

# GRAINMatters



EDITION 79—OCTOBER 2023

## UPCOMING EVENTS

Grain Trading for Non-Traders— 18-19 October (Zoom)

Grain Finance & Risk Management—25 October (Sydney and Zoom)

GTA Annual General Meeting—31 October

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Time certainly has flown as it only feels like harvest has recently wound up and now the 2023/2024 harvest has kicked off with harvesters working and initial deliveries occurring in WA, Qld and northern NSW. I wish you all the best for a safe and profitable harvest season and hope all your planning and preparations work to ensure a trouble-free period. Please make safety a priority and be conscious of the pressures and stresses that can lead to unwelcome conflict and discord.

After the recent resignation of Jason Craig from the GTA Board there will be further change in the Board makeup in 2023/2024, with **Lyndon Asser** retiring from the GTA Board at the upcoming AGM on 31 October 2023.

Lyndon has provided great service to the industry and to the GTA Board for 6 years (2 terms) as a Level A Director nominated by Viterra. He has made an enormous contribution to GTA as well as serving as the Chair/President of the Australian Grain Exporters Council (AGEC), the first GTA Sector Council. Lyndon was instrumental in creating the alignment between the Australian Grain Exporters Association (AGEA) and GTA as members of both organisations sought to consolidate the two organisations to drive industry efficiency.

GTA and AGEK have benefited greatly from Lyndon's 30-year experience in the global grains industry. On behalf of all GTA members I would like to thank him for his fantastic contributions to the GTA Board and service to GTA. During his service with GTA, Lyndon has served the Commerce Committee, the Trade and Market Access Committee, President of AGEK and the Board's ESG committee as well as the Audit Finance and Remuneration Committee.



Whilst discussing Committees I should mention that industry and GTA relies on its Committees to do a lot of the heavy lifting and setting of direction. I would like to make you all aware that GTA is now calling for 2023/2024 Technical Committee & Domestic Sector Council nominations. Applicants will be selected by the GTA Board at a meeting following the Annual General Meeting (AGM) to be held on Tuesday 31 October 2023. If you are interested please refer to this [Member Update No. 26](#).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Andrew Goyder'.

**Andrew Goyder**  
**Chair—Grain Trade Australia**

## CHINA TRIP REPORT

GTA CEO, Pat O'Shannassy, together with Grain Australia's Richard Simonaitis and John Ackerman, have completed a very successful trip to China re-engaging with GTA's strong and established relationships with both the Government and private sector. It was a great example of industry collaboration representing and progressing the interests of both producers and supply chain participants.

The delegation met with Australia's Ambassador to China, H.E Graham Fletcher, to discuss the strategic and political priorities in China, including emerging from Covid lockdowns and the progression in the bi-lateral relationship, and how this creates potential, but not without risks, for the Australian industry, including grains.

The delegation was briefed by DAFF Agriculture Counsellors in Beijing, Deb Langford and Leah Cuttriss. They explained the challenges and complexity of navigating China's agencies and regulatory frameworks, not only in "normal" times, but also during the "Covid era" and during the strained bi-lateral relationship. Australian agriculture, including the grains industry, continues to be well served by the in-market DAFF Agricultural counsellor program, driven by the high calibre people in those positions. Throughout GTA's engagement with these counsellors across all regions, we continue to be impressed by the passion in progressing the interests of Australian agriculture.



The Australian Grain Delegation met with Chinese officials from the National Food and Strategic Reserves Administration (NAFRA) who have responsibility for China's food security and grain supplies. NAFRA includes research agencies working on the challenges of ensuring long term food security, including collaboration and partnership opportunities to ensure quality products to meet China's demand for food. The delegation was also well received and re-engaged with China's industry associations, who have the opportunity to provide practical information and work with China's regulators, just as GTA engages with Australian Government agencies on issues impacting GTA members.

A highlight of the delegation was a local industry networking dinner hosted by GTA and GAL with Chinese importers, processors and consumers. There was a very positive mood in the room from our Chinese counterparts, who are keen to continue with the strong wheat trade, resume our barley trade, grow our sorghum trade and develop new opportunities. There was very clear demand for Australian grain and appreciation of the quality of the product.





Some of the key “take home” messages from the meetings included:

- There is a positive view that the bi-lateral relationship has improved, and view this should continue (of course the “unexpected” can always happen).
- Global Food Security and China’s own food security are high political issues and strategic priorities. While China has a desire for self-sufficiency, there is acknowledgement there remains a need to import specific wheat qualities, barley (malt & feed) and sorghum.
- China has a strategic interest in developing alternative sources of protein and protein meals, which lends to opportunities such as canola seed, meal and lupins for feed.
- China’s domestic supply and demand balances are expected to be tight based on its strong demand. This is expected to ensure grain imports continue as a source of supply for food security. As an example, its demand for sorghum remains greater than Australia’s current ability to supply.
- While there will always be some sanitary and phytosanitary (SPS) risk in exporting grain to China, risk control measures can be implemented by China to manage and mitigate the SPS risks. While a conducive political environment is current and genuine demand for grains (particularly specific quality) is present, these risks, while remaining present, may be lower, and allow a practical approach to take place. This practical approach includes exporters taking clear and verifiable steps to minimise and mitigate risks and incidences.

GTA will be hosting the annual **AGIC Asia Conference in China and Indonesia in early March 2024**, and encourage all GTA members with interests in these markets to plan to attend and participate in these events. If you have not attended AGIC Asia in-person events in the past, find someone who has and ask them about it, and how it helps in building networks and relationships in these important markets.

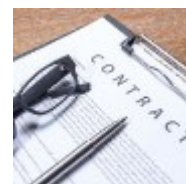


## UPDATED GTA STORAGE & HANDLING AGREEMENT

The GTA Storage and Handling Agreement has been recently revised and amended in response to certain issues relating to comingling of physical grain and grain ownership that arose in the administration of Moulamein Grain Services insolvency.

These issues have been previously detailed in GTA [Member Update No. 13 of 22](#), [Member Update No. 16 of 23](#), and [Member Update No. 31 of 23](#) largely seeking to address complications around insolvency and grain commingling.

The updated GTA Storage and Handling Agreement containing the (October) 2023 amendments is available on the [GTA website](#).



## PROGRESS INTO FINANCIAL ADVISER EDUCATION STANDARDS & QUALITY OF ADVICE REVIEW

As previously reported GTA has been working with other industry associations to drive change through a Treasury review into financial advisors' education standards and a Quality of Advice review.

GTA members who provide risk management and **grain marketing advice** to grain producers and consumers and hold an **Australian Financial Services Licence (AFSL)** are impacted by the current Financial Services legislation and ASIC regulatory guidelines. This requires grain advisors who hold an AFSL to:

- have completed specific tertiary degrees in Finance/Investment and other requirements that are largely irrelevant for the provision of grain market advice.
- face cost increases to provide services that relate to an increased AFSL compliance burden.

GTA's [Submission](#) into the Education Standards called for a simpler process to minimise the cost and complexity for grain marketing advisers and to ensure the Education Standards are fit for purpose and support rather than impede GTA members.

Happily there has been some success as the Treasury Review released its [Final Report](#) which contained 22 recommendations that addressed the majority of the concerns raised in GTA's Submissions. The Treasury Final Report was subsequently reviewed by Government and a Treasury Laws Amendment Bill (2023 Measures No. 3) and was finally passed by both Houses on 6 September 2023.

These amendments support GTA members who hold AFSLs as part of their marketing advisory businesses as they:

- Remove the requirement to complete a specific tertiary degree in a Finance discipline and other requirements that are largely irrelevant for the provision of grain market advice.
- Recognise the experience of existing grain marketing advisers through the introduction of an 'experienced' provider. An experienced provider is deemed to have provided personal advice to retail clients for a minimum of 10 years (between 2007 and 2021). An "experienced" advisor will be not required to hold a tertiary degree, providing they have a "clean record" and have passed the financial advisor exam, and make a self-declaration prior to 1 January 2026. This provision sunsets in 2032.

Whilst a win, the Bill that was passed does not meet all views put forward by GTA (such as recognising other non-advisory industry experience). We will continue to work with other member associations including the Stockbrokers & Investment Advisers Association to seek further amendments (especially for new entrants in the grain marketing advisory areas).

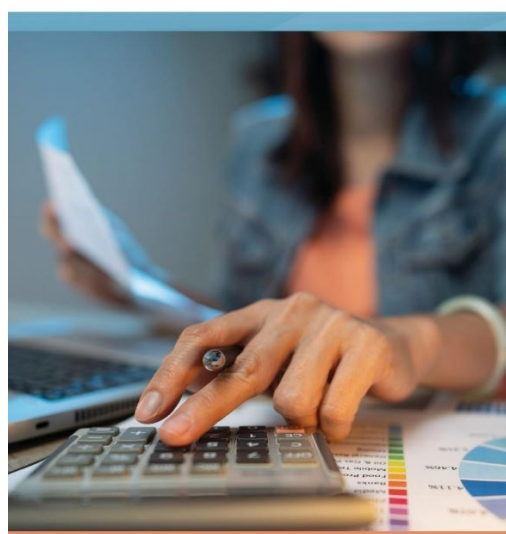
GTA will continue to provide updates as this process proceeds.

GTA's work in this area is important to retaining experienced advisers in the grain industry, attracting new talent to this segment of the industry, and reducing "red tape" costs to business and advisory clients.

### Quality of Advice Review

#### Final Report

December 2022



## RISKS—LATE SEASON HERBICIDE USAGE

Grain exporters must be vigilant regarding chemical maximum residue limits (MRLs). GTA's Technical Guideline Document No. 15 [Managing Chemical Violations](#) has been provided to assist grain industry participants to understand and to manage chemical violations. A chemical residue violation is the presence of a chemical above a specified limit (maximum residue limit, or MRL).

Given the nature of the weather patterns growers may be considering the **application of herbicides** late in the growing season:

- To manage late season weeds;
- In-crop spray topping of weeds to prevent weed set; and
- For pre-harvest desiccation of the crop and weeds to accelerate or even-up ripening to assist with harvest.



While use of these chemicals may be as legally permitted (i.e., as per label directions), **this** late crop spraying can heighten **the risk of chemical violations** in domestic and export markets and all grain buyers and exporters should be aware of this risk and be vigilant with the selection of grain for sale. This should include selecting grain that has been chemical residue tested and is compliant with domestic and importing country MRLs.

The Grains Research & Development Corporation (GRDC) produces a Fact Sheet – [Stewardship for pre-harvest application of herbicides in winter crops](#). This Fact Sheet is provided to grain producers to make them aware it is growers, and their agronomic advisers responsibility to avoid herbicide residues in delivered cereal, pulse and oilseed grains.

## NEW GOVERNMENT/INDUSTRY CONSULTATIVE COMMITTEE (ICC) FORMED FOR IMPORTS

The Department of Agriculture Fisheries and Forestry (DAFF) and GTA has agreed to form a new **Industry Consultative Committee (ICC)** to focus on the process for the importation of plant-based meals (PBM) and bulk whole grains.

This initiative has been a result of issues raised by the GTA Domestic Sector Council members and the need to ensure the efficient and timely capability to import PBM and whole grains to meet human consumption and animal feed requirements during period of short supply within Australia. With the change in climate and the increase in the supply chain export capacity it is considered there will be an increase in the periods of shortages and with shortened lead times, Initially GTA formed a **Working Group** between GTA members and Government with the Objectives to:

- provide a mechanism for a joint industry and government review of the current process for the importation of plant-based meals and bulk whole grains
- identify areas for improved efficiency across the import permit process
- prioritise implementation of improved efficiency
- raise awareness of the department's policy and procedures relating to the importation of plant-based meals and bulk whole grains
- harness industry subject matter expertise including future market trends
- improve industry flexibility to change suppliers according to the market demands
- increase industry readiness for future imports of bulk whole grains

After several months of ongoing activity and based on the scale and the complexity of the import process it has been agreed to form a more formal Industry Consultative Committee to gain greater Government and cross-industry buy-in to this project. The first ICC was held on Thursday 5 October 2023.

## RECENT GTA SUBMISSIONS

GTA has recently provided feedback through formal Submissions into:

**(a) Inquiry into the Australian Government's approach to negotiating Trade & Investment Agreements ([Read here](#))**

- GTA encouraged the Australian Government to continue to proactively progress Free Trade Agreements (FTAs) and seek tariff-free market access for Australian grain.
- A key point raised was that all trade agreements once executed must be implemented through a Government and industry partnership approach to ensure the benefits of the agreements are realised. GTA encourages the inclusion of collaborative arrangements or strategic partnerships to strengthen trade relationships and assist in addressing Non-Tariff Measures as additional value to be derived from FTAs.

**(b) Review of the National Freight & Supply Chain Strategy ([Read here](#))**

- GTA promoted the Australian grain industry is an extensive user of the national freight network and supply chain and is consequently significantly impacted by its efficiency in terms of costs, investment, regulation and overall productivity.
- GTA welcomed this Review and is committed to assisting with shaping the outcome to ensure the grain industry can continue to provide economic value to the nation as a whole.
- GTA provided 14 recommendations relevant to the Supply Chain Review.



## DAFF REQUIREMENTS FOR GRAIN SAMPLING

GTA members that export grain are reminded of the Government requirement to take a **Representative Sample** of the cargo for inspection by Government (DAFF) Authorised Officers.

Under the Export Control Act 2020, all prescribed goods for which export certification is required **should be inspected in an Export Registered Establishment (ERE) and in accordance with the Export Control (Plants and Plant Products) Order 2020 prior to export.**

This includes a range of measures outlined in the Plant Export Operations Manual (PEOM) related to sampling such as:

- **representative** of the consignment.
- collected at the **legislated sampling rate of 2.25 litres per 33.33 tonnes.**
- clearly **traceable** to the consignment being exported.
- collected **sufficiently in advance** of the planned export and inspection to enable results to be provided to the AO at the time of phytosanitary inspection, if required.

For further information please refer to the [GTA Technical Guideline Document No. 21 Grain Sampling - All Sampling Scenarios](#)



Australian Grain Industry – Code of Practice  
Technical Guideline Document

No. 21  
GRAIN SAMPLING – ALL SAMPLING SCENARIOS  
USED DURING THE STORAGE AND TRANSPORT  
OF GRAIN

### GRAIN SAMPLING ONLINE COURSE

Did you know, GTA has developed a FREE  
Online Grain Sampling Training course.

**[REGISTER HERE](#)**

## GTA WELCOMES NEW MEMBERS

We would like to extend a very warm welcome to the following new members who have recently joined Grain Trade Australia:

- Sizer & Cogill Bulk & General Carriers Pty Ltd t/a NZ Bulk Storage & Logistics
- Arya Pulses Australia Pty Ltd
- Northbound Trading Pty Ltd t/a WA Lupins

We are pleased that these businesses have chosen to become part of GTA and contribute to GTA's mission to "facilitate trade".

Please email [admin@graintrade.org.au](mailto:admin@graintrade.org.au) for any member enquiries or ideas!



## UPCOMING WORKSHOPS—OCTOBER 2023



### Grain Trading for Non-Traders

*Last workshop for the year!*

18-19 October - Zoom

**Presented by Lloyd George**

### Grain Finance & Risk Management

25 October—Sydney, NSW (**Face to Face**) + Zoom

**Presented by Malcolm Finlayson**

[Register for Workshops](#)

### In-House Workshops

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

For details, contact us at Tel: (02) 9235 2155, [admin@graintrade.org.au](mailto:admin@graintrade.org.au)

## GTA ANNUAL GENERAL MEETING (AGM) - 31 OCTOBER 2023



2023 Annual General Meeting of members of Grain Trade Australia Limited will occur at the 2023 Annual General Meeting (AGM) of Grain Trade Australia Limited (GTA), to be held on **31 October 2023** (in Sydney at Karstens 1/111 Harrington Street and via Zoom) commencing at **9:30 am AEDT**.

Members planning to attend 2023 GTA AGM are required to [register here](#).

Notice of AGM, Explanatory Memorandum, Proxy Form and Poll Papers can be found on the [GTA website](#).

GTA Annual Report FY22-23 is now published and being distributed to members in paper copies. Electronic version of the report is available on the [GTA website](#).

