



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

Grain Trading Standards



Reflect Requirements & capabilities in:

1. Regulation
2. Production Sector
3. Supply Chain
4. Consumptive Sector

Trade Rules & Contracts



Ensure confidence in commercial dealings by providing legal rigour

Dispute Resolution Services



Underpins Contractual Arrangements

Trade & Market Access



Engaging with Policy makers to ensure fair & equitable trade and access to domestic & global markets

Industry Stewardship & Capability



Leadership and **Codes of Practice**

Increase Industry capacity by providing **training & development** programs

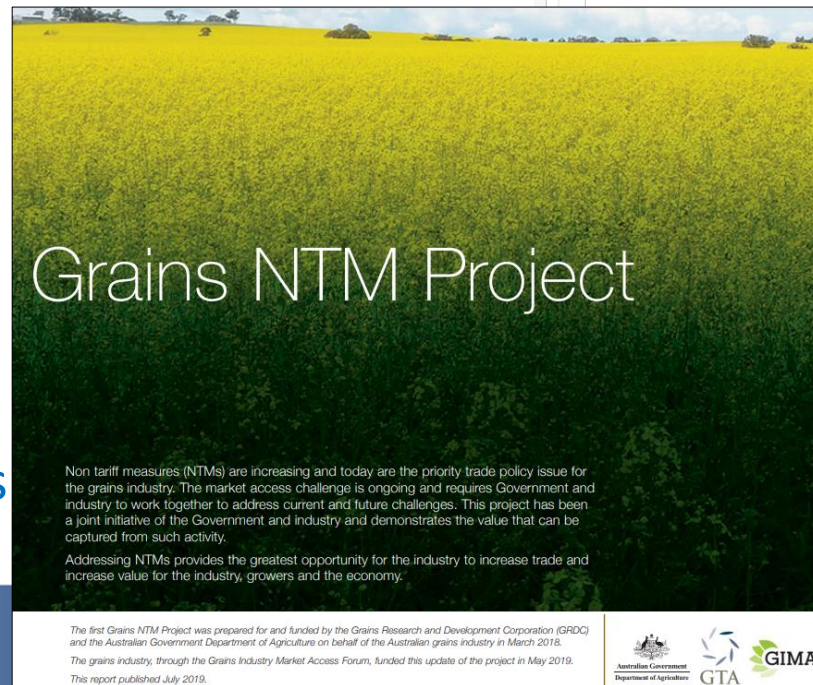
*Industry driven and managed
“Self-Regulatory Framework”*

Proactive Trade & Market Access Approach



Industry Approach to Market Access - NTMs

- Capture Issues direct from markets, exporters, importers, consumers
- Assess impact & practicality
- Prioritise issues
- Communicate
- Engage with:
 - Govt
 - bi-lateral
 - multi-lateral
 - global counterparts



Australian Grain Industry Market Access Issues Database

Active Priorities

Markets

☐ Afghanistan

Commodities

☐ Adzuki bean
☐ All cereals
☐ All oilseeds
☐ All pulses
☐ Amaranth
☐ Bambara groundnut

Parameters

☐ Foreign Material
☐ Foreign Material
☐ Phyto

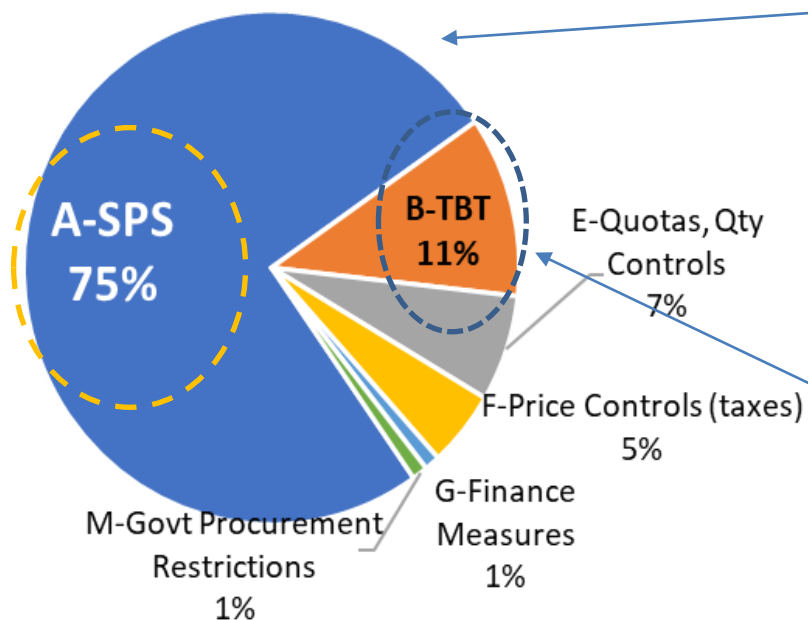
Report ☐ Priority Report ☐ Commentary Report

Parameter Type Report

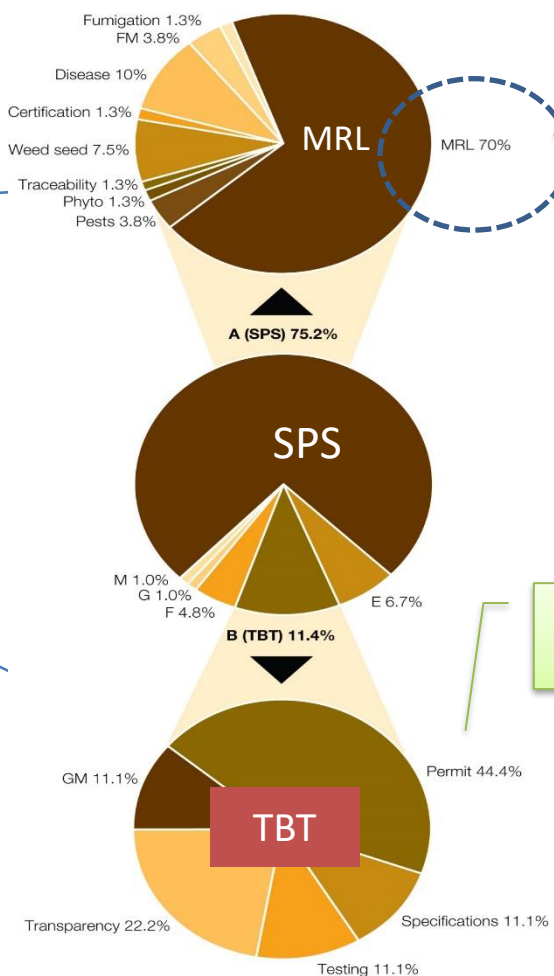
Parameter Type	Parameter Name	Market	Commodity	End-Use
Foreign Material	Parameter Name	Market	Commodity	End-Use
Foreign Material		Pakistan	Wheat	Human Consumption
Phyto		China	Canola	Human Consumption
Foreign Material		Pakistan	Wheat	Processing
Foreign Material		Pakistan	Wheat	Stockfeed

Impact of Non-Tariff Measures in Agriculture & Food

NTMs by UNCTAD Classification



Grain NTMs by UNCTAD and grains industry classification



70% of 75% of SPS are MRL related

Documentation related

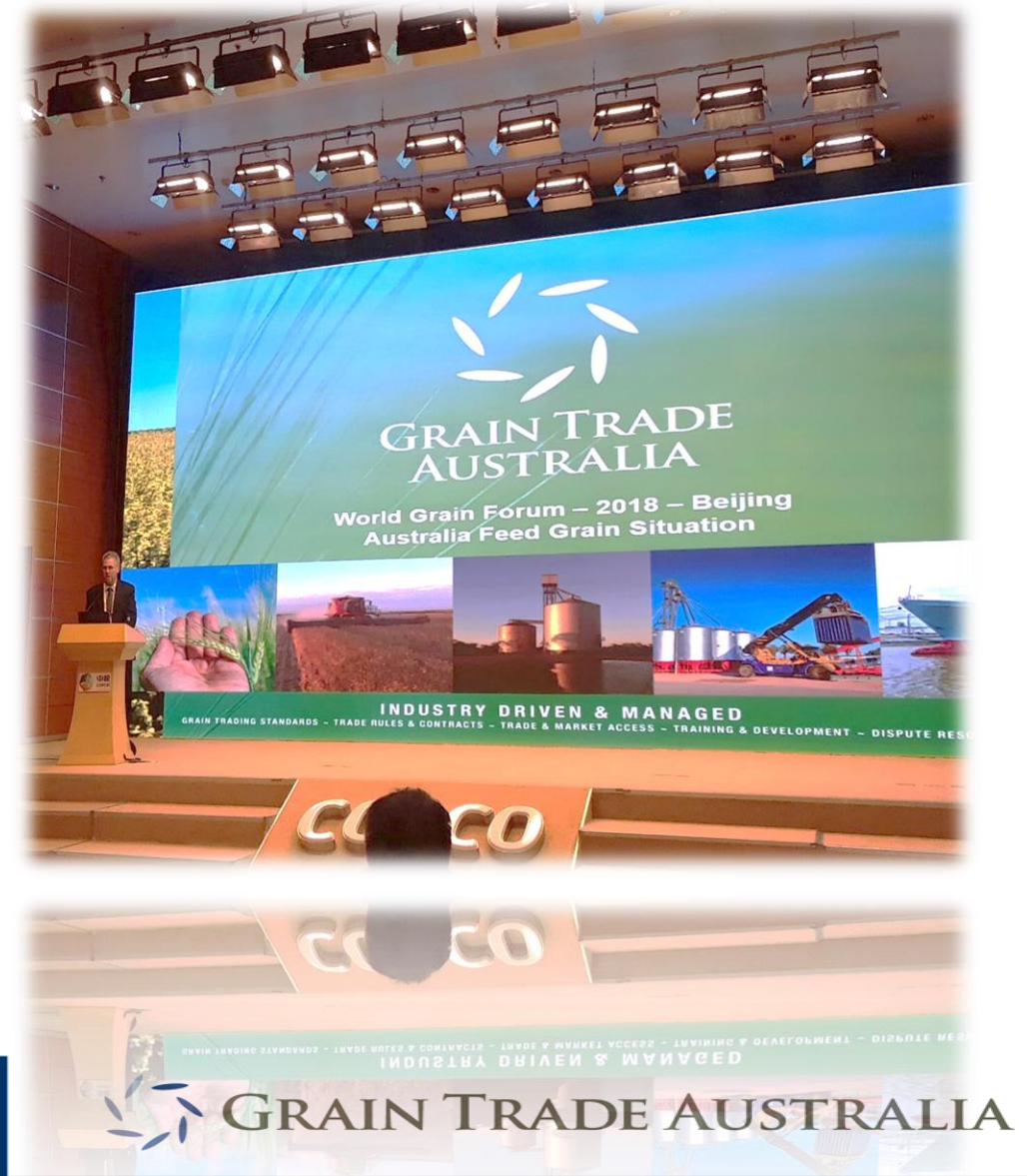
Global Reach in Trade & Market Access - IGTC

- ✧ 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
- ✧ Member driven
- ✧ Reputation - strong consensus based policy positions

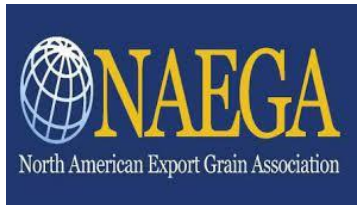


IGTC

International Grain Trade Coalition



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



Convention on
Biological Diversity



Food and Agriculture
Organization of the
United Nations



IGTC
International Grain Trade Coalition



Global Framework via IGTC

Active IGTC Teams / Files		Key objective
IPSM	International Standard on Phytosanitary 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
CPB	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).
- ✧ The role of **plant protection products** and MRLs in relation to:
 - ✧ global **production**,
 - ✧ international **trade**, and
 - ✧ 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
 - ✧ differing **regions** and **climates**,
 - ✧ 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**
- ❧ Not all have a **Positive List System**¹
- ❧ Not all have a **deferral system**
- ❧ Default levels or a **zero tolerance** varies
- ❧ Not all have an **Import tolerance system**²
- ❧ All lead to trade concerns with **missing or low MRLs**



- 1 A list of active substances/pesticides that are allowed; anything not on the list is not allowed 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

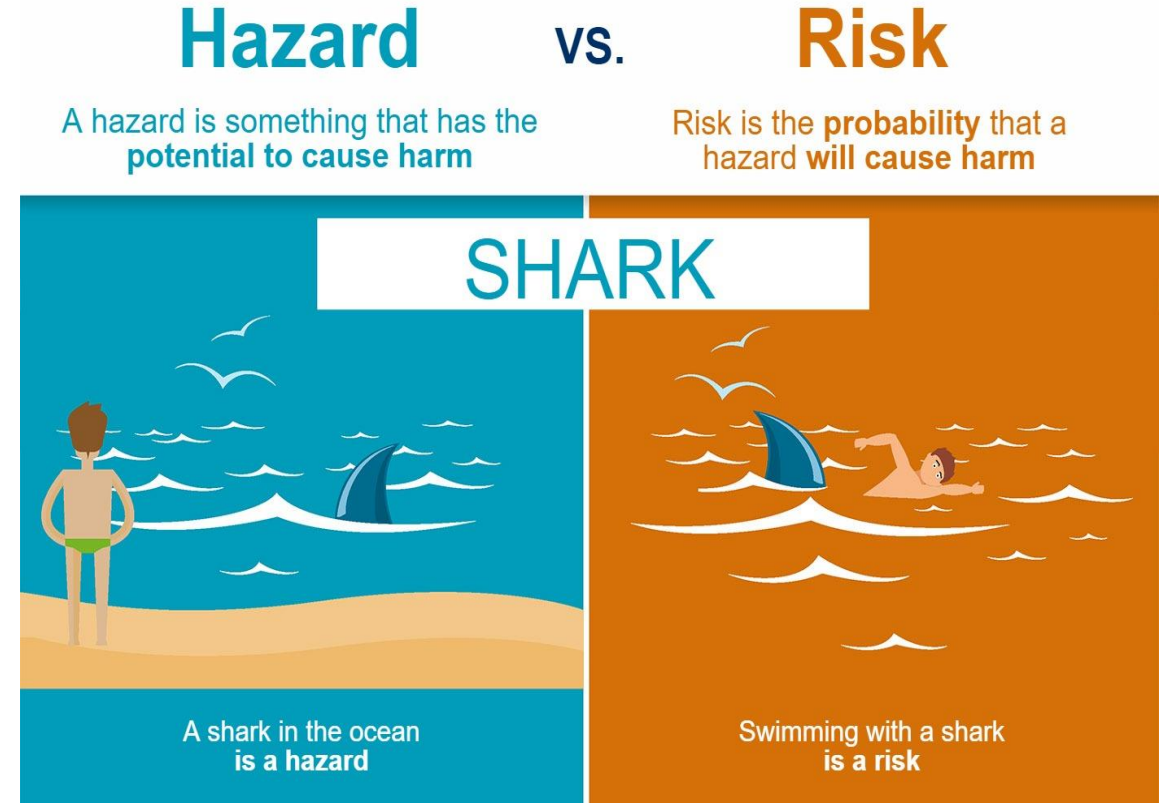
 United States
International Trade Commission

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

January 2021
Publication Number: 5100
Investigation Number: 312-573

MRL Establishment - Risk v Hazard Based

- **Hazard** is the intrinsic potential of a substance to cause harm,
- **Risk** 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
 - Countries moving away from Codex to establish own MRLs
- Important for countries without positive list systems
 - Many low-income developing countries
 - Many default to Codex MRLs where they exist



 International Trade Commission

Global Economic
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Levels, Vol. 2

January 2021
Publication Number: 5180
Investigation Number: 352-579

Codex – a respected process

- ✧ The most widely recognised global effort to **harmonise** MRLs & policies
 - ✧ But is **slow** to adopt new MRLs & review old chemicals
 - ✧ 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.
- ✧ Defaults from Codex MRLs vary by country.
- ✧ Countries are increasingly **diverging** from Codex standards in establishing their **own MRLs**.



United States
International Trade Commission

Global Economic
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Levels, Vol. 2

January 2011
Publication Number: 5100
Investigation Number: 312-015

MRLs impacts on the Supply Chain

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

IGTC MRL Policy

Principles

Govt & Private Sector

Science & Risk based

Regulatory Coherence

Practical Methods

Consistency & Legal Certainty

Information & Notifications

Transparency

Solutions

Regulatory Alignment

Utilise existing Standards

Interim MRL Policy (Codex)

Interim MRL Policy (Xpter)

Enhancing Development

Improve Processes

Increase Expertise

Codex Funding

Utilise Technology

Shorten approval times

International Agri-Food Network -Supporting IGTC Principles on Codex

International
Agri-Food Network

Coalition Members



European Coffee Federation



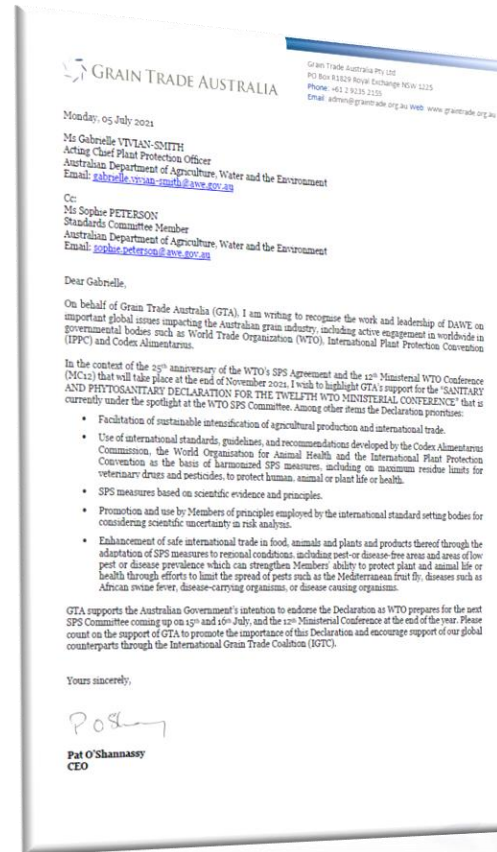
FEDERATION OF
COCOA COMMERCE



<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:
 - ✧ Global food system & security
 - ✧ Impacts of SPS measures
 - ✧ Adoption & safe use of PPP's ¹
 - ✧ Support Codex
 - ✧ Scientific evidence risk based principles
 - ✧ Access to and safe use of innovative tools
 - ✧ Technical exchanges / harmonisation
- ✧ GTA and IGTC provide industry support to Aust Govt position supporting the SPS work



WORLD TRADE
ORGANIZATION



IGTC
International Grain Trade Coalition



GRAIN TRADE AUSTRALIA

Regional Activity – APEC NTM Value Chain

APEC Value Chain Project

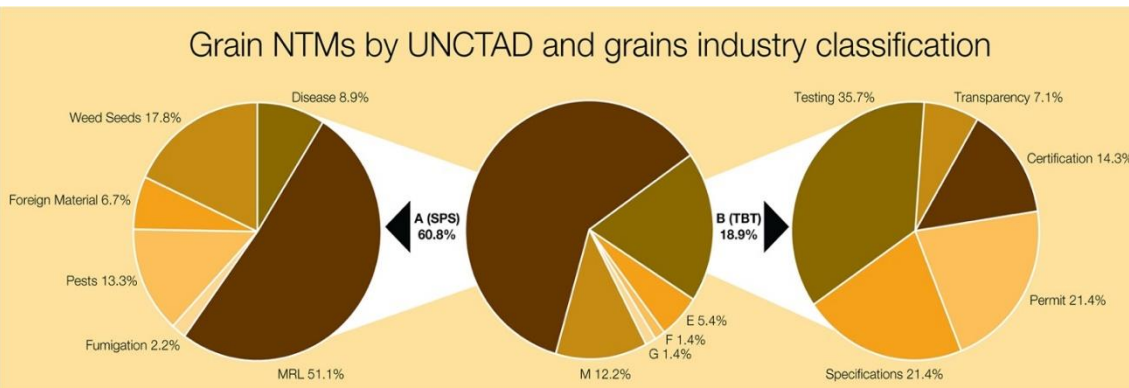
APEC economies account for:

- over 20% of global wheat exports,
- 42% of APEC member economies wheat exports are to other APEC members.
- around 75% of Australia's wheat exports.

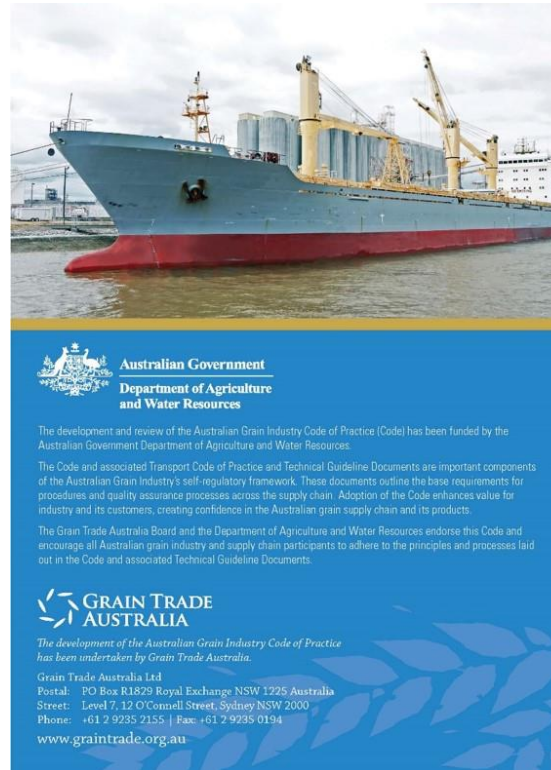
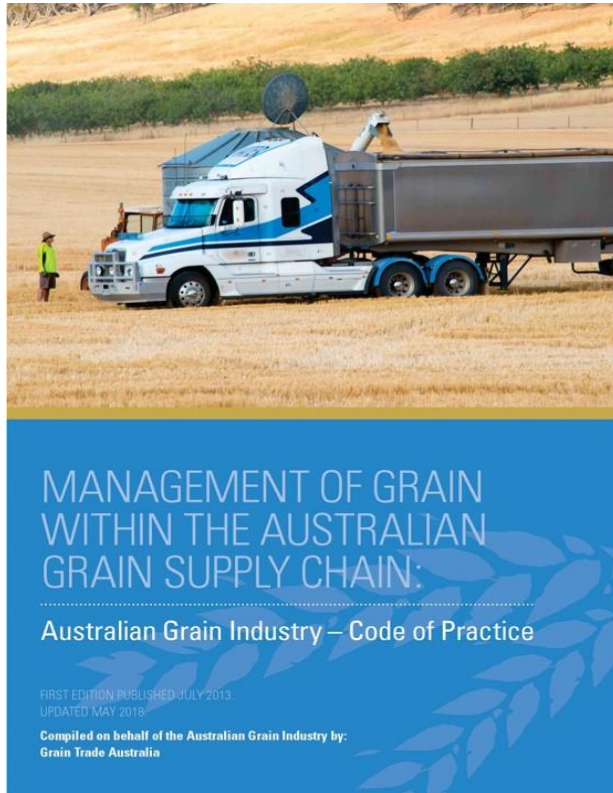
Supply Chain Case Studies

- Wheat, soybeans, quinoa
- MRL & documentation focus

Govt & Private Sector engaged



Thank you!!!



The Australian Grains Industry Conference
2021



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