

# NewsInGrain

ISSUE 16, DECEMBER 2014



## GTA PROFESSIONAL DEVELOPMENT PROGRAM

The 10514NAT Diploma of Grain Management was approved and accredited by the Australian Skills Quality Authority (ASQA) on 9th October 2014. ASQA regulates courses and training providers to ensure nationally approved quality standards are met. The development of resources for the implementation and delivery of the Diploma has commenced.

This is an exciting development for GTA and the grain industry in Australia. To receive the Diploma, 10 units must be completed – 3 core and 7 electives.

- The roll-out of the diploma will be incremental, commencing in March 2015 and progressively phased in during 2015/16
- The current PDP will be integrated with the Diploma from March 2015. Those completing the PDP workshops will have the option to complete the formal assessment for the relevant unit in the Diploma
- Recognition of Prior Learning (RPL) will be available from late February 2015 for those who have previously attended GTA courses or believe they have met the requirements of the diploma through relevant industry experience
- Enrolments for RPL will be run through GTA and evidence of this experience for recognition must be submitted to GTA for review and assessment. If the evidence meets requirements, a Registered Training Organisation (RTO) will issue the qualification after verifying assessments completed by GTA

- RPL is managed on a case by case basis. An RPL pack will be developed and uploaded on to the GTA website and made available to any person eligible to apply for credit toward the diploma. The pack will provide detailed information about the evidence required to gain credit for each of the 19 units in the diploma
- A draft GTA RPL pack will be completed by early January 2015
- GTA will manage enrolments for both coursework and RPL for the Diploma of Grain Management. An online learning and student management system will be available through the GTA website from February 2015
- Further development and implementation of resources for the Diploma will continue over the next 12-24 months. GTA intends to have the full Diploma available online by the end of 2016. Face to face workshops will be run in conjunction with online learning

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Please contact the GTA office for further enquiries on 02 9235 2155 or email [training@graintrade.org.au](mailto:training@graintrade.org.au)

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# AUSTRALIAN GRAIN VESSEL PROTOCOL

**The Australian Grain Vessel Protocol has been developed by the Australian Grain Exporters Association (AGEA) and is available to anyone chartering ships to load grain at Australian ports.**

## Background

The protocols to export prescribed goods from Australia represent an ongoing challenge to industry. Ships arriving in Australia for purpose loading grain for export are required to be inspected and approved for both suitability for carrying grain and compliance with phytosanitary requirements. Ships failing survey is resulting in cost imposts and operational inefficiencies for Australian exporters and port terminals. AGEA has estimated that the failure rate is around 10-15% on a national basis.

Australian requirements are among some of the most stringent in the world and the difficulties in predicting grain suitability in an Australian shipping context is further complicated by the variability in knowledge amongst seafarers of the requirements and tolerances of Department of Agriculture.

AGEA has launched the Australian Grain Vessel Protocol to provide the export sector with an innovative new tool to assist them to reduce ships failing survey.

## What is the Australian Grain Vessel Protocol?

The protocol is a voluntary tool that works with a combination of questionnaire responses; survey outcomes and overall performance history to construct a predictive model which:

- Identifies the likelihood of a vessel passing grain survey without incident; and
- Calculates the relative contribution of each trailing indicator to failure.

The protocol provides the exporter/charterer with a tool to assess the ships suitability ahead of its arrival

at the Australian port and take corrective action if required to avoid delays when the ship arrives to load grain.

AGEA has partnered with Rightship to develop and implement this initiative. Rightship is an independent company formed in Oct 2001 to deliver ship vetting and risk management services globally. It is the largest global provider of third party vetting services.

The Vessel Protocol is based around development of data to support a rating system and education program. The Protocol will require ships to complete the AGEA Australian Grain Terminal Questionnaire that will be analysed and assessed by an independent party (Rightship). Over time this will enable the development of Industry best practice guidelines and improved risk rating reports for individual ships. Until the predictive model is up and running, an expert opinion based on the questionnaire responses is available on a case by case basis.

Users of the system will have:

- Unlimited access to the Protocol i.e. no limit on number of questionnaires that can be requested and submitted
- Full online access including ability to request questionnaires, review progress of questionnaires, monitor activities
- Ability to use the system manually if required
- Access to Rightship qualified experts to review questionnaires and assessments
- Access to training materials and demonstrations

In addition, users will benefit from continuous improvement of the protocol based on user feedback.

## Outcomes

AGEA believes that the Protocol will have benefits for all in the grain supply chain through fewer days lost, lower costs and higher throughput as well as broader industry benefits.

The protocol is envisaged to assist the industry through seeing fewer days lost from ships failing survey and lower costs. Over time as data is collected, the protocol will improve the ability to predict likelihood of future failure and will provide the analytics and insight to assist in promoting increased efficiency in the export supply chain.

The protocol will have broader industry benefits by reducing supply chain interruptions, provide a framework to quantify emerging risk areas, deliver improved port throughput without incurring capital expenditure and enabling benchmarking of industry performance.

## Further information

The protocol is available to all exporters or those chartering ships (AGEA member and non member fees apply). For more information or to access the Protocol contact Rosemary Richards at AGEA on 02 9427 6999 or [agea@agea.com.au](mailto:agea@agea.com.au)

AGEA will not have any involvement in day to day running of the system and all data submitted by a user is confidential to that participant. AGEA will only receive consolidated reports to enable it to monitor industry performance and assist in any future developments/improvements.



# AUSTRALIAN GRAIN INDUSTRY CODE OF PRACTICE FOR THE MANAGEMENT OF GRAIN

Grain Trade Australia recognised the cross supply chain challenges to ensure delivery to customers of a quality product and determined the need to develop the **Australian Grain Industry Code of Practice (Code)**.

The purpose of the Code is to describe practices that the grain industry use to ensure Australian grain and grain products meet domestic or export customer requirements. Customer requirements include those stipulated in contracts and regulatory requirements at the Australian State, Territory and Federal levels and international and overseas country level. There are also a range of industry standards that are covered under the Code.

The Code focuses on those common standards, operating procedures and documented processes. The Code assumes that all participants in the grain supply chain have in place established practices that ensure compliance with this Code.

## The Australian Grain Industry Code of Practice

- was developed as a result of a call from GTA members, the broader grain industry and government;
- details best practice used across the Australian grain industry.
- details in one document the:
  - quality systems embedded in the Australian grain supply chain; ensuring that
  - customers of Australian grain receive a quality product.
- is mandatory for GTA members from 1 July 2014.

By following the Code, all sectors related to the grain industry, governments, researchers and consumers will gain confidence that processes exist in Australia to successfully produce, store and supply grain that meets the expectations of the entire grain supply chain.

The grain industry is committed to self-regulation. This Code assists that purpose by providing a process that is transparent and which outlines minimum requirements of all involved in the Australian grain supply chain.

The Code of Practice has been developed to provide further guidance to industry and confidence to customers that the grain industry is committed to meeting its obligations of providing grain according to industry-recommended criteria as defined in this Code and according to those mandatory regulatory requirements.

# TRANSPORT INFRASTRUCTURE AND THE GRAIN SECTOR

## GTA submission on transport to the Federal Government Agricultural Competitiveness White Paper

Recent research has shown that Australian grain transport costs represent on average over 30% of total production costs. In some places they are far more. Such high transport costs damage the competitiveness of Australian grain in world markets, regardless of market access settings.

Current fragmented efforts by governments to deal with freight infrastructure are not working well.

The grain freight principles which follow are intended to guide better outcomes for the grains sector.

A relevant and recent international case study is also examined as a more commercial, better practice approach to financing Australia's vital Inland Rail project, which is the centrepiece of more effective grain road, rail and port solutions for much of the industry.

Importantly, analysis of the lengthy public sector-led design and build timeline proposed for Australia's Inland Rail project is found to represent a direct freight opportunity cost to the east coast grain sector alone of almost \$3 billion. It is also submitted that moving to a faster, fully commercial design and build of this essential project would save the grain sector in the order of \$1 billion dollars.

Grain transport principles for the *White Paper* to adopt:

1. Efficient mainline rail lies at the heart of a more efficient grain freight
2. Australia's grain branch lines are far behind global best practice
3. Grain port efficiency and access competition is driven by mainline rail
4. Government grain transport projects should be measured for price per tonne impact
5. Wider financing sources must be found to augment scarce taxpayer revenue – this should begin with the Inland Rail project.

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The GTA submission is on the GTA website under submissions.

## AGIC returns to Asia in 2015 Mark the date in your diary

### THE AUSTRALIAN GRAINS INDUSTRY CONFERENCE ASIA 2015

9 MARCH 2015 • SINGAPORE  
11 MARCH 2015 • HONG KONG  
[WWW.AUSGRAINSCONF.COM/ASIA](http://WWW.AUSGRAINSCONF.COM/ASIA)



## Australian grains industry showcased in Asia

### The Event

AGIC Asia will see two must attend events for customers of Australian grain take place in Singapore and Hong Kong. Both events will be a one day seminar, incorporating technical and industry presentations from high calibre presenters.

AGIC Singapore 2015 is an opportunity for customers across South East Asia to have a complete update on the Australian wheat crop and trends in quality, new varieties and supply chain developments.

AGIC Hong Kong 2015 is an inaugural event and an opportunity for customers and potential customers to gain an understanding of Australian crop prospects and technical presentations on barley, sorghum, canola and pulses.

### Who should attend

- Customers and end users of Australian grain – senior management, procurement and technical representatives
- Those involved in the marketing/trading, logistics, financing, risk management and other support services

### The program

- Australian crop outlook and trade flows
- Australian crop quality
- Trends in new varieties and research
- Supply chain developments
- Performance of and gaining the maximum from Australian grains

### For further information

- Go to [www.ausgrainsconf.com/asia](http://www.ausgrainsconf.com/asia)
- Contact conference manager Rosemary Richards at [administration@ausgrainsconf.com](mailto:administration@ausgrainsconf.com) or 61 2 9427 6999

We look forward to seeing you in Singapore or Hong Kong.



THE AUSTRALIAN GRAINS  
INDUSTRY CONFERENCE  
ASIA 2015







*L to R: Geoff Honey (GTA), Andrew Conner (USGC), Kirk Miller (NAEGA), Paul Green (NAEGA), Tiago Moreno (Cargill) and Ricardo Calderon (APPAMEX)*

# International Grain Trade Coalition

GTA is a member of the International Grain Trade Coalition (IGTC), a coalition of trade organisations from 22 countries that endeavours to develop policies for a regulatory environment, at a country and global level, that is supportive of the international grain trade.

## Structure

In October 2014, IGTC became an incorporated organisation registered in Switzerland. Aligned to this development was the appointment of a Secretariat, Dr Marcel Bruins.

## Meeting – Brussels – December 2014

The first full meeting of the newly incorporated IGTC was held in Brussels from 8 to 10 December 2014. Jodie Dean, GTA Operations Manager will represent the interests of GTA members at this meeting.

## Key matters for IGTC consideration

Whilst the trading of GMO grain was the catalyst for the formation of IGTC, active IGTC files now contain a number of matters that are non GMO related. Hence the issues that are listed below affect the constituents of all IGTC Members irrespective of whether they are exporting or importing grain.

## Meeting of the Parties (MOP 7) to the Cartagena Protocol on Biosafety (BSP) – Korea 29 September to 3 October 2014

The Cartagena Protocol on Biosafety is a Protocol being developed under the UN Convention on Biological Diversity. Australia is a signatory to the Convention but has not ratified the Protocol.

Commencing development in 2000, the Protocol relates to the transboundary movement in Living Modified Organisms, read GM grain.

The Parties to the Protocol meet every two years with the most recent Meeting of the Parties (MOP 7) held in Korea. The next meeting will be held in Mexico in 2016.

IGTC has advocated strongly at all MOP's to ensure that the Protocol would not inhibit trade. At MOP7, the Parties agreed to a number of decisions that were supported by IGTC.

The IGTC delegation representing the interests of the global grain trade consisted of:

- **Geoff Honey** – Grain Trade Australia and delegation leader
- **Tiago Moreno** – National Association Of Grain Exporters Brazil
- **Ricardo Calderon** – Asociación de Proveedores de Productos Agropecuario, Mexico
- **Andrew Conner** – US Grains Council
- **Kirk Miller** – North American Export Grain Association
- **Paul Green** – North American Export Grain Association

## Key points:

### BSP governance

1. funding – not sufficient to conduct required activities. Key reason why the BSP needs countries such as the US, Canada and Australia to sign on and contribute.
2. increased call for additional “capacity building” in all its iterations, primarily from developing countries, however this is reliant on point 1.
3. increased call for additional Ad Hoc Technical Expert Groups (AHTEGs) on a range of issues, also reliant on point 1.
4. call for voluntary donations from Parties and others to fund Points 2 & 3.

### Key Agenda Items for IGTC to monitor

#### Handling, transport, packaging and identification of LMOs (Article 18).

- **“may contain”** language on commercial documentation accompanying the goods – overwhelming reaffirmed by the Meeting. Not listed for further review at a future MOP.
- **stand-alone document** – the evidence as noted by the majority of Parties was that a “stand alone” document was not required as the current commercial process of listing “may contains” on the commercial invoice was sufficient and works. Not listed for further review at a future MOP.





- **standards (Article 18.3)** –comment from four Parties that standards are not required. No call from any Party regarding the need to develop standards. Not listed for further review at a future MOP.

#### **Nagoya – Kuala Lumpur Supplementary Protocol on Liability and Redress.**

- The Supplementary Protocol needs another 14 Parties to ratify before it comes into force, hence debate/comment limited. MOP comment centred around encouraging Parties to sign up.
- Will be on the Agenda for MOP 8

#### **Risk assessment and risk management (Articles 15 and 16).**

- Governance of the AHTEG problematic at best with what appears to be a substantive disconnect between the Chair and the members of the AHTEG and the relevance/accuracy of the output, i.e. the Guidance document.
- Documents to be reviewed / resubmitted to MOP8, i.e. in two years' time.

#### **Socio-economic considerations (Article 26).**

- The direction that this Article takes is uncertain at best. On a first reading, it would seem to not be an issue for the trade; however, it is absolute wild card due to a complete lack of certainty regarding the boundaries of what SEC actually is. This was noted in the Information Documents by the Secretariat and was about the only thing that was agreed.
- The wants/needs of indigenous populations was raised on a number of occasions.
- However, never fear, an AHTEG has been formed and will sort it out for further review at MOP 8.

#### **Grain dust as a hazardous product**

This matter is being conducted under the UN 'Sub-committee of Experts on the Globally Harmonized System (GHS) of Classification and Labelling of Chemicals' and relates to the proposed reclassification of grain dust as a hazardous material. If grain dust is redefined this will have immediate impact on grain storages worldwide from farm to end user as well as substantial changes to occupational health and safety legislation/practices.

GTA has lodged a submission to SafeWork Australia on this issue (refer GTA website) as well as working through IGTC to ensure that grain DOES NOT get captured in this new definitional regime. The GTA submission is on the GTA website.

#### **Development of a standard for the International Movement of Grain**

Development of this proposed standard is being conducted under the International Plant Protection Convention and when finalised will affect shipments of grain from Parties to the Convention, i.e. all the major exporting and importing countries.

IGTC representation ensured that the scope of the, yet to be developed, standard is confined to solely phytosanitary issues. An early draft included quality determination and traceability. IGTC via its membership to their respective governments advocated and were successful in their removable from the scope. IGTC were also successful in getting representation on the Drafting Committee.

#### **Global Low Level Presence Policy Initiative**

This matter was initiated by Canada and now has representation from major grain exporting and importing countries/regions. Low Level Presence is the presence of trace amounts of a GM event approved in the country of export/production but not in the country of import.

Issues arise due to shared supply chains and the potential for trace amounts of a GM event to be mixed in with other commodities be they a conventionally or GM bred commodity/variety.

This issue can best be portrayed by the cost and reputational risk accorded to the parties involved in the Agrisure Viptera MIR 162 related trade disruption with China which occurred in early 2014. If China had an LLP policy the effects of the presence of trace amounts of MIR 162 would have been significantly ameliorated or absolved entirely.

IGTC is working with this initiative to encourage importing countries to move off a zero tolerance to LLP and introduce a LLP policy.

# TOP5 DOWNLOADS from the GTA website

Visual Recognition Standards Guide  
8,754 hits



Awards of the Dispute Resolution Service  
7,138 hits



Wheat Trading Standards  
3,032 hits



GTA Industry Briefing Documents  
1,914 hits



Location Differentials NSW  
1,605 hits



# TOP hits by Country

AUSTRALIA  
93,210 hits

USA  
54,057 hits

CHINA  
10,575 hits

CANADA  
5,914 hits

FRANCE  
4,933 hits

UNITED KINGDOM  
4,185 hits

JAPAN  
3,449 hits

UKRAINE  
3,256 hits

RUSSIA  
3,119 hits

NETHERLANDS  
2,903 hits

SINGAPORE  
2,616 hits

OTHER  
17,533 hits

As at October 2014



# Grain, Class 1 products and the GTA Transport Code of Practice

**GTA was approached by various members expressing concern regarding potential breaches of the GTA Grain Transport Code of Practice by transport operators suspected of previously carrying Class 1 prohibited products**

## Background

GTA through its Transport, Storage and Ports Committee released the updated GTA Grain Transport Code of Practice via Member Update 17 of 14 in July 2014 following industry consultation and submissions. The updated Grain Transport Code of Practice is available for download from the GTA Website via <http://www.graintrade.org.au/grain-industry-codes>

Amendments made during this process included additions and amendments to Class 1 and 2 Products. As per the updated code, these lists and the restrictions/requirements of transporters carrying these products are as follows:

## Class 1 Products

The following materials must not have been carried in vehicles used for the transportation of goods covered by this Transport Code. Transporters must be prepared to give an undertaking to this effect if required.

- Toxic and corrosive materials (including asbestos) and any packaging used for these materials, radioactive materials, animal/poultry wastes (including manures/litter) and soil containing animal manure (peat)
- Unprocessed animal matter, wet offal, animal manure or dead stock
- Mammalian protein, e.g. meat & bone meal, meat meal, cull cake and other mammalian based products
- Metal flakes or metal product
- Glass
- Sludge from sewage plants treating waste waters (biosolids)
- Solid urban waste, such as household waste
- Materials contaminated with salmonella or other pathogens
- Untreated waste from eating places
- Other materials as determined by the parties

## Class 2 Products

Cleaning required—All physical and chemical remnants removed (High Pressure Water Wash with Sanitizer and/or Steam).

- Asphalt (fresh) and asphalt rubble
- Milk & milk products, gelatine, amino acids, dicalcium phosphate, dried plasma and any other blood products

- Tallows
- Mineral clays which have been used for detoxification purposes
- Coal and coal products
- Composts (including green plant material)
- Treated Bulk Grains (e.g. Pickled Grain)
- Treated Fertilisers (e.g. Intake etc)
- Treated Wood Products
- Medicated Stock Feeds
- Insect Infested Grain Products
- Hides treated with tanning substances and associated waste

## Class 3 Products

Cleaning required – All physical remnants removed (Blown out, Swept or Washed as required). Product:

- Untreated Bulk Grain (e.g. when changing grain types)
- Untreated Fertiliser (e.g. Super phosphates etc)
- Inert Mineral Material (e.g. road base, sand, lime, gypsum etc)
- Untreated Wood Chip
- Salt

If at any stage the Transport Company is not sure which category a product that is going to be carted or that has been carted fits, it is their responsibility to contact the consignor prior to loading the product so that the correct cleaning method can be used.

## Amended GTA Bulk Freight Contract

The GTA Bulk Freight of Goods Contract has been amended to include a clause stipulating "Parties to this contract agree to be bound by the GTA Grain Transport Code of Practice in the version current at the time of signing this contract" to ensure adherence by non-GTA Members including transport operators.

**GTA strongly encourages members using other freight contracts to include reference to the GTA Grain Transport Code of Practice to ensure adherence to its requirements by transport operators.**

## NEW GTA MEMBERS

**GTA WELCOMES THE FOLLOWING ORGANISATIONS TO THE MEMBERSHIP RANKS FOR THE 2014/2015 FINANCIAL YEAR**

Applicant Name	Membership Category
Grain Brokers Australia	Broker – Medium
Southern Cross Agricultural Exports P/L	Ordinary (Trading) – Level C
Donnellons Bulk Haulage Pty Ltd	Ordinary (Trading) – Level C
Grainx	Corporate – Small
Moxey Farms Pty Limited	Ordinary (Trading) – Level C
Holding Redlich	Corporate – Medium
Carpendale Commodities & Transport Pty Ltd	Ordinary (Trading) – Level C
Dalgrains (Qld) Pty Ltd	Ordinary (Trading) – Level C
C & S Trading Pty Ltd	Ordinary (Trading) – Level C
Merricks Capital Pty Limited	Corporate – Medium
Lane Grain Pty Ltd	Ordinary (Trading) – Level C
Network Grains Pty Ltd	Ordinary (Trading) – Level C
Unique Grain Management Pty Ltd	Ordinary (Trading) – Level C



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# GTA BOARD APPOINTMENTS FOLLOWING THE 2014 AGM

**GTA called for the nomination of Directors to vacant positions on the GTA Board on 28 August 2014, to be determined at the Annual General Meeting (AGM) on 28 October 2014. Nominations closed on 26 September 2014.**

## Nominations & Voting

Nominations were sought for the following classes of GTA membership, to fill five Director Positions. These vacancies included:

**Ordinary Level A** – to fill one vacant Director position

**Ordinary Level B** – to fill two vacant Director positions

**Ordinary Level C** – to fill one vacant Director position

**Merchant Association** – to fill one vacant Director position.

The following Directors with Special Qualifications also retired on completion of their term, and offered themselves for reappointment:

Peter Reading

Geoff Farnsworth

Malcolm Finlayson

Voting was conducted at the AGM held in Melbourne on 28 October 2014.

## Appointments

Following the AGM, the GTA Board comprises:

Name	Member Organisation	
Neil Johns	Ordinary Level A	
John Warda	Ordinary Level A	Appointed 28 October 2014
Pat O'Shannassy	Ordinary Level B	Appointed 28 October 2014
<i>Vacant</i>	Ordinary Level B	
Andrew Goyder	Ordinary Level C	Appointed 28 October 2014
Michael Wood	Merchant Association	Reappointed 28 October 2014
Robert Imray	Merchant Association	
Guy Allen	Merchant Association	
Peter Reading	Special Qualifications & Chair	Reappointed 28 October 2014
Malcolm Finlayson	Special Qualifications	Reappointed 28 October 2014
Geoff Farnsworth	Special Qualifications	Reappointed 28 October 2014

# 2014/15 GTA TECHNICAL COMMITTEES

## Nominations & Background

GTA called for nominations to our 2014/15 Technical Committees from Members via Member Update 24 of 14 on 17 September 2014. Nominations closed on 10 October 2014.

GTA Technical Committees are responsible to the GTA Board and the nominations, committee structure and activities are guided by the GTA Technical Committee Charter available on the GTA website [www.graintrade.org.au/committees](http://www.graintrade.org.au/committees)

## 2014/15 GTA Technical Committees

The GTA Board reviewed Technical Committee nominations at their meeting on 28 October 2014 and is pleased to announce the 2014/15 Committees and members.

Transport Storage & Ports Committee	
Name	Member Organisation
John Warda	Chair & GTA Director
Ben Webb	ADM Trading Aust
Mark O'Brien	George Weston Foods Ltd
Jock Carter	Newcastle Agri-Terminal
Zsolt Szilassy	Viterra Operations
Ian Dalgliesh	GrainGrowers Ltd
William Thompson	Emerald Group Aust Ltd
Jesse Hedley	Cargill Aust Ltd
Matthew Kelly	Kelly & Sons
Shaun Williams	GrainCorp Operations Ltd

Trade & Market Access Committee	
Name	Member Organisation
Robert Imray	Chair & GTA Director
David Hudson	SGA Solutions Pty Ltd
Stephen Sheridan	Victorian Farmers Federation
Adrian Reginato	Cargill Aust Ltd
Jason Shanley	GrainCorp Operations Ltd
Narelle Moore	CBH Group
Cheryl Kalisch-Gordon	GrainGrowers Ltd
Nick Goddard	AOF
Rosemary Richards	AGEA
Tony Russell	GIMAF

Standards Committee	
Name	Member Organisation
Pat O'Shannassy	Chair & GTA Director
Robert Parkes	Ridley Agriproducts P/L
Geoff Clatworthy	Inghams Enterprises
Jeanette Marszal	Viterra Operations
Vince Moroney	CBH Group
Adrian Reginato	Cargill Aust Ltd
Pat Wilson	GrainCorp Operations Ltd
James Saunders	SGS Aust. Pty Ltd
Michael Southan	GrainGrowers Ltd
John Stuart	Barley Australia
Michael Schaefer	Grain Producers Australia
Stephen Buick	Emerald Group Aust P/L
Robert Eassie	NSW Farmers

Commerce Committee	
Name	Member Organisation
Guy Allen	Chair & GTA Director
James Roberts	CBH Group
Belinda Turner	Pentag Nidera Pty Ltd
Adam Chilcott	Emerald Group Australia P/L
Harry Notaras	GrainCorp Operations Ltd
Rebecca Reardon	NSW Farmers
Darryl Borlase	ADM Trading Australia
Prof. Gordon MacAulay	GrainGrowers Ltd
Simon Gellert	Glencore Grain

# RECENT AWARDS AT ARBITRATION

## Arbitration number: 191

Date of Issue: 22 October 2014

**Claimant:** Commodity Buyer (Grain Trader)

**Respondent:** Commodity Seller (Grain Producer)

### ARBITRATION COMMITTEE (AC)

- Mr Greg Carroll, nominated by the Claimant,
- Mr Guy Allen, nominated by the Respondent, and
- Ms Rebecca Reardon, nominated by GTA to Chair the Tribunal.

### CLAIM

This dispute relates to the existence of a contract between the parties for the supply of 5000MT of F1 Barley ("Contract 1.")

Payment of \$157,476 was subsequently withheld by the Claimant against a further contract (Contract 2) between the parties for the provision of 1500MT of F1 Barley, facilitated by an independent online Broker.

Issues for determination:

1. Whether there was a contract in place between the Claimant and Respondent for the provision of 5000 MT of F1 Barley
2. Whether payment can rightfully be withheld against Contract 2.

### AWARD

3. The Claim was denied and the Claimant instructed to pay the Respondent the \$157,476 outstanding on Contract 2.
4. The Claimant was further instructed to pay interest on the principal sum at a rate of 18% accruing from 1/1/14 to the order of \$19,546.05
5. The Respondent was awarded GTA Arbitration fees paid and legal costs of \$22,688.

### DETAILS

The Claimant submits that they entered into a contract with the Respondent following phone conversations over several days and by provision of the incomplete Contract document by email, to which the Respondent did not reply. The Respondent claims that they did not accept offer as the contract, and decided to sell a smaller parcel of F1 Barley through an online broker which was purchased by the Claimant.

There was no further mention of the existence of the Contract until the Claimant failed to make payment against the subsequent Contract, facilitated by an online Broker at which time the Claimant determined to withhold payment against.

### AWARD FINDINGS

The Tribunal found that:

- The Contract Document was substantially incomplete and there was no evidence that the offer was accepted by the Respondent.
- It was submitted by the Claimant that the Contract Document constituted a Brokers Note. The Tribunal found this to be erroneous and wrong as the Claimant was clearly identified as the Principal and the word Broker appeared nowhere on the document.

- As there was no contract and so no breach, the amount was wrongfully withheld by the Claimant against Contract 2.
- As the Claimant failed to call for delivery of any portion of the grain or provide appropriate notices within the proposed contract period, the Respondent would have been within their rights to call the Claimant in default had it been deemed that a contract was in place.

## WHAT DOES THE SCIENCE WORLD SAY ABOUT GM CROP SAFETY?



### World Health Organisation

"No effects of human health have been shown as a result of the consumption of GM foods by the general population in the countries where they have been approved."

20 Questions on Genetically Modified Foods, 2013



### Australian Academy of Science

"The Australian Academy of Science supports the responsible and ethical use of gene technologies to produce genetically modified plants for use in Australian agriculture."

Statement on gene technology and GM plants, 2007



### Food Standards Australia New Zealand

"To date, gene technology has not been shown to introduce any new or altered hazards into the food supply, therefore the potential for long term risks associated with GM foods is considered to be no different to that for conventional foods already in the food supply."

FSANZ website, 2013



### The European Commission

"The main conclusion to be drawn from the efforts of more than 130 research projects, covering a period of more than 25 years of research, and involving more than 500 independent research groups, is that biotechnology, and in particular, GMOs, are no more risky than conventional plant breeding technologies."

Decade of EU-funded GMO Research (2001-2010), 2010



### Food and Agriculture Organization of the United Nations

"When appropriately integrated with other technologies for the production of food, agricultural products and services, biotechnology can be of significant assistance in meeting the needs of an expanding and increasingly urbanized population in the next millennium."

FAO Statement on Biotechnology, March 2000



### The American Medical Association

"There is no scientific justification for special labelling of genetically modified foods. Bioengineered foods have been consumed for close to 20 years, and during that time, no overt consequences on human health have been reported and/or substantiated in the peer-reviewed literature."

AMA 161st Annual Meeting, 2012



### EASAC (24 European Academies of Science)

"Controversies about the impact of genetically modified (GM) crops have too often been based on contested science or have confounded effects of the technology with the impact of agriculture per se or changes in agronomic practice."

Planting the future: opportunities and challenges for using crop genetic improvement technologies for sustainable agriculture, June 2013



### The American Association for the Advancement of Science

"There are several current efforts to require labelling of foods containing products derived from genetically modified crop plants, commonly known as GM crops or GMOs. These efforts are not driven by evidence that GM foods are actually dangerous. Indeed, the science is quite clear: crop improvement by the modern molecular techniques of biotechnology is safe."

Statement by the AAAS Board of Directors, June 2013



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