to hold that due to the weather conditions and the Claimant's limited opportunity to collect the grain during the month of August the agreement would not have been varied and extended. We maintain that it would be unjust to do otherwise.

The Respondent had an obligation to provide the Claimant with access to the grain. If the Respondent was aware of the wet conditions, the Respondent should have provided a force majeure notice to the Claimant prior to 31 August 2010 allowing them additional time in September to collect the grain.

Award findings

The AC found that:

- That the Respondent wrongfully cancelled the Contracts by calling the Claimant in default on 17 September 2010.
- That the Respondent is liable to indemnify the Claimant in the amount of \$119,000.00 for the non-delivery of grain pursuant to the Contracts.