

# GRAINMatters



EDITION 80—NOVEMBER 2023

## UPCOMING EVENTS

AGIC Asia 2024— Jakarta 5 March & Shanghai 7 March

Australian Grain Storage & Protection Conference 2024 —5-6 June

AGIC Australia 2024—31 July-1 August

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It's been a busy time for GTA with the 2023 **Annual General Meeting** and the appointment of new Board members, Technical Committees, Sector Council volunteers.

I must say the level of interest in these **volunteer positions** is heartening and reconfirms the commitment of GTA members to the organisation and to an industry that is self-reliant and responsible for its direction and the role it performs on behalf of the grain sector.

The willingness of GTA members to volunteer their time, collaborate and support an effective, self-reliant industry is key to GTA's existence and its success.

I welcome back returning Board, Committee and Council members and extend my thanks, and welcome the new volunteer members who will continue this important work.

I would particularly like to welcome **Simon Gellert, Viterra** (pictured right) and **Brianna Peake, CBH** (pictured below) to the GTA Board and congratulate Michael Wood and Richard Perkins on their re-election to the Board.



It was wonderful to see the level of interest and talent in the inaugural **"Five Under 30"** program. GTA recognises the imperative of engaging further with the younger generation in the Australian grain industry and is committed to fostering an environment that nurtures future leaders. Please read more about our winners below.



GTA members that export grain in containers are no doubt aware and considering the impact of further **Container Terminal landside fee increases** (see story below). I share our members frustration with these increases and the inability of Government/s and their competition frameworks

to deal with these matters.

GTA has been active in this area with Submissions ([here](#)) into the recent Productivity Commission review of the Maritime Industry and working with approximately 20 other member associations to advocate to Government for change. This included a letter from this group to the Treasurer in May 2023. Unfortunately a response is still to be received even after several emails and phone calls.

GTA will continue to advocate and push to seek some relief from these further cost increases.

**Maritime competition** is not just an Australian issue, as I note the European Commission has decided to remove an existing legal framework that exempts liner shipping consortia from antitrust rules – termed the Consortia Block Exemption Regulation. Australia has its own version of legal arrangements that carve out shipping lines from key parts of Australia's Competition and Consumer Act allowing them to collude on services. GTA has consistently called for the Australian Government to remove this exemption (Part X of the Competition and Consumer Act 2010) and to replace it with something more appropriate. Hopefully, the fact that the European Commission has decided change is required will help our Government to progress reform.

While on the on the EU, readers will be aware of the recent collapse of the EU FTA negotiations. Much of the final tensions being around agriculture, with Australian agricultural groups not satisfied of meaningful gains for the Australian agricultural sector. In dialogue with the NFF and Government, GTA noted that the meaningful issues for grains with the EU relate more to Non-Tariff Measures (NTMs) - and there are quite a few! - rather than issues such as tariffs that are addressed in FTA's.

## GOYDER'S LINE CONTINTUED

Staying on changes to Government regulation, GTA members should be aware that from 9 November 2023, Australia's **unfair contract terms regime** is changing. The amendments include substantial changes to the Australian Consumer Law and the Australian Securities and Investments Commission Act 2001 (ASIC Act) which both regulate unfair contract terms. More information is available on the [ACCC website](#).

The changes will have a significant impact on businesses that routinely work with consumers and small to medium business, as well as those which rely on **standard form contracts (SFC)**.

GTA has reviewed its SFC to ensure they will comply with the amendments. GTA members that have their own SFC or amend the GTA SFC should also consider a review.

As you may be aware GTA represents the Australian grain trade in the International Grain Trade Coalition with our CEO Pat O'Shannassy as its Secretary and Vice President of the IGTC executive committee. In this role Pat will attend **the IGTC annual General Assembly in Geneva** in November 2024 where the IGTC will welcome a global delegation of grain trade representatives from Australia, Brazil, Canada, China, Egypt, Eastern Africa, EU, Mexico, UK and USA, in-person in Geneva. Pat will also provide an Australian perspective as a presenter at the Global Grains in Geneva.

Through the IGTC, GTA continues to bring issues important to the Australian industry into global policy forums and at these forums advocates for open, competitive markets and regulatory coherence based on science and risk-based assessment.

Yours sincerely,



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

## REVIEW OF THE WHEAT PORT CODE OF CONDUCT (WPC)

The Australian Government has announced it has commenced its next review of the Wheat Port Code of Conduct (WPC) and has invited stakeholders to have their say. You may have noticed this has already created a number of news articles in the rural press. The WPC is scheduled to be repealed on 1 October 2024 and the review will assess whether the code is still fit-for-purpose. The Objective of the WPC is to ensure smaller participants have the capability to access fair and transparent port terminal services.

It should be noted the WPC was viewed as necessary to support industry during the initial move to deregulation of wheat marketing arrangements and the review should consider if the environment and commercial activity in the grain supply chain has progressed.

The objective of the current review is to determine whether:

- the code should remain the same,
- be changed or improved, or
- be repealed or expire (in 2024).

GTA will engage and work with its relevant Technical Committees and general membership to consider a position and a response (via Submission) into the review.



## PULSE TRADING STANDARDS

The structure of the Australian grain industry has undergone some recent change with the responsibilities of Pulse Australia being transferred to other industry associations including GTA.

Pulse Australia has represented Australian pulse industry sector members, including growers, agronomists, researchers, merchants, traders and exporters, for nearly 30 years.

Pulse Australia functions are now transferred to:

1. GTA assuming the management of Pulse Trading Standards;
2. Grains Australia Limited being responsible for pulse varietal classification, pulse market access and education/information; and
3. Grain Producers Australia managing various permits for chemical use that were held by Pulse Australia.

To manage the seamless transfer of the pulse trading standards into GTA, the GTA Board has approved the establishment of a Pulse Sub-Committee as a sub-committee of the Trading Standards Technical Committee. This was seen as a natural and sensible model for the transition from Pulse Australia to GTA.

This inaugural GTA Pulse Sub-Committee includes all the existing volunteer members of Pulse Australia Trading Standards Committee and will be chaired by Simon Tickner, a GTA Director and grain producer from Horsham. GTA acknowledges and thanks these volunteers for their prior and ongoing service to the Australian Pulse industry.



## TRANSPORT SAFETY—CHAIN OF PRACTICE

**Background:** The National Heavy Vehicle Regulator (NHVR) registered the transport Master Code in November 2018 as a general code for the whole of heavy vehicle industry. The Australian Logistics Council (ALC) and Australian Trucking Association (ATA) developed this Code. The Code was developed in consultation with industry (including GTA) through various public forums involving a wide range of industry participants.

This Code applies to all parties in the supply chain of a heavy vehicle, known as the Chain of Responsibility (CoR). It is intended to be used by all persons and businesses involved in the transport activity of a heavy vehicle. The Master Code is widely used by industry and still regarded as an authoritative source of information about safety in heavy vehicle transport.

The Code is **currently undergoing a review**. GTA is involved in an external reference group that will support NHVR in the conduct of the review.

GTA provided a Submission to the NHVR based on feedback collected through a Working Group of the Transport Storage & Ports Committee. The main items that this Working Group raised for consideration as part of the review included:

1. As vehicle configuration identification and axle weight limits are a complex area the NHVR are requested to consider a means to clarify the role and responsibility during loading and unloading for mass and axle limits – especially for sites where trucks are loaded without a weighbridge.
2. NHVR to consider regulatory methods to simplify the identification of the multitude of heavy vehicle configurations across jurisdictions.
3. Inclusion into the Master Code the recent NHVR Regulatory Advice – [Managing the risks associated with non-compliant heavy vehicles arriving at premises](#).

The review process is well underway and a revised draft of the Master Code with the proposed changes will soon be provided for consideration.



## MODERNISING THE GRAIN SUPPLY CHAIN—CAMERAS TO REPLACE EYES!

GTA's Trading Standards Technical Committee produces the [Visual Recognition Standards Guide](#) to assist samplers and assessors of grain in the determination of defective grains. The process of visual assessment is subjective and reliant on the skill of the individual grain assessor.

Innovation is coming as there are now multiple commercial companies stating they have camera technology and Artificial Intelligence (AI) that can replace the human element of visual assessment.

However, it became apparent industry is not well positioned to assess and accept this new technology, nor encourage further development of new machine aided grain assessment that offers significant financial and operational benefits for the industry.

To address the assessment and acceptance by industry of this new technology, GTA is commencing a Pilot Project with the assistance of the Department of Agriculture Fisheries and Forestry (DAFF). This project will:

1. design and develop an industry Standard and the means to support the assessment and the ongoing maintenance of this technology through a supporting framework;
2. operate a trial Pilot program to assess the industry Standard and the proposed framework's functionality;
3. include development of a financial Business Case to propose a scalable, framework and structure that supports the uptake of digital image analysis technology.

It is anticipated the Standard will enable both industry / Government and commercial companies to adopt a uniform system for assessing, approving, and maintaining emerging photographic digital imagery grain assessment technology.

Currently GRDC are also commencing a research project into this type of technology. GTA and GRDC have agreed to seek to leverage synergies across these projects.



## CONTAINER TERMINAL FEES INCREASE

Unfortunately DP World Australia (DPWA) has provided industry notification to again increase its Terminal Access Fees from 1 January 2024 for exports in all ports where they operate.

- Melbourne – 52.52%
- Sydney – 38.80%
- Brisbane – 37.50%
- Fremantle – 5% (account the WA Government are port owners and they have capped the fees)

It is anticipated other Container Terminal operators will follow this lead.

### Background:

Global shipping lines servicing Australian ports have consolidated and are increasingly able to dominate negotiations with Australian Container Terminal Operators.

Container terminal operators facing reduced revenue from shipping lines have resorted to increasing revenues from transport operators delivering containers to their terminals. The transport operators (average of 50 transport operators per port) have no ability to negotiate on price or service arrangements. These charges cannot be absorbed by these relatively small transport operators and are transferred to exporters and importers.

Governments are aware of these price/cost transfers:

- The ACCC confirmed the landside portion of the container terminals revenue has increased significantly. However, the ACCC states this increase is largely offset by a reduction in revenue from shipping lines.
- The Victorian Government recently established the Voluntary Port Performance Model – this restricts Victorian based Container Terminals to one annual increase of TAC and has a prescribed notice period allowing challenges to proposed increases.

From an exporters perspective, the position that container terminals are transferring lost revenue from shipping lines to the landside transport operator and have not increased their overall revenue simply is not acceptable. This is especially the case where shipping lines have not shared their reduced Container Terminal fees with their clients. **Costs should be apportioned based on where they are incurred**, not indiscriminately, as it leads to economic distortions and inefficiencies.

The Productivity Commission (PC) in its draft report proposed that container terminal operators be prevented from charging fixed fees, such as TACs to transport operators. And that all fixed charges associated with container collection be shifted to shipping lines.

Any Government response or action on this recommendation is likely to be glacial!

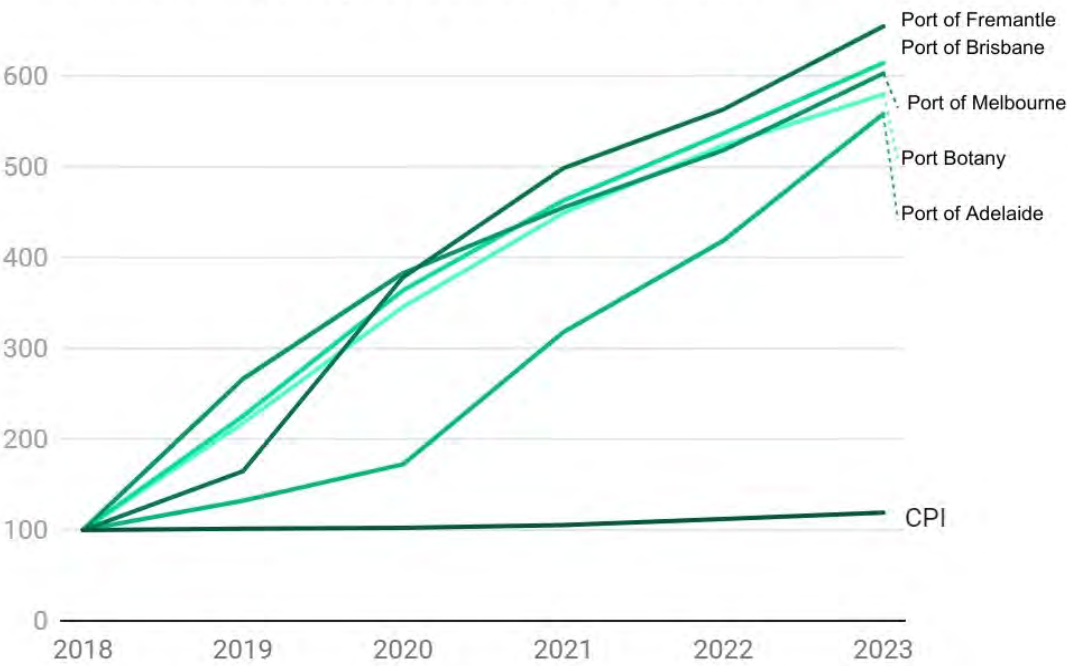
### Key points/positions:

- Exporters have no real ability to influence shipping line freight rates or Container Terminal access Fees.
- Current Government actions and direction regarding Container Terminals price increases is problematic:
  - Governments and their agencies are not showing any desire to step in and regulate.
  - The state governments individually are not in a position to implement or enforce a national code or impact real change. A federal Government approach is required.
  - Voluntary Port Performance Models are relatively toothless.

Nine Squared Dashboard of Container Terminal Charges 2018 - 2023

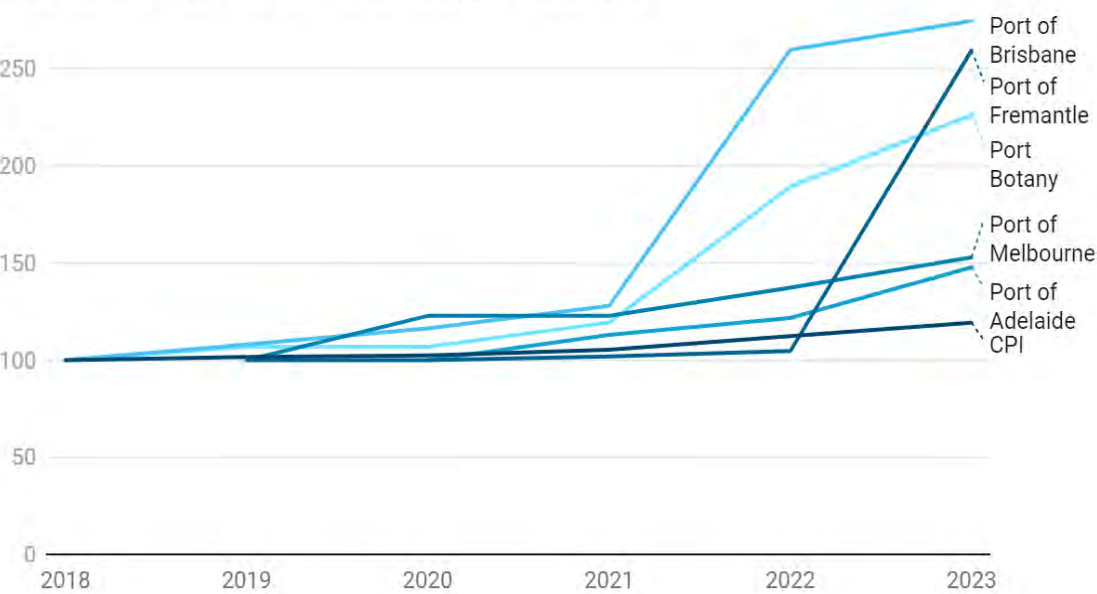
Access Charges Index

The Access LPCI grew by 18% between 2022 and 2023



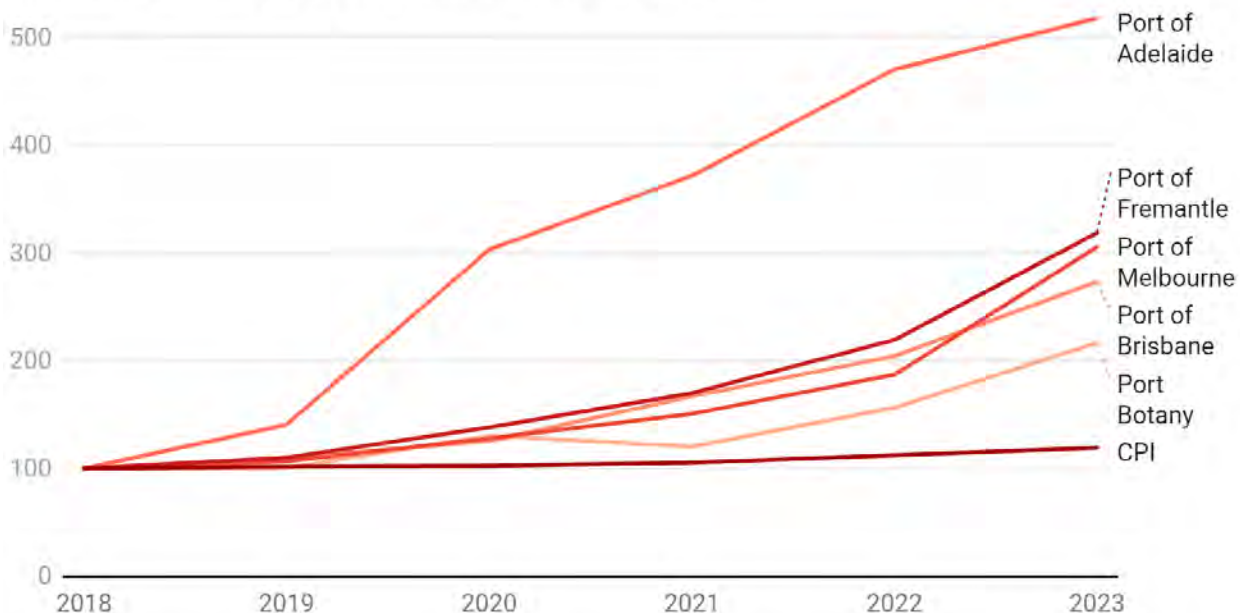
Ancillary Charges Index

The Ancillary LPCI grew by 31% between 2022 and 2023



## Penalty Charges Index

The Penalty LPCI grew by 32% between 2022 and 2023



### Grain Industry Issue with the Application of Fixed Cost fees

- Grain is a relatively low value and high-volume commodity. The grain industry, because of road weight mass restrictions favours the use of 20ft containers for containerised grain export trade. Nominally a 20ft container will hold 24 metric tonnes of grain. At current nominal wheat values of \$410 per tonne a container load of wheat is valued at \$9840.
- As a result of the value/volume for grain, the container terminal cost increases applied as a fixed cost have a disproportionate impact on grain shippers as compared to higher value goods such as processed or electronic goods (a 20ft container can hold 400 flat TV screens).
- Export commodities like grain that are shipped in containers suffer a disproportionate impact from any fixed service fee increases as compared to these higher value goods.

### GTA Direction:

- If landside fees on transport companies continue to increase **the viability of exporting grain in containers may be challenged**, especially in market periods with high freight rates. This would result in trade distortions and economic inefficiencies due to indiscriminate allocation of costs, without regard for where costs are incurred.
- This is a breach of fundamental economic principles of efficient allocation of resources.
- The ACCC proposed remedy of a mandatory industry code on Container Terminals may not eventuate and does not address current fee levels.

*GTA will advocate with the Government and Container Terminal operators for a fairer approach and one that more fairly distributes cost and fees.*



## GETTING DROUGHT READY

Australia's domestic annual consumption of grain is approaching 17m tonnes. Australia also imports in excess of 800k tonnes of plant protein meals mainly soybean meal. The majority of this grain and meal is to feed stock, and to supply stockfeed processors. Surety of supply of grain and meal is essential to this important sector.

GTA's Domestic Sector Council has requested GTA work with DAFF to seek to improve the process and the timeline for the import of whole grain and protein meal.

Domestic Council members are conscious of the impact of climate change for Australia to discover there is a shortage of grain for its stockfeed requirements. This situation has been exacerbated by the recent investments resulting in increases in the export supply chain's capability to ship grain faster than ever before.

A joint industry/Government Working Group was established to conduct a review in 2022. The Working Group met on several occasions and has established objectives and Terms of Reference.

Work is continuing as there are multiple areas and opportunities to improve the process and the process time consumed from application to import. The importance of the work has been recognised by the Government as they have upgraded the Working Group to an Industry Consultative Committee.

### **Benefits achieved to date include:**

1. DAFF will increase training and education for industry – a recent initial information session included 80 participants.
2. An extension of Import Permits from 2 years to 4 years
3. Agreement to review the DAFF Audit Policy including considering the option to remove a requirement for desk audits where a company is consistently importing protein meal.



## PLANT BREEDING RIGHTS COMPLIANCE

Plant Breeding Rights and the collection of funds through End Point Royalty Payments (EPRs) are the primary funding mechanism for the development of new crop varieties in Australia. These payments support breeders investing in variety development and to encourage the flow of international genetic material into Australia.

EPRs require grain producers to declare the variety they have delivered to a commercial storage. GTA members that purchase grain assist in this collection process and facilitate the payments of the EPR. The assistance of GTA members who participate by auto-deducting makes an important contribution to the collection system.

Unfortunately, based on industry analysis, it is apparent that some growers are not declaring accurately or at all this varietal information. Australian Crop Breeders estimates wheat EPR compliance in the Eastern States, in particular, has slipped significantly, with numbers down to 46% in Queensland and 74% in New South Wales in the 2021 harvest.

To correct this several Australian crop breeding companies have initiated individual grower audits of prior seasons to check for EPR compliance. The independent audits will look at crops grown using relevant PBR varieties in the 2020, 2021 and 2022 seasons to assess individual grower EPR payments against their Declarations.

However, with such poor compliance across increasingly large broadacre cropping areas this formalised Crop Breeders audit of growers will become the norm going forward to ensure that the EPR value capture model is protected for the sustainable future of the Australian grains sector.

GTA members with grain producer clients may wish to ensure all are aware of the implementation of these compliance audits.

## TRADE SUPPORT

GTA and Grains Australia recently presented to a delegation of Government officials from Bangladesh on aspects of the grain supply chain and in particular the quality assurance systems inherent in its grain supply chain.

The delegation meeting was held at the Viterro Melbourne office with information also provided by Viterro on the Australian pulse market.



The purpose of the visit was for the government officials to understand the principals of Australia's agricultural export and import arrangements and especially its QA and biosecurity. These meetings are crucial to support and enhance a greater understanding of Australia's supply chain credibility, its focus on ESG and biosecurity as these all enhance trade.

## JOINT STANDING COMMITTEE ON TRADE AND INVESTMENT GROWTH

GTA recently gave evidence at a public hearing of the Parliamentary Joint Standing Committee on Trade and Investment Growth as part of its inquiry into the Australian Government's approach to negotiating trade and investment agreements. This was in response to GTA's earlier [submission](#) to the Committee. The key points in the submission included:

- support for FTA
- the need for closer engagement with industry in negotiation and implementation phases of the FTA process
- embedding collaborative processes
- support for global rules based trade
- the increase prevalence and impact of NTMs on producers, consumers and risk for trade.

Included in the session where GTA provided evidence was NFF, Croplife, GGL and Organics Association.

These submissions and presentations at formal parliamentary committee hearings are important opportunities to raise issues impacting GTA members with political decision makers. They also highlight supply chain participants as important stakeholders in the grain industry, alongside growers.

## NATIONAL RESIDUE SURVEY

Whilst focused on chemicals the National Residue Survey (NRS) has now released its NRS Survey 2022-23 brochures [here](#). These are provided for industry use and for sharing with import companies.

These brochures are provided in the following languages:

English	Arabic	Chinese
Hindi	Indonesian	Japanese
Korean	Spanish	Thai
Vietnamese		

## GLYPHOSATE UPDATE

A short update is provided on the European Union Member States discussion on the renewal of the approval of glyphosate:

- The EU Member States voted on the proposed 10-year re-approval of glyphosate but did not reach a decision during the meeting of the Standing Committee on Plants, Animals, Food and Feed. Read details [here](#).
- Whilst no qualitative majority was reached, a majority of Member States voting for re-approval supports the strong science-based rationale for a full re-approval.
- As a next step, the European Commission will organise another Member State vote at an Appeal Committee meeting, expected to take place during the first half of November.
- Since the current approval of glyphosate expires on December 15, 2023, a decision needs to be made either by the Member States or by the European Commission before this expiration date.

## GTA WELCOME NEW MEMBERS

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

- **Waterfall Australia**

We are pleased that Waterfall Australia has 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!

## FIVE UNDER 30 PROGRAM WINNERS 2023-24

GTA is proud to announce the winners of its inaugural “Five Under 30” program. GTA recognises the imperative of engaging further with the younger generation in the Australian grain industry and is committed to fostering an environment that nurtures future leaders.

**GTA congratulates the following 5 winners of the inaugural ‘Five Under 30’ Program:**

- [Cooper Vinci](#), Grain Accumulation, Fletchers International Exports, NSW
- [Edwina Cockburn](#), Quality Services Manager, Viterra, SA
- [Jess Kirkpatrick](#), Grain Merchant, CHS Broadbent, VIC
- [Michael Shanahan](#), Customer Success Relationship Manager, AgriDigital, SA
- [Tessa Bevilacqua](#), Trade Support, CBH Group, WA

Read the full media release [here](#).



GRAIN TRADE AUSTRALIA CELEBRATES THE INAUGURAL ‘FIVE UNDER 30’  
PROGRAM WINNERS, PAVING THE WAY FOR FUTURE INDUSTRY LEADERS



COOPER VINCI



EDWINA COCKBURN



JESS KIRKPATRICK



MICHAEL SHANAHAN



TESSA BEVILACQUA



# The Australian Grains Industry Conference Asia 2024



## 5-7 March 2024

**AGIC Asia - now an integral part of the  
global calendar - will be hosted in Jakarta,  
Indonesia (5 March) and Shanghai, China (7  
March)**

TICKET OPTIONS, PROGRAM HIGHLIGHTS AND MORE INFORMATION  
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## GTA AGM & DIRECTORS APPOINTMENTS

Following the 2023 GTA Annual General Meeting (AGM) on Tuesday 31 October 2023 the GTA Board, for the coming year, has been elected by members. The 2022/23 Annual Report and the Chairman's Report as well as 2023 AGM Meeting Papers can be found on the GTA website [here](#).

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

- Ordinary Level A - to fill one vacant Director position
- Ordinary Level B - to fill one vacant Director position
- Merchant Association - to fill one vacant Director position

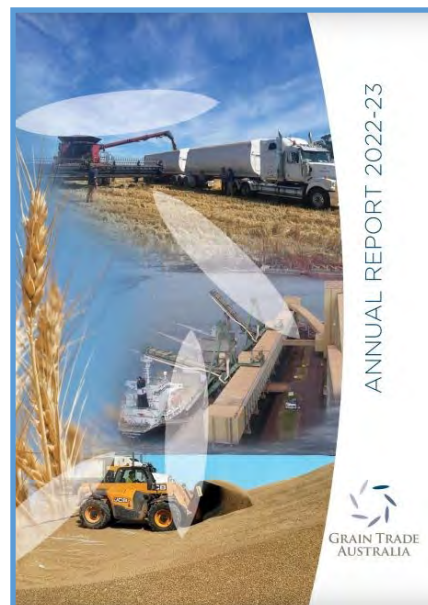
Nominations received for these positions were:

- Ordinary Level A - Simone Dax, Brianna Peake, Simon Gellert
- Ordinary Level B – Richard Perkins, Tyson Hewett
- Merchant Association – Michael Wood

The following Directors with Special Qualifications were appointed for the 2023/2024 year:

- Andrew Goyder
- Geoff Farnsworth
- Simon Tickner

Voting was conducted at the AGM on 31 October 2023. Members were entitled to vote either during a hybrid AGM meeting or by proxy. All GTA members unable to attend the AGM were also eligible to vote for the appointment of GTA Directors by submitting their proxy forms.



Director Appointment	Category	Nominating GTA Member	Status
Andrew Goyder (Chair)	Special Qualifications (Chair)	Appointed by the Board	Re-appointed 31.10.23
Geoff Farnsworth	Special Qualifications (Legal)	Appointed by the Board	Re-appointed 31.10.23
Simon Tickner	Special Qualifications (Production)	Appointed by the Board	Re-appointed 31.10.23
Simon Gellert	Director - Ordinary Level A	Viterra	Elected 31.10.23
Michael Wood	Director - Merchant Association	GIAV - Victoria	Re-elected 31.10.23
Richard Perkins	Director - Ordinary Level B	KM & WM Kelly & Sons	Re-elected 31.10.23
Brianna Peake	Director - Ordinary Level A (casual position)	Appointed by the Board	Appointed 31.10.23
Ole Houe	Director - Ordinary Level B	Robinson Grain	Elected on 25.10.22
Matt Kelly	Director - Merchant Association	Grain NSW	Elected on 25.10.22
Robert Imray	Director - Merchant Association	QAM	Re-elected on 26.10.21
Michelle Kerr	Director - Ordinary Level C	Rural Logic	Re-elected on 26.10.21

The following appointments were made in the Board Meeting following the AGM:

- GTA Chair – Andrew Goyder
- GTA Deputy Chairs – Michael Wood, Michelle Kerr

The structure of the Board Committees is as follows:

Audit, Finance & Remuneration	Membership	Dispute Resolution Service	ESG
Robert Imray (Chair)	Ole Houe (Chair)	Geoff Farnsworth (Chair)	Andrew Goyder (Chair)
Andrew Goyder	Geoff Farnsworth	Michelle Kerr	Geoff Farnsworth
Richard Perkins	Simon Tickner	Michael Wood	Simon Tickner
Michelle Kerr	Brianna Peake	Ole Houe	Brianna Peake
Ole Houe	Matt Kelly	Matt Kelly	Michael Wood
Simon Gellert		Simon Tickner	