



# AUSTRALIA'S GRAIN SUPPLY CHAIN

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AND ITS ENVIRONMENTAL, SOCIAL & GOVERNANCE  
CREDENTIALS

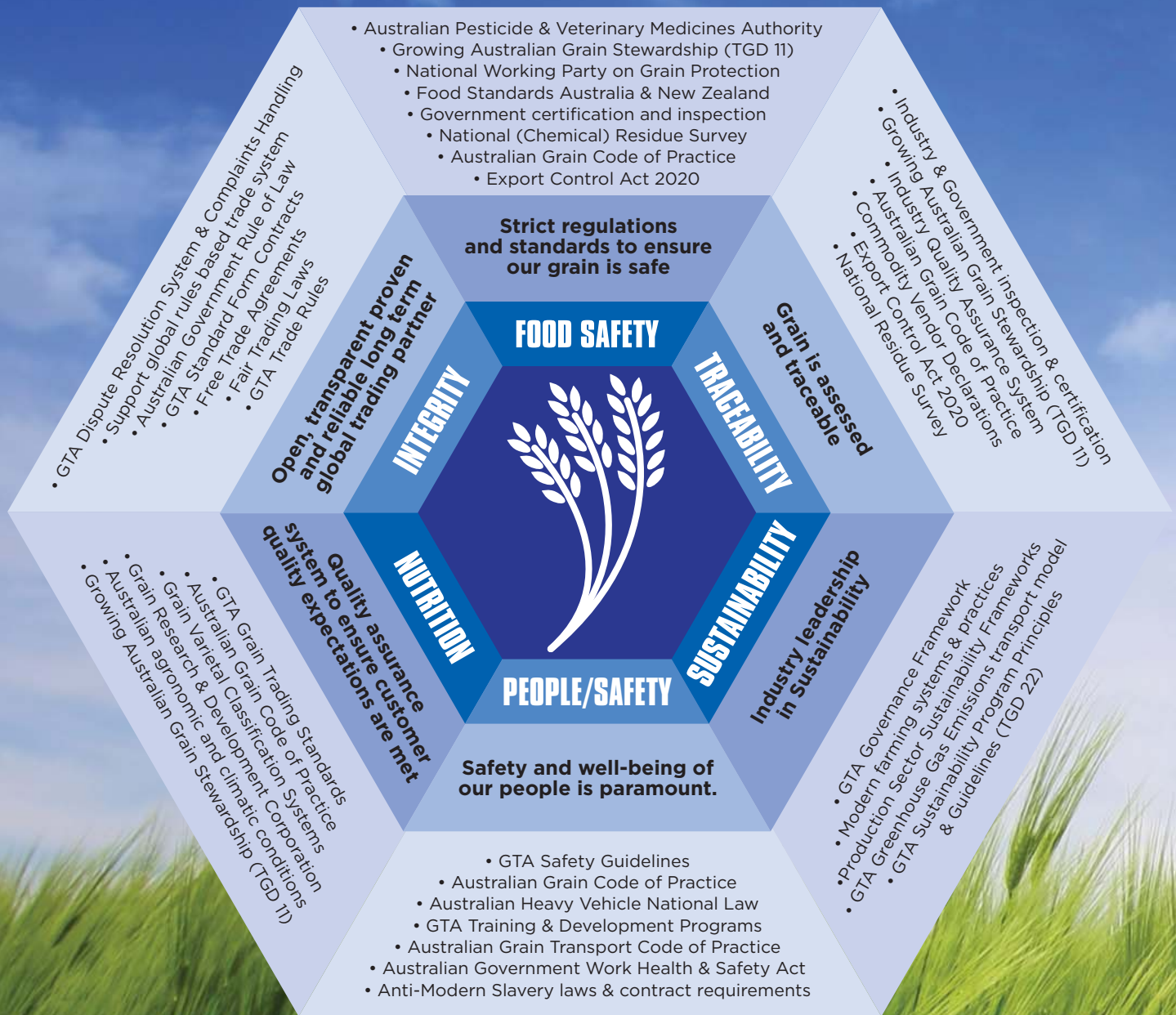
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# Australian Grain Industry

- Safe, Secure, Reliable, Sustainable



## Environmental, Social & Governance (ESG) Statement

Improving the Australian grain value chain to better connect the world's demand for food and feed with a **globally recognised clean and safe food system**, for the benefit of all communities that participate in the grain value chain.

# The Challenge and Opportunity

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 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.

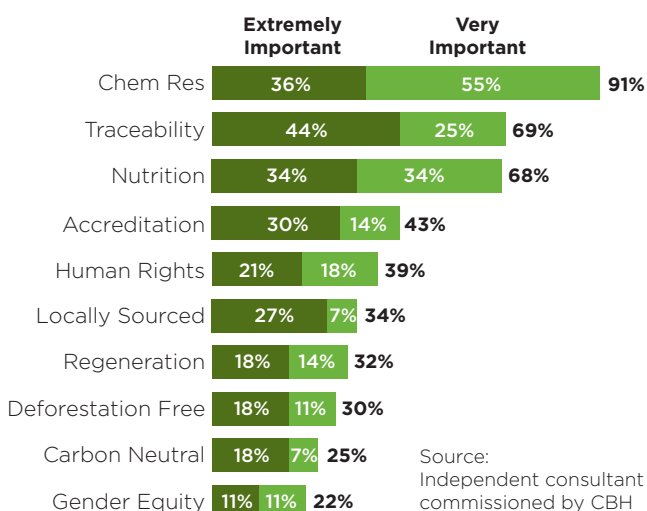
Trade and export markets are critical to the Australian grain value chain as we normally produce an exportable surplus. Our customers increasingly have an expectation that grain is produced in accordance with social, environmental and community concerns and meets importing country regulations and consumer needs and expectations. This trade is mutually beneficial to both Australia and the consumers in the importing countries.

We must continue to deliver a safe premium product that meets domestic and importing country regulations and customer demands. It is important

we continue to strive to understand the expectations of our customers and their customers and stakeholders.

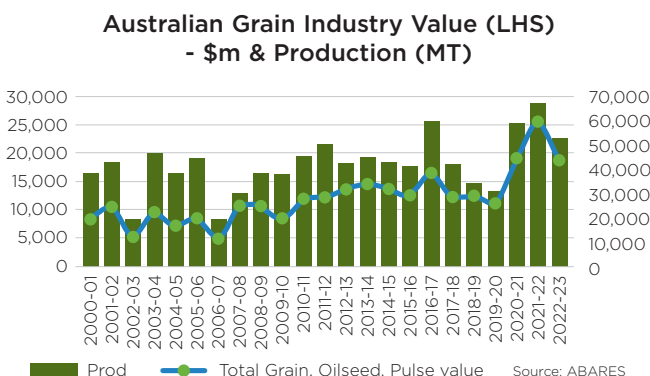
After price, Customer Survey analysis indicates grain consumers primary concerns are food safety (chemical residues), traceability, nutrition (quality) and accreditation.

## Customer Importance of Sustainability traits



# History, Identity & Governance

The Australian grain<sup>1</sup> industry is a significant contributor to the Australian economy and regional communities. The grain industry produces between 35-50 million tonnes of grain per annum from an area of more than 20 million hectares, with an annual gross value of production of around AUD\$9-25 billion<sup>2</sup>. The grain industry is a significant employer, particularly in rural and regional economies.



Australia's grain value chain actively and collaboratively engages with the Australian Government with a focus on continuing the self-regulatory framework, accredited processes and practices, innovative and efficient technologies and minimal waste. We focus on respecting and protecting the environment and the people we support through trade. This model developed and improved over multiple decades continues to evolve and adapt in response to changing market dynamics, regulatory requirements, and consumer and stakeholder expectations.

<sup>1</sup> Grains includes cereals, coarse grains, pulses, oilseeds and oilseed crush products  
<sup>2</sup> ABARES Commodity reports





# Safe Food System

Operating within a self-regulatory framework developed and improved through time and the engagement with all sectors of the supply chain and enhanced through government collaboration and stewardship.

## 1. Industry Stewardship

GTA managed, industry-driven, self-regulatory framework to facilitate trade including Trading Standards, standard contracts and Trade Rules; Code of Practice and Technical Guidelines, specialist training and development programs and conferences, and events focused on industry culture and cohesiveness.

## 2. Grain Code of Practice - Overarching

Delivering quality grain and meeting market requirements is complex. Described as the 'glue' that binds the Australian supply chain together the Grain Code of Practice (Code) has been developed to be applicable to all grain and grain products; applies to all stages along the supply chain, and has been designed to promote the use of best management practices by industry participants including:

- Mandatory compliance with all regulations as required by law; and
- Adherence to accepted industry best practice as documented in the Code. (Adherence to the Code is mandatory for all GTA members)

The Code details the quality practices the industry uses to ensure Australian grain meets domestic and/or export end user requirements.

A series of Technical Guideline Documents have been developed to assist Australian industry participants meet the requirements as outlined in the Code.

## 3. Global Facing Outlook

The Australian grain industry and GTA members recognise the importance of contributing to and embracing a global view to address common grain supply chain issues. This benefits all participants and encourages greater efficiencies across regions seeking harmonised Standards and regulation. An objective is to develop and build capacity across the global food system through involvement and participation in global forums.

## 4. Science-based support

### - focus on quality and commercial success

The Australian grain industry is dynamic and recognised globally as innovative, resilient, and highly efficient. **It is supported by a government and industry framework** that supports and promotes emerging technologies to discover and deploy new solutions to Australian grain growers allowing a response to changing diets, consumer preferences and community expectations.

Science-based support to the grain industry results from long-term investment and strategic policy directions across government and industry with the objective of having a positive transformative impact on individuals, organisations, and society.

## 5. Efficient production

### - leaders in land efficiency

Responsible stewardship is imbedded throughout the grain production value chain. Care for our environment, and protection of Australia's biosecurity underpin industries sustainability, productivity, profitability, and global reputation.

Grain growers manage about 4% of the Australian landmass with 22,300 grain farms covering and estimated 31 million hectares. Australian grain farmers continue to apply world leading farming practices that result in low emissions intensity grain production. Australia's national science agency, CSIRO found that:

The Australian grain industry produces grain with low emissions intensity (i.e., 315 kg of CO<sub>2</sub>e emissions per tonne of production) and accounted for only 1.7% of all Australian emissions.

## 6. Market, not Subsidy Driven

The Australian supply chain delivers what the market wants free of government subsidies that can dilute market signals and support inefficient production decisions, and production processes. Australian producers and market participants to survive must deliver product to the market and generate profit. This creates a focus on efficiency and costs. Whereas in subsidised agriculture supply chains decision on what crop to produce and the level of inputs utilised including fertiliser and chemicals may be inefficient as they are driven more by the subsidy than the market.

The key drivers of profitability have been defined as:



## 7. Supply Chain

### - Market driven and quality assured

The Australian grain supply chain is predicated on a number of competitive high capacity, efficient and strategic up-country receival sites supported by grain producer farm storages that are linked by efficient transport to 22 export terminals and multiple export container loading facilities.

To prove and assure the safety of Australia's grain the Australian Food System has the following key elements:

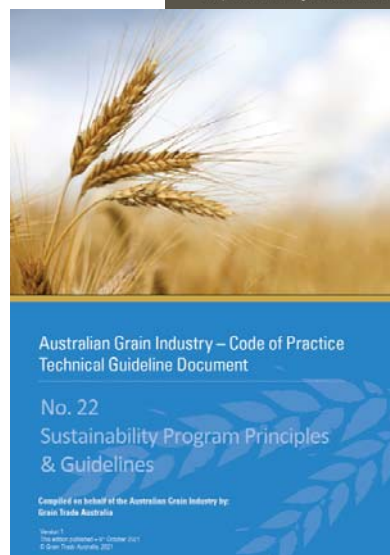
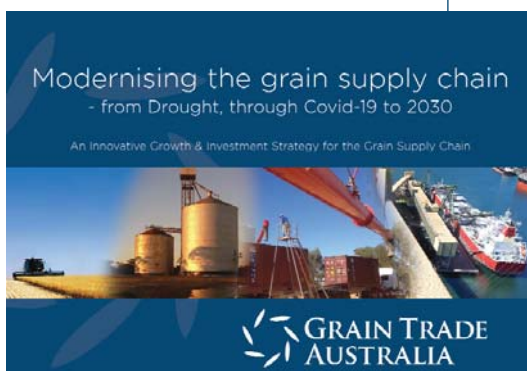
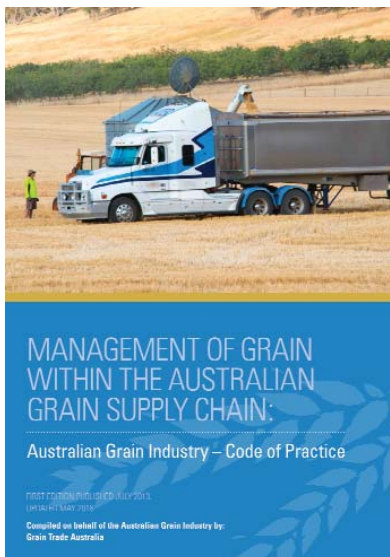
- a. **Growing Australian Grain Guide**  
- A stewardship guide for Australian farmers
- b. **Australian Pesticide & Veterinary Medicines Association (APVMA)** and the **National Residue Survey (NRS)** are a vital part of the Australian system for managing potential chemical residues and environmental contaminants in Australian animal and plant products. The APVMA and 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.
- c. **Standards**, based on the International Standards Organisation (ISO), industry rules and practices underpin the Australian grain supply chain and its framework. Standards apply across the supply chain for both grain quality, storage, handling and transport assets, safety and social responsibility. Grain is sampled and tested to nationally agreed methods as described in the grain Trading Standards developed by Grain Trade Australia. Post-delivery stored grain continues to be assessed and monitored to assure that it will meet domestic and international requirements and regulations.
- d. Employees involved in the grain supply chain are protected by Australian **employment and safety laws** that ensures employees can work in a safe and secure environment.

## 8. Fair Trading Framework

### - Governed by the Rule of Law

Australian trade is underpinned by the 'rule of law' and all grain sold is covered by Australian federal and state fair trading regulations.

To further support the trade of grain GTA facilitates the industry driven self-regulatory framework that includes Grain Trading Standards, standard contracts and Trade Rules, specialist training and development programs and industry conferences and events focused on industry culture and cohesiveness.



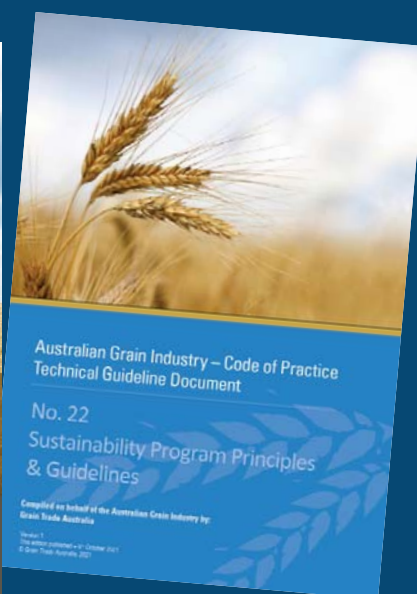
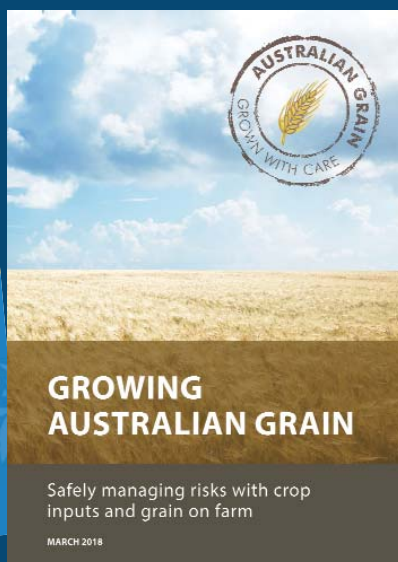
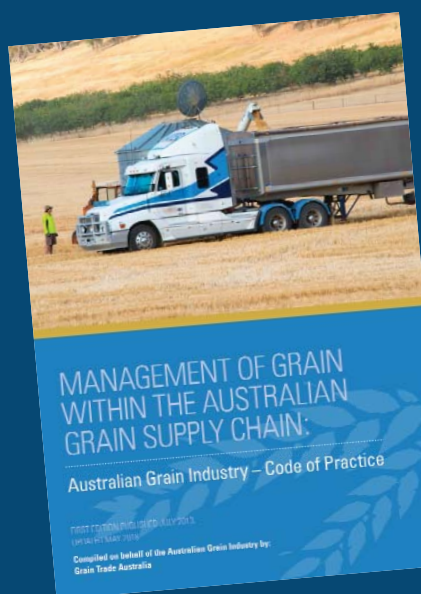
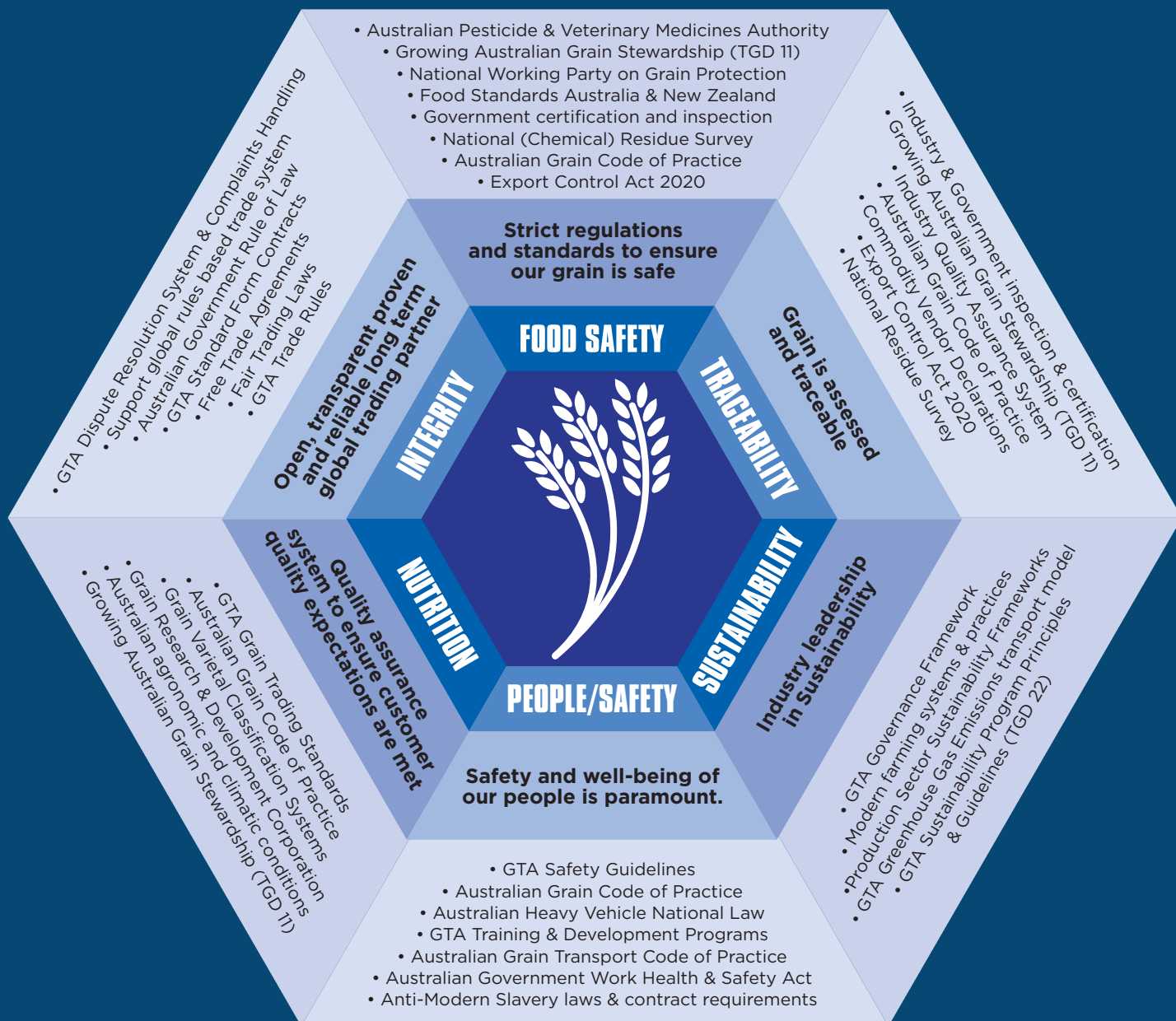
# The Links in the Australian Grain Supply Chain

1. ESG is a significant focus for Australian Government, investors, business and stakeholder - companies operate under policies and legislative commitments directed at elevating each pillar of ESG including climate change, gender equality, indigenous rights, modern slavery and eliminating corruption.
2. Grain is grown and produced under the Growing Australian Grain - safely managing risks with crop inputs and grain on farm.
3. Grain is assessed under national Trading Standards when delivered into a commercial storage for quality and segregation.
4. Grain is handled and stored under quality assurance procedures including the GTA Storage Assets and Management Standard.
5. Australian grain is traded under commercial contracts supported by Trade Rules and the judiciary framework.
6. Export tonnes and freight containers undergo a government certification process.



ENVIRONMENTAL	SOCIAL	GOVERNANCE
<p>How the industry acts towards the planet</p> <ul style="list-style-type: none"> <li>• Focus on Greenhouse Gas Emissions &amp; Energy efficiency</li> <li>• Limit Waste &amp; pollution</li> <li>• Compliance with sustainability initiatives</li> <li>• Effective chemical use strategy in accordance with label requirements.</li> <li>• Industry Technical Guidelines including systems-based approach for pest and chemical management.</li> <li>• Exports inspected and Government Certified to meet importing country requirements including free of live pests and insects.</li> <li>• All export bulk vessels and containers inspected and certified for food safety prior to loading &amp; packing.</li> </ul>	<p>How the industry treats its employees, trade partners, customers, suppliers and local communities</p> <ul style="list-style-type: none"> <li>• Global Citizen Focus</li> <li>• Grain Industry Code of Practice</li> <li>• Industry culture of quality assurance</li> <li>• Supply Chain Standards</li> <li>• Regulated Working conditions</li> <li>• Supportive of rural communities</li> <li>• Work Health and safety regulations</li> <li>• Trade Rules, contracts</li> <li>• Conflict/Dispute mechanisms</li> <li>• Health and Safety regulations</li> <li>• Employee relations and diversity</li> <li>• Customer satisfaction</li> </ul>	<p>How the industry is run, including checks and balances</p> <ul style="list-style-type: none"> <li>• Active engagement and working Relationship with government and its regulators</li> <li>• Industry composition</li> <li>• Anti-bribery &amp; anti-corruption laws</li> <li>• Diversity and structure</li> <li>• Business ethics</li> <li>• Compliance with global and local regulations</li> <li>• Anti-modern slavery laws incorporated in industry contracts</li> <li>• Focus and support for Rules based trade</li> <li>• Science &amp; risk-based decision making</li> <li>• Industry stewardship</li> <li>• Specialist industry driven training and development programs</li> <li>• Industry driven Dispute Resolution system and Complaints Handling process</li> <li>• TGD for GTA Members Developing business sustainability programs</li> </ul>







Grain Trade Australia Ltd

Postal: PO Box R1829 Royal Exchange NSW 1225 Australia

Street: Level 7, 12 O'Connell Street, Sydney NSW 2000

Email: [admin@graintrade.com.au](mailto:admin@graintrade.com.au)

[www.graintrade.org.au](http://www.graintrade.org.au)