

GRAINMatters



EDITION 83—MARCH 2024

UPCOMING EVENTS

- [Trade Rules & Contracts Workshop - 13 March 2024](#)
- [Grain Finance & Risk Management Workshop - 21 March 2024](#)
- [Australian Grain Storage & Protection Conference 2024](#) —5-6 June
- [AGIC Australia 2024](#)—31 July-1 August

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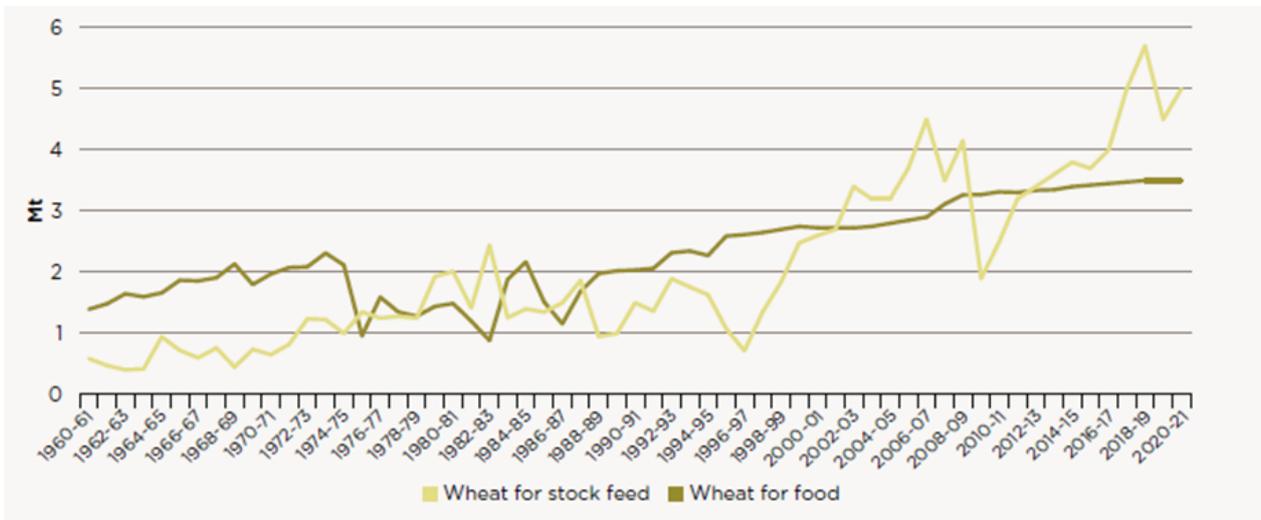


Domestic Market Focus

I have been amazed by the increase in the Australian **domestic market demand for grain** with a significant growth in demand since 2008 (when the consumption was 14mmt) up to peak grain consumption in 2018/19 of 18.5mmt. The bulk of this consumption is in the eastern states with over 13mmt or 80% of the total domestic grain usage. On top of the grain consumption the domestic market is also responsible for the annual import of approximately 900k tonnes of plant protein meal into Australia.

Obviously, this level of annual demand across the numerous scattered processors, feedlots and dairy farms is a complex market with each demand point using differing strategies to ensure adequate and timely supply of grain. Certainly climate and production forecasts are watched closely as with over 1.4 mmt of grain consumed monthly in Australia stocks can be depleted quickly and regions and entire states can start to run dry. This was the case in 2017-2019 period when 6.8mmt of grain was shipped from SA & WA to the east coast.

Figure 1. Growth in wheat domestic food & animal feed consumption 1960-2020



Source: USDA

The risk of grain stocks running low was discussed at a recent **GTA Domestic Sector Council** meeting that I attended and chaired. A combination of climate volatility the increased port terminals and the national supply chain export capacity (gone from an average of 1.8mmt tonnes in 2008 to an average of 4.3mmt in 2022/23) is leading to concern and a focus on being prepared for the next regional and/or national period of poor production.

This concern of the Domestic Sector Council was the seed for establishing a DAFF and GTA industry working group with the objective to provide a mechanism for a joint industry and government review of the current process for the **importation of plant-based meals and bulk whole grains** and to identify areas for improved efficiency and implement these across the import permit process.

The DAFF / Industry Working Group has met on several occasions to progress the objectives with several agreed outcomes already locked in:

- DAFF to extend the Protein Meal import permits from 2 years to 4 years.
- DAFF to dramatically improve the education and awareness process as part of the import application process.
- GTA and DAFF to coordinate awareness/ training workshops for GTA members when droughts are apparent, and imports may be required.

Balance for an Efficient and Effective Market

Balance across the market and the grain supply chain is critical to efficiency and an effective industry. Ensuring a balance of the differing grain sector objectives and preferences is a critical element of the role of the GTA Board and management and one that that is considered often given it is an underlying plank of the GTA self-regulatory framework.

Sector preferences are considered and addressed throughout the GTA self-regulatory framework including:

- Trade Rules and contracts seek balance between counterparties.
- Technical Committees including Grain Trading Standards provide direction/certainty based on input across sectors.

Common and recurring discussion/ theme is:

- Does the export and domestic market want it,
- Can the trade sell it,
- Can the supply chain manage it,
- and will grain producers grow it.

Any industry direction that does not provide balance over the long term is unlikely to see a prosperous industry for its participants. They say “it takes a village” !

I will be in Asia in early March at the AGIC Asia conferences and look forward to giving you an update in the next newsletter. Also please be aware Friday March 8, 2024, is International Women’s Day, providing an opportunity for workplaces to celebrate the achievements of women in the grain industry and in general.



International Women’s Day 2023 in Manila

Yours sincerely,

Andrew Goyder
Chair—Grain Trade Australia

A FOCUS ON GRAIN TRADING STANDARDS

Each year the GTA Grain Trading Standards Technical Committee directs the review of specific projects that will support the improvement of the GTA Grain Trading Standards. These projects are managed through Sub-Committees or Working Groups with special skills.

In 2024 the Trading Standards Committee has recommended a number of Trading Standards changes and projects be progressed. These are detailed in [\[Member Update of 1st call to consult—pending POS approval\]](#) and agreed changes for 2024/2025 are summarised here:

- The Committee has agreed to alter the Bin Grade Classifications to allow APH/AH/APW/ASW classified varieties into the AWW Grades – AWW1 / AWW2.
- A new ASW9 milling grade with a minimum 9% protein has been introduced.
- The introduction of a low-level tolerance for gumnuts as opposed to NIL.
- Industry has requested a Defined Lupin reference screen for Angustifolius is applied.
- Formalisation of a new Desi Chickpea Grade No.3 that have a high percentage of Total Defectives.

Issues for Further Review by the Trading Standards Committee during 2024:

- Durum Classification – traditional identification method for Durum of ‘no fine hairs on the brush end’ is no longer relevant as new Durum varieties exhibit brush hairs.
- SFW1 – Wheat – Further industry review of proposed tolerances for Severely Damaged.
- Grain Probes – Vacuum Sampling of road trucks - the project to review the appropriateness of sampling systems on receipt from road trucks has completed its initial phase. Based on initial findings, further research is required and will be progressed during 2024.

GTA acknowledges and thanks the Trading Standards Committee and the Sub-Committees for their dedication, industry support and focus and their continued enthusiasm to ensure the GTA Trading Standards are the best they can be and meet the needs of all grain industry participants.

ROAD TRANSPORT—FOOD SAFETY

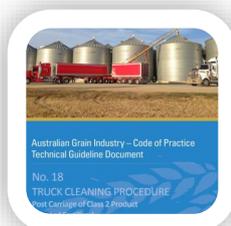
The Australian grain road transport segment of the supply chain in the eastern states is a relatively unique model, mainly based on rural located and small transport companies that provide services to a multitude of trading entities. Generally these transport companies specialise within their own regional area but will relocate if the market demand for road trucks is elsewhere.

Grain is not their only cargo, with services offered for other bulk commodities including fertiliser, quarry products and plant and protein meals. This means cross-contamination needs to be considered especially with fertiliser treated with fungicides.

GTA has produced a number of Technical Guideline documents to assist industry with truck cleaning:



TGD No 10
Truck Cleaning



TGD No 18
Truck Cleaning -
Treated Fertiliser



Fact sheet
No 12
Truck Washing after
Treated Fertiliser

GTA also continues to work with Fertilizer Australia to provide awareness and information of the risk of contamination of the grain supply chain as a result of dirty trucks post carriage of fertiliser.

GTA Members are also reminded of the GTA [Grain Transport Code of Practice](#) and notably its **Section 18. Grain Industry Biosecurity Protocols**. It is important to ensure Members are aware of and follow the Appendix 1 ‘Prohibited Prior Loads and Cleaning Requirements based on Prior Loads’ and that consignors of grain in Commodity Vendor Declaration need to properly declare the three prior loads.

TECHNOLOGY STEWARDSHIP

There is broad recognition within the Australian grain industry that **new technologies** have the potential to play a major role in helping to meet the future demands of food, feed and industrial consumers and that the industry requires competitive access to this technology in which significant investment has been made. The term “Technology” can include:

- Plant breeding innovation
- Data and Information Technology (IT)
- Grain Assessment Technology (grain quality & biosecurity)

In facilitating trade it is important for new technology to be accepted by the market and implemented with confidence **to be supported through frameworks** that provide guidance and an accreditation type process. This is particularly critical for technology that can be used to assess and quantify grain quality for segregation and sale.

Accordingly, GTA is aiming to work with all parties across the grain value chain to develop a collaborative approach for the purpose of:

- Promoting information sharing on technologies being developed for commercial application in the grain industry to avoid/minimise any trade disruption; and
- Establishing criteria, accreditation and **supporting frameworks** for technology utilised in the grain supply chain.

An **industry approach to the responsible management of a product/technology through its life cycle** will help to build confidence in adoption of new technologies and support the introduction and effective utilisation of technology such as plant breeding, digital & information technology, and grain assessment technology.

GTA will continue to progress a framework and higher-level principles to build trust and confidence with technology providers, consumers, and industry participants. These will be used to develop a **Grain Industry Stewardship Framework for New Technologies**.

As this develops, industry participants will be engaged and will participate in the journey.



GROWER BIOSECURITY LEVY

The Federal Government's announced in last years' budget a move to impose an additional cost on grain producers via the **Biosecurity Protection Levy**. Collection of the levy by Government will commence on 1 July 2024.

This levy is part of a package that introduces a new model for funding biosecurity based on shared responsibility - between those who create risk and those who receive significant benefits from the Australian Government's efforts at the border.

The new model recognises that primary producers, whether growing for the domestic market or exporting into premium overseas markets, benefit considerably from Australia's biosecurity status. Primary producers will contribute 6% of the funding for the biosecurity system.

Informal discussion by grower associations with Government indicate that, in the case of the grain industry, it is intended for the levy **to be collected in a similar way to the current compulsory grower levies, and it would be identified as a separate line item on a grain growers' recipient-created tax invoice (RCTI)**.

GTA is meeting with Government in Canberra early April and will seek clarification and confirmation on the collection arrangements to allow GTA members to make any necessary IT system changes for the 2024/25 harvest.

DATA STANDARDS

The role of the GTA **Information Technology Advisory Committee** is to make recommendations to the GTA Board. This includes considering issues and potential improvements relating to system, process, and research initiatives that seek to resolve common grain industry process and **transactional issues**. It means seeking opportunities **to leverage Information Technology** to improve delivery of the current GTA service model, and to share information, ideas and learnings across industry in:

1. Information technology systems;
2. comprehension of, and compliance with existing and evolving regulation;
3. research, understanding and the development of a standard approach to evolving technology;
4. standard industry interfaces (financial, export documentation, regulatory, etc.);
5. information capability;
6. transactional processes; and best practice and benchmarking.

Since its inception in 2018 the Committee has:

1. Provided industry an [Emerging Technology Road Map](#). The Roadmap will support GTA members, industry participants and governments to be aware, take appropriate action, and will assist alignment of technology direction, design and strategy across the grain supply chain.
2. Established and maintained the [Common Industry Grain Varietal Code Master List](#) that enables all GTA members and industry participants to link its existing data to this Varietal Code reference Master List
3. Established [Industry Standard Data Reference Tables](#). The purpose of having industry data Standards is to improve facilitation of trade when industry needs to share, exchange, and understand data. The objective is to provide opportunity to streamline data sharing amongst participants and to simplify the 'mapping' of data between systems. Industry participants are encouraged to consider the use of the standard data code formats when implementing new systems, system upgrades or when developing data conversion tables.

The Information Technology Advisory Committee (ITAC) continues to work towards its objectives and is **interested to hear of any members that have ideas** to improve and streamline industry data.

So if you experience process or data issues relating to the transfer between companies and or Government then maybe it's a job for ITAC. Reach out to GTA and let's work on getting these issues fixed.

RECENT SUBMISSIONS

On behalf of members GTA makes submissions and comments into Government reviews and process to ensure Government is aware of GTA member perspectives and requirements and include them in its decision making and direction.

Recent GTA Submissions included:

[GTA's Submission to the DAFF Wheat Port Code Review](#)

GTA has provided commentary into the second review of Port Terminal (Bulk Wheat) Code of Conduct known as the Wheat Port Code WPC) and has suggested the WPC should be allowed to sunset and industry should commence engagement to discuss the provision of a credible industry managed alternative to the current WPC.

[GTA's Submission to the Strategic Maritime Fleet](#)

The Government has announced it will implement its strategy to introduce a strategic fleet of vessels including dry bulk vessels capable of carrying grain. GTA has provided a submission on behalf of the Transport Storage & Ports Committee into a Call for further consultation.



GTA TRAINING AND DEVELOPMENT PROGRAM

Workshops Schedule Semester 1, 2024

February

NEW

Grain Trading for Non-Traders

Presented by Lloyd George

14-15 February - Zoom

Understanding Grain Markets

Presented by Lloyd George

21 February - Zoom

March

Trade Rules & Contracts

Presented by Lloyd George

13 March - Zoom or F2F

Grain Finance & Risk Management

Presented by Malcom Finlayson

21 March - Zoom or F2F

April

NEW

Trade Rules & Dispute Resolution

Presented by Lloyd George

11 April - Zoom

Understanding Grain Markets

Presented by Lloyd George

30 April - Zoom or F2F

May

Trade Rules & Contracts

Presented by Lloyd George

8 May - Zoom or F2F

Grain Export Execution & Risk Management

Various presenters

15-16 May - Melbourne & Zoom

June

NEW

Grain Trading for non-traders

Presented by Lloyd George

19-20 June - Melbourne

Arbitrator Training

Presented by Geoff Farnsworth

13 June - Zoom

Grain Merchandising

Presented by Lloyd George

26-27 June - Zoom or F2F

GTA Member fees

1 day Zoom Workshop - \$792
2 day Zoom Workshop - \$1,300
1 day F2F Workshop - \$990
2 day F2F Workshop - \$1,650

Non-Member fees

1 day Zoom Workshop - \$1,184
2 day Zoom Workshop - \$1,650
1 day F2F Workshop - \$1,480
2 day F2F Workshop - \$2,475

Please note all prices are GST inclusive

REGISTER ONLINE HERE

For any inquiries please contact GTA on: Tel (02) 9235 2155 or 0449 038 330 admin@graintrade.org.au