

GRAINMatters



EDITION 84—APRIL 2024

UPCOMING EVENTS

- [Understanding Grain Markets—30 April 2024](#)
- [Trade Rules & Contracts Workshop - 8 May 2024](#)
- [Grain Export Execution & Risk Management—15-16 May 2024](#)
- [Grain Trading for Non-Traders Workshop - 19-20 June 2024](#)
- [Australian Grain Storage & Protection Conference 5-6 June 2024](#)

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I have just recently returned from attending AGIC Asia 2024. What a great success it was and what a wonderful opportunity it was to reconnect with two of our major trading partners – Indonesia and China. Please take the time to read the article on AGIC Asia 2024 in this edition of Grain Matters.

The trip has confirmed for me the strong strategic focus our trading partners have on Food Security. Obviously, the shocks to the supply chain from Covid-19, global tensions and climate related risks are behind this strategy. My views have recently been supported by a recent USDA GAIN on China which highlighted:

- **Food security** remains a top priority for China, with a focus on improving crop yields. The government will implement various support measures such as **price increases, subsidies, and insurance to stimulate farmers** interest in planting grains and ensure stable food production.
- **China aims to establish a farmland protection system** to upgrade arable land, restore degraded land, and explore backup resources such as abandoned and saline-alkali land.
- **Rural revitalization is a key focus**, with measures to be taken to prevent large-scale return to poverty in rural areas emphasising the importance of sustainable agriculture, infrastructure development, and effective governance.

I am pleased to announce that GTA will be hosting the International Grain Trade Coalition (IGTC) Annual General Assembly in Sydney in November 2024. The IGTC is a global organisation that unites national grain trade associations to promote and facilitate the performance of the global grain supply chain. As the event draws closer GTA will update members on the event details and the potential for involvement by GTA members.

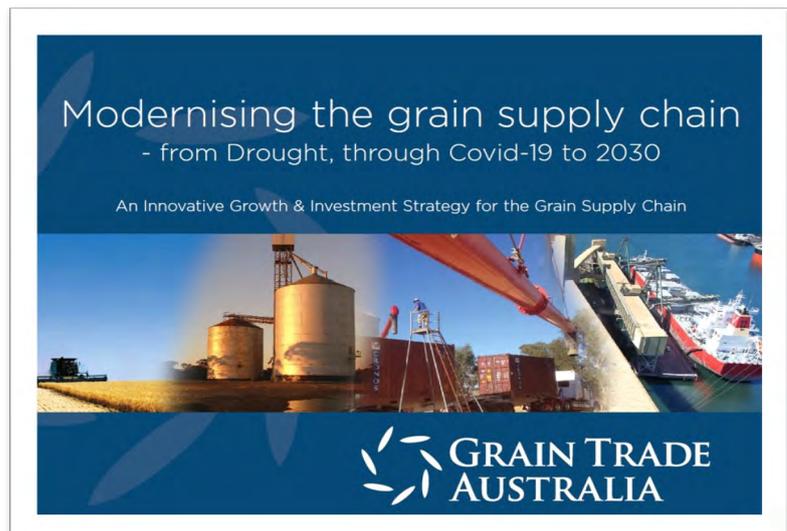
The GTA Board convened for a day of strategic discussion in late February 2024 and considered how GTA can continue to deliver on its core task – *to facilitate and promote trade across the Australian grain value-chain*. The Board considered the key activities of GTA and the desired industry outcomes and critical success factors to strive for in 2024. The path is now confirmed, and activity is underway through **GTA's Modernising the Grain Supply Chain Strategy** to strengthen the industry driven and managed framework that supports our supply chain. For more details and information please read [GTA's Strategic Activity Plan](#)

As we approach the critical weather period for crop sowing let's hope the season gets away well in all production areas.

Yours sincerely,



Andrew Goyder
Chair—Grain Trade Australia



INDUSTRY SELF-REGULATION IS PREFERRED

The evidence is strong that since deregulation of bulk wheat exports, that the grain industry has grown through investment and competition, for the benefit of all participants, most notably growers. In 2008, when the Single Desk for wheat was disbanded by government, there were 18 port terminals operated by 4 companies. In 2024 there are 32 port terminals operated by 18 companies, and said to be more in the pipeline.

In October 2023 DAFF commenced the **2nd review of the Bulk Wheat Code of Conduct (WPC)**. As part of this process DAFF have established a **Review Reference Group** that includes Grain Producers Australia, Grain Growers Limited, GTA and the ACCC (observer status) as a “consultative” forum to assist DAFF.

There is general agreement that the current WPC is “not fit for purpose” and should be allowed to sunset. However, there is some difference on views on “what is next”.

There are some industry stakeholders calling for greater regulation across all grains and sectors of the grain supply chain. The ACCC submission to the WPC review noted the WPC was not for purpose and should be allowed to sunset. Its basic reasoning, is that the industry has changed significantly since the inception of the WPC. However the ACCC were not as clear or prescriptive as what they thought, if anything, should replace the WPC.

[GTA's submissions](#) to the WPC review has suggested that an option that could be considered in place of the WPC, and as a step forward in the industry's growth and evolution, could be an industry driven framework in place of new or increased and burdensome government regulation.

GTA reasoning is that:

- There has been **no evidence of market failure** or specific identification of problems that warrant a regulatory response, let alone an increase in regulatory oversight.
- There is **clear evidence, the industry (and agriculture in general) has grown** with increased investment and competition under a lower regulatory environment (eg post single desk). This is an opportunity to continue this growth pathway.
- The review should adopt an approach to **identify any issues of concern** and consider ways of addressing these. As there is no evidence of market failure increased regulation does not appear warranted.
- The industry should be given an **opportunity to respond** and address any potential issues of concern and including considering a self-regulatory approach to the address any evidence of market failure. For example, Port Terminal Service Providers have indicated they would continue to publish a shipping stem under an industry driven approach.
- The **cost and complexity** of managing compliance with any regulation is likely to be significant.

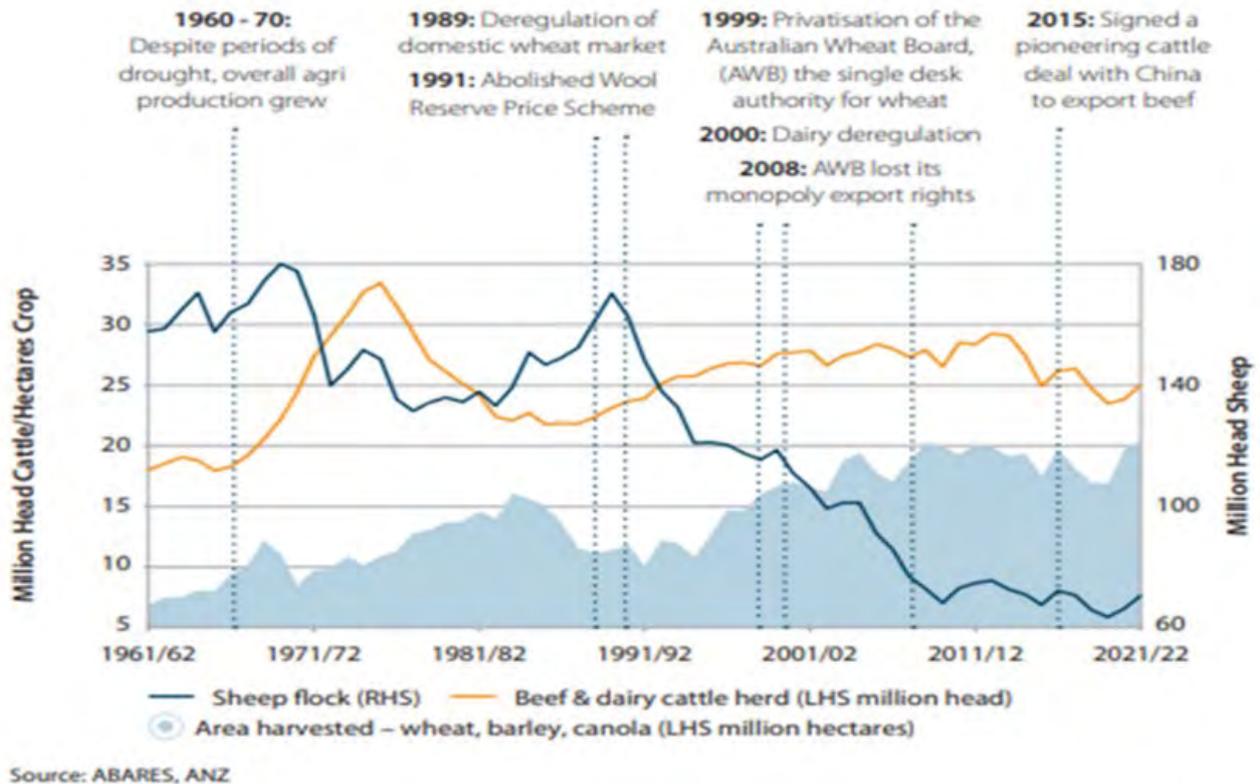
In summary:

- GTA considers the WPC is no longer relevant to industry participants as it provides minimal benefit whilst creating burden for new Port entrants and it should be allowed to sunset in 2024.
- GTA suggests consideration be given to the opportunity for collegiate engagement to discuss the provision of a credible industry managed alternative to the current WPC.
- Deregulation of the broader agricultural sector has seen increased growth and competition in the sector, notably in grains. This has been supported by ABARES and ANZ analysis (refer to the chart on next page).
- This is an opportunity for government and industry participants to recognise positive change and to be bold and take the next step in the growing and strengthening Australia's largest agricultural industry for the benefit of all participants across the value chain...primarily growers!

Any questions, concerns or views on the Wheat Port Code review, please make sure you contact GTA.

INDUSTRY SELF-REGULATION IS PREFERRED—CONTINUED

The chart illustrates the industry growth via increase in cropping area as the grain sector has been increasingly deregulated over time.



AGIC ASIA—RECONNECTING & BUILDING

AGIC Asia 2024 was an exciting week, that gave the Australian grain industry a real opportunity to reconnect directly with our customers and talk about the mutual value delivered by the Australian grain value chain.

The Australian grain industry met with customers **in Jakarta, Indonesia on the 5th of March 2024 and Shanghai, China on the 7th of March 2024**. Attendance and engagement were great with around 300 delegates in both locations.

Delegates made the most of the opportunity to interact – face to face - under the industry theme of “*Reconnecting & Building Value*”. They enjoyed the program that highlighted:

- the value from grain quality and quality assurance processes in the Australian grain supply chain,
- an Australian producer’s perspective,
- local industry perspectives and technical presentations on extracting value from Australian grain.

The AGIC Asia Conferences provide additional opportunities to hold important **Roundtable meetings** with industry and government counterparts.

The Indonesian Roundtables focussed on opportunities in:

- The food sector;
- Animal feed and aqua feed sectors;
- Value adding for subsequent export opportunities; and
- Building knowledge, capacity and technical capabilities to deliver safe and secure trade.

The Australian Grains
Industry Conference
Asia 2024



AGIC ASIA—RECONNECTING & BUILDING

In China the Roundtables included meetings with:

- China Alcoholic Drinks Association;
- COFCO;
- National Food Strategic Reserves Administration;
- Chinese commercial parties involved in the grain trade;
- China Feed Industry Association;
- Chinese Academy of Agricultural Sciences.

AGIC Asia 2024 was a fantastic occasion and an opportunity to reflect on the strategic importance and the success of the trade in grain between Asia and Australia. It is important to meet, acknowledge and understand the people who are involved in the grain trade and in the business of importing Australian grain into Asia.

View the AGIC Asia 2024 Report (PDF) & Video (3min) here:



HOW DOES INDUSTRY ENGAGE WITH GOVERNMENT?

GTA and the Australian grain industry engages with Government both strategically, politically and at the operational level through several formal and informal arrangements and groups.

For formal engagement industry and **Department of Agriculture Fisheries and Forestry (DAFF)** has a principal forum with a long title – the **Grain and Plant Products Export Industry Consultative Committee (GPPEICC)**.

GTA members are represented on the GPPEICC by GTA CEO Pat O'Shannassy, GTA Technical Consultant Gerard McMullen and AGEC Secretary Ian Desborough.

This Committee aims to provide assurance for exporters and other stakeholders involved in the preparation of grain for exports, that their views are given due consideration before the introduction of any major policy or operational changes by the DAFF. It also provides a forum for discussion and feedback on DAFF performance and industry compliance with export regulatory requirements.

A role of the Committee is to also seek to harmonise DAFF and industry systems where feasible and implement measures and reviews.

GPPEICC operates in an advisory capacity rather than a regulatory approval or decision-making body. Meeting 3 times a year (normally in Canberra) the Committee will consider:

- Improvement to policy and operational procedures.
- The strategic direction of DAFF.
- Program budgets, cost recovery mechanisms and charging levels
- The effectiveness of the DAFF and industry in meeting export requirements.



Australian Government
Department of Agriculture,
Fisheries and Forestry

As a result of the success over the years of GPPEICC industry and DAFF has recently created another Industry Consultative committee to focus on the import of grain and plant protein meal. It has taken the title for the catchiest acronym—the **Bulk Import of Grain and Meal Consultative Committee – BIGMICC!**

NEW TECHNOLOGY STEWARDSHIP

The last Grain Matters contained an article on how GTA is supporting acceptance and integration of new technology by the market. This objective is to instil confidence with the technology through a supporting framework that provides guidance and an accreditation type process.

This framework – The [Grain Industry Stewardship Framework for New Technologies](#) has now been launched and is available.

A focus of this framework and industry is the emergence of digital imagery technology for the assessment of grain. One assessment process now being trialled is the use of computer vision and machine learning to **determine malt barley variety** at the receival testing stand.

As grain varietal purity has an agreed laboratory reference method – a rapid DNA test, the GTA Technology Sub-Committee will commence a process to work with technology providers to accredit any promoted varietal testing equipment.

The process has a number of steps and will be coordinated through the GTA Trading Standards Committee. The end result may include the Trading Standards Committee **consulting with industry** on the addition of varietal assessment technology as a field reference method in Trading Standards.

As with all significant Trading Standards changes industry will be provided extensive opportunity and time to engage and discuss any proposed change.

TRACK TRANSFER—NOTICE OF INTENTION TO TRANSFER

GTA's **Commerce Committee** is responsible for:

- GTA Trade Rules & Contracts - the review and maintenance of those Rules
- GTA Dispute Resolution Rules - the review and maintenance of those Rules
- GTA Location Differentials;
- Other relevant matters of concern to GTA members and within the area of expertise of the Commerce Committee.

Recently the Commerce Committee considered and discussed what appears to be an emerging **custom of the trade** regarding the transfer of tonnage under the [GTA Contract No. 2](#) - Track Contract. Members are reminded that a “custom of the trade”, may be a practice in the market for some, is not a contract term, or alleviates one from terms of a contract.

Submission to the GTA Commerce Committee noted some counterparties to Track Contracts are choosing to ignore the provision in the No 2 Track Contract of ‘1 business days’ notice’ prior to the transfer. The Committee considered if the custom of trade required a review of the existing No. 2 Track Contract and in particular Clause 8.3

‘Sellers warrant that they will give Buyers a minimum of 1 business days’ notice of intention to transfer.’

The Committee agreed that the contract does not require any changes as industry has largely accepted the provision of a **transfer as the ‘notice of intention’** on the basis the timing of payment and the ‘1 business days’ notice’ commences at the time of the transfer.

Therefore, counterparties transferring are not entitled to expect prompt payment when prior notice is not provided. And counterparties that use the transfer of title as their notice on intent should not expect payment until 1 business day after the transfer.

SUPPLY CHAIN PARTICIPANTS—PORT SECTOR SPOTLIGHT

The Australian grain supply chain includes multiple different sectors and components. One area where there are multiple groups involved are within **bulk port precincts**.

Bulk Vessel Supply Chain



SUPPLY CHAIN PARTICIPANTS—PORT SECTOR SPOTLIGHT— CONTINUED

Port precincts and the multiple marine and wharf-side assets and their effective management are critical to the Australian grain industry. The effective management and operation of ports and the loading of grain vessels relies on several different sectors within the port precinct. The following Table provides a summary of each of these sectors and their roles:

Port Sector	Key Points & Roles
Port Authorities/Owners	<p>Australia has multiple different ownership arrangements for ports – Government ownership through to privatisation.</p> <p>Ports manage protocols around vessel arrival – Pilotage & Tugs</p> <p>Ports have a key role in asset management – wharfs/berths/channels/ Navigation aids etc</p>
Stevedores	<p>Responsible for the oversight of the vessel loading</p> <p>Work in conjunction with the Terminal operator and the vessel captain</p>
Agents – Ship Owners/ Charterers / Shippers	<p>Agents represent their clients’ interests in all aspects of the vessel arrival, survey, berthing, loading and loading delays</p> <p>Agents will be used to represent the ship owner, the charterer and the Exporter</p>
Ship Surveyors/Inspectors	<p>Responsible to ensure the vessel is suitable – there are 2 surveys performed in Australia - a Marine survey on behalf of the shipper and a government Phytosanitary inspection.</p>
Ship Owners	<p>Companies that provide bulk vessels to the trade.</p> <p>Consolidation of the shipping industry is underway</p>
Ship Broker	<p>Provides a service between Charterers and Ship Owners</p>
Shipper (Charterer on occasions)	<p>Cargo owner and the sales counterparty to the contract and on occasions may manage the vessel through a time charter</p>
Port Terminal Service Provider	<p>Grain terminal owner/operator - Key Supply Chain Assets – access is critical to execute export contracts</p> <p>Provides an interface with road transport and rail for grain accumulation.</p>



AUSTRALIAN GRAIN EXPORTERS COUNCIL (AGEC)

The Australian Grain Exporters Council (AGEC) had its genesis as the Australian Grain Exporters Association (AGEA) and is focussed on issues that are of importance and direct impact on exporters of grain from Australia. This may include issues within the supply chain, trade policy matters, sanitary and phytosanitary measures, and issues of Government policy or practice that may impact the sector. AGECE will focus on matters with operational risk and commercial impact.

Recent activity by the AGECE has included a focus on the Wheat Port Code, and the impact on the grain supply chain of the increases in container and empty container park landside charges.

The increases in the container landside charges, was a discussion point with representatives from DP World at the AGECE recent meeting. DP World was informed these charges are impacting on the container supply chains capability to compete with other grain supply chains and is leading to decisions that will reduce the trade of grain in containers.

This focus on the container supply chain by AGECE is aligned with activity also underway by GTA to engage with several governments, port owners, and container terminal operators to raise awareness and provide information of the impact of increased container supply chain costs.

Work on this matter by AGECE and GTA will continue!

AGECE

MEMBER EVENT IN PERTH

Save the Date: **GTA is hosting Member Social Function in Perth**

28th of May 2024 (Monday) 5.30pm—7.30pm

RSVP: admin@graintrade.org.au

 **GRAIN TRADE AUSTRALIA**



GTA MEMBER EVENT

28 MAY (TUESDAY)
5.30-7.30PM

THE STABLES BAR
888 HAY ST, PERTH

JOIN US FOR A DRINKS NIGHT AND
MEET GTA BOARD & TEAM

RSVP: admin@graintrade.org.au

GTA WELCOMES NEW MEMBERS

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

- Sun Euro Australia
- Aditi UVG

We are pleased that these businesses have chosen to become part of GTA and contribute to GTA's mission to "facilitate trade".

Grain Export Execution & Risk Management



GRAIN TRADE AUSTRALIA

Venue: Karstens Melbourne



This **2 day workshop** will help you understand the risks and the complexities of exporting grain and completing International Trade Documentation

2 day face to face workshop

(virtual attendance option is available)

Topics include:

- Formation of Contracts
- Letters of Credit
- Logistics
- Bill of Lading
- Charter Parties
- Dispute Resolution

Speakers include:

- Holding Redlich
- HFW
- ANZ Bank
- Oldendorff Carriers
- DAFF
- GTA

Early Bird Registration \$1,450 inc GST

Virtual Attendance \$1,450 inc GST

Group discounts are available - register online

Full price registration after 5 May - \$1,650 inc GST

**For any inquiries please contact GTA on:
(02) 9235 2155 OR admin@graintrade.org.au**

AUSTRALIAN **GRAIN** **STORAGE & PROTECTION** CONFERENCE

MEETING MARKET REQUIREMENTS

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



5-6 JUNE 2024

727 COLLINS ST, DOCKLANDS VIC



[REGISTER ONLINE HERE](#)



SAVE THE DATE

31 July - 1 August 2024

Crown Promenade, Melbourne

The Australian Grains
Industry Conference

2024

[REGISTER ONLINE HERE](#)



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

Grain Finance & Risk Management

Presented by Malcom Finlayson

21 March - Zoom

April

NEW

Trade Rules & Dispute Resolution

Presented by Lloyd George

11 April - Zoom

Understanding Grain Markets

Presented by Lloyd George

30 April - Zoom

May

Trade Rules & Contracts

Presented by Lloyd George

8 May - Zoom

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 - Melbourne

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

[REGISTER ONLINE HERE](#)