

# NewsInGrain

ISSUE 18, JULY 2015

## Major Outcomes of the Australian Grain Storage & Protection Conference 16-17 June 2015

HOSTED BY THE NATIONAL WORKING PARTY ON GRAIN PROTECTION (NWPGP)

A total of 161 attendees attended the annual meeting, representing all sectors of the grain supply chain.

The Chairman of Grain Trade Australia (GTA) Peter Reading opened the meeting and provided a commitment to continue to support the activities of the NWPGP through activities such as hosting the website and assisting planning of the 2016 meeting.

A special vote of thanks was provided by Peter to the Chairman of the NWPGP Bill Murray who announced his retirement as of 30 June 2015.

### Regulatory Update

The meeting was advised that several key Australian export markets are currently reviewing their MRLs. Australia, through the NWPGP continues to provide input via the National Residue Survey (NRS), supported by the Australian Pesticides and Veterinary Medicines Authority (APVMA). Data and submissions are made to support retention of MRLs on chemicals important to the Australian grain industry.

The NWPGP continues to play an active role in Codex activities, via representation at the annual Codex

meeting and liaison with chemical registrants where chemicals and their MRLs are under review.

To assist the marketing of grain potentially containing low residue levels into markets where an MRL for a specific chemical does not exist, the NWPGP has developed and provided a submission to FSANZ seeking adoption of MRLs in Australia on various commodities.

The NWPGP has developed a Market GAP list, detailing a range of chemical and commodity MRL issues identified by industry since 2010. A strategy is being developed to review these chemicals where the market MRL is inconsistent with Australian grain usage and our own domestic MRL.

Despite the sometimes differences in customer versus Australian MRLs, the NRS advised the meeting that based on testing results over the last year, compliance with MRLs remains at a very high level, as per recent seasons. In addition, compliance with the requirement for industry to outturn grain containing protectants at half the MRL for all existing grain protectants remains high.

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Keith Pengilly (GRDC Southern Panel Chair) presenting Bill Murray with the Seed of Gold Award

## RECOGNISING MR WILLIAM (BILL) JAMES MURRAY (AM)

Since 1974, the National Working Party on Grain Protection (NWPGP) has been the body responsible for providing management and leadership to industry in the areas of grain storage, chemical use, market requirements and chemical regulations.

William (Bill) Murray was one of the founders of the NWPGP in 1974 and acted as Chairman from 2000 until his recent retirement on 30 June 2015. In recognition of his outstanding service to the Australian grain industry, Bill was made a Member (AM) in the General Division of the Order of Australia in the recent Queen's Birthday honours list.

The Australian grain industry is totally focussed on supplying a quality product to domestic and international customers. This can only occur if Australian grain is free of grain insects and any chemical use is compliant with food safety standards as determined by Australian Government agencies such as the Australian Pesticide and Veterinary Medicines Authority (APVMA) and Food Standards Australia New Zealand (FSANZ). International standards are determined by CODEX Alimentarius, an agency of the UN Food & Agriculture Organisation (FAO).

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# Purpose & Intent of GTA Grain Trading Standards

**The GTA Trading Standards describe the particular qualities and characteristics of particular grades of various grain commodities with reference to common characteristics (such as protein, moisture and screenings).**

The use of agreed or defined Trading Standards facilitates contracting by giving parties to contracts common reference points on which to base negotiations.

GTA Trading Standards are principally intended to be Trade Standards e.g., for use in domestic contracts between Producer and Trade; Trade and Trade and Trade and End-User.

It is important to bear in mind that use of GTA Trading Standards is voluntary and GTA does not (and cannot) mandate the use of its Standards in contracts or elsewhere. The parties remain free to contract on any terms they wish (including in relation to quality and specifications) even if the contract is otherwise subject to the GTA Trade Rules.

It is hoped that the GTA Standards reflect a broad-based industry consensus in relation to quality and specifications.

The GTA Standards may also be adopted as Receive Standards or Outturn Standards by Storage Providers. Once again this is optional and not controlled by GTA.

The Standards that apply to grain are developed for each commodity based on a range of factors. These include but are not limited to:

- Customer contract
- Importing country Government regulations for quality or quarantine

- Relevant food safety laws
- Requirement to improve quality of grain supplies
- Competitor grades and quality
- Available quality of grain given restrictions of varieties, growing and harvesting conditions, pest and disease resistance of the crop
- International protocols such as those developed by Cartagena and the Codex Alimentarius Commission
- Ability of the storage system to segregate or commingle grain
- Land protection & Quarantine laws

It should also be understood that these are Australian industry Standards. While they take into account specific overseas country quarantine restrictions (such as prohibited weed seeds, disease status or contaminant levels) or the requirements of the Export Control Act (1982) and its subordinate legislation, the Standards may not meet the requirements of the importing country.

Individual commodity traders are responsible for ensuring that specific country requirements and those pertaining to compliance with the Export Control Act (1982) are included as additional specifications on the contract.

For additional information on specific country requirements, or other information on export certification issues, refer to the importing country Quarantine Authority and the DAFF Plant Export Operations MiCoR database at: <http://www.daff.gov.au/micor/plants>

The Standards are set by grain type (commodity) or within grain types there may be separate grades based on quality or varieties. All Standards are based on a range of quality parameters, be they physical properties, defective characteristics or on contaminants present in the grain.

Standards should be applied to all commodities delivered in an applicable season. There are set dates that are applied by GTA when the season switches over and the new season Standards are to apply to all deliveries.

Care should be exercised when contracting across seasons. Though in many cases there may be no difference, your contract should make clear whether you expect to deliver grain of the Standard when the contract was made or grain of the Standard when the grain is delivered.

Buyers of grain should be aware that industry sectors may request old season grain to be reclassified as per the new season Standards and thus be deemed new seasons grain. All GTA standards are published for application as of 1 August each year.

Further information: GTA website/Trading Standards

## Major Outcomes of the Australian Grain Storage & Protection Conference *(cont. from page 1)*

Based on the outcome of the various market reviews being undertaken, the Post-Harvest Chemical Usage Recommendations and Outturn Tolerances document for 2014/15 will be revised as per the outcomes of the 2015 NWPGP meeting via liaison with the NRS and Grain Producers Australia. It will be placed on the GTA website and distributed to industry shortly.

### Fumigants

The APVMA is considering a review of phosphine, arguably our most important post-harvest chemical for control of stored grain insects. The NWPGP has developed and submitted a response to that review process on behalf of industry, outlining its importance to industry and supporting its continued availability under current conditions.

To assist the long term viability of phosphine a number of activities are underway. The meeting was advised of the importance of rotating phosphine use with other fumigants and the tools available to support its use in different structures.

The meeting agreed to update the Phosphine Resistance Management Strategy based on recent advances in storage and chemical use technology. Additionally, research is underway to assist a potential update of the phosphine label to make it clearer and in line with modern industry practices.

### Market Trends Survey

Results of the 2015 Market Trends Survey indicated meeting market requirements continues to be a challenge for industry however overall Australian grain is highly regarded internationally.

There continues to be a need to educate industry and increase awareness of market requirements and consequences of the mis-use of chemicals. Key messages from the various extension programs such as those operated by the GRDC need to continue. The use and reliance on Commodity Vendor Declarations at various stages of the supply chain is a key factor in ensuring market requirements are met.

## RECOGNISING BILL MURRAY (CONT. FROM PAGE 1)

The citation reads as follows:

*For significant service to primary industry, particularly through the development of grain storage, export, and quality assurance programs. Grains Industry Liaison Consultant, Department of Agriculture, Fisheries and Forestry, Australian Government, current; Industry Liaison Consultant, National Residue Survey, since 1993.*

*Australian Grain Industry Representative, Codex Alimentarius Commission, since 1999, and 1980s; Coordinator of provision of data for postharvest chemicals at Codex.*

*Chairman, National Working Party on Grain Protection (formerly known as the Working Party on Grain Protectants), Grain Trade Australia, 'for many years' and Founder, 1973.*

*Director, Technical Services, Australian Wheat Board, 1980s and Manager, Technical Services, 1970s.*

Bill formally announced his retire at the recent NWPGP annual meeting, the Australian Grain Storage & Protection conference held in Melbourne 16-17 June 2015. Bill was recognised for his immense contributions by the NWPGP and industry colleagues. He was also honoured with the GRDC Seed of Gold Award. Bill is only the third person to ever receive this prestigious award.



# TRADE AND MARKET ACCESS – UPDATE ON GLOBAL ISSUES

The development of trade agreement's either on a bilateral or multi-lateral arrangements captures the attention of the media, however, and generally behind the scenes, there is substantial trade policy developments taking place generally via UN related agencies. These policies/protocols have the potential to disrupt or stop the trade of grain and hence it is critical that the grain trade are active participants in their development.

To ensure that Australian grain exports are not impacted, Grain Trade Australia works with a number of likeminded organisations world-wide on trade related matters that are pre-competitive. This is achieved through our membership of the International Grain Trade Coalition.

A defining feature to these negotiations at an international level is that progress is slow and can take years. Nonetheless, it is critical that Australia participates in their development, as once they are ratified, they will then become the standard for Australian grain exports.

This issue is well recognised by the various Australian Government agencies, in particular the Australian Government Departments of Agriculture, Health and Foreign Affairs & Trade.

## Active IGTC Teams

IGTC has formed teams to work on the various files as follows and GTA is represented as follows:

Active IGTC Teams	Key objective	GTA participation
Cartagena Protocol on Biodiversity	Policy development for upcoming COP/MOP meetings	Geoff Honey
Introduction global e-Phytos	Assess potential introduction of e-Phytos on a global basis via a dedicated IT hub.	Geoff Honey (Team Leader)
International Standard on Phytosanitary Measures on the International Movement of Grain	Develop policy regarding the drafting process of the Grain Standard	Gerard McMullen
Development of Low Level Presence (LLP) policies	Address all matters related to LLP, including Global Low-Level Initiative (GLI), definitions	
New Plant Breeding Techniques (NPBTs)	Prepare IGTC policy to enhance science based approach to regulation of NPBTs	David Hudson
Communication Team	Develop IGTC communication strategy	Geoff Honey

### 1 ENSURE THAT GRAIN IS NOT RECLASSIFIED 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 whether dust generated from agricultural products such as grain and flours was intrinsically hazardous and should be addressed as a hazard class in the same manner as other 'explosible dusts'.

If grain is redefined, this will have immediate impacts on grain storages worldwide from farm to end user as well as substantial changes to occupational health and safety legislation/practices.

At the most recent meeting of the Sub-committee in June, some delegations concurred with the expert from Argentina on the fact that agricultural products were not intrinsically hazardous and that the dust they generate only showed hazardous properties when several factors occurred, such as defined particle size; minimum concentration in air; confinement in enclosed spaces or presence of an ignition source.



IGTC Strategy Session – London, June 2015

**GTA ACTION:** GTA will continue to provide information to SafeWork Australia, which is the lead Australian agency, on the Sub-committee of Experts to ensure they understand the practical implications of such a change to the Australian grain industry.

### 2 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.

The first meeting of the Drafting Committee will be held in Australia in September 2016.

**GTA ACTION:** Continue to provide specialist information to the Australian Government and IGTC on implications to trade especially if the Standard was to involve non phytosanitary issues such as quality and traceability.

### 3 DRAFT EU LEGISLATION ON BIOTECHNOLOGY

The European Commission is proposing to grant EU member states an "opt-out" authority for imports of biotech-enhanced crops that have been authorized by the European Food Safety Authority (EFSA). If this legislation is introduced it will create enormous uncertainties /exposures for grain traders trading EU GM approved grains into the various EU member countries.

**GTA ACTION:** GTA has notified the Australian Government of the concerns of the trade. It is hoped that Australia will advocate the concerns of industry to the EU.

>>> Continued on page 4

#### 4 CREATION OF A GLOBAL E-PHYTO FRAMEWORK VIA AN IT HUB

In March 2015 the Commission on Phytosanitary Measures (CPM), the governing body of the International Plant Protection Convention (IPPC), agreed to develop a global system of electronic phytosanitary certificates, known as e-Phyto.

Key outcomes of the planning meeting held in June 2015 included:

1. finalisation of the functionality design of the hub
2. development of a generic domestic system for developing countries
3. engagement of the UN International Computing Centre (UNICC) that will be able to provide hosting/ server, project management, procurement services.
4. industry engagement, to ensure stakeholders views/issues can be raised.
5. Global e-Phyto Symposium in Korea November 2015 which will include industry representatives.

**GTA ACTION:** GTA will continue to liaise with the Department of Agriculture Biosecurity to ensure the new process is sensitive to the needs of the Australian export grain sector.

#### 5 NEW PLANT BREEDING TECHNIQUES

New Plant Breeding Techniques (NPBTs) pose a potential problem for both the seed as well as the grain trade particularly in regards to a synchronicity of the approval process across jurisdictions.

**GTA ACTION:** GTA will liaise with the Australian Seed Federation and CropLife Australia to ensure that NPBTs are introduced in a manner that does not disrupt trade. This matter has a time span of years, but policy work needs to commence now.

#### 6 GLOBAL LOW LEVEL PRESENCE POLICY INITIATIVE

Low Level Presence (LLP) is the presence of trace amounts of a GM event approved in the country of export/ production but not in the country of import. This matter was initiated by Canada and now has representation from 14 major grain exporting and importing countries/regions and 4 observer countries and regions.

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

**GTA ACTION:** GTA will continue to advocate that Australia needs to have a strong representative presence at the ongoing deliberations. It is not outside the realms of possibility that an Australian bulk wheat shipment could be affected by an LLP issue. It all depends on the prior cargo.

#### 7 CARTAGENA PROTOCOL ON BIOSAFETY

The Protocol relates to the transboundary movement in Living Modified Organisms (LMOs), read GM grain.

IGTC has advocated strongly at all Meeting of the Parties (MOP's) ensure that the Protocol would not inhibit trade. At MOP7 in 2014, the Parties agreed to a number of decisions that were supported by IGTC. MOP 8 will be held in Mexico in 2016.

**GTA ACTION:** Although Australia, at present, has limited GM grain (canola and cottonseed), that will not always be the case. Therefore it is critical that as a nation we have a position to ensure that UN policies are adopted that reflect the commercial nature of the global grain trade. Once adopted, UN policies would be extremely hard to change.

# RECENT GTA SUBMISSIONS

- Government and its related agencies look to GTA to provide submissions on various issues relating to the Australian and international grain trade.
- Submissions could also be called for from not for profit and other business related organisations, whether in Australia or overseas.
- For detailed information, please refer to the GTA website or contact the GTA office.

Title	Topic	Submission lodged with
NITP 15.1 National Instrument Test Procedures For Measuring Instruments for Grain Quality	National Instrument Test Procedures (NITP) review document in relation to grain protein testing instruments	National Measurement Institute
Trade Advice Notice – Flutriafol in the Product Intake Combi Sapphire In-Furrow and Foliar Fungicide	Varying the registration of the product intake combi sapphire in-furrow and foliar fungicide for use on canola	Australian Pesticides & Veterinary Medicines Authority (APVMA)
National Standards Sub Committee Recommendations 23 March 2015 – Request To Alter Section 3.3 (Genetic Modification)	GTA proposed amendment to the wording contained within the Australian Organic Industry National Standards	Organic Industry Standards & Certification Council C/- Department Of Agriculture
Proposed Draft Revision of the Code of Practice for the Prevention and Reduction Of Mycotoxin Contamination In Cereals (CAC/ RCP 51-2003)	CODEX Committee on Contaminants in Food	Codex Australia C/- Australian Government Department Of Agriculture
IGTC – E-Phyto Working Group briefing document	E-Phyto update	IGTC Secretariat
IGTC – communication templates and process for meetings	Meeting templates and Standard Operating Procedures	IGTC Secretariat
IPPC – concept of a commodity standard	Concept of a commodity standard – IPPC	Australian Government Department of Agriculture
DA Biosecurity Grain Program Financial position 6 May 2015	Fees & charges for phytosanitary inspection and certification	DA Biosecurity
Organic standards – REQUEST TO ALTER SECTION 3.3 (GENETIC MODIFICATION)	Organic standards – REQUEST TO ALTER SECTION 3.3 (GENETIC MODIFICATION)	DA Organic Industry Standards and Certification Council
Grain Trade Australia – submission on various policy ideas	Grain Trade Australia – submission on various policy ideas	Ag Competiveness White Paper
Grain Trade Australia – transport infrastructure and the grains sector Final	Grain Trade Australia – transport infrastructure and the grains sector	Ag Competiveness White Paper
GTA letter Safe Work Aust re Grain Dust as Explosive Substance	Redefining by UN that Grain Dust is an Explosive Substance	SafeWork Australia
Residual funds held in WISA – c/ AGIDG	Residual funds held in WISA – c/ AGIDG	The Hon. Barnaby Joyce, MP
Inquiry into Australian Grain Networks	Inquiry into Australian Grain Networks	Senate – Rural & Reg. Affairs Com.
Aust. Gov. involvement – MOP 7 Korea	Supporting Aust. Gov. involvement in MOP 7 Korea – Cartagena Protocol	The Hon. Andrew Robb AO, MP

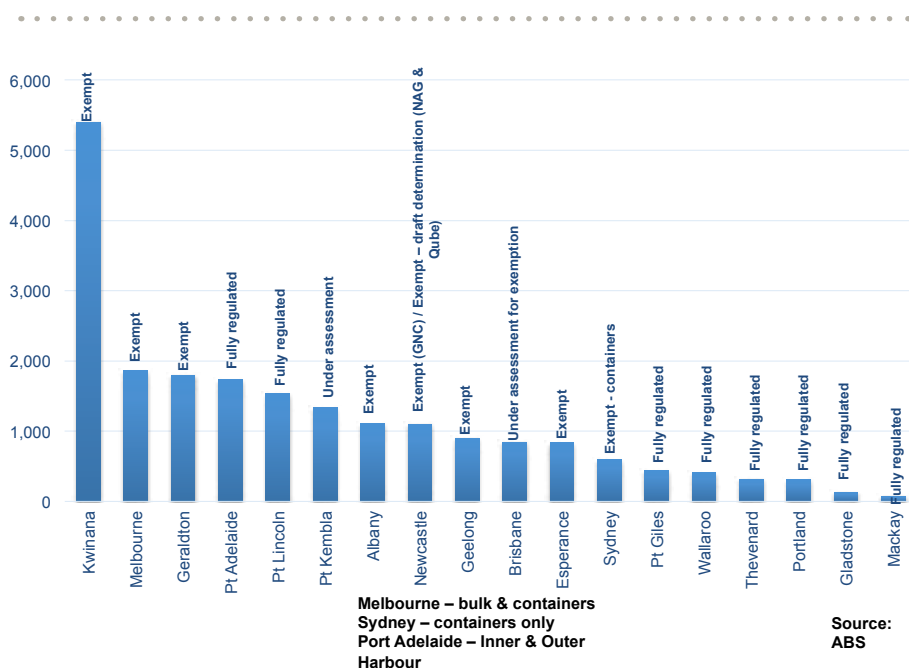


# Port Access Code of Conduct

## CURRENT SITUATION

- The Code commenced on 30 September 2014, replacing the previous access undertakings regime administered by the ACCC.
- It regulates bulk wheat port terminal operators to ensure that exporters have fair and transparent access to port terminals.
- Under the Code, the ACCC may exempt a port terminal service provider from certain provisions of the Code in relation to a specific port terminal facility subject to a competition analysis. An exempt service provider only needs to comply with Parts 1 and 2 of the Code, which include obligations to deal in good faith and to publish certain information.
- The Minister may exempt cooperatives where they meet certain criteria
- Exempt service providers do not need to comply with the rest of the Code (Parts 3 to 6), which include the requirements of non-discrimination, to follow a specific dispute resolution process and to obtain ACCC approval of capacity allocation systems.

Five year average wheat exports by port (kt)  
(2009-10 to 2013-14)



Port	ACCC determination/commentary
<b>MACKAY</b> • GrainCorp	<b>Fully regulated under the Code</b>
<b>GLADSTONE</b> • GrainCorp	<b>Fully regulated under the Code</b>
<b>BRISBANE</b> • QBT • GrainCorp	<b>Under assessment</b> <ul style="list-style-type: none"> <li>• Exemption supported by Australian Grain Exporters Association</li> <li>• QBT and GrainCorp applied separately to the ACCC seeking exemption. ACCC will assess both applications at the same time</li> </ul>
<b>NEWCASTLE</b> • GrainCorp	<b>Exempt service provider of port terminal services</b>
<b>NEWCASTLE</b> • Newcastle Agri Terminal • Qube Holdings Limited	<b>Exempt from the provisions of the Code – draft determination</b> <ul style="list-style-type: none"> <li>• Exemption supported by Australian Grain Exporters Association</li> </ul>
<b>PORT KEMBLA</b> • GrainCorp • Quattro Ports	<b>Under assessment – issues paper released</b> <ul style="list-style-type: none"> <li>• Exemption supported by Australian Grain Exporters Association</li> </ul>
<b>MELBOURNE</b> • Emerald	<b>Exempt from the provisions of the Code</b>
<b>GEELONG</b> • GrainCorp	<b>Exempt from the provisions of the Code</b>

Port	ACCC determination/commentary
<b>PORTLAND</b> • GrainCorp	<b>Fully regulated under the Code.</b> <ul style="list-style-type: none"> <li>• Application for exemption was supported by Australian Grain Exporters Association</li> </ul>
<b>SOUTH AUSTRALIA</b> • Vittera (all ports)	<b>Fully regulated under the Code.</b> <ul style="list-style-type: none"> <li>• Vittera applied to the ACCC to vary the capacity allocation system contained in its current Port Loading Protocols. Vittera was seeking to introduce long term capacity agreements for the export of bulk wheat from South Australia.</li> <li>• Exemption supported by Australian Grain Exporters Association</li> </ul>
<b>PORT ADELAIDE, BERTH 29</b> • Cargill	<b>Not required to comply with the Code</b>
<b>SEMAPHORE, SOUTH AUSTRALIA</b> • J K International	<b>Not required to comply with the Code</b>
<b>WESTERN AUSTRALIA (ALL PORTS)</b> • CBH Group	<b>Exempt from the provisions of the Code by Ministerial approval</b> <ul style="list-style-type: none"> <li>• The Minister for Agriculture found that Co-Operative Bulk Handling Limited's (CBH) port terminal facilities located at Albany, Esperance, Geraldton and Kwinana satisfactorily meet the criteria for exemption.</li> </ul>
<b>BUNBURY</b> • Bunge	<b>Not required to comply with the Code</b>

# GTA TRAINING AND DEVELOPMENT PROGRAM



## GTA 2015 – SEMESTER TWO

# Training & Development Workshop Dates and Locations

Understanding Grain Markets (#DGMMAR503A  
*Review and evaluate grain markets*)

Date	Location
05 August 2015	<b>QLD – Toowoomba</b> – Cedar Centre, 36 Baker Street
12 August 2015	<b>VIC – Melbourne</b> – Cliftons, Level 1, 440 Collins Street

GTA Trade Rules & Contracts (#DGMRUL501A  
*Apply knowledge of trade rules and contracts*)

Date	Location
7 October 2015	<b>VIC – Melbourne</b> – Cliftons, , Level 1, 440 Collins Street
24 September 2015	<b>NSW – Sydney</b> – Cliftons, Level 13, 60 Margaret Street

GTA Grain Standards (#DGMSTA502A *Apply grain industry standards*)

Date	Location
11 & 12 August 2015	<b>QLD – Toowoomba</b> – Cedar Centre, 36 Baker Street
25 & 26 August 2015	<b>NSW – Wagga Wagga</b> – Mantra Pavilion Hotel, 22-30 Kincaid Street
1 & 2 September 2015	<b>VIC – Melbourne</b> – Cliftons, Level 1, 440 Collins Street
15 & 16 September 2015	<b>SA – Adelaide</b> – Cliftons, Level 1, 80 King William St
22 & 23 September 2015	<b>WA – Perth</b> – Cliftons, Parmelia House, Ground Floor, 191 St George's Tce

Grain Merchandising (#DGMMER505A *Develop and apply strategies for grain merchandising*)

Date	Location
19 & 20 August 2015	<b>WA – Perth</b> – Cliftons, Parmelia House, Ground Floor, 191 St George's Tce
02 & 03 September 2015	<b>NSW – Dubbo</b> – Macquarie Inn, Birch Avenue
14 & 15 October 2015	<b>SA – Adelaide</b> – Cliftons, Level 1, 80 King William Street

Grain Accounting (#DGMPER504A *Report on grain trading performance and risk*)

Date	Location
18 August 2015	<b>NSW – Sydney</b> – GTA Office, Level 7, 12 O'Connell Street

## In-house training

GTA also offers customised In-house training, where we come to you. Whether you have a specific need, find it difficult to attend the scheduled sessions or looking to provide team training within the company we can offer a customised solution. Conditions apply so please contact the GTA Office to discuss the options that are available.





# WHAT HAPPENED TO THE FUNDS FROM THE WHEAT INDUSTRY SPECIAL ACCOUNT?

Following the cessation of the activities of Wheat Exports Australia there was approximately \$3.6 million of surplus funds (the funds) held in the Wheat Industry Special Account. These funds were collected by levies placed on bulk wheat exporters.

At this time, the then Federal Minister for Agriculture appointed the Wheat Industry Advisory Taskforce to determine recommendations as to where these funds should be allocated. In response they developed guidelines to assist the Minister to determine appropriate projects. GTA has provided a proposal to the Task Force on behalf of our members as to how this may be achieved during the process.

Earlier this year, the current Minister for Agriculture directed that:

- these funds be transferred to GRDC until a suitable use can be found for their use; and
- GRDC contract the Australian Export Grain Innovation Centre (AEGIC) to conduct a national voluntary wheat stocks reporting scheme to be funded from the funds.

The national voluntary wheat stocks reporting scheme is in response to the 2013 Wheat Industry Advisory Taskforce which recommended that:

- the "monthly reporting to an independent third party of total volume of wheat stocks held in storage, including the three major grades, by all commercial storage providers (with total storage capacity of 5,000 tonnes or more) in each port zone"; and that
- "the most appropriate service provider is identified through a tender process to aggregate and publish stocks information". This recommendation was not accepted.

*AEGIC is now contacting storage providers nationally to commence a pilot program. The stocks reporting scheme does not capture on-farm stocks.*

It is GTA policy that any funds, following the funding of the stocks reporting project be applied to projects supported by the organisations that originally contributed the funds or to the respective sector that contributed the funds, in this case the post farm gate wheat export sector.

GTA is a member of the Australian Grain Industry Discussion Group which is considering various options to manage these funds, net the cost of the stocks reporting scheme, that will benefit wheat exports from Australia. Members of the Australian Grain Industry Discussion Group are:

- Australian Grain Exporters Association
- Australian Oilseeds Federation
- Grain Producers Australia
- GrainGrowers Limited
- Grain Trade Australia
- Pulse Australia

## CORE UNITS

Unit code	Unit title
DGMRUL501A	Apply knowledge of trade rules and contracts
DGMSTA502A	Apply grain industry standards
DGMMAR503A	Review and evaluate grain markets

## ELECTIVE UNITS (SELECT 7)\*

Unit code	Unit title
DGMPER504A	Report on grain trading performance and risk
DGMMER505A	Develop and apply strategies for grain merchandising
DGMDIS506A	Maintain knowledge of the GTA Dispute Resolution Service
AHCBAC309A	Sample and test grain and related commodities
AHCBAC406A	Maintain grain quality in storage
AHCBAC504A	Plan and manage a stored grain program
AHCBUS501A	Manage staff
AHCBUS502A	Market products and services
AHCOHS401A	Maintain occupational health and safety (OHS) processes
BSBHRM405A	Support recruitment selection and induction of staff
TLIL5019A	Implement and monitor transport logistics
TLIL5026A	Manage export logistics

10514NAT Diploma of Grain Management

\* The number of required elective units can be reduced to six (6) with completion of an Authorised Officer's course delivered by the Department of Agriculture-Biosecurity (DA Biosecurity).

## NEW GTA MEMBERS

GTA WELCOMES THE FOLLOWING ORGANISATIONS TO THE MEMBERSHIP RANKS FOR THE 2015/2016 FINANCIAL YEAR

Applicant Name	Membership Category
Findlays Barellean	Level C
Standard Commodities Australia Pty Ltd	Level C
J.W. Koek & Company	Broker – Sole Operator
Southern Ark Storage Pty Ltd	Level C



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# RECENT AWARDS AT ARBITRATION

## GTA Arbitration 196

Date of Issue: 19 May 2015

**Claimant:** Commodity Buyer (Transport Operator / Grain Trader)  
&

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

### ARBITRATION COMMITTEE (AC)

- Mr Gerard Langtry, nominated by the Claimant;
- Mr Tim Teague, nominated by the Respondent, and
- Stephen Howells, nominated by GTA to Chair this Tribunal.

### CLAIM

This dispute relates to the existence of an option in a contract between the parties for the supply of an additional 500MT of Cottonseed at \$210 ("the Contract")

When the Claimant attempted to exercise what they believed to be their option, the Respondent (after some prevarication), ultimately denied the existence of the option and refused to deliver the additional 500MT or cottonseed.

### AWARD

In this instance, the Tribunal firstly issued a Partial Award stating:

1. As at 14 February 2014 the Respondent was in default of its contractual obligation to supply the Claimant with 500mt of cottonseed at \$210 per tonne.
2. The Claimant is entitled to damages based on the fair market price of cottonseed at that date, i.e. 14 February 2014.
3. The Claimant is also prima facie entitled to its costs.
4. Unless the parties can reach agreement in relation to the quantum of damages, the parties shall make additional submissions in relation to damages within 14 days of the date of this Partial Award.
5. The Claimant should also make submissions in relation to the costs it claims.

Subsequently, the Tribunal issued a Final Award, as provided and negotiated by the parties.

1. The Respondent shall pay the Claimant damages quantified at \$82,500.00.
2. The Respondent shall pay the Claimant's legal costs and expenses on a party basis quantified at \$21,818.20.
3. The Respondent shall indemnify the Claimant in respect of \$8,136.36 (which amount excludes GST) paid by the Claimant to GTA for Arbitration fees.

4. The Respondent shall pay all such monies to the Claimant in no later than seven days after 15 May 2015.
5. No interest will be payable by the Respondent to the Claimant in respect of damages, legal claims and expenses or arbitration fees.

### AWARD FINDINGS

The Tribunal found that:

- Based on the wording of clause 10 in the contract, they prefer and agree with the Claimant's submission that clause 10 gave it the option to purchase an additional 500 mt of cottonseed at \$210 per tonne.
- In the Tribunal's view and based on their industry experience, the wording is clear and straight forward. It was included on the Seller's generated contract form indicating that the Respondent Seller agreed to its effect.
- Neither party questioned the Contract or specifically clause 10 when the Contract was issued. The option included a definite quantity, date by which it was to be exercised and price showing a firm offer of the option.
- Finally, the inclusion of the price showed that it was intended to be binding in nature. If it were intended to be negotiable presumably the parties would have negotiated around the market price at the time.

## GTA Arbitration 199

Date of Issue: 1 July 2015

**Claimant:** Commodity Seller (Grain Producer)  
&

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

### ARBITRATION COMMITTEE (AC)

- Mr David Syme, nominated by GTA to Chair this Tribunal.

### CLAIM

This dispute relates to the Claimant's assertions that the Respondent repudiated a Contract between the Parties by refusing to accept delivery of 150MT of Albus Lupins and unilaterally terminating the contract in circumstances where no right to terminate arose.

### AWARD

1. The Claim fails;
2. The Claimant shall indemnify the Respondent in respect of GTA Arbitration fees in the amount of A\$3,850.

### DETAILS

The Claimant listed 150MT of Albus Lupins at \$600MT on the website of an Independent Broker which were purchased by the Respondent. A Brokers Note was generated by the Independent Broker, although unhelpfully, the document identified the GTA CSC reference as "Albus" and the Grade as "Albus" whilst another confirmation listed quality as "No.1's".

After a delay by the Claimant to deliver the Lupins, two separate loads were rejected upon delivery to an independent handling facility, on both instances being over the defects specification. At this point the Claimant made arrangements to have the lupins screened by a seed cleaner.

A sample of the cleaned grain was presented to the Respondent but were found to be "4% defective, 0% screenings and excessive poor colouring that would not make the GTA No. 1 Albus Lupin Standard". The Respondent subsequently spoke to the Claimant which was followed by an email titled "Cancelled Contract" which indicated, as per their conversation earlier that day, the Albus Lupin Contract had been cancelled.

The Claimant appeared to accept this decision at the time and the Respondent heard no more about the matter until this Arbitration commenced. The lupins were subsequently sold to another buyer at a reduced price of \$400MT.

### AWARD FINDINGS

The Tribunal found that:

- According to the Claimant, the default occurred either when the Respondent wrongfully refused to take delivery of the lupins and/or when they wrongfully terminated the Contract.
- However no notice of any kind was given by the Claimant to the Respondent, holding the Respondent in default. (Refer GTA Trade Rule 17.0 Default)
- At one level this dispute relates to the quality of the lupins the Claimant sought to deliver. In such a dispute the first question is "what is the contractual specification?" In this case the relevant GTA specification (SCP 8.2.1) didn't appear on any of the contractual documents.
- During the telephone conversation on 8 October 2014 the parties amicably agreed to cancel the Contract, without recourse.