

GRAINMatters



EDITION 86—JUNE 2024

UPCOMING EVENTS

- [Arbitrator Training— 11 July 2024](#)
- [Advisory & Compliance Day—18 July 2024](#)
- [AGIC Australia 31 July—1 August 2024](#)

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GTA's Board recently held its **May face-to-face Board meeting** and a Member Function in Perth. This was well supported by our WA members and provided a great opportunity for members to meet and discuss industry matters with the Board and GTA management. Discussion included the recent announcement by GTA of the formal registration of certain grain grade classifications under the GTA Trading Standards as 'Certification Trade Marks'. As explained in [GTA Member Update 4 of 24](#) this is a step forward to protect the integrity and reputation of the industry and the trading standards. GTA members will be issued an "Approved User" status, which means they and their customers, including growers, will effectively see no practical change in the way they trade grain, providing they adhere to the trade mark "Rules", which protect against the mis-use of the trademarks.

While I am talking about functions, I am pleased to announce a new initiative and **function that will be held at AGIC in Melbourne in 2024**. This will be a special networking function on the evening of Tuesday 30th July for all the 'five under thirty' participants and any other 'under 30s' that work for GTA members to engage and network amongst themselves, as well as with GTA Technical Committee members and GTA Board members. Arrangements are being finalised and invitations will be forthcoming!

China remains our industry's largest export destination. While there may be challenges at times with the market, such as the **China** barley tariffs and phyto-sanitary issues with the exporting of Canola into China, the GTA Board has asked management to consider strategies to strengthen the ties between Australia and China. We have a strong history in working together and management has focussed on leveraging that relationship and to improve and strengthen this important trade relationship.



GTA is working with industry partners and with Government to promote this important relationship, and developing an **Australia China Strategic Grain Partnership**. Regional and global cooperation, collaboration in agricultural research, education, development and capacity building has been a feature of the Australia China relationship and an *Australia China Strategic Grain Partnership* will continue to build on the mutually beneficial agriculture relationship through sharing the benefits of scientific research and the development and strengthening supply chains.

A partnership approach will assist to highlight the importance of mutually beneficial trade to achieve, and support expanded trade and investment flows to the benefit of both economies. This approach would be boosted with Australian Government support to develop high-level dialogue with China. GTA will promote and continue to work towards this objective to ensure **greater certainty and predictability in trade with China**.

GOYDER'S LINE CONTINUED



Also fantastic to see some rainfall in the growing regions over the last few weeks. While the falls were not as high as anticipated, it is much needed and hopefully more falls will continue through the growing season.

Yours sincerely,

Andrew Goyder
Chair—Grain Trade Australia

WTO AMBASSADOR MEETING

The GTA CEO met with the incoming Australian Ambassador to the World Trade Organisation (WTO), James Baxter, as part of his pre-posting consultations. Mr Baxter is an experienced Department of Foreign Affairs and Trade (DFAT) trade expert, and has a good understanding of agricultural trade issues, including grain specific ones. As Mr Baxter noted, grain trade issues are complex and prominent in the WTO, particularly with the elevation of concerns around Global Food Security.

GTA has a good working relationship with the DFAT Embassy to the WTO and this will continue, particularly with the link between International Grain Trade Coalition (IGTC) and the breadth of stakeholders and networks around facilitating trade.

ALIGNMENT TO UN SUSTAINABILITY GOALS

The world's dynamic climate, political and population situation places a sharp focus on agriculture and its social licence. In response, driving efficiency and sustainability in the grain value chain is both an ongoing challenge and opportunity for GTA members and industry participants.

Sustainable grain production has a key role in meeting global feed and food needs with the UN predicting the world's population to reach 9.8 billion by 2050. This will require an increase of 70% in food availability in the countries where it is needed along with new trade frameworks to facilitate supply.

GTA, to assist members produced [Australia's Grain Supply Chain and its Environmental, Social & Governance Credentials](#) (first published in 2022)



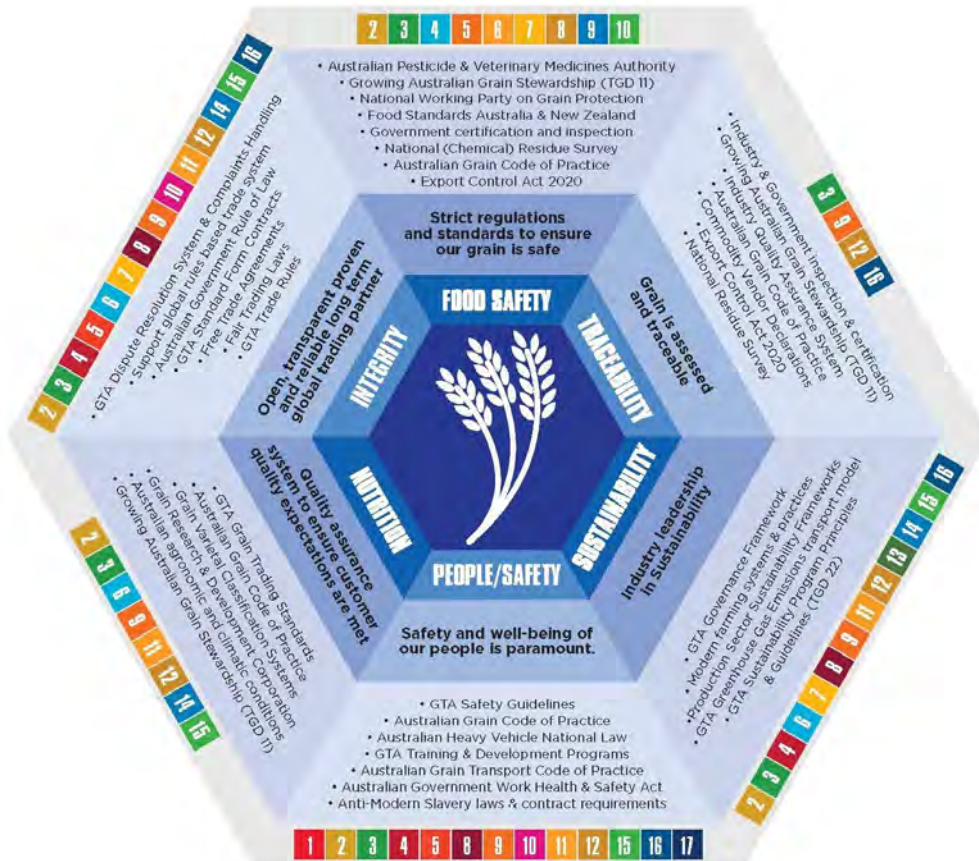
The next step in the ESG journey is to consider the **United Nations Sustainability Development Goals** and the alignment of the GTA ESG credentials to these 17 Goals.

The UN [Sustainable Development](#) Goals are a call for action by all countries – poor, rich and middle-income – to promote prosperity while protecting the planet. They recognize that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection.

GTA has performed a review and produced a summary chart that outlines how the Australian Grain Industry is meeting the Un Sustainability Goals [Chart](#)

ALIGNMENT TO UN SUSTAINABILITY GOALS CONTINUED

AUSTRALIAN GRAIN INDUSTRY Safe, Secure, Reliable, Sustainable



UN Goals



No matter where your company is on its ESG journey please consider this work and feel free to use it and the ESG Credentials in promoting Australian agriculture to international customers.

GTA has also published [TGD 22 – Sustainability Program Principles and Guidelines](#) and GHG Emission model for

GTA Location Differentials to further assist members.



Australian Government
Department of Agriculture,
Fisheries and Forestry



National Residue Survey 2022–23

Grains

The National Residue Survey (NRS) is a vital part of the Australian system for managing the risk of chemical residues and environmental contaminants in Australian grain products. The NRS supports Australia's primary producers and agricultural industries by confirming Australia's status as a producer of clean food and facilitating access to domestic and export markets.

The NRS was established by the Australian Government in the early 1960s following concerns about pesticide residues in exported meat. The core work of the NRS is to facilitate the testing of animal and plant products for pesticide and veterinary medicine residues, and environmental contaminants. **Product testing is done through either random or specifically designed sampling protocols.**

The NRS has released its 2024/2025 Chemical Residue Monitoring Program. The key changes / takeaways from the 2024/2025 program include:

- Increased focus on export sampling
- Additional testing for herbicides in barley, canola, oats and chickpeas.

The Grain Residue Testing Program is divided into three parts:

Samples Assessed Annually	
Bulk Export	3500 Samples
Containers	1500 Samples
Domestic	1000 Samples

Australia agricultural industries seek to verify good agricultural practice (GAP) around the use of pesticides and veterinary medicines via national residue monitoring programs. High levels of compliance with Australian and international food standards help Australian agricultural industries to gain a commercial advantage from marketing **'clean and green' produce.**

The grain industry has a long history of supporting the NRS programs. The grain industry uses the NRS on a voluntary basis in order to demonstrate compliance with state food safety obligations and/or importing country requirements.

GTA members should be participating in the NRS, as noted in the GTA Australian grain industry Code of Practice. This is important to protect the reputation of our industry, and the best bit is it is free!

AGRICULTURAL COUNSELLOR PROGRAMS

The Department of Agriculture Fisheries and Forestry (DAFF) has a team of 20 agriculture counsellors based around the world in key trade locations to “promote Australia’s agricultural interests, and help our agricultural sector grow”.

The counsellors are tasked to:

- explore and develop new market openings for Australian farmers and exporters
- maintain existing market access
- improve technical market access
- provide market intelligence
- manage sensitive policy issues
- represent Australia at meetings and negotiations; and
- resolve issues when Australian agricultural goods arrive at their foreign destination.

GTA participated in the Industry and DAFF Overseas Counsellor “Recall” meeting in Canberra on 14 May 2024.

A full recall of the counsellor network had not occurred since 2019 and thus, it was a good opportunity to get an update from all markets and to meet counsellors in person especially those who GTA had not met face to face previously.

The meeting was interactive with the opportunity to connect with counsellors to discuss current and emerging issues. It also provided an opportunity to identify how industry and Government can work better together in export markets and in multilateral forums.

The day included presentations from DAFF Secretary Adam Fennessy, Special Representative for Australian Agriculture, Su McCluskey and ABARES, followed by interactive sessions with the Counsellors.

The key issues identified by the speakers focused around:

- Food security
- Sustainability
- Global standards
- Future trade agreements and NTMs
- Australia’s bid to host COP31

The meeting was very useful to get updates from key markets such as Indonesia, China and India as well as emerging markets such as Mexico and South America. It provided another opportunity for engage particularly with China and India Counsellors on the strategic grain partnership initiatives.

GTA along with many other industry groups reaffirmed the importance of the Counsellor network and Government funding to support this.

INQUIRY INTO THE ROLE OF AUSTRALIAN AGRICULTURE IN SOUTHEAST ASIA (SEA) MARKETS

The House of Representatives Standing Committee on Agriculture is undertaking a review of the report by Mr Nicholas Moore AO on *Australia's Southeast Asia Economic Strategy to 2040*.

GTA is broadly supportive of the principles and recommendations contained in the report. The approach to raise awareness, remove blockages, build capability, and deepen investments and partnerships is an approach that allows for pragmatic applications and has been successfully utilised by the grain industry and other industries over time.

GTA's view has focussed on opportunities for feed grains in SEA and trade barriers such as Non- Tariff Measures (NTMs). This is captured in a GTA [Submission](#)

GTA's positions are summarised in the table below:

Table 1 – Summary of GTA Positions

Position	Recommendation
“Practical” Government Programs	<p>Government strategies should be targeting “front line” programs with industry involvement in the design and program application.</p> <p>Focus on practical outcomes for importing economies and their consumers as well as Australian producers.</p>
Funding Programs for improved outcomes	<p>GTA and its members support additional Government funding to assist in multi-level engagement with SEA countries (i.e. at both regional and bi-lateral government, industry and customer levels) to develop and improve capability and regulatory coherence through joint programs.</p>
Growth focus, Complement vs Compete	<p>Australian grains are critical to SEA regional food security and subsequent political stability necessary for investment and growth.</p> <p>Position Australia as a mutually beneficial trade partner, to complement – vs compete - with local production to meet increased food demand.</p> <p>Australian grains, particularly wheat, barley and sorghum, offer a consistent source of feed grain for stockfeed manufacturing (value-adding) sectors in several SEA countries.</p> <p>Promotion of Australian grains supports SEA regional and sovereign goals of food security and increase in the value-added sectors.</p>
Focus on a Strategic Partnership Approach	<p>GTA supports a strategic partnership approach to build capability and strengthen trade relationships.</p>
ESG & Sustainable value chain	<p>Promote Australian sustainability and the grain value chain's strong credentials in Environment, Social and Governance (ESG) in food safety, traceability, sustainability, environment, people & safety, nutritional quality and system integrity.</p>
Risk based / Market-orientated Approach	<p>Focus on addressing distorting trade barriers, both in terms of tariffs, political interference, and Non-Tariff Measures (NTMs).</p> <p>Begin a process of addressing SEA domestic politically focused barriers to trade that are increasing costs and risks to trade, impacting consumers and producers, value adding opportunities, and simultaneously increasing sovereign food security risks.</p> <p>More timely release of Australian Bureau of Statistics (ABS) market information to improve market efficiency and trade facilitation.</p>

GRAIN EXECUTION & RISK MANAGEMENT WORKSHOP

GTA recently held its Grain Execution & Risk Management Workshop in Melbourne over 2 days in June 2024. The focus of the training was to assist participants to understand the risks and the complexities of exporting grain and completing all the required financial and international trade documentation.

The 18 in-person attendees and the 6 on-line participants heard from 11 presenters across the two days who provided their experience and real-life stories of issues and challenges in the grain supply chain. There was a wide range of topics including:

- the steps and risks in the bulk and the container supply chain;
- Government and import country phytosanitary requirements;
- Managing and executing the contract, the documentation process, Bills of Lading and Letters of Credit;
- and sampling testing and certification requirements.

Course participants enjoyed networking drinks at the end of Day 1 courtesy of Holding Redlich.

GTA members are reminded that GTA also provides on-line training modules available on the GTA website.

Courses include:

On Line Training Module	Description
<p><u>Grain Sampler Training</u> <u>How to take a representative grain sample</u></p>	<p>Grain Sampling Training</p>  <p>The graphic features a white truck with a grain auger at a port. Text on the right reads: 'FREE GRAIN SAMPLING TRAINING ONLINE TRAINING MODULE' and 'GRAIN TRADE AUSTRALIA' with the logo.</p>
<p><u>Practical Steps to Chain of Responsibility</u></p>	 <p>The graphic shows the GTA logo and the text 'Chain of Responsibility. Are you complacent or compliant?'. Below are five icons representing: Farmers, Grain Buyers & Brokers, Freight Providers, Storage & Handlers, and End Users.</p>

SOUTH AUSTRALIAN AGRICULTURAL LEVIES

The South Australian Government confirmed changes to the **SA Grain Industry Funds** with changes to take effect 1 July 2024.

Background:

- South Australia's grain industry has access to funds for projects, services and research through the 2 grain industry funds that are established under the Primary Industry Funding Schemes Act 1998.
- The Act applies to cereals, coarse grains, oilseeds and pulses.
- When grain is sold, the purchaser is required to deduct specific amounts from the proceeds of the sale of all grain purchased towards the Grain Industry Fund

Funds impacted by the change

1. **Grain Industry Fund** that finances the state's peak body, Grain Producers South Australia.
2. **Grains Industry Research and Development Fund** administered by the South Australian Grain Industry Trust (SAGIT). SAGIT manage research across all aspects of the grain industry:
 - growing,
 - harvesting,
 - storage,
 - processing and
 - marketing.

Fund	Current Levy	New Levy from 1 July 2024
Grain Industry Fund	20 cents per tonne from the proceeds of sale of all grain purchased Remitted monthly	0.1 % of farm gate value Remitted quarterly
Grain Industry Research and Development Fund.	30 cents per tonne from the proceeds of sale of all grain purchased Remitted monthly	0.12 % of farm gate value Remitted quarterly

These new arrangements apply to all grain sold after 1 July 2024.

GOVERNMENT COST RECOVERY FEES IMPOSED ON EXPORTERS

DAFF recovery costs from industry through export charges applied to each tonne exported and for the provision of discrete department services. The budgetary process and the charging structures are outlined in the export Cost Recovery Statements (CRIS).

In the last year grain exporters, ie GTA members, have paid over \$14m as export cost recovery fees to contribute to DAFFs costs.

The principle of 'cost recovery' for DAFF is:

- It must be cost transparent and provide a cost-effective service; and
- The moneys collected must be used for the sector that provided the fees.

The grain industry accepted this form of regulatory charges on the basis that DAFF (i.e. Government) should **be accountable to industry for the efficient use of these funds** and the funds should only be utilised for the purpose on which they are collected or for the benefit of the group (i.e. grain exporters) from which they were charged and collected.

As most industry people would be aware Department's had financial difficulties during 2023 that resulted in reported:

- restrictions on non-essential travel and training;
- re-prioritising non-critical projects; and
- a reduction in contracted workforce numbers.
-

These cost-imposed restrictions were applied to all the agricultural sectors including the grain industry. This occurred during seasons where DAFF had over recovered funding from GTA members. The grain export cost recovery (ECR) program has exceeded budget over the last three seasons, and it is estimated the Department have a Cost Recovery Reserve balance from grain of \$5.4m at the commencement of the 2024-25 budget period.

GTA in a recent [Submission](#) to DAFF has noted that:

- GTA considers it is critically important the DAFF cost recovery model is effective and transparent and provides **the provision of an effective and efficient service.**

WELCOME TO NEW MEMBERS

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

Alliance Grains Pty Limited

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!



SAVE THE DATE

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Advisory & Compliance Day 2024—1 Day Workshop - Delivered via Zoom

Is your Business compliant?

Don't take a chance, register for our annual workshop today!

The GTA Advisory & Compliance Day is an annual forum for GTA Members to meet and discuss and consider the risks and pitfalls that are present in the grain value chain. It provides a great opportunity to become informed and to understand how to best manage exposure within your business.

The Advisory & Compliance Workshop is structured to meet GTA Members' requirements and cover specific topics of interest. The program has some flexibility so it can include discussion and provide information on 'breaking issues' or topics of particular interest to your business.

The program objective is to meet your needs in this area and will include:

- Compliance with legislation, taxation, insurance, staff payments
- Arbitration lessons
- Insolvencies
- Reputational risk
- Sustainability

[**REGISTER ONLINE HERE**](#)