GRAIN TRADE AUSTRALIA

Update on Market Access Issues & Priorities NWPGP August 2021



INDUSTRY DRIVEN & MANAGED GRAIN TRADING STANDARDS ~ TRADE RULES & CONTRACTS ~ TRADE & MARKET ACCESS ~ TRAINING & DEVELOPMENT ~ DISPUTE RESOLUTION

GTA Core Task – Facilitation of Trade



Industry driven and managed "Self-Regulatory Framework"

Proactive Trade & Market Access Approach



Industry Approach to Market Access - NTMs

Capture Issues direct from markets exporters, importers, cons

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Non tariff me the grains indus industry to work a joint initiative

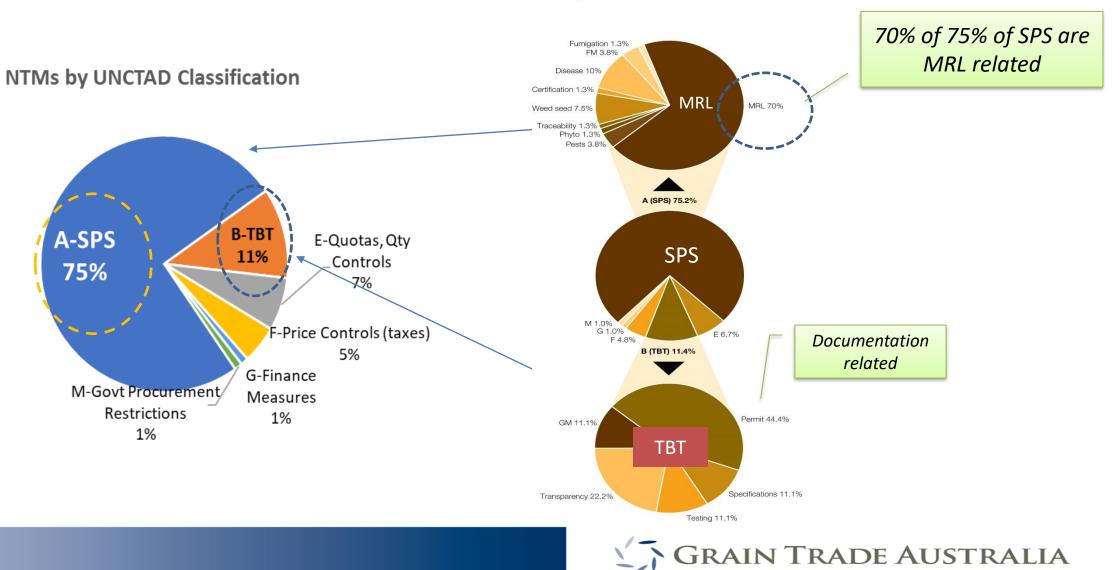
increase value

The grains industry, thre This report published .li

- Assess impact & practicali
- Prioritise issues
- 5 Communicate
- **S** Engage with:
 - Govt
 - 5 bi-lateral
 - 5 multi-lateral
 - S global counterparts

i markets,	Australian Grain muustry Market	Access issues Datab	Jase			
sumers						
	Active Priorities					
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		ieter Type 🔺	Parameter Name 📻	Market 📻	Commodity 📻	End-Use 📻
(NTMs) are increasing and today are the priority trade poli The market access challenge is ongoing and requires Gov gether to address current and future challenges. This proje	vernment and	уре	Parameter Name	Market	Commodity	End-Use
e Government and industry and demonstrates the value the activity.	hat can be		Foreign Material	Pakistan	Wheat	Human Consumption
provides the greatest opportunity for the industry to increas ne industry, growers and the economy.	se trade and		Phyto	China	Canola	Human Consumption
ect was prepared for and funded by the Grains Research and Development Cor ment Department of Agriculture on behalf of the Australian grains industry in Me	arch 2018.		Foreign Material	Pakistan	Wheat	Processing
gh the Grains Industry Market Access Forum, funded this update of the project i 2019.	In May 2019. Australian Geverancest Department of Agriculture GTA	MAF	Foreign Material	Pakietan	Wheat	Stockfood

Impact of Non-Tariff Measures in Agriculture & Food

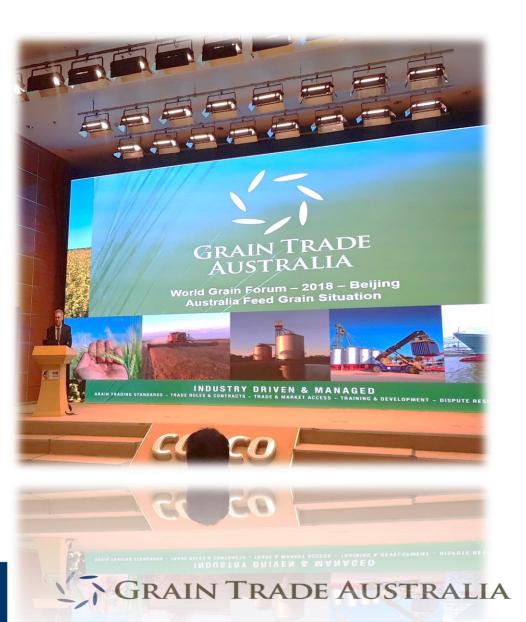


Grain NTMs by UNCTAD and grains industry classification

Global Reach in Trade & Market Access - IGTC

- GTA long standing member of IGTC
- Focus on facilitation of trade & efficient movement of grain
- Issues based principle, science and risk based approach
- Global perspective & consensus driven
- S Member driven
- S Reputation strong consensus based policy positions





Brings Australian issues to the World...Doors open to



Global Framework via IGTC

	Active IGTC Teams / Files	Key objective
IPSM	International Standard on Phytosanitory Measures (ISPM) on the International Movement of Grain	Develop policy regarding the drafting process of the Grain Standard. Issues around FM. Aust Govt leading
LLP	Global Low Level Presence (LLP) initiative	Address all matters related to LLP, including Global Low-Level Initiative (GLI), definitions
СРВ	Cartagena Protocol on Biodiversity	Policy development for COP/MOP meetings
E-Docs	E-Documentation for grain trading	Assess potential introduction of e-Phytos on a global basis via a dedicated IT hub
NPBT	New Plant Breeding Techniques (NPBTs)	Prepare IGTC policy to enhance science based approach to regulation of NPBTs
MRLs	Maximum Residue Levels (MRLs)	Policy positions & solutions to facilitate trade
	Non-IGTC International Issues:	
APEC	APEC Standards Harmonisation	Australia leading



USA Study - Global MRL Impacts

- To provide "a report that examines the global economic impact of maximum residue level (MRL) policies"
 (including missing MRLs).
- 5 The role of **plant protection products** and MRLs in relation to:
 - 🤝 global production,
 - 5 international **trade**, and
 - 5 food **safety** for consumers.
- Describes the costs & effects of these policies challenges to global agricultural production, including:
 - the impact of evolving **pest and diseases** pressures in
 - 5 differing **regions** and **climates**,
 - 5 including on **growers**.



United States International Trade Commission

Global Economic Impact of Missing and Low Pesticide Maximum Residue Levels, Vol. 2

January 2021 Publication Number: 5160 Investigation Number: 332-573

MRL Establishment - Approaches Vary

- Some Countries adopt Codex
- 5 Not all have a **Positive List System**¹
- 5 Not all have a **deferral system**
- Default levels or a zero tolerance varies
- Solution State State
- All lead to trade concerns with missing or low MRLs



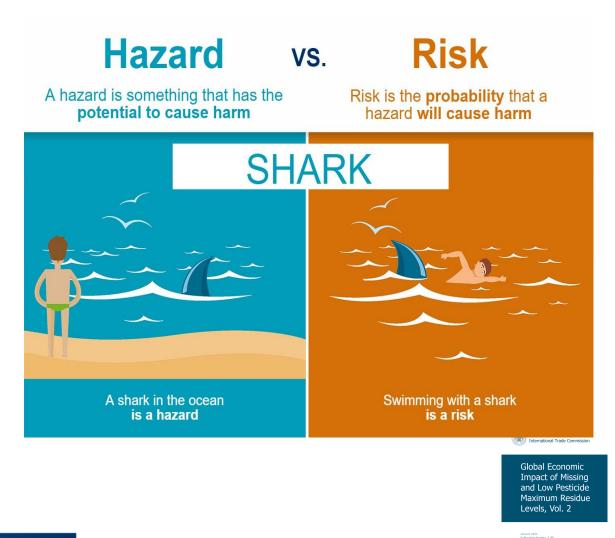
- 1 A list of active substances/pesticides that are allowed; anything <u>not on the list is not allowed</u> for use in the market
- 2 To fill a "missing" MRL that does not exist for the particular pesticide/crop combination in the market to which a crop is exported or where the MRL exists but is lower than that of the producing country

Global Economic Impact of Missing and Low Pesticide Maximum Residue Levels, Vol. 2



MRL Establishment - Risk v Hazard Based

- Hazard is the intrinsic potential of a substance to cause harm,
- Sisk is the probability of harm occurring based on the expected level of exposure.
- Codex uses Risk based approach by independent group (JMPR)
- Balance of science (risk assessment) and policy (risk management), which faces increasing challenges
 - $\,\, \circlearrowleft \,\,$ Countries moving away from Codex to establish own MRLs
- Important for countries without positive list systems
 - 5 Many low-income developing countries
 - 5 Many default to Codex MRLs where they exist



Codex – a respected process

- 5 The most widely recognised global effort to harmonise MRLs & policies
 - S But is **slow** to adopt new MRLs & review old chemicals
 - S Lacks adequate resources.
- Codex MRLs exist both to protect consumer health and to facilitate international trade.
- Codex standards are also meant to ensure the use of globally accepted practices in the international trade of foods.
- S Defaults from Codex MRLs vary by country.
- Countries are increasingly diverging from Codex standards in establishing their own MRLs.

CODEX ALIMENTARIUS International Food Standards



Trade Aus'

Food and Agriculture Organization of the United Nations



MRLs impacts on the Supply Chain

- S Different MRL policies = affect on trade
 - Default MRL policies vary no international standard. Testing of low LODs vary.
 - Exempt chemical lists vary
 - Timeframe for MRL changes vary
- Thus in key markets, MRL changes or no MRL may result in the need:
 - To find alternative markets
 - To use different chemicals
 - Grow different crops

Growers need the most effective chemicals to:

- Control pests
- Meet environmental (sustainability) and regulatory requirements
- Produce a crop economically (including yield) with minimal chemical residues
- Reduce post-harvest losses (fungicides)
- **Trade** MRL violation leads to:
 - Less options for inventory & management costs
 - Re-direct vessel
 - Increased sampling and testing –and costs
 - Loss of reputation



Levels, Vol. 2



IGTC MRL Policy



International Agri-Food Network -Supporting IGTC Principles on Codex



https://agrifood.net/iafn-codex-coalition



Global Impact - WTO SPS Agreement

- 25th Anniversary of the WTO SPS Agreement at 12th WTO Ministerial Conference (Q4 2021)
- Countries re-affirm support & opportunity to address/improve:
 - 5 Global food system & security
 - 5 Impacts of SPS measures
 - 5 Adoption & safe use of PPP's ¹
 - Support Codex
 - Scientific evidence risk based principles
 - Access to and safe use of innovative tools
 - 5 Technical exchanges / harmonisation
- GTA and IGTC provide industry support to Aust Govt position supporting the SPS work

100	Gran Trade Australia Pty Ltd	
GRAIN TRADE AUSTRALIA	PO Box Regist Royal Extrange NGW 1225 PO Box Regist Royal Extrange NGW 1225 Phone: +61 2 9235 2255 Email: admin@graintrade.org.au Web: www.graintrade.org.au	
Monday, 05 July 2021	ong au web www.grainerade.org.au	
Ms Gabrielle VIVIAN-SMITH Acting Chief Plant Protection Officer Australian Department of Agriculture, Water and the Envi Email: <u>gabrielle.vivian-mith@ave.gov.an</u>	roament	
Ce: Ms Sophie PETERSON Standards Committee Member Australian Department of Apriculture, Water and the Envi Email: <u>sophie peterson@ave.sov.au</u>		
Dear Gabrielle,		
On behalf of Gram Trade Australia (GTA). I am writing important gibbal insues impacting the Australian gram in governmental bodies such as World Trade Organization (IPPC) and Codex Alimentarius. In the context of the ag ¹⁰ anniversary of the WTO's SPS / (MCL2) that will take place at the end of November 2021. AND PHTTOGANTAKY DELARATION FOR THE TWY	(WTO), International Plant Protection Convention	
currently under the spotlight at the WTO SPS Committee.	Among other stame the Deduction	
r demonstration of sustainable intensification of agricu	itural production and international and	
 Use of international standards, guideknes, and rec Commission, the World Organisation for Anim Convention as the basis of harmonized SPS m veterinary drugs and pesticides, to protect human 	ommendations developed by the Codex Almentarius all Health and the International Plant Protection easures, including on maximum residue limits for animal or plant life or health.	
 SPS measures based on scientific evidence and principal science and principal scince and principal science and principal science and principa	nciples.	
 Promotion and use by Members of principles employed considering scientific uncertainty in risk analysis. 	loyed by the international standard setting bodies for	
 Enhancement of safe international trade in food, adaptation of SPS measures to regional conditions peet or disease prevalence which can strengthen health through efforts to limit the spread of pests African swine fever, disease-carrying organisms, or 	including pest-or disease-free areas and areas of low Members' ability to protect plant and animal life or such as the Mediterranean fruit fly, diseases such as	
GTA supports the Australian Government's intention to en SPS Committee coming up on 15° and 16° July, and the 12° count on the support of GTA to promote the importance of counterparts through the International Grain Trade Coalit	 Ministerial Conference at the end of the year. Please this Declaration and encourage support of our global 	
Yours sincerely,		
Post		
Pat O'Shannassy CEO		



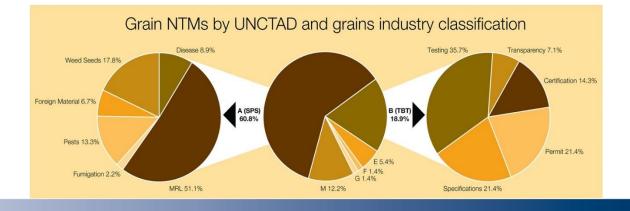
WORLD TRADE Organization



N TRADE AUSTRALIA

Regional Activity – APEC NTM Value Chain

- S APEC Value Chain Project
- APEC economies account for:
 - $\,\, \backsim \,$ over 20% of global wheat exports,
 - 42% of APEC member economies wheat exports are to other APEC members.
 - 5 around 75% of Australia's wheat exports.
- Supply Chain Case Studies
 - 🌾 Wheat, soybeans, quinoa
 - 5 MRL & documentation focus
- 5 Govt & Private Sector engaged







MANAGEMENT OF GRAIN WITHIN THE AUSTRALIAN GRAIN SUPPLY CHAIN:

Australian Grain Industry - Code of Practice

UPDATED MAY 2018 Compiled on behalf of the Australian Grain Industry by

Grain Trade Australia

Thank you!!!



Australian Government Department of Agriculture and Water Resources

The development and review of the Australian Grain Industry Code of Practice (Code) has been funded by the Australian Government Department of Agriculture and Water Resources.

If the Australian Grain Industry's self-regulatory framework. These documents outline the basis requirements for procedures and quality assumance processes across the supply chain. Adoption of the Code enhances value for industry and its customers, creating confidence in the Australian grain supply chain and its products. The Grain Trade Australia Board and the Organizment of Agriculture and Water Resources endorse this Code and encourage all Australian grain industry and supply chain participants to addrese to the principles and processes laid

GRAIN TRADE

The development of the Australian Grain Industry Code of Practice has been undertaken by Grain Trade Australia. Grain Trade Australia Ltd Postal: PO Box R1879 Royal Exchange NSW 1225 Australia Street: Level 7, 12 O'Connell Street, Sydney NSW 2000 Phone: +612 2025 20155 [Fax: 612 9235 0194 www.graintrade.org.au Code of Practice Assessment Program

ACT SHEET



The Australian Grains Industry Conference 2021

GRAIN TRADE AUSTRALIA

E: pat.oshannassy@graintrade.org.au

W: www.graintrade.org.au

