

GTA MARKET NOTIFICATIONS



Notice 10 of 2019 - 31 October 2019

TOPIC: Proposed Ban in Thailand of chlorpyrifos, glyphosate and paraquat

DISTRIBUTION: GTA Members – primary contact list. Please circulate to all appropriate internal parties.

1. Proposed Ban Details

- Thailand's government agreed on Tuesday 22 October 2019 to ban the use of chlorpyrifos, glyphosate and paraquat in Thailand.
- The ban is largely due to Thailand authorities considering these three chemicals are widely regarded as dangerous to human health. It is the sovereign right of countries to manage their chemical regulations and ensure all food is safe for their consumers.
- Significant government discussion has occurred on this proposal in the last 12 months in Thailand.
- The decision was made by the Thailand government's National Hazardous Substances Committee (NHSC).

The NHSC has instructed the Thailand Department of Agriculture to undertake the regulatory process to bring the ban into effect, specifically to draft the Ministry of Agriculture and Cooperatives Notification and conduct public hearings on the notification.

2. Consequences of the Proposed ban

- As a result of the ban, these three chemicals will be automatically banned from use in Thailand.
- The ban for use of these chemicals (and imports of these chemicals) is understood to take effect as of 1 December 2019.
- The three chemicals will be placed on a Type 4 category list, meaning that the chemicals and any residues of these chemicals on food/feed is prohibited. That is, the current MRLs will be removed and a ZERO tolerance applied.
- It is not expected that a default low level MRL will be applied given these chemicals are placed on that Type 4 list.
- It is currently expected the MRL will default to zero as of **1 December 2019**.

The MRL change will apply for all commodities and from all sources of imported grain.

The following should be noted:

- It is unclear what happens to remaining stocks of these chemicals in Thailand or current stocks of agricultural commodities in Thailand that contain residues of these chemicals.
- It is unclear if a phase-out of chemical use or grace period for use of commodities that contain residues is to occur. Similarly the impact on grain shipments that may contain residues of these chemicals already contracted and due to arrive after the 1 December deadline is unclear.
- It is yet to be officially confirmed that the 1 December 2019 deadline will apply to the zero MRL
- It is unclear what additional measures will be introduced to sample and test imported grain for the presence of these three chemicals, to ensure residues are not detected on imported food and feed. Additionally, it is unclear what level of detection may be imposed.
- There are some unconfirmed reports the zero MRL may only apply to food and not feed, however this is unclear and industry should assume until otherwise advised the ban and change in MRLs applies to all commodities no matter the end-use.

3. Trade to Thailand

Thailand is an important market for Australian cereal grains.

Australian exports to Thailand, for wheat and barley (bulk and containers) are outlined below:

Commodity	Tonnes ex Australia	Tonnes ex Australia
Barley	306,700	269,600
Wheat	479,779	282,528
Total	786,479	552,128

4. Recommended Actions

- It is recommended that the Australian grain industry reviews the implications of the decision to ban these three chemicals, and in particular the removal of the current MRLs, for grain commodities exported from Australia to Thailand.
- Until further information is provided, industry should assume all MRLs on commodities to be used for food and/or feed **will default to zero as of 1 December 2019**.
- Exporters should contact their importers and industry stakeholders in Thailand advising of the potential risks for future imports from Australia of all grain commodities that may previously have contained residues of these chemicals.
- All sectors of the grain supply chain in Australia should implement appropriate management strategies to ensure that any regulatory requirements in Thailand can be met from 1 December 2019 in relation to chemical residues. This may include elements such as:
 - i. Use of commodity vendor declarations (declaring the use of these 3 chemicals)
 - ii. Segregation
 - iii. Sampling and testing deliveries on receipt and grain held in storage
 - iv. Stock selection based on the residue status of the grain

GTA is engaging with other relevant trade associations on this issue. We have also raised awareness of the commercial impacts and expressed industry's concern with the offices of the Trade Minister and the Agricultural Minister and the Department of Agriculture (DA).

The National Working Party on Grain Protection (NWPGP) is the primary liaison point between industry and the DA (National Residue Survey) on chemical residue related issues. Contact NWPGP Chair, Gerard McMullen on gerardmcmullen@optusnet.com.au or through GTA office.

Further updates will be provided as it becomes available.

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