

GRAINMatters



EDITION 37 – July 2019

DON'T MISS A SPECIAL GTA ADVISORY AND COMPLIANCE DAY 31ST JULY

It's not too late to register for the GTA Advisory and Compliance Day being held on 30th July 2019 in Melbourne.

We have a very topical program for 2019. GTA is looking in detail at some topics that have been important and relevant issues over the last year. Key topics will be:

- Managing Reputations (Years to build/ a day to kill!)- A practical workshop on Reputational Risk Management. Facilitated through small breakout groups, with a facilitator with expertise in this area.
- AFSL and Advisory risk and compliance issues and update; and
- Insolvencies (a little topical) – perspectives on credit risk management, lawyers (HFW) and Administrators (Grant Thornton) and grower's perspectives

[Click here for more details](#)



You can still register for AGIC 2019

Also of course don't forget AGIC 2019. If you have not registered there is still time, you can even register on the day. We have an exceptionally strong program in 2019, from keynote speakers from the USA, Ukraine, Indonesia, China and high-profile business and industry leaders. There will something of interest for everyone involved in the grain industry, and of course there is the AGIC Dinner, with some tickets still available.

[Click here for more details](#)



For more information and to register for any of the above events, call GTA on (02) 9235 2155 or email admin@graintrade.org.au or refer to our website www.graintrade.org.au

ARRANGEMENTS TO MANAGE THE IA-CEPA FEED GRAINS TARIFF RATE QUOTA

- GTA facilitated a government and industry discussion with approximately thirty participants, on 5 July 2019. The objective of this discussion was to discuss the most appropriate method and process to implement the Indonesian Feed Grains Tariff Rate Quota (Quota) that is part of the Australia and Indonesia Comprehensive Economic Partnership Agreement (IA-CEPA).
- The IA-CEPA will include the introduction of a volume quota on the export of Feed grains to Indonesia. Feed grains includes wheat, barley and sorghum. The initial Quota is for 500kt of Feed grains.
- The Australian Government Department of Agriculture (DA) is responsible for the management of the Quota and determining how the volume is allocated to Australian exporters.
- DA requested GTA to coordinate grain industry feedback on the three options DA had proposed.
- GTA consulted with members through [Member Update 17 of 19](#) Call for Submissions and through its technical committees/councils including the Trade & Market Access Committee (TMAC), Commerce Committee (CC) and Australian Grain Export Council (AGEC).
- Discussion at the teleconference resulted in general preference for management of the Quota to be on a First Come First Served basis against actual sales be considered. The details of these arrangements and the operational aspects are to be further reviewed by a GTA facilitated Industry Working Group of DA and industry representatives.

CONTAINER TRANSPORT INTERFACE COST RISE FROM 1 JULY 2019

- Commencing 1 July 2019 additional costs have been applied to transport operators transacting container slots with the two major Australian stevedore companies, DP World and Patrick Terminals.
- The cost rises are applied through the stevedore Vehicle Booking Systems and have risen 87.85% and 73.33% respectively. These increased cost follow increases in recent times in container stevedore's infrastructure charges
- It is probable the transport companies may pass these costs onto their customer base.

JUNEE RAIL SYMPOSIUM

- GTA CEO Pat O'Shannassy was the Keynote Speaker at a Rail Freight Symposium held in Junee in July 2019.



- The Symposium brought together technicians and industry leaders involved in bulk freight movements in Australia.
- Focusing on the importance of the 'first and last mile' of the freight movement, inland rail project and other key topics within the bulk freight market.
- Following on from the outcomes of the recent Grain Industry Logistics Conference Pat presented on the challenges of the grain supply chain and the potential for additional collaboration to improve capability of assets and operational processes.
- A key challenge discussed, was the continued importance rail has in the Australian grain supply chain and how the challenge can be supported by more innovative and collaborative arrangements.

A GUIDE TO GRAIN CONTRACTS AND INSOLVENCY INFORMATION

- GTA has recently completed a process to refine and update its suite of documents that assist Members and grain producers in relation to the contractual purchase or sale of grain.
- The documents include a summary guide – ‘A Guide to Taking Out Grain Contracts’ and five Grain Contract Fact Sheets including two new Fact sheets:
 - No. 14 A Guide to a Contract ‘Washout’; and
 - No. 15 Managing Counterparty Insolvency.
- Existing Grain Contract Fact Sheets that have been updated include:
 - No. 03 Managing Counterparty Risk;
 - No. 07 A Guide to Selling Grain using Grain Contracts; and
 - No. 08 Dispute Resolution

These were updated and released to coincide with the 2019 GTA Advisory and Compliance Day held in Melbourne on Tuesday 30 July 2019 and are part of the package of information available on the GTA website that can assist members and growers on contractual issues including insolvencies.

[Click here to access new Fact Sheets](#)



NZ IMPORT REQUIREMENTS

- GTA has recently provided a Submission on behalf of grain industry participants to the New Zealand Ministry of Primary Industries (MPI). This Submission was in relation to existing provisions in the – Grains/Seeds for Consumption, Feed or Processing import health standard (Standard).
- On behalf of its members, GTA respectfully requested consideration to modify the size of the sample required to be tested for weed seeds for NZ imports.
- This current requirement under the Standard requires a laboratory test of a five (5) Kg sample. Testing of a sample of this size (based on advice from several ISTA laboratories) is estimated to be on average over \$500 per sample.
- The Submission noted that given a large percentage of grain shipped to New Zealand is by 20-foot container in small consignments the sampling fee associated with the MPI testing can be a substantive cost that must be considered in the sale price. The sampling regime is also a time consideration for GTA members as the time to test a 5 kg sample and to count all the contaminants may extend to a full week of laboratory time.
- A further point raised was to point out that given samples are collected as containers are loaded, they therefore must be held in the shipping terminal until the sampling process, and subsequent provision of Sampling Certificate/Weed Seed Analysis Certificate and the phytosanitary certificate is completed. This results in further cost to the exporter through lengthy delays and can result in serious impacts on the efficiency of the supply chain during peak shipping periods.
- GTA recommended MPI consider for the common grains imported into New Zealand for processing a change in the Standard to align directly with ISTA rules for purity as per *ISTA Table 2A Part 1. Lot sizes and sample sizes: agricultural and vegetable seeds.*