

20<sup>th</sup> August 2020

China FTA Coordinator  
Regional Trade Agreements Division  
Department of Foreign Affairs and Trade  
RG Casey Building, John McEwen Crescent  
BARTON ACT 0221

Via email: [chinafta@dfat.gov.au](mailto:chinafta@dfat.gov.au)

**RE: ChAFTA Post-Implementation Review**

Dear Sir/Madam

Thank you for the opportunity to make a Submission to the ChAFTA Post-Implementation Review.

**1. Executive Summary**

Grain Trade Australia (GTA) supports and promotes:

1. A balanced and focussed joint industry and Government approach to international trade to effectively counter any negative impacts of trade policy and regulation that unnecessarily distort markets and efficient trade.
2. Trade and economic partnership agreements such as ChAFTA provide mechanisms to gain and improve market access, which will assist in diversifying market opportunities for industry.
3. Technical based dialogue and ChAFTA style agreements are important as “tools” to address Non-Tariff Measures that can distort markets and reduce efficiency by increasing costs and risks for exporters and importers. GTA’s view is that continued and greater focus on these “tools” will improve the facilitation of trade.
4. Improving technical market access and reducing Non-Tariff Trade Measures (NTMs) for Australian grain exports to China.
5. Increasing awareness and understanding among stakeholders, particularly policy makers, that the economic value of the Australian industry is dependent on more than trade. In addition to improving trade outcomes, competitive advantage and value also needs to be driven by improving the efficiency of our supply chains.

Within that broader policy positioning, GTA and its members are deeply disappointed with the Anti-Dumping (AD) and Countervailing (CVD) duties on Australian barley imports announced recently by China <sup>1</sup> and believes such action undermines the intentions, objectives and effectiveness of ChAFTA.

**2. Grain Trade Australia (GTA)**

Grain Trade Australia (GTA) is a national association and is the focal point for the commercial grains industry within Australia. The role of GTA is to provide a framework across Industry to facilitate and promote the trade of grain. GTA facilitates trade and works to provide an efficient, equitable and open trading environment by providing leadership, advocacy and commercial support services to the Australian grain value chain. GTA Members are responsible for over 95% of all grain storage and freight movements made each year in Australia. Over 95% of the grain contracts executed in Australia each year refer to GTA Grain Trading Standards and/or Trade Rules.

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<sup>1</sup> On 18th May 2020 the People’s Republic of China, Ministry of Commerce (MOFCOM) released its Final Determinations on Anti-Dumping (AD) and Countervailing Duties (CVD) Investigations into imports of Australian Barley. The final tariffs comprise a dumping margin of up to 73.6% and a subsidy margin of up to 6.9% for all barley imported from Australia, for a total tariff of 80.5% for all Australian barley.

GTA has established the Australian Grain Industry Code of Practice. All GTA Members are required to adhere to the Code of Practice. GTA Members are drawn from all sectors of the grain value chain from production to domestic end users and exporters. GTA has over 260 organisations as Members. Their businesses range from regional family businesses to large national and international trading/storage and handling companies who are involved in grain trading activities, grain storage, processing grain for human consumption and stock feed milling. GTA Members are substantial employers, from the farm gate through to end point consumption, and notably in rural and regional Australia. A list of GTA Members is attached.

### 3. The Grain Industry

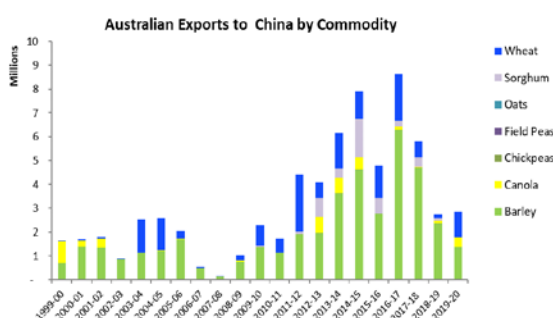
The grain industry is one of Australia's largest agricultural industries. With over 70% of production exported (in a typical season), the export sector is a large earner of foreign income, while the domestic market is the largest single consumptive home for Australian grain.

The 5-year average grain industry value (at the farm gate – excluding rice) is around \$A13.7 billion, with the 5-year average exports value (FOB) at \$A 10.8 billion. In 2018/19 Australian exporters shipped approximately 18.7 million metric tonnes (mmt) of grain<sup>2</sup>.

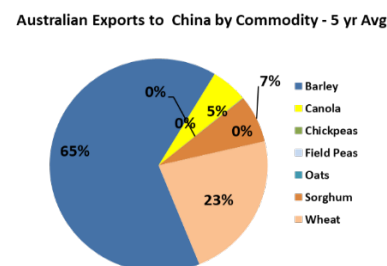
Australian exports to China have grown since 2011-12, largely due to growth in barley exports, with a peak around \$A2.5 billion (FOB) of exports in 2014-15 and a 5-year average of \$A1.9 billion (FOB). The 5-year average exports is around 4.9 mmt, of which around 65% is barley, 23% wheat, 7% sorghum and 5% wheat. China's portion of Australian grain exports has grown to around 20-25% of all grain exports, however this is expected to decline by around 7% of all Australian exports (a 5-year average of around \$A1.4 billion pa), due to the trade inhibiting tariffs on Australian barley exports recently announced by China.

With no barley exports, historical analysis suggests wheat will be the dominant commodity exported to China of around 1.4mmt pa, which will comprise around 67% of (significantly lower) Australian grain exports to China. Australia has a long and established milling wheat trade with China. This trade is restricted by import quotas imposed and largely allocated by China to the state-owned COFCO. The import quotas on wheat tend to be underutilised by COFCO, while limiting the opportunities for other Chinese processors and while China pays a higher subsidised domestic price for wheat.

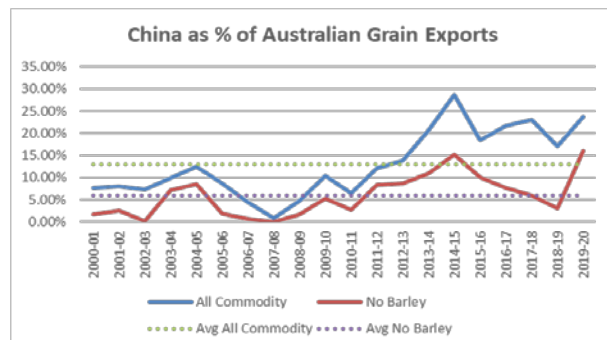
**Figure 1- Australian Grain Exports to China**



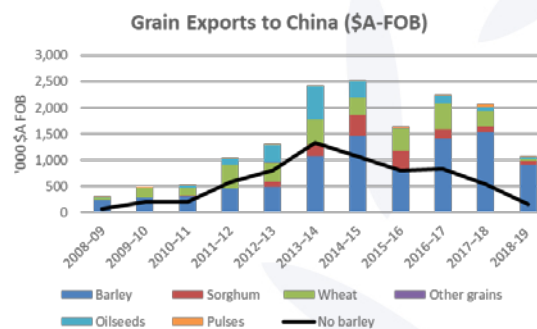
**Figure 2 – Commodity Share of Exports to China**



**Figure 3 – Percent of Australian grain exports to China**



**Figure 4- Grain Exports to China (\$A FOB)**



<sup>2</sup> ABARES (March 2020)

Australian domestic demand for all crops was estimated at 15.5mmt in 2018/19. The domestic market is expected to continue its growth with consumption forecast to reach 16mmt in 2019/2020 <sup>34</sup>.

The Australian grain industry is export oriented with 70% of Australian grain production exported annually, with the Asian region accounting for over 50% of exports. Wheat imports into South East Asian countries have grown twofold since 2000/5. Asian demographic and economic growth are expected to see increased demand for Australian grain to 2030 and beyond<sup>6</sup>. This means investment and efficiency growth across the Australian grain value chain, along with market diversification, will be crucial to maintain a competitive position in both export and domestic markets. This will be important to Australia's economic growth, especially to rural and regional economies.

#### **4. Grain Industry Opportunities under ChAFTA**

The Australian grain industry and exporters operate in a global market that is intensely competitive, and relatively efficient, and transparent.

Free Trade Agreements aligned to markets where demand and supply principles exist can assist to remove trade impediments and support market development.

We note and support the intended outcomes of ChAFTA specific to the grain industry, including:

- Elimination of 3% tariff on barley (until recently);
- Elimination of 2% tariff on sorghum;
- Elimination of 7% tariff on pulses; and
- Measures for the meat and live-stock sectors that may increase exports to China, and therefore indirectly have potential to benefit the grains industry through increase domestic grain feeding in Australia.

As noted above, with barley exports inhibited by the recent tariffs, wheat will become Australia's primary grain export to China. Australia's exports of wheat (among other products) enter China under existing WTO arrangements. In 2019 the USA was successful in a WTO case with regards to China's under utilisation of import quotas on wheat and rice. The USA has also sought improved and favoured access for US agricultural products as part of their bi-lateral trade negotiations with China. We would urge the Australian Government to encourage China to utilise its import quotas for products including wheat, and to seek preferential or Most Favoured Nation (MFN) access for Australian products, pending any bi-lateral agreements between USA and China.

GTA is however, deeply disappointed with the recent decisions by China to impose Anti-Dumping (AD) and Countervailing (CVD) duties on Australian barley exports. As the Australian Government is aware, these actions will effectively halt barley exports to China, which is the largest value grain trade to China. This will allow competing origins to become established in the Chinese market to the detriment of Australia.

The Australian grain industry co-operated fully and extensively with China during the AD and CVD investigations and provided substantial amounts of information and data to demonstrate the claims by China were erroneous and unsubstantiated.

It is our view this action by China has undermined the intended spirit and objectives of ChAFTA. GTA and its members were further surprised and disappointed that the Dispute Resolution Mechanisms and processes contained within ChAFTA were deemed to be of no practical use in seeking to address or resolve the barley AD/CVD issue (as a bilateral trade issue) within the context and framework of ChAFTA.

With the immediate trade issues noted, in a broader policy sense we advocate for an rules-based approach to global trade. GTA sees agreements such as ChAFTA as an aid to this approach, to trade and the ongoing development of mutually beneficial relationships, that are developed and built over many years. The export of Australian malting barley to China is an example of a market that was developed over multiple decades leveraging growth and changes in China's consumption and market buying capability. This market is an example where Australian industry engaged and developed malting barley varieties specifically for the needs and requirement of the Chinese malt sector

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<sup>3</sup> ABARES (2020)

<sup>5</sup> USDA PSD (April 2020)

<sup>5</sup> USDA PSD (April 2020)

<sup>6</sup> USDA PSD (April 2020)

Bilateral Trade Agreements such as ChAFTA agreements can be utilised to balance and focus joint industry and Government approach to international trade to effectively counter any negative impacts of trade policy and regulation.

Trade and economic partnership agreements such as ChAFTA provide mechanisms to gain and improve market access, which assist in diversifying market opportunities for industry. We encourage Government to increase its resolve to gain further market opportunities for Australian grain, such as lupins, into China. This will add value and serve industry through diversification across commodities.

## **5. Non-tariff Measures**

International trade of agricultural products is highly exposed to political and trade machinations. Whilst underlying economic market forces drive trade, the impact of importing country policies can influence and distort markets in several ways such as:

- limiting market access opportunities,
- increasing transaction costs and risks (for importers and exporters).

The economic and opportunity costs of these distortions are ultimately borne by producers and consumers.

Foreign government policy and actions such as trade distorting Non-Tariff Measures (NTMs) may present challenges for exporters to address on an individual basis. Joint industry and government initiatives including Free Trade Agreements go some way towards minimising the scale and the impact of distortions caused through trade policy.

GTA supports trade agreements such as ChAFTA that can be effective trade policy tools. GTA acknowledges the achievements of Governments in both establishing ChAFTA and other trade agreements but note that ChAFTA has been in-effective in preventing or resolving the recent barley AD/CVD issues.

However, more generally we believe it is important trade agreements continue to remain in place to:

- provide a framework for trade,
- continue to focus on improving market access,
- reduce the impact of NTMs, and
- foster tariff reductions.

Clearly, the nature of a trading partner's political and regulatory frameworks has a large bearing on the effectiveness of trade agreements. Free Trade Agreements are important and do assist with furthering trade and reducing some of the risk an exporter is faced with in international trade.

It should be noted that trade policy must be resourced and be capable to drive multiple options and not solely focus or rely on FTAs.

GTA believes addressing NTMs that are acting as impediments and barriers to efficient trade must be a priority of current and future trade policy.

While it should be noted that many NTMs serve legitimate purposes (such as protecting human, animal and plant health and the environment), some NTMs can impose trade barriers where applied in a manner that is not consistent with the principle that they should be no more trade-restrictive than necessary to meet a legitimate objective. NTMs have long been used by governments as policy and trade regulatory tools and have the scope to significantly increase the costs and risks of trade and impact on trade opportunities.

GTA has been a strong advocate in seeking to minimise the impact and disruption NTMs have on Australian exporters. Working with industry and the Department of Agriculture, Water and the Environment (DAWE) GTA facilitated the production of a report on the impact NTMs have on the Australian grain industry. Examples of the NTMs specific to China identified in the report included zero tolerance for the presence of genetically modified in canola grain and oil shipments, various pest and quarantine issues (such as zero tolerance), restrictive or no chemical residue limits and lack of transparency in sampling and testing methods (and their reporting) on grain imports. The NTM report is available [here](#).

Industry and government must take up the challenge as further work is required in minimising the impact of NTMs in existing and future markets. This requires a joint effort of industry and government working in tandem to address and mitigate the impact of NTMs.

## **6. Trade Facilitation and Further Trade Agreements**

Grain exporters seek market diversification as part of their overall marketing strategy. Fundamental to the efficiency of these endeavours is market research, analytical review and trade facilitation activities.

Funding this activity is difficult within organisations due to the long-lead time (to establish a new market) and the inability to solely capture the benefit of these activities. Support and a combined focus from industry organisations, agencies, and government to assist in this process is highly beneficial and desirable. The work of the Australian Export Grains Innovation Centre (AEGIC) is one component supporting success in the diversification of markets as the market intelligence and product innovation AEGIC develops are critical to these endeavours.

ChAFTA is one example of industry and government interaction. Another FTA that GTA would like to highlight as a suitable framework for future trade policy consideration is the Indonesia- Australia Comprehensive Economic Partnership Agreement (IA-CEPA). Industry working with government has resulted in a market access outcome that will provide opportunities and certainty to Australian exporters that will benefit the Australian grain value chain. The replication and growth of this type of arrangement in other markets would enable and expand market access for Australian grain.

## **7. Supply Chain Investment for Competitiveness and Growth**

In addition to market access and efficient trade, the future success of Australia's grain industry is dependent on an efficient and competitive supply chain. To this end GTA has developed an innovative growth and investment strategy for the grain supply chain called *"Modernising the grain supply chain – from drought, through Covid-19 to 2030"*.

Around 30-35% of a grower's total cost is supply chain costs. Global competition is intensifying. The quality advantage for Australian grain is reducing as processors and consumers increase their efficiency and utilisation of grain from alternative and cheaper origins and utilise technology to enable flexibility and use of different quality raw materials. This is applying pressure on Australian margins, and costs at both farm and supply chain level. Australia must compete and develop competitive advantage on both the grain quality/value and the supply chain fronts.

To enhance the competitiveness of the Australian value chain both industry and government need to play a significant role in investing in the long term future to increase productivity and reduce paddock and supply chain costs to ensure our market position and improve farm gate returns.

The grain value chain is reacting to global competition. The historical consolidated supply chain maintained by large Bulk Handling Companies is evolving into a competitive mix of on-farm storage and commercial storage operators operating in an increasingly dynamic and entrepreneurial market. The grain supply chain is increasing its storage capacity and the number of operators through multiple container packers, new ports, country storage operators and farm-based storage and logistical enterprises.

This increasingly competitive and spatially distributed storage model provides opportunity for participants including grain producers as they more than ever can extract and capture value from the post farm gate supply chain. However, whilst delivering benefit, a broad and competitive multi-operator storage model does require guidance and support and pre-competitive cooperation if Australia is to drive efficiency and maintain the well- deserved reputation in the world market, earned over many years.

GTA would contend that in seeking to develop policy to improve the position of Australian agricultural industry, trade is just one, albeit important policy consideration, and the other factors, such as the supply chain, should also be considered in order to improve competitiveness and extract economic value. We therefore submit the *"Modernising the grain supply chain – from drought, through Covid-19 to 2030"* strategy as annex to this submission as part of the Review's deliberations.

## **8. Conclusion**

While there has been progress and some benefit of ChAFTA in removing and reducing some tariff and quota barriers to trade, there remains a need to maintain vigilance and seek improvements around technical market access and reduce NTMs.

ChAFTA has failed or at least been insufficient in terms of fostering an improved relationship between China and Australia to prevent the occurrence of issues such as the AD/CVD tariffs in barley and in progressing a range of SPS issues that remain on the grain industry and DAWE agenda to improve trade facilitation and market access of grain products.

Whilst the global market is relatively transparent, trade between countries can be distorted by government regulation and policy, some of which serve legitimate purposes, whereas others create adverse impacts. Countering such negative impacts on the Australian grain industry requires a focussed joint industry and government effort to be effective.

Both a bi-lateral and multi-lateral approach to trade and trade agreements has provided benefits to industry through a rules-based approach to trade and addressing NTMs that can distort markets and reduce efficiency by increasing costs and risks. GTA supports continued focus on these “tools” to improve the facilitation of trade.

GTA supports trade and economic partnership agreements which provide mechanisms to gain and improve market access. These will assist in diversifying market opportunities for industry.

It is also important to recognise the economic value of Australian industry is dependent on more than trade. Competitive advantage and value can also be driven by improving the efficiency of our supply chains.

Thank you for this opportunity to comment. Please do not hesitate to contact GTA at any stage to discuss further.

Yours faithfully,



**Pat O'Shannassy**  
**CEO, Grain Trade Australia**

Annex 1 – List of GTA Members

Annex 2 - “Modernising the grain supply chain – from drought, through Covid-19 to 2030” strategy





## Membership List as at 17 August 2020

Organisation	Contact	Website /Phone
<b>Ordinary Member (Trading)</b>		
<b>Level A1 (over 7 Million Tonnes)</b>		
CBH Grain Pty Ltd	Mr Jason Craig	cbh.com.au
Glencore Agriculture Pty Ltd	Mr Philip Hughes	glencoreagriculture.com.au
		2
<b>Level A2 (5 - 7 Million Tonnes)</b>		
Graincorp Operations Ltd	Mr Robert Spurway	graincorp.com.au
		1
<b>Level A3 (3 - 5 Million Tonnes)</b>		
ADM Trading Australia Pty Ltd	Mr Darryl Borlase	adm.com
Cargill Australia Limited	Mr Erik Wibholm	cargill.com.au
		2
<b>Level A4 (1.5 - 3 Million Tonnes)</b>		
		0
<b>Level B1 (1.0 - 1.5 Million Tonnes)</b>		
Emerald Grain Pty Limited	Mr David Johnson	emeraldgrain.com
Cofco International	Ms Sara Pan	cofcoagri.com.au
		2
<b>Level B2 (500,000 - 1 Million Tonnes)</b>		
Arrow Commodities Pty Ltd	Mr Dominic Vanzella	arrowcom.com.au
Australian Grain Export Pty Ltd	Mr Brett Dodson	australiangrainexport.com.au
CHS Broadbent Pty Ltd	Mr Steve Broadbent	broadbentgrain.com.au
Centre State Exports Pty Ltd	Mr Jeff Voigt	centrestateexports.com.au
George Weston Foods Limited	Mr Mark O'Brien	gwf.com.au
Ridley Agriproducts Pty Ltd	Mr Michael Reeves	agriproducts.com.au
Riordan Grain Services	Mr Mark Lewis	riordangrains.com.au
Riverina (Australia) Pty Ltd	Mr Gareth Stapleton	riverina.com.au
Bunge Agribusiness Australia Pty Ltd	Mr Stephen Bennett	bunge.com/agribusiness
		9
<b>Level B3 (250,000 - 500,000 Tonnes)</b>		
Agfarm Pty Ltd	Mr Ron McCalman	agfarm.com.au
Allied Pinnacle Pty Ltd	Mr Josh Lawrence	alliedpinnacle.com
Robinson Grain Trading Co Pty Ltd	Mr Gary Robinson	robinsongrain.com.au
Wilmar Gavilon Pty Ltd	Mr Matt Albion	07 3713 8700
Louis Dreyfus Company Australia Pty Ltd	Mr Sam Roache	louisdreyfus.com.au
Quadra Commodities Pty Ltd	Mr Robin Cassar	quadra.com
		6
<b>Level C1 (over 10 employees, under 250,000 Tonnes)</b>		
Adams Australia Pty Ltd	Mr Ian Mack	adamsaustralia.com.au
Agriex Australia Pty Ltd	Mr Joseph Khnessier	02 9232 0690
Agrifoods Australia	Mr Rob Anderson	agrifoodsaustralia.com.au
Agrisk Management Pty Ltd	Mr Brett Stevenson	02 9499 4199
AGT Foods Australia	Mr Michael Brittain	agtfoods.com/australia
Associated Grain	Mr Bhuvan Gandhi	07 4662 1999
Auscott Ltd	Mr Peter Webb	auscott.com.au
Australian Fresh Milk Holdings (AFMH)	Ms Jill Smith	02 6344 8462
BFB Pty Ltd	Mr Shane Bird	bfb.com.au
Blairs Produce Company	Mr Sean Blair	02 6025 4600
Boolah Grains Pty Ltd	Mr Stuart Tighe	02 6754 0343
Castlegate James Australasia Pty Ltd	Mr Ross Giovanetti	castlegatejames.com.au
Coprice	Mr Lyndon Benecke	coprice.com.au
Dalby Bio-Refining Limited	Mr Chris Coore	dbrl.com.au
Darwalla Milling Co Pty Ltd	Mr Gary Heidenreich	07 3822 0527
Deacon Seeds Company	Mr Mark Schmidt	07 4662 3217
Deckert Group Pty Ltd	Mr Chris Deckert	deckerts.com.au
Elders Grain	Ms Kerry Leach	elders.com.au
Esperance Quality Grains	Mr Neil Wandel	members.westnet.com.au/eqg
Five Star Stock Feeds	Mr Tim Huggins	fssf.com.au
Fletcher International Exports Pty Ltd	Mr Kurt Wilkinson	fletchint.com.au
Hanlon Enterprises Grain	Mr Peter Gerhardy	02 6924 1781
Independent Grain Handlers Pty Ltd	Mr Brad Bryant	igh.net.au

Irwin Stockfeeds	Mr Bryan Irwin	irwinstockfeeds.com.au
Itochu Australia Ltd	Mr Justin Swan	www.itochu.com.au
J K International Pty Ltd	Mr Sandeep Mohan	jki.com.au
James Stock Feed and Fertilizer Pty Ltd	Mr Adrian Moule	jamesstockfeed.com.au
Jerilderie Grain Storage & Handling	Mr David Barlow	03 5886 0344
K M & W M Kelly & Sons	Mr Matt Kelly	kellygrains.com.au
Laucke Flour Mills P/L	Mr Roger Laubsch	laucke.com.au
Lawson Grains Pty Ltd	Mr Angus Blair	lawsongrains.com
LDC Enterprises Australia Pty Ltd	Mr Richard Porter	07 3253 5999
LINX Cargo Care	Mr David Simpson	linxco.com.au
LPC Trading Pty Ltd	Mr Simon Langfield	02 6383 7222
Malteurop Australia Pty Ltd	Mr Jack King	03 5277 1950
MC Croker Pty Limited	Mr Greg Carroll	crokergrain.com.au
MSM Milling Pty Ltd	Mr Peter MacSmith	02 6364 5999
Namoi Cotton Ltd	Mr Shane McGregor	namoicotton.com.au
Newcastle Agri Terminal Pty Ltd	Mr Jock Carter	02 4962 4006
Premium Grain Handlers P/L	Mr John Orr	pgh.com.au
Quattro Ports	Mr Dene Ladmore	quattroports.com.au
Reid Stockfeeds Pty Ltd	Mr Ian Reid	reidstockfeeds.com.au
Rivalea (Australia) Pty Ltd - Animal Nutrition	Mr Andrew Philpotts	rivalea.com.au
Riverina Oils & BioEnergy Pty Ltd	Mr Lachlan Herbert	riverinaoils.com
Southern Cotton Trading Pty Ltd	Mr Chris Veness	02 69 552 779
SunPork Farms Feed Mills	Mr Mark Young	08 8532 4434
Tasmanian Agricultural Producers Pty Ltd	Mr David Skipper	tasagproducers.com.au
ThriveAgri	Mr Charlie Brown	thriveagri.com
TSS Grain (Tasmanian Stockfeed Services)	Mr Trevor Macleod	tasstockfeed.com.au
Unigrain Pty Ltd	Mr Ervin Leong	unigrain.com.au
W B Hunter Pty Ltd	Mr Stewart Coombes	03 5821 5744
Wilken Grain	Mr Richard Wilken	wilkens.com.au
Woods Grain Pty Ltd	Mr Bruce Woods	woodsgrain.com.au
XLD Grain Pty Ltd	Mr Lachie Stevens	xldgrain.com.au
Yenda Prods Grain Pty Ltd	Mr Luke Mancini	0437 512 322

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**Level C2 (under 10 employees, under 250,000 Tonnes)**

A T Waterfield & Son Pty Ltd	Mr Brad Waterfield	03 5382 3725
A W Vater and Co	Mr Kim Vater	vater.com.au
AACL Pty Ltd	Mr Simon Gellert	trade@australianagriculturalcontracts.com.au
Access Grain Pty Ltd	Mr Wade Humphreys	accessgrain.com.au
Agmark Commodities	Mr Richard Alcorn	agmark.com.au
Agracom Pty Ltd	Mr Joe Hallman	agracom.com.au
Agri Om Australia Pty Ltd	Mr Kishore Bulchandani	agriom.com.au
Agri-Oz Exports Pty Ltd	Mr Francois Darcas	03 9830 7021
AgriGrain	Mr Jeremy Brown	agrigrain.com
Agromin Australia Pty Limited	Mr Rajni Patel	agromin.com.au
Marina Commodities	Mr Palwinder Singh	marinacommodities.com
Australian - Asian Agricultural Exports Pty Ltd	Mr Mick Connolly	aaax.ws
Australian Choice Exports Pty Ltd	Mr James Hunt	australianchoiceexports.com.au
Australian Grain Storage	Mr Matt Bailey	sunrice.com.au
Australian Growers Direct Pty Ltd	Mr Tom Lucas	ausgrowersdirect.com.au
Australian Mungbean Company Pty Ltd	Mr Damien White	australianmungbean.com.au
Australian Storage Alliance Pty Ltd	Mr Jon Bucknall	0447 652 716
Baker Grain	Mr Richard Baker	bakergrain.com.au
Boort Grain Co-Operative	Mr Jon Bucknall	02 9875 3919
Broun and Co Grain Pty Ltd	Mr Wal Broun	brounandco.com.au
Cameron Pastoral Company Pty Ltd	Mr Ken Cameron	07 4671 4144
C & S Trading Pty Ltd	Mr Craig Scholz	scholzbh.com.au
C K Tremlett Pty Ltd	Mr Andrew Tremlett	08 8524 9050
Carpendale Commodities	Mr Andrew Kluck	0448 761 246
Chester Commodities Pty Ltd	Mr Richard Black	chestercommodities.com.au
CL Commodities Pty Ltd	Mr Robert Lean	clcommodities.com.au
Continental Grain Handling Pty Ltd (CGH)	Mr Rick Guo	08 6333 1068
Coorow Seeds	Mr Brian Pover	coorowseeds.com.au
Cory Johnston (Aust) Pty Ltd	Mr Justin Fay	coryjohnston.com.au
Craig Tyack Grain Trading	Mr Craig Tyack	0428 729 167
Demeter Cormack Pty Ltd	Mr David Oates	08 6389 0098
Defiance Maize Products Pty Ltd	Mr Rodney Walker	corson.co.nz
Direct Commodities Pty Ltd	Mr Hamish Robertson	directcommodities.com.au
Donnellons Bulk Haulage Pty Ltd	Mr Bill Donnellon	0428 136 483
East Coast Stockfeed Pty Ltd		ecsf.com.au
Ellerslie Free Range Farms Pty Ltd		07 4695 5777



Export Trading Group Australia Pty Ltd	Mr Shayne Clark	etgworld.com
Feed Central Pty Ltd	Mr Tim Ford	feedcentral.com.au
Findlays Barellan	Mr Neil Findlay	02 6963 9246
GO Resources Pty Ltd	Ms Rosemary Richards	go-resources.com.au
Gold Star International Pty Ltd	Abhishek Kotkar	goldstarinternational.com.au
Grain Direct Australia	Mr Chris Kochanski	graindirect.com.au
Grain Link (NSW) Pty Ltd	Mr Paul Pearsall	02 6962 9500
Grain Link WA Pty Ltd	Mr Andrew Goyder	grainlink.com.au
Grainforce Pty Ltd	Mr Derek Larnach	02 6331 4880
GrainTrend Pty Ltd	Mr Sanjiv Dubey	graintrend.com
Greentree Farming	Mr David Brown	02 6751 1228
GV Grain & Fodder	Ms Joanne Harry	03 5828 3063
Harwood Grains Pty Ltd	Mr Paul Harwood	harwoodgrains.com.au
Hutt & Co Pty Ltd T/A GrainSource	Mr Simon Hutt	grainsource.com.au
J W Koek & Company	Mr Brian Algate	07 3341 4548
KB Agri Services Pty Ltd	Mr Karl Bliss	07 4634 4320
Kangaroo Island Pure Grain Pty Ltd	Ms Emma Tonkin	kipuregrain.com
Kennett Rural Services Pty Ltd	Mr Andrew Kennett	kennetttrural.com.au
Lachlan Commodities Pty Ltd	Mr Tony Cogswell	02 6851 2077
Laharum Bulk Handling Co	Mr Donald Carter	03 5381 2666
Lake Grain Pty Ltd	Mr Derek Davis	lakegrain.com.au
Lane Grain Pty Ltd	Mr Garry Lane	02 6887 3309
Laragon Almond Processors Pty Ltd	Mr Mark Webber	laragon.com.au
Lemarc Agromond Pty Ltd	Mr Michael Aikman	lemarcagromond.com
Mandala Trading Pty Ltd	Mr Jayjeev Saraff	mandalatrading.com.au
McKenzie Ag Services	Mr Lachlan McKenzie	mckenzieag.com.au
Matthews Transport and Grain Traders	Mr Neville Matthews	08 9831 1021
Max Grains Pty Ltd	Mr Jack Fahy	maxgrains.com.au
Melaluka Trading Pty Ltd	Mr Simon Pritchard	melalukatrading.com.au
Mellco Pty Ltd	Mr Steve Mellington	0419 867 971
Moulamein Grain Co-Operative Ltd	Mr Tony Bellinger	moulameingrain.com
Nandaly Grain Co-Operative Ltd	Mr Tony Bellinger	03 5078 1217
Network Grains Pty Ltd	Mr Craig Dennis	07 4637 8500
ETG Processing Pty Ltd T/A Wimpak	Mr James French	wimpak.com.au
Origin Grain Pty Ltd	Mr Peter Brick	03 5720 8500
Pacific Global Sprouts Pty Ltd	Mr Prashant Kewlani	pacificglobalsprouts.com
Parkinson Bros	Mr Rohan Parkinson	parkinsonbros.com.au
PB Seeds Pty Ltd	Mr Peter Blair	pbseeds.com.au
PeaCo	Mr Shane Wall	03 5497 1766
Pearson's Grain Pty Ltd	Mr Darren Pearson	pearsonsgroup.com.au
Peters Commodities Pty Ltd	Mr Michael Oxley	petcom.com.au
Phoenix Global Australia Pty Ltd	Mr Jogesh Virk	phoenixcommodities.com.au
Plum Grove Pty Ltd	Ms Rikki Foss	plumgrove.com.au
Preston Grain	Mr Andrew Kell	02 6977 1733
Pulse Association of the South East (PASE) Inc	Ms Leanne Burr	08 9071 3655
Quirindi Grain & Produce	Mr John Webster	02 6746 1911
Rhodium Trading Australia Pty Ltd	Mr Mark Fitzgerald	rhodiumresources.com
RP Grain Pty Ltd	Mr Gordon Pulham	rpgrain.com.au
RT Wallace Pty Ltd	Mr Reilly Wallace	wallacebulkhaulage.com.au
Ruddenklau Grain Pty Ltd	Mr Tim Ruddenklau	08 8842 1314
Rural Logic (Aust) Pty Ltd	Mr Michael Wood	rurallogic.com.au
Shannon Bros Bulk Storage Pty Ltd	Mr Clayton Shannon	03 5390 2264
Silo Bag Grain (NSW QLD) Pty Ltd	Ms Lesley Kilby	02 6847 1788
Societa Cofica Pty Ltd	Mr Dia Ram Sharma	societacofica.com.au
Southern Cross Agricultural Exports P/L	Mr Syd Parsons	southerncrossag.com.au
Spagrimon Australia Pty Limited	Mr Jiger Kotecha	spagrimon.com.au
Standard Commodities Australia Pty Ltd	Ms Elizabeth Bozinoska	stancom.com.au
Sudima Australia Pty Ltd	Mr Jim Garvey	sudima.com
Summer Hill Grains	Mr Barney Hughes	0428 694 363
Southern Grain Storage Pty Ltd	Mr Campbell Brumby	03 5267 2351
Swiss Singapore (Australia) Pty Ltd	Surya Jain	swiss-singapore.com
Tamma Grains Australia Pty Ltd	Ms Kim Packer	0428 887 026
Thallon Grains Pty Ltd	Mr Andrew Earle	02 6756 5004
Ulusoy Asia Pacific	Mr Mark Madjarevic	ulusoyflour.com
Unique Grain Management Pty Ltd	Mr Mark Thiele	uniquegrain.com.au
Universal Commodity Management	Mr Tim Dean	commoditymanagement.com.au
Ward McKenzie Pty Ltd	Mr Geoff Hammon	mckenziefoods.com.au
Watershed Commodities	Mr Jack Vivers	0427 715 543
Watson's Bulk Logistics	Mr Joel Watson	wbl.net.au
WHG Oceania Pty Ltd	Mr Gesheng Shen	02 8040 3030

WW Agri Pty Ltd	Mr Steve Sloss	wwagri.com.au
<b>Transport Operator</b>		
Aurizon Operations Limited	Ms Ruth Stjernqvist	aurizon.com.au
Gehrke Grains and Transport Pty Ltd	Mr Julian Gehrke	07 5465 6695
Hamilton Contracting (NSW) Pty Ltd	Ms Jodie Hamilton	hamiltoncontracting.com.au
Pacific National (NSW) Pty Ltd	Mr Hugh Cox	pacificnational.com.au
SEAWAY Intermodal Pty Ltd	Mr Bikash Ram	seawayintermodal.com.au
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<b>Broker</b>		
<b>Large</b>		0
<b>Medium</b>		
Fox Commodities Pty Ltd	Mr Paul Cochrane	foxcommodities.com.au
Grain Brokers Australia	Mr Jeff Winspear	grainbrokers.com.au
Horizon Grain Brokers Pty Ltd	Mr Ash Munro	horizongb.com.au
iGrain.com.au Pty Ltd	Ms Emily Fleming	igrain.com.au
INTL FCStone Pty Ltd	Mr Brett Cooper	intlfcstone.com
McDonald Pelz Australia	Mr Peter Geary	mcdonaldpelz.com
Perkins Commodity Brokers	Mr Craig Perkins	03 9645 6846
Teague Australia Pty Ltd	Mr Tim Teague	teague.com.au
		8
<b>Sole Operator</b>		
A C Grain	Mr Adam Clarke	0400 065 763
Allied Grain Pty Ltd	Mr Angus Wettenhall	alliedgrain.com.au
Cogeser (Australia) Pty Ltd	Mr Robert Luetolf	cogeser.com.au
Esquire Commodities Pty Limited	Mr Rowan Relton	07 4635 7215
Farm Tender	Mr Matt Henke	farmtender.com.au
Lotema Pty Ltd	Mr Todd Lees	lotema.com.au
Mallon Commodity Brokering	Mr Ian Mallon	
Quest Commodities Pty Ltd	Ms Jayne Barker	questcommodities.com.au
Wimmera Mallee Grain Services	Mr Rodney Edgerton	egrainservices.com.au
Woodside Commodities Pty Ltd	Mr Hamish Steele-Park	woodcomm.com.au
#REF!		10
<b>Corporate</b>		
<b>Large</b>		
ASX Limited	Mr Ian Waddell	asx.com.au/grainfutures
Australia And New Zealand Banking Group	Mr Ian Hanrahan	anz.com.au
Australian Grain Technologies Pty Ltd	Mr Tristan Coram	agtbreeding.com.au
Commonwealth Bank of Australia	Mr Tom Barraket	commbank.com.au
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<b>Medium</b>		
AgriDigital	Mr Henry McKay	agridigital.io
Agrifood Technology Pty Ltd	Ms Doreen Fernandez	03 9742 0589
Amspec Australia Pty Ltd	Mr Lee Shilvock	amspecgroup.com
Australian Superintendence Company	Mr Andrew Parry	07 3391 8640
Commodity Inspection Services (Australia) Pty Ltd	Ms Katrina Saunderson	commodityinspection.com.au
Foss Pacific Pty Ltd	Mr Phil Soderberg	foss.com.au
Holding Redlich	Mr Geoff Farnsworth	holdingredlich.com
Holman Fenwick Willan	Mr Stephen Thompson	hfw.com
Intertek	Mr Ben Jones	intertek.com
SBA Law	Mr Jeremy Rosenthal	sbalaw.com
SGS Australia Pty Ltd	Mr Scot Paterson	au.sgs.com
T-Ports Pty Ltd	Mr Kieran Carvill	tports.com
Viridis Ag	Mr Anthony Howard	viridisag.com
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<b>Small</b>		
Advance Trading Australasia	Mr Andrew Woodhouse	advance-trading.com.au
Ag Scientia Pty Ltd	Mr Lloyd George	03 9598 1980
Basis Commodities Pty Ltd	Mr Chris Whitwell	basiscommodities.com.au
Clear Grain Exchange	Mr Nathan Cattle	cleargrain.com.au
CloudBreak Grain Marketing Pty Ltd	Mr Ed Scamps	08 8388 8084
Delta Agribusiness Pty Ltd	Mr Michael Parry	02 6772 0000
EP Integrated Commodities Pty Ltd	Ms Tracey Lehmann	08 8627 2304
Farmanco Marketing Pty Ltd	Mr Donald McTaggart	farmanco.com.au
FarMarCo Australia Pty Ltd	Mr Robert Imray	07 4637 6400
Finesse Solutions Pty Limited	Mr Malcolm Finlayson	02 9872 9270
Flexi Grain	Mr Jarrod Tonkin	flexigrain.com.au
Goldstar Commodities	Mr Geoff Webb	goldstarcommodities.com.au
Graintec Scientific Pty Ltd	Mr Lucas Anstiss	graintec.com.au
Grainx	Mr Chris Hood	grainx.com.au
HarvestCheck Pty Ltd	Mr Stephen Schumacher	0418 199535

Hay Plains Grain Storage Pty Ltd  
 IKON Commodities Pty Ltd  
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 SGA Solutions Pty Ltd  
 TE Storage & Logistics Pty Ltd  
 Ten Tigers  
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#### International Affiliate

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 CIS - Commodity Inspection Services

#### Industry Association

Australia Export Grain Innovation Centre  
 Grain Growers Limited  
 Grain Industry Association of WA  
 Grain Producers Australia Ltd  
 NSW Farmers Association

#### Merchant Association

Grain Industry Association of SA  
 Grain Industry Association Of Victoria  
 Grain NSW Inc  
 Queensland Agricultural Merchants Inc.

#### Life Members

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 Mr Christopher Kelly  
 Mr Geoff Honey  
 Mr Terry Deacon

Mr Ron Harris  
 Mr Ole Houe  
 Mr Nick Carracher  
 Mr Mark Martin  
 Mr Gerard McMullen  
 Mr Scott Still  
 Mr Adam Davies  
 Mr Mark Murphy  
 Ms Debbie Newmarch  
 Mr Yasuhide Okumura  
 Mr Raul Ovelar  
 Mr Jerome Critch  
 Mr Peter Longhurst  
 Ms Hannah Janson  
 Mr Ian Dalgliesh  
 Mr Chris Heinjus  
 Mr Robert Ford  
 Mr David Hudson  
 Mr Tom Hage  
 Mr Chris Tonkin  
 Mr Jon Bucknall

Mr Isherwood Feng  
 Mr Paul Schweitzer

Mr Richard Simonaitis  
 D. McKeon  
 Ms Larissa Taylor  
 Mr Andrew Weidemann  
 Ms Alexandra Bunton

Mr Ben Noll  
 Mr Colin Peace  
 Ms Joanne Ware  
 Mr John Francis

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# Modernising the grain supply chain

- from Drought, through Covid-19 to 2030

An Innovative Growth & Investment Strategy for the Grain Supply Chain



GRAIN TRADE  
AUSTRALIA





# Modernising the grain supply chain

- from Drought, through Covid-19 to 2030

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# 1. Executive Summary

This paper outlines an innovative growth and investment strategy for the Australian grain supply chain from drought, through Covid-19 to 2030 and beyond. It proposes 13 industry driven 'strategy enabling projects' supported through current Government grant programs that will fulfil industry needs, gaps and drive productivity and efficiency gains through the value chain, ultimately increasing the competitiveness of the Australian grain industry.

















The 'strategy enabling projects' focus on four key "Growth Pillars" - Skills and Capability, Quality and Market Access, Technology, and Transport and Logistics. These are foundation components of industry.

The paper has been prepared by Grain Trade Australia (GTA) and its member driven Technical Committees on behalf of its Members to:

- Support Australian supply chain initiatives to improve the competitiveness of the Australian Grain Industry;
- Support GTA's Government Grant applications; and
- Provide context, structure and to outline the strategic value associated with the recent funding applications requested by GTA.

GTA's Technical Committees play a critical role in GTA's Member driven activities and work to develop policy that draws in industry expertise for the broader benefit of industry and Members.

## Grain Supply Chain & GTA Committees

Advocacy & Market Access Trade	Commerce	Grain Quality and Assurance	Data & Information	Grain movement & logistics	Stewardship & Capability	
						
 GTA Trade & Market Access Committee   GTA Plant Breeding Innovation Committee	 GTA Commerce Committee	 GTA Trading Standards Committee	 GTA Trading Information Technology Advisory Committee	 GTA Transport Ports and Storage Committee	 GTA Board  Code of Practice  GTA training & development programs	
Industry driven and managed						

Technical Committee Members represent all sectors of the supply chain including seed producers, producer associations, technical consultants & service industries, bulk handling companies (BHCs), industry good agencies, and small and large marketing enterprises.

GTA is the focal point for the commercial grain industry within Australia. It facilitates trade and works to provide an efficient, equitable and open trading environment by providing leadership, advocacy and commercial services to the Australian grain value chain.

The Australian grain supply chain is largely an open access supply chain. The open access nature and complexity within

The 'strategy enabling projects' are aligned to key Australian grain industry and Government objectives and implementation programs. These supply chain projects are complimentary to the productivity strategies and initiatives currently being undertaken by industry and government to increase the farm gate value of Australia's grain.

the supply chain makes optimising asset utilisation and efficiency challenging particularly at a strategic industry level. Similarly, whilst delivering benefit, the broad and competitive multi-operator storage model that operates in most states does require broad guidance and support if Australia is to maintain the well-deserved reputation in the world market, earned over many years.

The grain industry is one of Australia's largest agricultural industries. With over 70% of production exported (in a normal season), the export sector is a large earner of foreign income, while the domestic market is the largest consumptive home for Australian grain.

The 5-year average grain industry value (at the farm gate - excluding rice) is around \$A13.7 billion, with the 5-year average exports value (FOB) at \$A 10.8 billion. In 2018/19 Australian exporters shipped approximately 18.7 million metric tonnes (mmt) of grain<sup>1</sup>.

The grain industry, and its ancillary suppliers and service providers, are substantial employers of people from the farm gate through to end point consumption. The growth prospects for the industry are strong, given increased domestic demand and strong economic and demographic growth in Asia, where wheat imports have doubled since 2000<sup>2</sup>.

However, international competition is placing Australia's key markets in Asia under severe threat. The ongoing competitiveness of Black Sea and South American grain into these markets has resulted in significant declines in market share for Australian grain. For example, in the 2018/19 season Australia's exports to Indonesia were around 10% of Indonesia's total wheat imports, reducing Australia to a minor player in the Indonesian market. Australia's reliance on both quality and logistic advantages are now dissipating further necessitating the investment proposed in this paper.

Investment in industry is critical to remain competitive into the future and to capture the benefits and to deliver economic growth for Australia. This is especially the case given:

- 30-35% of a grower's total cost is supply chain cost;
- The quality advantage for Australian grain is under pressure as processors and consumers increase their efficiency and utilisation of grain from alternative and cheaper origins.

This results in increased pressure on Australian margins, and pressure on cost at both the farm and supply chain level. Australia must compete and develop competitive advantage on both fronts.

Industry alone cannot make the required investments or drive system wide operational efficiencies. This is due to the quantum of the investment required and notably the industry good benefits which limit any "first mover" commercial advantage. It is recognised that in this emerging model grain producers more than ever can extract and capture increased value from the post farm gate supply chain.

Focus on four key "Strategic Growth Pillars" is required to develop and grow industry, through strategic efficiency gains in the value chain. The Strategic Growth Pillars are:

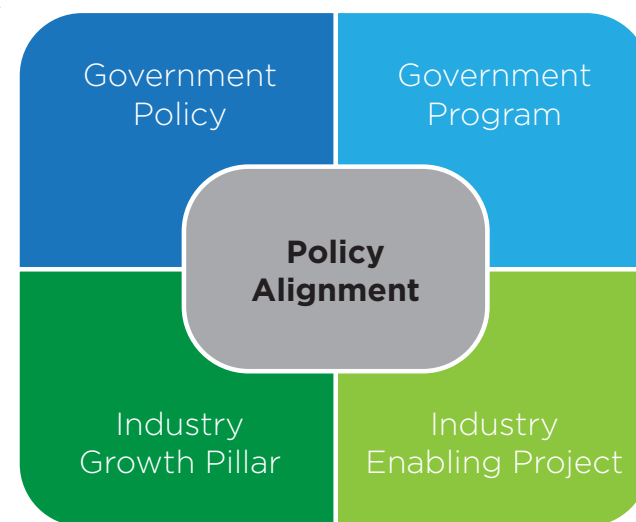
- a. Skills and Capabilities;
- b. Quality and Market Access;
- c. Technology; and
- d. Transport and Logistics.

The report proposes an investment of \$8.49m, supported by 'In Kind' industry contributions across 13 industry driven 'strategy enabling projects' with clear benefits within the growth pillars to drive productivity and efficiency through the value chain to improve Australia's global competitiveness.

The report is aligned with Government policy and the projects designed to implement Government's Policies. The 'strategy enabling projects' are specifically aligned to 12 Government Policy objectives in Agriculture, Trade and Market Access, Information Technology and Transport and Supply Chain portfolios.

The report maps the 'strategy enabling projects' to 20 Government programs in place across Department of Foreign Affairs and Trade (DFAT), Department of Agriculture, Water and Environment (DAWE), Department of Industry and Science, and Department of Transport and Infrastructure.

Implementing the industry driven 'strategy enabling projects' will in effect deliver results and positive outcomes for Government Policy objectives and the programs designed to deliver policy outcomes.



<sup>1</sup> ABARES (March 2020) <sup>2</sup> USDA PSD (March 2020)

## 2. Purpose

The objective of this paper is to outline an innovative growth and modernisation strategy for the Australian grain value chain to 2030 and beyond. This report proposes 13 industry driven 'strategy enabling projects' that will fulfil industry needs and gaps to drive productivity and efficiency gains across the value chain. These 'strategy enabling projects' are aligned to key Government Policy objectives and implementation projects.

The outcome of the strategy will be a more sustainable, efficient and globally competitive Australian grain supply chain, improving Australian farm gate values for growers.

The strategy supported through joint government funding and industry 'In Kind' partnerships will drive value across the supply chain and back through to the farm gate. Its focus is the pre-competitive domain and is based on a collaborative model with actions that create broader industry value, enhance Australia's international competitiveness and deliver value to net farm gate returns.

The objective through the 'strategy enabling projects' is to:

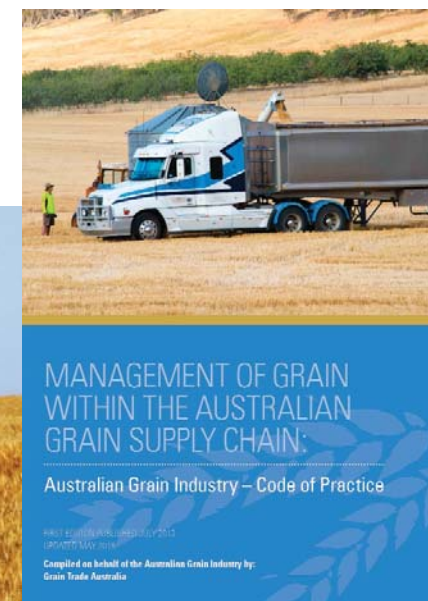
- 1) modernise components of the grain industry;
- 2) increase capability; and
- 3) reduce the risk of reputational damage for participants within the grain industry.

## 3. About Grain Trade Australia

GTA is the focal point for the commercial grain industry within Australia. It facilitates trade and works to provide an efficient, equitable and open trading environment by providing leadership, advocacy and commercial services to the Australian grain value chain. GTA is non-political, industry driven with a primary focus to ensure the efficient facilitation of commercial activities across the grain supply chain including a strong focus on the logistics of grain through transport, storage and ports.

GTA has over 260 organisations as members ranging from regional family businesses to large national and international trading, storage and handling companies, grain marketers, consumers and processors. The vast majority of grain contracts executed in Australia refer to GTA grain trading standards, standard-form grain contracts and GTA Trade Rules. Most of Australia's grain storage and freight movements are made by GTA members. Key national and state producer representative groups are also GTA Members.

GTA Members have identified the "gaps" highlighted in this report. GTA's industry leadership position and commitment by members will mean GTA co-ordination of this strategy will ensure its delivery and successful outcomes.





## 4. Introduction

The Australian grain supply chain is largely an open access and comingled supply chain. It is an interlinking web made up of many participants including:

- growers;
- domestic end users;
- road and rail companies;
- storage and trading businesses;
- ports and shipping lines; and
- local, state and federal government departments and agencies.

This grain supply chain complexity makes optimising capital investment, asset utilisation and efficiency challenging particularly at a strategic industry level. It requires coordination across all participants, which is difficult, time consuming and requires both leadership and patience.

The complexity and open access nature of the supply chain can lower the incentive to invest from a commercial perspective (i.e. return on investment) in pre-competitive and collaborative activities and technology. This is due to the benefits being shared across supply chain participants and means any “first mover advantage” can be short-lived due to strong competition that drives the value through the chain, predominantly to producers and to a lesser extent food consumers.<sup>3</sup>

*“complexity makes optimising asset utilisation and efficiency challenging particularly at a strategic industry level”*



<sup>3</sup> Malcom, B. (2019), Value attribution across the supply chain, University of Melbourne.

## 5. Grain Industry Sector

The grain industry is one of Australia's largest agricultural industries. With over 70% of production exported (in a normal season), the export sector is a large earner of foreign income, while the domestic market is the largest consumptive home for Australian grain.

*The grain industry, its ancillary suppliers and service providers, are substantial employers of people from the farm gate through to end point consumption*

The 5-year average grain industry value (at the farm gate - excluding rice) is around \$A13.7 billion, with the 5-year average exports value (FOB) at \$A 10.8 billion. In 2018/19 Australian exporters shipped approximately 18.7 million metric tonnes (mmt) of grain<sup>4</sup>.

The Australian grain sector has been a consistent provider of productivity increases to the Australian economy. For example, grain (wheat) yields have showed trendline growth since 2006 from 0.9 tonnes/hectare (t/ha) to 2.6 t/ha in 2016<sup>5</sup>.

The grain industry, and its ancillary suppliers and service providers, are substantial employers of people from the farm gate through to end point consumption.

Domestic demand for all crops is estimated at 15.5mmt in 2018/19. The domestic market is expected to continue its growth with consumption forecast to reach 16mmt in 2019/20<sup>6</sup>.

*The domestic market continues to be the largest consumptive home for Australian grain*

This means investment and efficiency growth across the Australian grain value chain will be crucial to maintain a competitive position in both export and domestic markets. This will be important to Australia's economic growth, especially to rural and regional economies.

75% of Australian grain production is exported with over 50% of exports destined to the Asian region. Figure-6 shows wheat imports into SE Asian countries has grown 2.0 times since 2000<sup>7</sup>. Asian demographic and economic growth are expected to see increased demand for Australian grains to 2030 and beyond<sup>8</sup>.

Figure 1: Australian Agricultural sectors Source: ABS

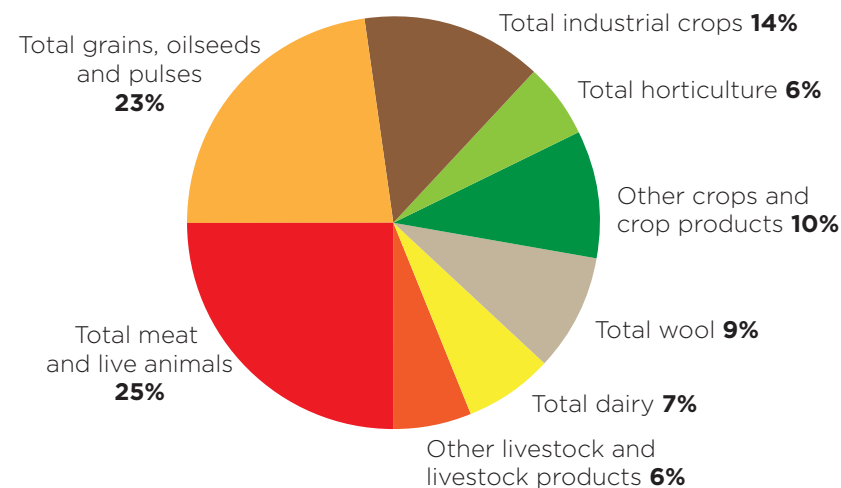


Figure 2: Australian Grain Exports Source: ABS

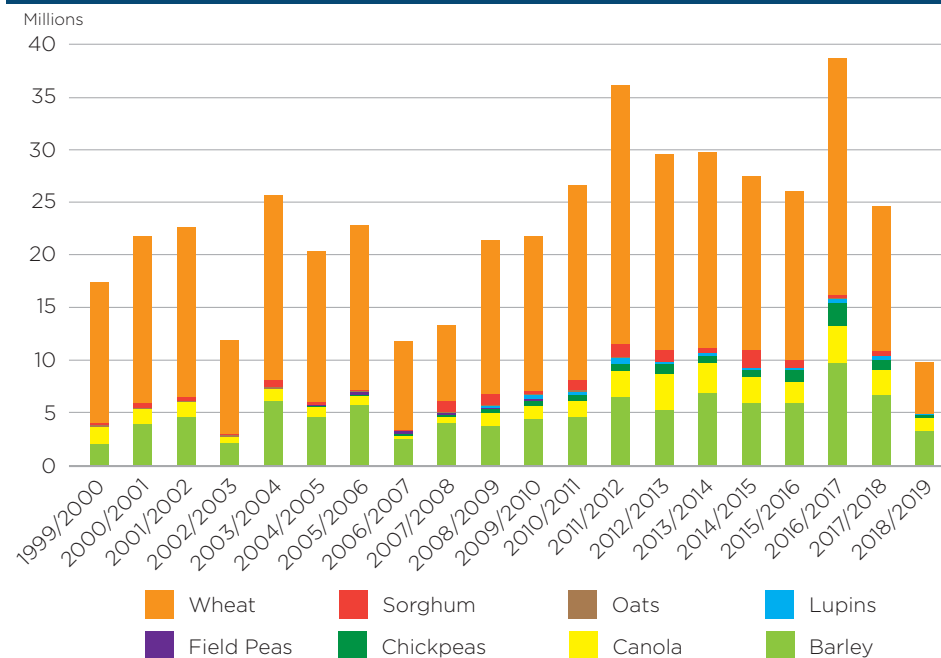


Figure 3: Destination of Australian Grain Source: ABS

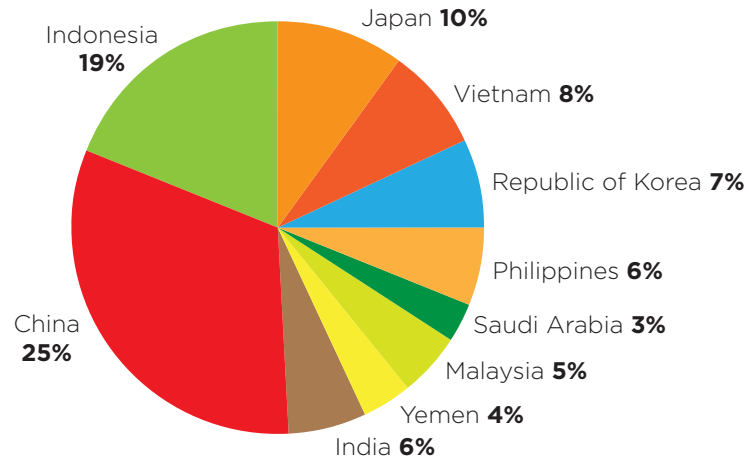


Figure 5: Australian Grain Industry Value (A\$m) Source: ABARES

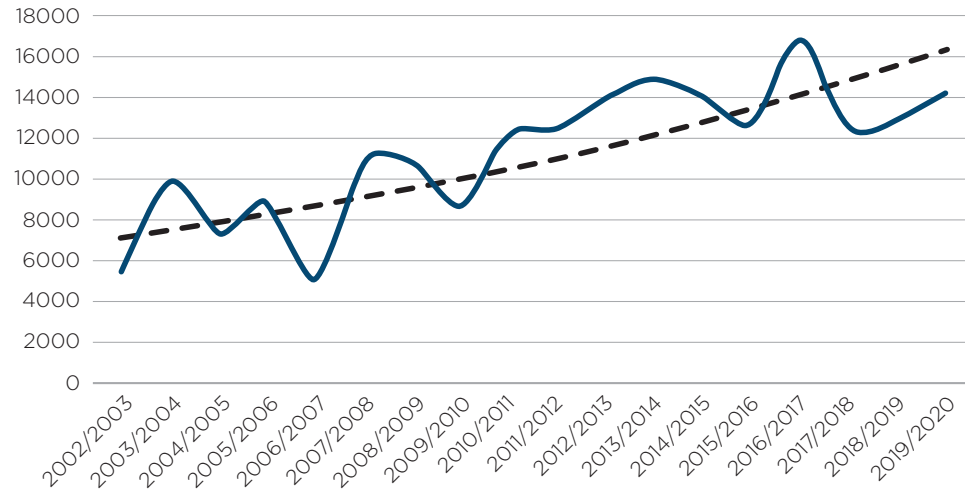


Figure 4: Growth in the Domestic Market Source: ABARES

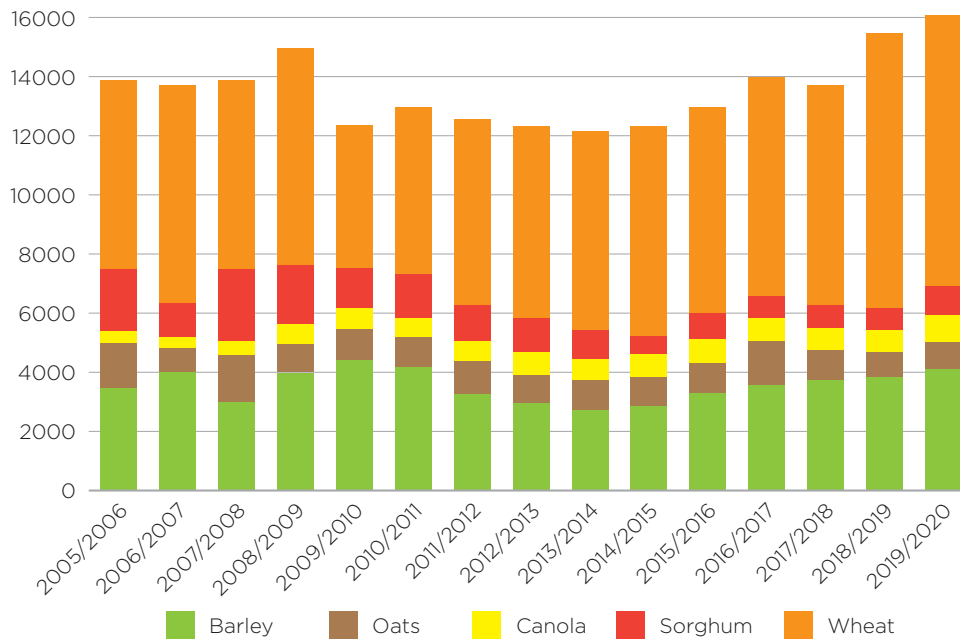
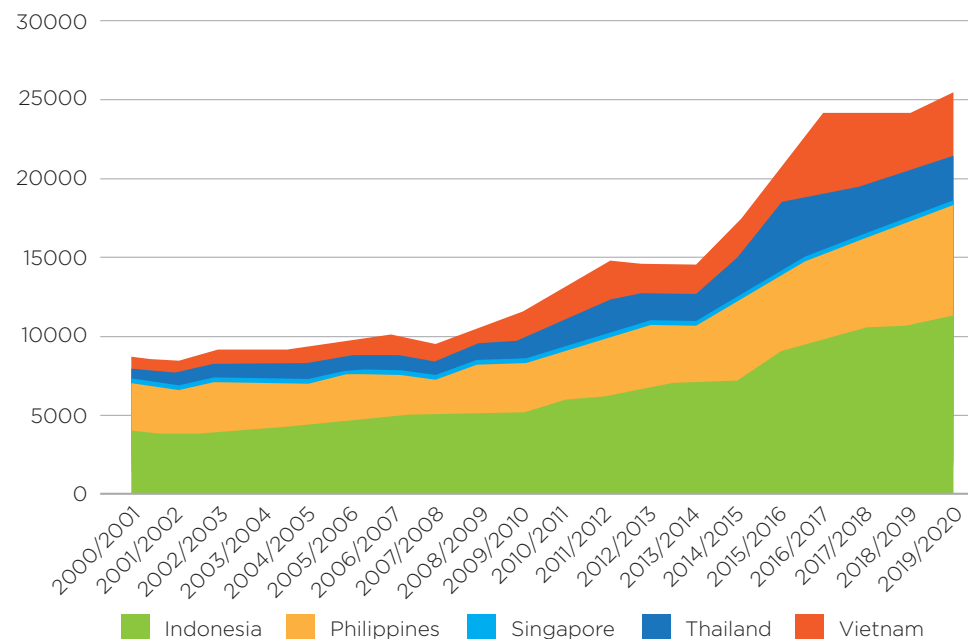


Figure 6: Growth in SE Asian Wheat Consumption (mmt) Source: USDA





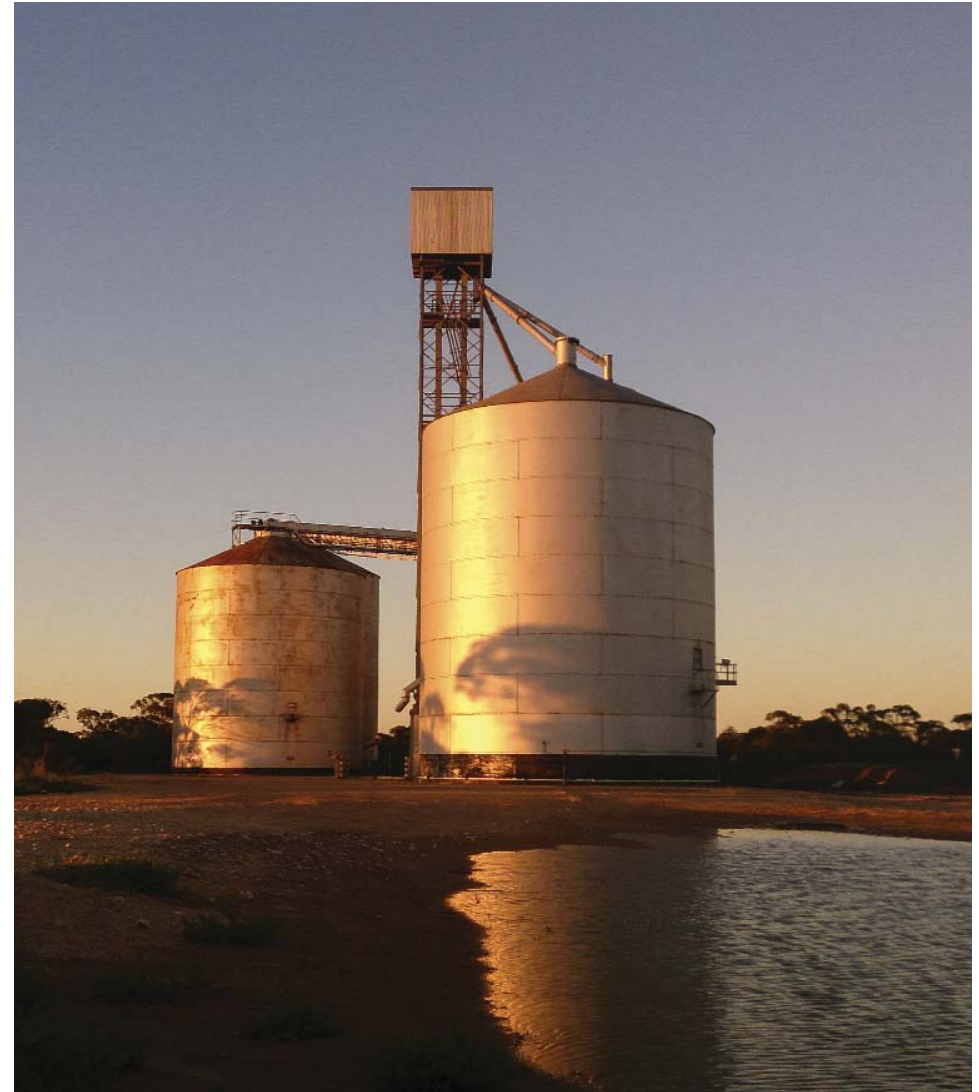
## 6. The need for Supply Chain investment

As the industry recovers from one of the most severe droughts on record, and the Covid-19 pandemic, both of which have impacted all businesses in the grain value chain, investment will be critical, as industry and Government seek to rejuvenate and re-invest in material infrastructure and technology (systems and processes) in cash strapped businesses and government agencies in both the regions and major cities.

*Investment in industry is critical to remain competitive into the future and to capture the benefits and deliver economic growth*

Importantly, the increasing rate of growth and development in both food science technology and information technology combined with increasing consumer expectations and sensitivity to food safety and social and environmental issues will mean that industry will need to evolve, adapt and improve its quality assurance systems and processes to keep apace.

Investment, efficiency gains and improved market access will be needed to meet the growing demand in a globally competitive marketplace. The alternative is to be left behind and not capture the opportunities that lie ahead for the Australian grain industry.



## 7. Rationale for Supply Chain investment

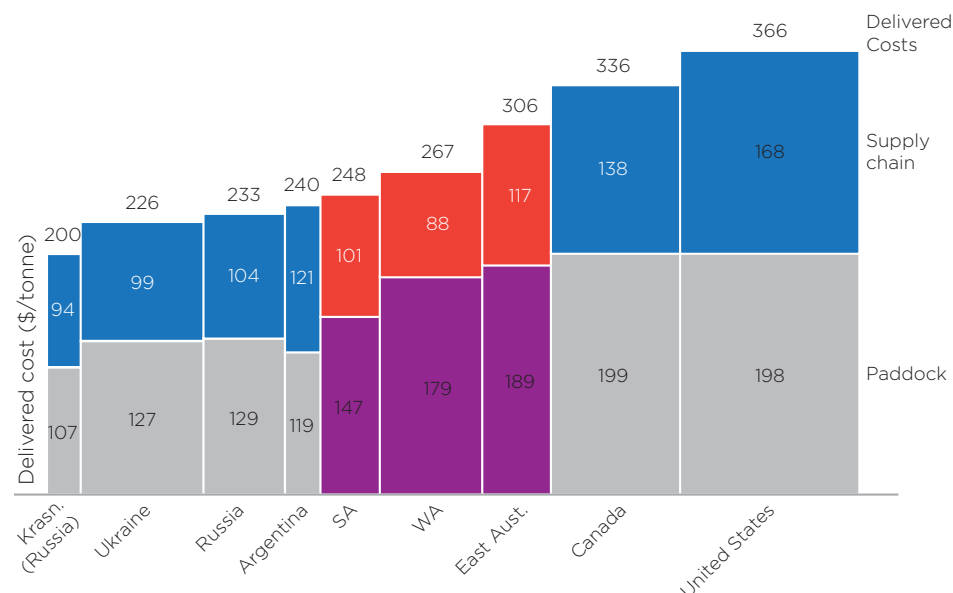
Figure 7: Supply Chain Comparison Source: AEGIC

	2013	2014		2015-16	2016		2017	
Costs (\$/t)	Australia	Canada	Australia	Ukraine	Russia	Australia	Argentina	Australia
Cartage farm-site	8.9 (12%)*	10.7 (10%)	8.9 (11%)	4.3 (8%)	3.5 (6%)	7.8 (9%)	2.9 (5%)	7.8 (11%)
Upcountry handling	11.9 (16%)	15.2 (14%)	14.4 (17%)	7.7 (14%)	9.2 (16%)	18.4 (22%)	13.2 (21%)	10.4 (15%)
Storage	6.8 (9%)	17.7 (16%)	8.9 (11%)	2.9 (5%)	5.1 (9%)	9.0 (11%)	1.4 (2%)	5.0 (7%)
Transport upcountry to port	21.6 (29%)	46.8 (44%)	27.8 (33%)	13.3 (23%)	15.5 (28%)	26.7 (32%)	29.5 (47%)	23.6 (33%)
Port charges	21.2 (29%)	13.9 (13%)	21.0 (25%)	23.8 (42%)	22.4 (40%)	19.9 (24%)	15.5 (25%)	21.7 (30%)
Levies and check-offs	2.9 (4%)	3.0 (3%)	2.8 (3%)	4.9 (9%)	0.1 (<1%)	2.8 (3%)	nd <sup>#</sup>	2.8 (4%)
<b>Total supply chain cost</b>	<b>73.3</b>	<b>107.3</b>	<b>83.8</b>	<b>56.9</b>	<b>55.8</b>	<b>84.6</b>	<b>62.5</b>	<b>71.3</b>
<b>Production cost</b>	<b>nd<sup>#</sup></b>	<b>139.1</b>	<b>157.1</b>	<b>133.0</b>	<b>121.1</b>	<b>148.3</b>	<b>140.0</b>	<b>148.8</b>
<b>Supply chain proportion</b>	<b>nd<sup>#</sup></b>	<b>0.44</b>	<b>0.35</b>	<b>0.30</b>	<b>0.32</b>	<b>0.36</b>	<b>0.31</b>	<b>0.32</b>

\* Percentages in brackets are the cost item as a proportion of the total supply chain cost.

<sup>#</sup> nd - no data

Figure 8: Supply Side Competitiveness Source: CBH



Around 30-35% of a grower's total cost are supply chain costs. Global competition is intensifying. The quality advantage for Australian grain is reducing as processors and consumers increase their efficiency and utilisation of grain from alternative and cheaper origins. This means pressure on Australian margins, and pressure on costs at both farm and supply chain level. Australia must compete and develop competitive advantage on both fronts. As seen in Figure 8 - the Supply Chain Competitiveness of the Australian value chain into South East Asia is well behind the Black Sea and Argentina. To enhance the competitiveness of the Australian value chain both industry and government are needed to play a significant role in investing in the long term future to increase productivity and reduce paddock and supply chain costs to regain our market position and improve farm gate returns.

*30-35% of a grower's total cost are supply chain costs*

Grain producers more than ever can extract and capture value from the post farm gate supply chain. The emergent post 'single desk' Australian grain supply chain in most states is running counter to the global trend of supply chain consolidation. The grain supply chain is increasing its storage capacity and the number of operators through multiple container packers, new ports, country storage operators and farm-based storage and logistical enterprises.

*Grain producers more than ever can extract and capture value from the post farm gate supply chain*

The historical consolidated supply chain maintained by large Bulk Handling Companies is evolving into a competitive mix of on-farm storage and commercial storage operators operating in an increasingly dynamic and entrepreneurial market.

This increasingly competitive and spatially distributed storage model provides opportunity for participants. However, whilst delivering benefit, a broad and competitive multi-operator storage model does require guidance and support and pre-competitive cooperation if Australia is to drive efficiency and maintain the well-deserved reputation in the world market, earned over many years.

## 8. Joint Government Funding and Industry 'In Kind' Investment Partnerships are needed

*Industry cannot make the required investments or drive system wide operational efficiencies on its own*

As previously noted above, investment in industry is critical to remain competitive into the future, capture available benefits and deliver economic growth for Australia.

However, industry participants cannot make the required supply chain investments or drive the system wide operational efficiencies on their own.

This is due to several reasons including:

- a) The overall size or quantum of investment required.
- b) The risks around developing new technology.
- c) The broad base of beneficiaries across the value chain.
- d) Limited “first mover advantage” for developing new technology.
- e) Limited “first mover advantage” for investing in certain infrastructure relating to pre-competitive activities.

This means, Public and Industry partnerships are needed for investment in technology and activities. Examples of public investment having transformational change across industries include transport infrastructure, WiFi and GPS technology, among many others.





# 9. Government Policy Alignment

This paper recognises the importance of aligning wherever possible with Government’s policy and its implementation programs to drive industry economic value and global competitiveness.

It also recognises the success of Government value driven policies are most effective when aligned with industry driven strategic objectives and enabling projects.

The report seeks to identify key Government Policy Areas and programs and align these with industry strategic growth pillars and strategy enabling projects.

The successful outcome of strong alignment between Industry strategic pillars and Government programs, should be positive Government Policy outcomes, strong

Industry growth, improved efficiency and global competitiveness.

*Positive Government Policy outcomes, strong industry growth, improved efficiency and globally competitiveness*

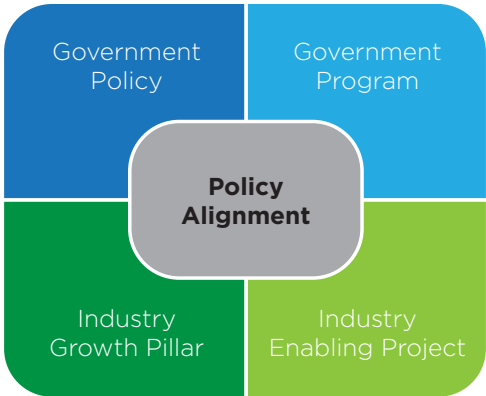
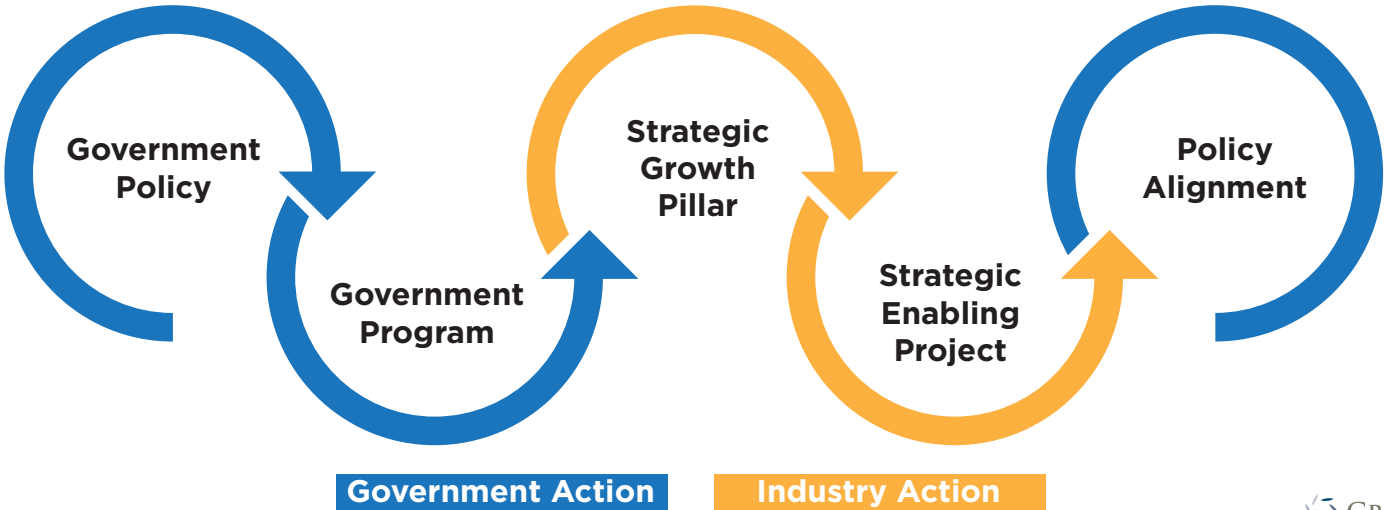


Figure 9: Policy Alignment



# 10. Government Policies & Funding

There is funding across Government departments to address specific policy issues.

The key policy issues include:



## a) Agriculture Policy

- a. Drought Policy and funding
- b. Growing Agriculture to \$100b by 2030 (with NFF).
- c. Productivity / RD & E (eg GRDC)
- d. Modernising Agriculture
- e. Water & Environment Policy
- f. ACCC / Competition / Codes



## b) Trade and Market Access

- a. NTMs
- b. Food Safety
- c. Traceability
- d. Biosecurity & Export Inspection
- e. FTA Implementation and leveraging
- f. Multi-lateral forums & agreements



## c) Information Technology

- a. Fin tech
- b. Ag tech



## d) Transport & Supply Chain

- a. In-Land Rail
- b. Heavy Vehicle Law & COR
- c. Coastal Shipping Reform
- d. Inter-modal developments

This paper proposes projects and investments that are aligned and will add value in many of these key policy areas.

Several Government Policies and programs (State and Federal) for agriculture and agri-business impacting the grains industry are noted below:

	Program
 <b>Australian Government</b> <b>Department of Foreign Affairs and Trade</b>	a) IA-CEPA Strategic Grains Partnership
	b) NTM Funding
	c) FTA Implementation & Leverage
	d) Export Market Development Grant
 <b>Australian Government</b> <b>Department of Agriculture, Water and the Environment</b>	a) Grow Ag to \$100b by 2030
	b) PASE
	c) Modernising Agriculture
	d) Traceability
	e) CACA
	f) ATMAC
	g) NTM Projects
	h) GRDC
	i) Agri-Futures
 <b>Australian Government</b> <b>Department of Industry &amp; Science</b>	a) FIAL
	b) Fin Tech
	c) Ag Tech
 <b>Australian Government</b> <b>Department of Transport &amp; Infrastructure</b>	a) NHVR (COR)
	b) Coastal Shipping Reform
	c) In-land Rail
	d) Inter-modal developments

# 11. Industry Strategic Growth Pillars

GTA propose a focus on four key “Growth Pillars” is needed to develop and grow industry, through strategic efficiency gains in the value chain. The Growth Pillars are:

## Growth Pillars

### A. Skills & Capability

### B. Quality & Market Access

### C. Technology

### D. Transport & Logistics

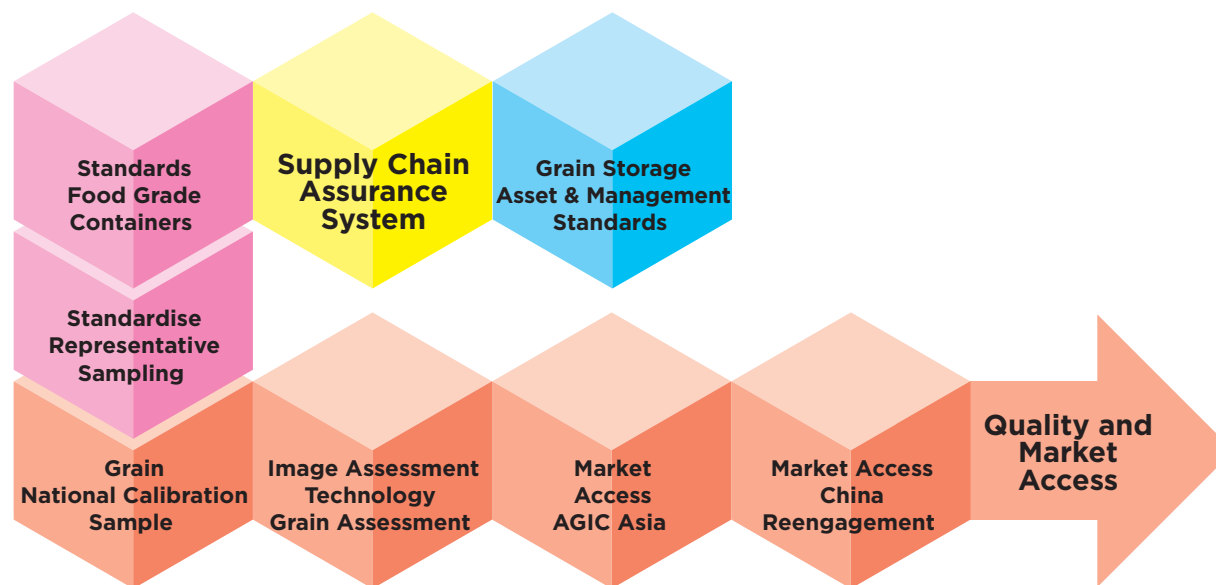
This report proposes industry driven projects that will fulfil industry needs and gaps, drive productivity and efficiency gains through the value chain and improve Australia’s competitiveness in an increasingly competitive global market.

Each of the “Growth Pillars” is important and complement each other. However, given the grain industry is a market facing industry the importance of activity and focus in the area of Quality & Market Access is fundamentally critical if Australia is to maintain and grow the hard earned reputation in the world market that has been developed over many years.

There are several projects in the Quality & Market Access Pillar that are critical to the grain industry and should be advanced to ensure the Australian grain industry supply chain is modernised and becomes capable of meeting the increasing demands of consumers.

These projects need to be considered in a systemic manner and addressed as a ‘whole of system’ priority with the remaining “Growth Pillars” and proceed within the same timeframe.

Figure 10: Quality and Market Access Roadmap





The following table outlines the strategy enabling projects with the four Key Growth Pillars that are proposed to be considered as pre-competitive candidates for Government funding:

## A. Skills & Capability

Project Title	Description	Industry Benefits	Cost Estimate (\$m)
1. Trade & Market Access Education	<ul style="list-style-type: none"> <li>Develop industry focussed Training Package for Trade and Market Access to improve understanding of global bodies/forums, policy frameworks, processes and risk assessments impacting global and regional market access.</li> </ul>	<ol style="list-style-type: none"> <li>1. Improve industry and stakeholder knowledge &amp; understanding of activities and consequence</li> <li>2. Improve industry compliance</li> </ol>	<b>\$0.215</b>
2. Alignment of Industry Grain Assessment Training & Certification Program	<ul style="list-style-type: none"> <li>The re-design and better linkage of grain industry sampling assessment and training for supply chain management from general sampling to export certification.</li> <li>Re-design and alignment of industry driven training for supply chain management including Sampling Training               <ul style="list-style-type: none"> <li>• Level 1: General Sampling,</li> <li>• Level 2: Grain Assessment Sampling to support sales</li> <li>• Level 3. Export Certification</li> <li>• Level 4. Certified Grain Sampling Audit</li> </ul> </li> </ul>	<ol style="list-style-type: none"> <li>1. Improve export certification process</li> <li>2. Mitigate Industry Risk</li> <li>3. Increase access to skilled resources</li> <li>4. Improve level of industry expertise</li> <li>5. Improve uniformity of grain quality testing</li> </ol>	<b>\$0.23</b>
3. Code of Practice Assessment Program	<ul style="list-style-type: none"> <li>Enhancement to on-line export training tools (Code Assessment Program)</li> <li>Awareness campaign and assistance for small exporters to access &amp; participate.</li> </ul>	<ol style="list-style-type: none"> <li>1. Improve industry and stakeholder knowledge &amp; understanding of activities and consequence</li> <li>2. Improve industry compliance</li> <li>3. Improve product uniformity, reliability, customer confidence and Australia's reputation</li> <li>4. Mitigate Industry Risk</li> </ol>	<b>\$0.15</b>

## B. Quality & Market Access

Project Title	Description	Industry Benefits	Cost Estimate (\$m)
4. Maintenance and Modernisation of Grain Assessment Technology	<ul style="list-style-type: none"> <li>Creation and ongoing maintenance of a National Calibration Sample (NCS) set. This includes the collection and storage of grain samples with known percentile of defects such as weed seeds.</li> <li>An NCS is required to establish test samples for storage agents and exporters for calibration of existing sampling technology and to allow testing and calibration of emerging technology.</li> <li>Includes establishment of a management process and staff for the ongoing management of the samples, distribution to clients and management of ring-testing processes, VRSG and reference testing.</li> </ul>	<ol style="list-style-type: none"> <li>1. Improve efficiency, reduce duplication</li> <li>2. Improve consistency of grain quality assessment</li> <li>3. Improve reliability &amp; customer confidence</li> <li>4. Increase data capture to improve DAWE process, reduce costs and OHS risks</li> </ol>	<b>\$0.50</b>
5. Grain Storage Asset & Operations Standards & Assurance Certification Program	<ul style="list-style-type: none"> <li>Establish Industry standards for storage assets, storage management and storage operations.</li> <li>The Standards will provide structure, a framework and a sound base to industry including guidance on the business steps and processes storage operators should strive to achieve.</li> <li>Establish process and audit/validation requirements to support a Storage Assurance system that allows all farm and commercial storage assets and their operation to be integrated into industry driven quality assurance processes in the domestic &amp; export supply chain thus reducing industry exposure to potential risk and reputational damage by inclusion in the industry driven self-regulatory framework.</li> </ul>	<ol style="list-style-type: none"> <li>1. Improve Quality assurance in the supply chain</li> <li>2. Ensure consistency of storage and handling processes</li> <li>3. Allow market to differentiate storage types and management</li> <li>4. Mitigate Industry Risk</li> </ol>	<b>\$0.36</b>
6. Industry Standards for Samples	<ul style="list-style-type: none"> <li>Develop standardised methods and approaches for taking representative samples across the supply chain.</li> <li>Improves quality assurance, commercial and consumer confidence in supply chain</li> <li>Incorporate into Industry Self-Regulatory Framework with endorsement by Government</li> <li>Training and extension to industry will be required</li> </ul>	<ol style="list-style-type: none"> <li>1. Improve efficiency, reduce duplication</li> <li>2. Improve consistency &amp; reliability of grain quality assessment</li> <li>3. Improve market confidence in sampling processes &amp; outcomes</li> </ol>	<b>\$0.15</b>
7. Industry Standards for the Inspection of empty shipping containers	<ul style="list-style-type: none"> <li>Update and improvements to an industry/Government resource document that outlines the Standards for the inspection of empty shipping containers.</li> <li>Training and extension to industry will be required</li> </ul>	<ol style="list-style-type: none"> <li>1. Improve efficiency and lower costs</li> <li>2. Improve industry compliance</li> <li>3. Improve market confidence in container assessment processes &amp; outcomes</li> <li>4. Mitigate Industry Risk</li> </ol>	<b>\$0.15</b>

## B. Quality & Market Access (cont)

Project Title	Description	Industry Benefits	Cost Estimate (\$m)
8. Market Access - AGIC Asia	<ul style="list-style-type: none"> <li>Building Networks and addressing Trade Barriers to focus on the growing and diversifying demand for feed grains throughout Asia and improving the competitiveness of Australian grain</li> <li>Develop relationships and/or information sources to better understand policy developments in target markets</li> <li>Enable industry and Government discussions in-market to support the promotion of Australian grain as a preferred product</li> <li>Share technical data and learnings to enable market access issues to be addressed in a timely and collaborative manner</li> </ul>	<ol style="list-style-type: none"> <li>Improved market access &amp; stronger relationships</li> <li>Market intelligence and understanding</li> <li>Improved technical knowledge and capability</li> <li>Improve reputation &amp; confidence of Australian industry &amp; QA processes</li> </ol>	<b>\$0.30</b>
9. Market Access - China Re-engagement Strategy	<ul style="list-style-type: none"> <li>Develop and implement an Australia China Grains Industry Market Engagement Strategy that will enable the grains industry to broaden, deepen and strengthen the Australia-China grains sector relationship through trade and cooperation across areas of mutual benefit over the longer term</li> <li>Foster enduring relations and to maximise the opportunities for development and collaboration amongst the Chinese and Australian grains, food and processing sectors</li> <li>Create a deeper understanding of the Chinese industry and needs and work with China to build a similar understanding of the Australian grain industry's capability and capacity</li> <li>Build substantive and enduring connections between both governments and industries</li> <li>Deliver mutual benefit through identifying economic and capacity building opportunities that maximise the mutual economic value and promote diversity, growth and innovation of Australia's trade and investment relationship with China.</li> </ul>	<ol style="list-style-type: none"> <li>Improved market access &amp; stronger relationships</li> <li>Market intelligence and understanding</li> <li>Improved technical knowledge and capability</li> <li>Improve reputation &amp; confidence of Australian industry &amp; QA processes</li> <li>Improve technical exchange &amp; harmonisation of QA, testing methodology with China and other countries</li> </ol>	<b>\$5.00</b>

## B. Quality & Market Access (cont)

Project Title	Description	Industry Benefits	Cost Estimate (\$m)
10. Collaborative approach to strengthen trade relationships to address NTMs, food safety and improve market access	<ul style="list-style-type: none"> <li>Regional Trade Forums - Participate and lead global private sector engagement in regional trade and regulatory forums to strengthen trade relationships and increase mutual understanding of technical and policy issues to improve market access and address NTMs</li> <li>NTM Report &amp; Communications- Maintain grains industry Market Access and NTM data and consult with exporters to update grains NTM data and prepare updated report as key part of Communications strategy</li> <li>The NTM report will form a key component of the Communications Strategy. The report will be an important evidenced based communications tool that can be utilised by industry and government to raise awareness of NTMs among industry, Government, trading partners, global forums and like-minded countries.</li> <li>Global Forums - Building stronger international knowledge and awareness of Australia's collaborative approach and leadership to improving trade policy issues that affect global trade market access (including NTMs)</li> </ul>	<ol style="list-style-type: none"> <li>Improved trade relationships through collaboration and cooperation with trade partners, like minded countries and global forums</li> <li>Improved knowledge &amp; understanding of the market access issues that affect trade including identification and validation of priority NTMs.</li> <li>Improved knowledge &amp; understanding by Australian Government and Industry of the perspectives, positions and understanding of trade partners and like-minded countries of market access issues that affect trade to assist in breaking down technical barriers to trade.</li> <li>More consistent positions among private sector/industry in trade partners and like-minded countries to promote and advocate with respective regulators to develop transparent and coherent science and risk-based systems and trade frameworks and adoption of harmonised methodologies.</li> </ol>	<b>\$0.78</b>

## C. Technology

Project Title	Description	Industry Benefits	Cost Estimate (\$m)
11. Digital consignment Data to support Traceability (e-CVD)	<ul style="list-style-type: none"> <li>Conversion of grain industry consignment data from the paper-based Commodity Vendor Declaration to a digital format to support supply chain traceability, biosecurity and feed/food safety.</li> <li>Establishment of GTA Standard for e-CVDs and associated consignment data</li> <li>Explore the requirement to establish and operate an industry database to provide a central point to support commercial enterprise such as e-CVDs.</li> <li>Establish the suitability of this database and system to enhance Traceability within the grain supply chain (such as consignment number system)</li> </ul>	<ol style="list-style-type: none"> <li>1. Improve ability to establish and track grain pathways.</li> <li>2. Improve Quality assurance in the supply chain</li> <li>3. Improve industry capability in the transfer of digital data</li> <li>4. Mitigate Industry Risk</li> </ol>	<b>\$0.52</b>
12. Automated Visual Recognition & Assessment for Grain Sampling	<ul style="list-style-type: none"> <li>Establish industry Standards and process for the use of Image Assessment Technology to assess grain quality and to improve objectivity and increase efficiency in the supply chain for potential application for supply chain quality assurance, export certification and initial receival analysis.</li> <li>Synergy and Alignment to the National Calibration Sample (NCS)</li> </ul>	<ol style="list-style-type: none"> <li>1. Improve efficiency, reduce duplication</li> <li>2. Improve the national consistency of grain quality assessment and certification.</li> <li>3. Build data &amp; process to reduce operational need for mandatory on-site inspections to risk-based assessment approach</li> <li>4. Reduce OHS safety risks &amp; costs</li> </ol>	<b>\$0.33</b>

## D. Transport & Logistics

Project Title	Description	Industry Benefits	Cost Estimate (\$m)
13. Supply Chain Collaborative Planning	<ul style="list-style-type: none"> <li>Benefits to the grain industry from government investment (eg. Inland Rail) cannot be realised without a plan to integrate the projects with existing infrastructure and market and operational arrangements.</li> <li>explore coordination and collaboration opportunities within the supply chain by supply chain participants.</li> <li>An industry and government review of the grain supply chain is necessary to shape government planning and to explore coordination and collaboration opportunities within the supply chain by supply chain participants.</li> </ul>	<ol style="list-style-type: none"> <li>Improved efficiency &amp; utilisation of public &amp; private assets</li> <li>Improve the understanding and transparency of supply chain cost and reduce costs</li> <li>Mitigate risks</li> </ol>	<b>\$0.50</b>

The amount for the projects in the above table is summarised below and totals around **\$8.488m**:

Pillar	Number of Projects	Amount (\$'000)
Skills & Capability	3	\$600
Quality & Market Access	7	\$6,538
Technology	2	\$850
Transport & logistics	1	\$500
<b>Total</b>	<b>13</b>	<b>\$8,488</b>

This demonstrates why such investment and collaborative activity by industry participants is unlikely on a purely commercial basis, especially considering:

1. Capturing value from investment and strategic planning initiatives is problematic as the benefits of the project outcomes would be spread across supply chain participants, and
2. Any “first mover advantage” from investment would be short lived, due to the open and highly competitive nature of the supply chain.

These projects are identified by industry as important supply chain priorities to:

1. Protect and grow the industry in the short to medium term;
2. Enhance grain producer’s capability and ability to further extend and capture value in the post farm gate supply chain; and
3. To improve industry efficiency in order to compete internationally and grow into the future.

These supply chain priorities are in addition to strategic plan and priorities established such as through the GRDC Strategic RD&E Plan.



## 12. Alignment of Industry Priorities with Policy Objectives & Programs

The industry Priorities identified above are all practical and align strongly with Government Policy Objectives and policy implementation programs. This is mapped in the table below:

Project Title		Agriculture Policy						Trade & Market Access						Information Technology		Transport & Supply Chain			
Growth Pillar	Project	Drought Policy & Funding	Growing Agriculture to \$100b by 2030	Productivity/RD&E	Modernising Agriculture	Water Policy	ACCC/Competition/Codes	NTMs	Food Safety	Biosecurity & Export Inspection	Traceability	FTA Implementation & Leverage	Multi-lateral Trade forums & Agreements	Fin Tech	Ag Tech	In-land Rail	Heavy Vehicle & COR	Coastal Shipping Reform	Inter-modal Developments
Skills & Capability	Trade & Market Access Education		✓					✓	✓	✓	✓	✓	✓						
	Alignment of Industry Grain Assessment Training & Certification Program						✓			✓	✓								
	Code of Practice Assessment Program				✓		✓		✓	✓	✓								
Quality & Market Access	Modernisation of Grain Assessment Technology		✓	✓	✓				✓	✓	✓				✓				
	Grain Storage Asset & Operations Standards & Assurance Certification Program		✓		✓		✓		✓	✓	✓			✓	✓		✓		
	Industry Standards for Samples		✓		✓		✓		✓	✓	✓				✓				
	Industry Standards for the Inspection of empty shipping		✓		✓		✓		✓	✓	✓			✓	✓				
	Market Access - AGIC Asia		✓					✓	✓	✓	✓	✓	✓						
	Market Access - China Re-engagement Strategy		✓					✓	✓	✓	✓	✓	✓						
	Collaborative Approach to address NTMs		✓		✓			✓	✓	✓		✓	✓		✓				
Technology	Digital consignment Data to support Traceability (e-CVD)		✓	✓	✓				✓	✓	✓			✓	✓				
	Automated Visual Recognition & Assessment		✓	✓	✓				✓	✓	✓			✓	✓				
Transport & Logistics	Supply Chain Collaboration		✓		✓										✓	✓	✓	✓	✓

## 12. Alignment of Industry Priorities with Policy Objectives & Programs (cont)

The alignment of project candidates to Government Department and program or grant is tabled below:

	Project Title	Department of Agriculture								DFAT					Dept of Industry & Science		Transport & Infrastructure			
Growth Pillar	Project	Drought Policy & Funding	Growing Agriculture to \$100b by 2030	GRDC	Modernising Agriculture	Traceability	PASE	ATMAC	NTMs	IA-CEPA Strategic Grain Partnership	Biosecurity & Export Inspection	Traceability	FTA Implementation & Leverage	Multi-lateral Trade forums & Agreements	Fin Tech	Ag Tech	In-land Rail	Heavy Vehicle & COR	Coastal Shipping Reform	Inter-modal Developments
Skills & Capability	Trade & Market Access Education		✓			✓	✓	✓	✓	✓	✓	✓	✓	✓						
	Alignment of Industry Grain Assessment Training & Certification Program					✓	✓	✓			✓	✓								
	Code of Practice Assessment Program				✓	✓	✓			✓	✓	✓								
Quality & Market Access	Modernisation of Grain Assessment Technology		✓	✓	✓	✓	✓			✓	✓	✓				✓				
	Grain Storage Asset & Operations Standards & Assurance Certification Program		✓	✓	✓	✓	✓	✓			✓	✓			✓	✓		✓		
	Industry Standards for Samples		✓		✓	✓	✓			✓	✓	✓				✓				
	Industry Standards for the Inspection of empty shipping		✓		✓	✓	✓			✓	✓	✓								
	Market Access - AGIC Asia		✓			✓	✓	✓	✓	✓	✓	✓	✓	✓						
	Market Access - China Re-engagement Strategy		✓				✓	✓	✓	✓	✓	✓	✓	✓						
	Collaborative Approach to address NTMs		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓		✓				
Technology	Digital consignment Data to support Traceability (e-CVD)		✓	✓	✓	✓	✓	✓		✓	✓	✓			✓	✓				
	Automated Visual Recognition & Assessment		✓	✓	✓	✓	✓			✓	✓	✓			✓	✓				
Transport & Logistics	Supply Chain Collaboration		✓		✓		✓									✓	✓	✓	✓	✓

# 13. Agricultural Sectors and Enterprises that provide input and drive GTA Member and Industry Policy Objectives & Programs

GTA's role is to facilitate Trade by engaging its Members and industry in Technical Committees to develop policy. It does this by drawing in industry expertise to develop policy for the broader benefit of industry and Members.

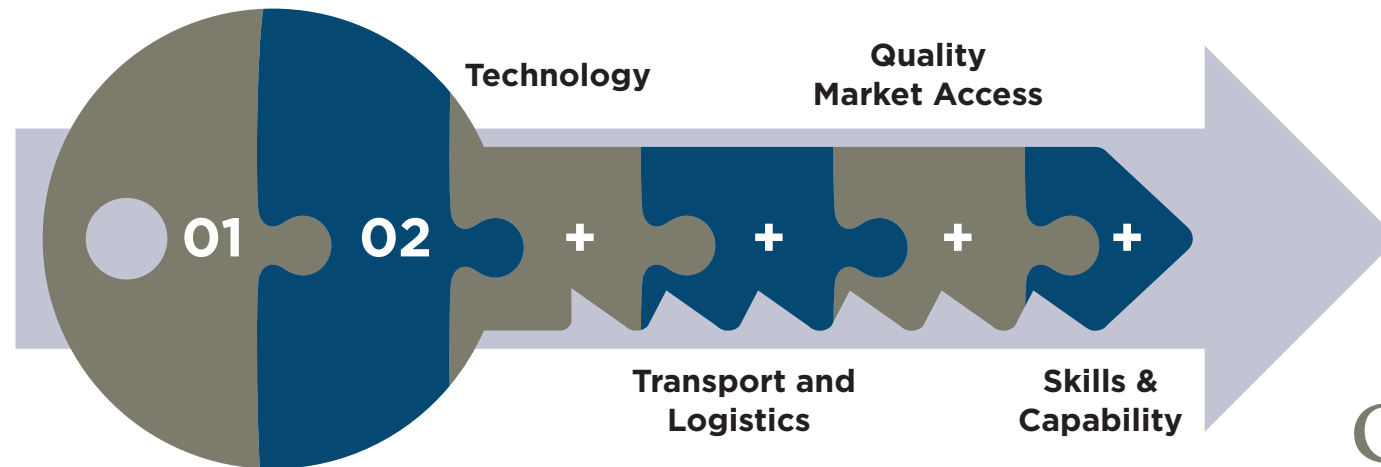
Agricultural & Professional Sectors/Groupings Represented in GTA Technical Committees													
	Grain Marketing	Legal Profession	Farmer - Sole Trader	Grain Producers Australia	Industry Good Agencies - GIMAF, AEGIC, AOF, PA, GIWA	Domestic Grain Consumer - Feed	Container Exporter and Packer	Grain Growers Limited	Grower Brokers	Domestic Millers	Storage, Ports and Handling Companies	Industry Technical Consultants / Service entities	Country Merchants/Aggregators
Trade & Market Access Committee	✓				✓			✓			✓	✓	
Trading Standards Committee	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	
Commerce Committee	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Transport Storage & Ports Committee	✓	✓		✓			✓	✓	✓	✓	✓		✓
Plant Breeding Innovation Committee	✓			✓	✓			✓			✓	✓	
Information Technology Advisory Committee	✓						✓	✓				✓	

# 14. Conclusion - Key to unlocking value

- Growth in demand for grain means a strong opportunity for the Australian grain industry
- Increasing global competition is increasing pressure on margins for growers.
- Rejuvenation of industry is important following one of the harshest droughts on record to capture the opportunities and meet the challenge of increasing global competition.
- The report identifies four Growth Pillars and 13 Investment Projects to rejuvenate the industry that add value to 12 Government Policy areas and objectives.
- It recommends investment of \$8.49m in public funding to drive benefits through the value chain and back down the farm gate in modernising and rejuvenating the grains supply chain.

## 01 Collective Investment

Public/Private Investment to unlock innovation



## 02 Collaborative Strategic and Operational Planning

Unlock the efficiency of the Supply Chain



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# 15. GTA Members Membership List as at 07 June 2019

## ORDINARY MEMBER (TRADING)

### Level A1

(over 7 Million Tonnes)

CBH Grain P/L  
Glencore Grain P/L

### Level A2

(5-7 Million Tonnes)

Graincorp Operations Ltd

### Level A3

(3-5 Million Tonnes)

ADM Trading Australia P/L  
Cargill Australia Limited

### Level A4

(1.5-3 Million Tonnes)

Cofco International  
Emerald Grain P/L  
Plum Grove P/L

### Level B1

(1.0-1.5 Million Tonnes)

Arrow Commodities P/L  
Louis Dreyfus Company Australia P/L

### Level B2

(500,000-1 Million Tonnes)

Australian Grain Export P/L  
CHS Broadbent P/L  
Centre State Exports P/L  
George Weston Foods Limited  
Ridley Agriproducts P/L  
Riordan Grain Services  
Riverina (Australia) P/L  
Bunge Agribusiness Australia P/L

### Level B3

(250,000-500,000 Tonnes)

Agfarm P/L  
Agracom P/L  
AGRIGRAIN  
Agrisk Management P/L  
Allied Pinnacle P/L  
Robinson Grain Trading Co P/L  
Special One Grain Accumulator  
United World Enterprises P/L  
Wilmar Gaviion P/L

### Level C

(under 250,000 Tonnes)

A T Waterfield & Son P/L  
A W Vater and Co  
Access Grain P/L  
Adams Australia P/L  
Agmark Commodities  
Agri Om Australia P/L  
Agri-Oz Exports P/L  
Agriex Australia P/L  
Agrifoods Australia

Agromin Australia Pty Limited  
AGT Foods Australia  
AMPS Agribusiness Group  
Associated Grain  
Auscott Ltd  
AusiCan Commodities  
Australian - Asian Agricultural Exports P/L  
Australian Choice Exports P/L  
Australian Grain Storage  
Australian Growers Direct P/L  
Australian Mungbean Company P/L  
Australian Storage Alliance P/L  
Baker Grain  
Berriwillock Grain Storage Co-Operative Ltd  
BFB P/L  
Blairs Produce Company  
Boolah Grains P/L  
Boort Grain Co-Operative  
Broun and Co Grain P/L  
C & S Trading P/L  
C K Tremlett P/L  
Carpendale Commodities  
Cameron Pastoral Company P/L  
Castlegate James Australasia P/L  
CL Commodities P/L  
Cleveland Agriculture  
Coorow Seeds  
COPRICE  
Cremer Australia P/L  
DA Hall and Co  
Dalby Bio-Refining Limited  
Darwalla Milling Co P/L  
Deacon Seeds Company  
Deckert Group P/L  
Defiance Maize Products P/L  
Demeter Cormack P/L  
Direct Commodities P/L  
Donnellons Bulk Haulage P/L  
East Coast Stockfeed P/L  
Elders Grain  
Esperance Quality Grains  
Export Trading Group Australia P/L  
Feed Central P/L  
Fellows Nominees  
Findlays Barellan  
Five Star Stock Feeds  
Fletcher International Exports P/L  
GO Resources P/L  
Golden Harvest Grain Exports  
Gold Star International P/L  
Grain Direct Australia  
Grain Link (NSW) P/L  
Grain Link WA P/L  
Grainforce P/L  
Grainpro Pty Limited  
GrainTrend P/L

Greentree Farming  
GV Grain & Fodder  
Hanlon Enterprises Grain  
Harwood Grains P/L  
Harberger's Farm Supplies (Trading) P/L  
Hassad Australia Operations Company P/L  
Independent Grain Handlers P/L  
Irwin Stockfeeds  
Itochu Australia Ltd  
J K International P/L  
J W Koek & Company  
James Stock Feed and Fertilizer P/L  
Jerilderie Grain Storage & Handling  
KB Agri Services P/L  
K M & W M Kelly & Sons  
Kangaroo Island Pure Grain P/L  
Kennett Rural Services P/L  
Lachlan Commodities P/L  
Laharum Bulk Handling Co  
Lake Grain P/L  
Lane Grain P/L  
Laragon Almond Processors P/L  
Laucke Flour Mills P/L  
Lawson Grains P/L  
LDC Enterprises Australia P/L  
LINX Cargo Care  
LPC Trading P/L  
Mandala Trading P/L  
Malteurop Australia P/L  
Matthews Transport and Grain Traders  
Max Grains P/L  
MC Croker Pty Limited  
McNaughts Grain & Fertilizer P/L  
Melaluka Trading P/L  
Mellco P/L  
Moulamein Grain Co-Operative Ltd  
Moxey Farms Pty Limited  
MSM Milling P/L  
Murrumbidgee Grains P/L  
Namoi Cotton Ltd  
Nandaly Grain Co-Operative Ltd  
Network Grains P/L  
Newcastle Agri Terminal P/L  
Northern Riverina Grains P/L  
OOMA Enterprises NSW P/L  
Origin Grain P/L  
Pacific Global Sprouts P/L  
Parkinson Bros  
PB Seeds P/L  
PeaCo  
Pearson's Grain P/L  
Peters Commodities P/L  
Phoenix Global Australia P/L  
Premium Grain Handlers P/L  
Preston Grain  
Pulse Association of the South

East (PASE) Inc  
Quadra Commodities P/L  
Quattro Ports  
Quirindi Grain & Produce  
Reid Stockfeeds P/L  
Rhodium Trading Australia P/L  
Rivalea (Australia) P/L  
- Animal Nutrition  
Riverina Oils & BioEnergy P/L  
Roty Grain Store  
RT Wallace P/L  
Ruddenklau Grain P/L  
Rural Logic (Aust) P/L  
Seedhouse Tasmania  
Shannon Bros Bulk Haulage  
Silo Bag Grain (NSW QLD) P/L  
Societa Cofica P/L  
Southern Cotton Trading P/L  
Southern Cross Agricultural Exports P/L  
Southern Grain Storage P/L  
Southern Stockfeeds (Operations) P/L  
Spagrico Australia Pty Limited  
Spring Market Trading Company  
Standard Commodities Australia P/L  
Sudima Australia P/L  
Summer Hill Grains  
SunPork Farms Feed Mills  
Swiss Singapore (Australia) P/L  
Tasmanian Agricultural Producers P/L  
Thallon Grains P/L  
ThriveAgri  
TSS Grain  
Twynam Pastoral Company  
Ulusoy Asia Pacific  
Unigrain P/L  
Unique Grain Management P/L  
Universal Commodity Management  
W B Hunter P/L  
Vivcourt Commodities  
Ward McKenzie P/L  
Watershed Commodities  
Watson's Bulk Logistics  
WHG Oceania P/L  
Wilken Grain  
Wimpak P/L  
Woods Grain P/L  
WW Agri P/L  
XLD Grain P/L  
Yenda Prods Grain P/L

## TRANSPORT OPERATOR

Aurizon Operations Limited  
Gehrke Grains and Transport P/L  
Hamilton Contracting (NSW) P/L  
Pacific National (NSW) P/L  
SEAWAY  
Intermodal P/L

## BROKER

### Medium

Grain Brokers Australia  
Horizon Grain Brokers P/L  
INTL FCStone P/L  
McDonald Pelz Australia  
Perkins Commodity Brokers  
Teague Australia P/L

### Sole Operator

A C Grain  
ACCB Australia  
Allied Grain P/L  
Asiagrains Bulk Commodities P/L  
Cogeser (Australia) P/L  
Esquire Commodities P/L  
Farm Tender  
Lotema P/L  
Mallon Commodity Brokering  
Quest Commodities P/L  
Wimmera Mallee Grain Services  
Woodside Commodities P/L

## CORPORATE

### Large

ASX Limited  
Australia and New Zealand Banking Group  
Australian Grain Technologies P/L  
Commonwealth Bank of Australia

### Medium

AgriDigital  
Agrifood Technology P/L  
Amspec Australia P/L  
Australian Superintendence Company  
Commodity Inspection Services (Australia) P/L  
Foss Pacific P/L  
Holding Redlich  
Holman Fenwick Willan  
Intertek  
Merricks Capital Pty Limited  
SBA Law  
SGS Australia P/L  
T-Ports P/L  
Viridis Ag

### Small

Advance Trading Australasia  
Ag Scientia P/L  
Basis Commodities P/L  
Clear Grain Exchange  
CloudBreak Grain Marketing P/L  
Delta Agribusiness P/L  
EP Integrated Commodities P/L  
Farmanco Marketing P/L  
FarMarCo Australia P/L

Finesse Solutions Pty Limited  
Flexi Grain  
Goldstar Commodities  
Grintec Scientific P/L  
Grainx  
HarvestCheck P/L  
Hay Plains Grain Storage P/L  
Indigo Agriculture Australia P/L  
IKON Commodities P/L  
Lachstock Consulting  
MarketAg P/L  
McMullen Consulting P/L  
Mercari P/L  
Mirfak P/L  
National Grower Register P/L  
OMIC Australia P/L  
Perten Instruments Australia P/L  
Pinnacle Commodities P/L  
Planfarm Marketing P/L  
Plansafe Logistics P/L  
Primal Foods Group  
Profarmer Australia P/L  
Rise Agribusiness P/L  
Rural Directions P/L  
Saputo Dairy Australia P/L  
SGA Solutions P/L  
TE Storage & Logistics P/L  
Ten Tigers  
Wattletree Consulting P/L

## INTERNATIONAL AFFILIATE

CCIC Australia P/L  
CIS - Commodity Inspection Services

## INDUSTRY ASSOCIATION

Australia Export Grain Innovation Centre  
Grain Growers Limited  
Grain Industry Association of WA  
Grain Producers Australia Ltd  
NSW Farmers Association  
Victorian Farmers Federation

## MERCHANT ASSOCIATION

Grain Industry Association of SA  
Grain Industry Association Of Victoria  
Grain NSW Inc  
Queensland Agricultural Merchants Inc.

## LIFE MEMBERS

Mr Mervyn May  
Mr Christopher Kelly  
Mr Geoff Honey







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