

GRAINMatters



EDITION 49, August 2020

UPCOMING EVENTS

2 SEPT	UGM WORKSHOP
9 SEPT	TRADE RULES WORKSHOP
16 SEPT	GRAIN STANDARDS WORKSHOP
14 OCT	NWPGP CONFERENCE

COVID-19

GTA have established a COVID-19 page on our website, as information source for Members.

In response to member demand, GTA has set up COVID-19 Safety Guidelines.

[Access COVID-19 page here](#)

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VIRTUAL LEARNINGS AND 21ST CELEBRATIONS

- The Australian and Asian grain industry has come together during an information-packed period with its annual conferences **AGIC 2020 LIVE on 30th July 2020, AGIC Asia LIVE on 29th July 2020.**
- It was the first time the Australian Grains Industry Conferences (AGIC) were held exclusively online – yet the change-up to this year’s format did little to dampen the industry enthusiasm and inspiration that delegates have come to know and expect.
- Importantly the AGIC tradition lived on through the pandemic. This was the special event as the 21st year of bringing the grain industry together through AGIC.
- Like previous years, the premier event on the grain industry calendar offered up an impressive line-up of local and international industry experts to provide delegates with the latest insights, learnings and opportunities.
- The impressive line-up of keynote speakers from USA, France, India, UK, Hong Kong, Singapore and Australia who focused on this year’s theme of resilience and reinvention, included:
 1. **The Hon. Alexander Downer AC**, retired Minister for Foreign Affairs and former Australian High Commissioner to the United Kingdom
 2. **The Hon. David Littleproud**, Minister for Agriculture, Drought and Emergency Management
 3. **The Hon Sen. Simon Birmingham**, Minister for Trade, Tourism and Investment
 4. **The Hon. Barry O’Farrell AO**, former Premier of New South Wales and current-day Australian High Commissioner to India
 5. **Richard Yetsenga**, Chief Economist at ANZ
 6. **Alison Watkins**, Group Managing Director, Coca-Cola Amatil
 7. **Richard Crump**, Managing Partner, HFW Singapore
- Delegates tuned in both from across the country and internationally, keen to connect with colleagues, potential customers and suppliers.
- Feedback was positive with a comment from Nick Goddard, CEO of Pulse Australia and Australian Oilseed Federation - “the conference today- dare I say, probably the best I have attended in 11 years! Outstanding speakers and just about the right balance between ‘grain’ topics and broader ‘economic, trade and social issues”.
- “Happy 21st Birthday to AGIC”

VIC PORTS REFORM—ESCALATION OF STEVEDORE INFRASTRUCTURE CHARGES

- The competitiveness of the container supply chain for grain is being challenged as a result of escalating stevedore infrastructure charges.
- The ACCC's latest Container stevedore monitoring report indicates stevedore infrastructure charges increased by 63% from the 2017-2018 report through to the 2018-2019 report. The recent announcement by the Victorian stevedoring company (VICT) of further increase in Infrastructure Surcharges taking the charge to a benchmark \$131.03 applicable to all export containers is not of assisting Australia's competitive position. At the time of release of the 2018-2019 ACCC Container stevedore monitoring report the VICT infrastructure charge was at \$85 per container
- This increased cost applied to a container (that will hold approximately 24 tonne of grain) equates to a per tonne cost of \$5.46 or 4% of the total production cost of a tonne of grain.
- This type of price activity has led to an Independent Review of the Victorian Ports System formally launched by the Minister for Ports and Freight, the Hon. Melissa Horne, at a Ports Round Table event on 30 January 2020. [A Discussion Paper](#) has been released in July with a number of recommendations.
- **The outcome of this review has implications for all Australian Ports and will form the base for similar discussion at other Australian ports.**
- AGEC and GTA prepared a [Submission](#) and will continue to engage and advocate on behalf of Members.

EMPTY CONTAINER PARKS

- Another component of the container supply chain that is also impacting the cost of container exports is the Empty Container Parks. ECPs perform the role of providing a storage buffer and a container maintenance and repair service for shipping lines.
- ECP revenue has been coming under pressure of late with shipping lines negotiating hard to reduce cost. This places pressure on the ECPs to maintain viable. Container Transport Alliance Australia (CTAA) in a recent article stated *"ECP revenue from shipping lines for empty container services was circa \$120 per container. Today ECP revenue is estimated to be closer to \$80 per container"*.
- Consequently, ECP fees to transport companies that deliver and pick up empty containers are rapidly increasing. CTAA figures indicate that prior to January 2019, *"ECP fees to transport operators ranged between \$11 to \$20 per truck notification. ECP fees are now as high as \$65 per notification an increase in the range of 268% to 590% per truck notification"*.

HVNL—GROSS WEIGHTS OR COMPLIANCE WITH AXLE GROUP MASS LIMITS

- There is significant risk of unintended consequences, specifically higher freight costs with little to no safety benefit for the national grain industry. This is a result of recent Heavy Vehicle National Law (HVNL) compliance activity relating to the enforcement of axle group mass limits on grain trucks in Queensland and South Australia. This has potential for subsequent changes to grain-loading protocols nationwide.
- In 2019 and 2020, a number of grain trucks departing GrainCorp's port terminal in Brisbane were found by Transport & Main Roads (QLD) (as a result of road side stops) to have incurred a small number of individual axle group limit breaches (however noting the 'overall gross limits' were all within limits and a number of axles groups were actually under).
- GrainCorp was issued with an **Improvement Notice** which would require GrainCorp to "under-load" all its grain vehicles to meet individual axle group mass limits. GrainCorp has been successful in obtaining a **"Stay" on the implementation of the Improvement Notice** until the outcome of the Appeal process.
- **HVNL mass limits – grain truck loading** - The Australian grain industry is generally effective in ensuring gross combination mass limits on trucks are not exceeded. However, distribution of loads within grain truck trailers is a more complex task, as most grain handler weighbridges do not have the capability to reliably measure individual axle group weights to the accuracy required.
- Grains fluid dynamics means that unlike almost any other cargo carried by road, distribution of loads can change quickly, even after the vehicle has left the loading site.
- In the HVNL enforcement incidents referred to above, the vehicles were in compliance with the gross mass combination limits but allegedly exceeded the individual axle group mass limits. If HVNL regulations continue to be enforced in this manner, grain handlers will face a choice between either:
 1. costly upgrades to weighbridge infrastructure and operational processes; or
 2. underloading all grain trucks by ~10%.
- There is a significant capital cost in upgrading existing grain weighbridges (i.e. the large majority across the industry) that were built to comply with legacy gross combination mass standards to allow them to measure axle groups. Designing new, or upgrade existing weighbridges capable to effectively weigh the numerous (>100) combinations of grain truck variants is problematic.
- Similarly, underloading of grain trucks by ~10% is not guaranteed to ensure compliance risk as grain, being fluid may load-shift and lead to breaches.
- GrainCorp recently initiated industry meetings to raise awareness, provide information, and to seek a common approach to this issue. GTA's Transport Storage & Ports Committee will engage on this issue for the post farm gate discussion, direction and communication.
- Further information will be provided as it comes to hand. If you wish to discuss this or provide any input please contact GTA Operations Manager – Tim Ross at tim.ross@graintrade.org.au.

CHINA—AUSTRALIA FREE TRADE AGREEMENT

- The China-Australia Free Trade Agreement (ChAFTA) entered into force on 20 December 2015. The Department of Foreign Affairs & Trade are conducting a scheduled 5-year review of ChAFTA.
- GTA, through its Trade Market and Access Committee has discussed and prepared a Submission into the ChAFTA review. The key points in the submission include:
 1. In-principle broad support for trade agreements and rules-based approach to trade.
 2. Disappointment on China barley AD issues
 3. Continued push for improved technical market access
 4. Continued work on reducing NTMs
 5. Focus on increasing value and efficiency for industry through other policies as well as trade.
- GTA's submission into the review process can be found on the GTA Submissions page [here](#)

MODERNISING THE GRAIN SUPPLY CHAIN

- GTA's primary focus is to facilitate trade. GTA works to proactively engage with governments and like-minded industry associations and groups seeking alignment of objectives to break down barriers and to create value for all.
- The Australian grain sector has been a consistent provider of productivity increases to the Australian economy with the industry, and its ancillary suppliers and service providers, being substantial employers, from the farm gate through to end point consumption, and particularly in rural and regional Australia.
- This means investment and efficiency growth across the Australian grain value chain, along with market diversification, will be crucial to maintain a competitive position in both export and domestic markets.
- To support its members, GTA has recently released a comprehensive strategy document to drive the industry forward from the worst drought in living memory, through the COVID-19 Pandemic through to 2030. This innovative growth and investment strategy document for the Australian grain supply chain is aimed at leveraging aligned strategic policy and commercial objectives with government and industry.



MODERNISING THE GRAIN SUPPLY CHAIN CONT.

- The strategy - **Modernising the grain supply chain – from Drought, through COVID-19 to 2030** has been prepared by GTA and its member driven Technical Committees on behalf of its members and will:

1. Support Australian supply chain initiatives to improve the competitiveness of the Australian Grain Industry.
2. Provide context, structure and to focus the strategic value associated industry driven collaborative projects with Government and other strategic partners.



- Focus on the supply chain and investment in industry is critical to remain competitive into the future and to capture the benefits and to deliver economic growth for Australia. This is especially the case given:
 1. 30-35% of a grower's total cost is supply chain cost;
 2. The quality advantage for Australian grain is under pressure as processors and consumers increase their efficiency and utilisation of grain from alternative and cheaper origins.
- The outcome of the strategy will be a more sustainable, efficient and globally competitive Australian grain supply chain, improving value for all supply chain participants. GTA is promoting this strategy and is engaging with industry participants and government seeking to align and build support.
- Further information please contact GTA CEO- Pat O'Shannassy at pat.oshannassy@graintrade.org.au

EAST COAST AND SOUTH AUSTRALIA LOCATION DIFFERENTIAL REVIEW

- The GTA Commerce Committee recently endorsed a review into the east coast and Sth Australia Location Differential (LD) undertaken during 2019/2020. The purpose of the Review was to establish and confirm these LDs are appropriate, valid, and supported by documented procedures.
- A Commerce Sub-Committee (S/C) was formed to complete the 2020 Review. The Sub-Committee formally met on four occasions as well as engaging in email discussion. As a part of the process the Sub-Committee reviewed the history of the LD process, the methodology and the statistical models utilised to establish the LDs. The S/C also reviewed any individual LD values considered as inconsistencies or outliers.
- The review indicated that for the EC sites there were no overly large variance where site LDs are too high or too low for any site, and the number of variances is not great and often at sites that are no longer operatable.

- Analysis of the current SA LDs (Viterra export select rates) was also undertaken. In Sth Australia it was acknowledged given the dominant export market (and the existing scale of Viterra) it is logical to consider the Viterra freight service Export Select as the base for LDs, and setting up separate LDs would create a mismatch between LDs and execution costs (which is an issue that can has been raised as a concern or frustration with EC LDs).
- Discussion amongst the Sub-Committee acknowledged new export assets are being added in SA and this may support change in the future. However, it was agreed there is no ground swell of support to change in the near term and it was agreed to continue with the existing methodology of setting the SA LDs.

KHAPRA BEETLE

- The pest Khapra Beetle was recently detected on cargo bound for Australia. The global spread of khapra beetle is increasing and it is being detected on a wide range of plant products and as a hitchhiker pest on containers, from places where khapra beetle is not known to occur. **For this reason, the Department of Agriculture, Water & the Environment (DAWE) believes that the biosecurity requirements need to be expanded and strengthened to prevent a khapra beetle incursion.**
- Within the next two months DAWE will implement urgent actions to address the risk of khapra beetle (*Trogoderma granarium*) entering Australia.
- Khapra beetle is Australia's number two National Priority Plant Pest (No. 1. Is the plant pathogen *Xylella Fastidiosa*). It is a significant threat to Australian plant industries, including the grain export industry.
- Information on the urgent actions, including the affected commodities, can be found in the Biosecurity Import Conditions system (BICON) alert: <https://bicon.agriculture.gov.au/BiconWeb4.0/ViewElement/Element/Alert?elementPk=1361988>



GRAIN SUSTABILITY FRAMEWORK

- Grain Growers limited (GGL) is undertaking a project to develop a grain sustainability framework in partnership with the Australian grain industry, its customers and farming communities. They have called this initiative Behind Australian Grain.
- GTA has representation on the Steering Committee together with GPA, GRDC and AEGIC
- This project will assess the economic, social and environmental sustainability challenges for the grain industry and seek to identify sustainability goals for the future.
- The framework will encompass the environmental, social, and economic impacts that the grains industry has on its stakeholders throughout the value chain, the communities in which it operates, and society at large.
- GGL have released the [Insights Report](#) on 9 September 2019. Stage 2 has now commenced and will run from July to December 2020 to develop baseline measures, indicators and targets. A Working Group made up of representatives of the organisations has been formed.
- The Working Group is looking to establish a **shared agreement and understanding of how indicators and targets will be selected.**
- The team is now focused on providing suggested indicators for the goals relevant to each organisation and each area of the supply chain. These indicators will be used to develop targets, and measures. These measures will be tracked to a base-line year.
- GTA as a member of the Steering Group will review and consider recommendations of the working group and agree baseline measures, indicators and targets for the industry's sustainability to achieve over the next decade.

INDIA—A DIFFICULT MARKET OR A GOLDEN OPPORTUNITY

- India, for those who have traded grain into it, may agree it can a challenging market for the trade of grain.
- However, through perseverance and a lot of good work it is recognised there has been recent and tangible improvements in market access and reduced trade barriers for Australian grain exported to India.
- This is good news and good timing given, the recent China anti-dumping and countervailing duties tariffs. This has resulted in renewed calls to develop other markets including India for barley.

INDIA—A DIFFICULT MARKET OR A GOLDEN OPPORTUNITY Continued

- One initiative arising from an improved strategic relationship between India and Australia is an Indian-Australian Strategic Grains Partnership. This Government strategy is to leverage the Comprehensive Strategic Partnership (CSP). The CSP between India and Australia is:
 - based on mutual understanding, trust, common interests and the shared values of democracy and rule of law.
 - It reflects India and Australia's strong commitment to practical global cooperation to address major challenges like COVID-19.
 - It is in line with India's increasing engagement in the Indo-Pacific region through its Indo-Pacific vision and Australia's Indo-Pacific approach and its Pacific Step-Up for the South Pacific.
- The Department of Agriculture, Water and the Environment (DAWE) are engaging with industry on priorities for the Indian market. GTA and other industry participants met recently with DAWE to progress discussions and to determine actions. Some of the planned actions include:
 - Commission of a study on Indian agriculture reforms and opportunities for Australian businesses.
 - Engaging with the Indian government.
 - Raising India awareness of Australian grain; and
 - Business to Business initiatives
- From small beginnings it is hoped the market into India for Australian grain will develop further and grow into a substantial and recurring market.

A WEIGHTY BOOK

- A comprehensive Truck Book has been developed to help industry participants ensure that grain trucks are loaded within legal mass limits reducing the public risks from excessively loaded or excessively large heavy vehicles on our roads.
- Derek Robjohns, Logistics and Supply Chain Manager Viterra, and chair of the Grain Trade Safety Network (GTSN), said *"The Truck Book is a tremendous effort by its members and will be a great tool for the industry."*
- The purpose of the GTSN Truck Book is to guide loaders and unloaders, transport operators and drivers to accurately identify the mass requirements applying to bulk grain trucks. There are 84 truck types identified in the Truck Book plus a wealth of technical information to guide users. A copy of the GTSN Truck Book can be freely downloaded from the [GTSN website](#)

POTENTIAL IMPACT ON GRAIN FUMIGATION PROCESSES

- An Industry Advice Notice (IAN) ([here](#)) has been released by DAWE to seek industry comments on the proposal to standardise the fumigation biosecurity treatments across imports and exports. Initially it will focus on methyl bromide.
- This process is expected to eventually include all biosecurity treatments including phosphine, inert gases/atmospheres etc. and will seek to standardise a range of procedural issues relating to treatment of goods for import and export using methyl bromide.
- The proposal is expected to include a range of future endeavors outlining best practice, for example, the requirement to have electronic monitoring of treatments throughout the course of the treatment period to ensure required rates are met for the full treatment period.
- As this IAN proposal has the potential to impact on a wide range of industry fumigators and stakeholders relying on those quarantine treatments, **we urge you to have your say by completing the survey (30 minutes) that is included as a link in the IAN by the due date of 11 September 2020.**

UPCOMING EVENTS

14 OCTOBER 2020

More information—visit [Conference website](#)

[REGISTER HERE](#)

[SPONSORSHIP PROSPECTUS](#)

AUSTRALIAN GRAIN STORAGE & PROTECTION CONFERENCE

MEETING MARKET REQUIREMENTS

BROUGHT TO YOU BY THE NATIONAL WORKING PARTY ON GRAIN PROTECTION (NWPGP)



VIRTUAL EVENT
14 OCTOBER 2020



[PUBLICATIONS—ORDER HERE](#)

- Visual Recognition Standards Guide
- Seed Impurities of Grain Identification Guide





TRAINING & DEVELOPMENT PROGRAM

WEBINARS



- GTA Members are reminded that GTA training courses are operating during this period as on-line training. This provides an opportunity for GTA Members and staff to attend on-line training that may have found difficult to attend in the past.
- On-Line training provides more flexibility and saves on participants time ,budget including travel costs. As a result, GTA is seeing strong numbers attending training and have noticed a strong increase of participants based in regional locations.
- GTA Members are encouraged to consider the advantages of on-line training as an option for staff that normally would not have the opportunity to travel to attend traditional face to face training.

[REGISTER HERE](#)

UPCOMING WORKSHOPS:

2 September—Understanding Grain Markets

9 September—Trade Rules & Contracts

16 September—Grain Trading Standards

21 October—Grain Accounting

28-29 October—Grain Merchandising

If you wish to arrange "in-house" training on a day that suits you and your team, please email admin@graintrade.org.au or

call Julia O'Keeffe 0449 038 330