



GRAIN TRADE AUSTRALIA

Port of Melbourne Pre-Harvest Webinar 2021

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INDUSTRY DRIVEN & MANAGED

GRAIN TRADING STANDARDS ~ TRADE RULES & CONTRACTS ~ TRADE & MARKET ACCESS ~ TRAINING & DEVELOPMENT ~ DISPUTE RESOLUTION

GTA Core Task – Facilitation of Trade

Grain Trading Standards



Reflect Requirements & capabilities in:

1. Regulation
2. Production Sector
3. Supply Chain
4. Consumptive Sector

Trade Rules & Contracts



Ensure confidence in commercial dealings by providing legal rigour

Dispute Resolution Services



Underpins Contractual Arrangements

Trade & Market Access



Engaging with Policy makers to ensure fair & equitable trade and access to domestic & global markets

Industry Stewardship & Capability



Leadership and Codes of Practice
Increase Industry capacity by providing training & development programs

*Industry driven and managed
“Self-Regulatory Framework”*

Australian Grain Industry – Code of Practice



MANAGEMENT OF GRAIN WITHIN THE AUSTRALIAN GRAIN SUPPLY CHAIN:

Australian Grain Industry – Code of Practice

FIRST EDITION PUBLISHED JULY 2013
UPDATED MAY 2016

Compiled on behalf of the Australian Grain Industry by:
Grain Trade Australia

- A. Across the Supply Chain
- B. Production Guidelines
 - Crop Growing
 - Harvesting & Storage
- C. Sampling and Testing
- D. Storage and Grain Hygiene
- E. Chemical Use
- F. Grain Quality Management
 - Receival
 - Storage
 - Outturn
- G. Marketing
 - Contracting
 - Trade Rules & Documentation



Australian Government
Department of Agriculture
and Water Resources

The development and review of the Australian Grain Industry Code of Practice (Code) has been funded by the Australian Government Department of Agriculture and Water Resources.

The Code and associated Transport Code of Practice and Technical Guideline Documents are important components of the Australian Grain Industry's self-regulatory framework. These documents outline the base requirements for procedures and quality assurance processes across the supply chain. Adoption of the Code enhances value for industry and its customers, creating confidence in the Australian grain supply chain and its products.

The Grain Trade Australia Board and the Department of Agriculture and Water Resources endorse this Code and encourage all Australian grain industry and supply chain participants to adhere to the principles and processes laid out in the Code and associated Technical Guideline Documents.



The development of the Australian Grain Industry Code of Practice has been undertaken by Grain Trade Australia.

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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

Grains Supply Chain & GTA Framework

Advocacy & Market
Access Trade

Commerce

Grain Quality and
Assurance

Data & Information

Grain movement &
logistics

Stewardship &
Capability



Industry driven and managed

Strategic Growth Pillars

Skills & Capability

Quality & Market Access

Technology

Transport & Logistics



Supply Chain – impacts every tonne



“all ships rise on a rising tide”...

New Guidelines to Note



Australian Grain Industry – Code of Practice Technical Guideline Document

No. 21

GRAIN SAMPLING – ALL SAMPLING SCENARIOS
USED DURING THE STORAGE AND TRANSPORT
OF GRAIN

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Version 1
This edition published – March 2021



Member Driven Issues

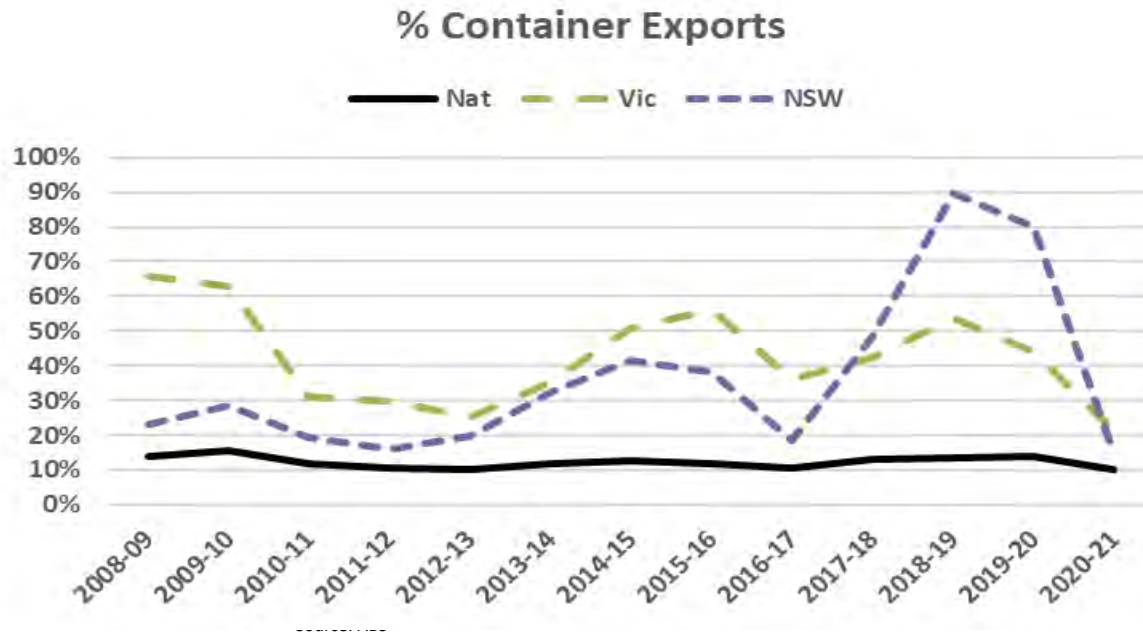
The Grain Supply chain is becoming increasingly fragmented and complex

GTA through its **Technical Committees** are also aware of the complexity of the global container supply chain

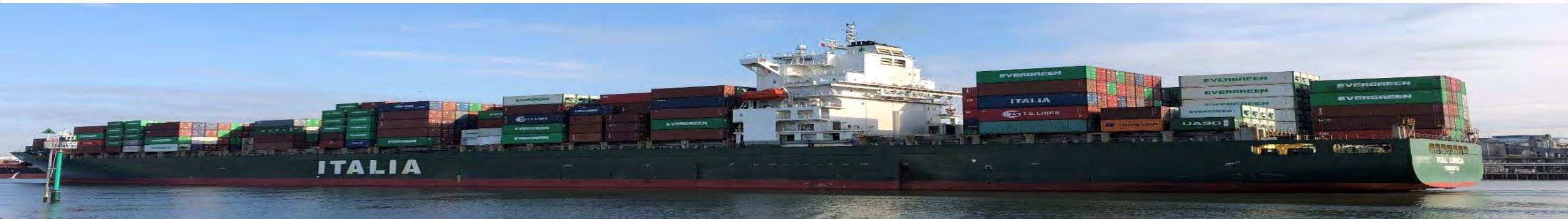
Technical Committees are a focal point for industry to consider strategic, structural & practical SC issues



Container Grain Segment

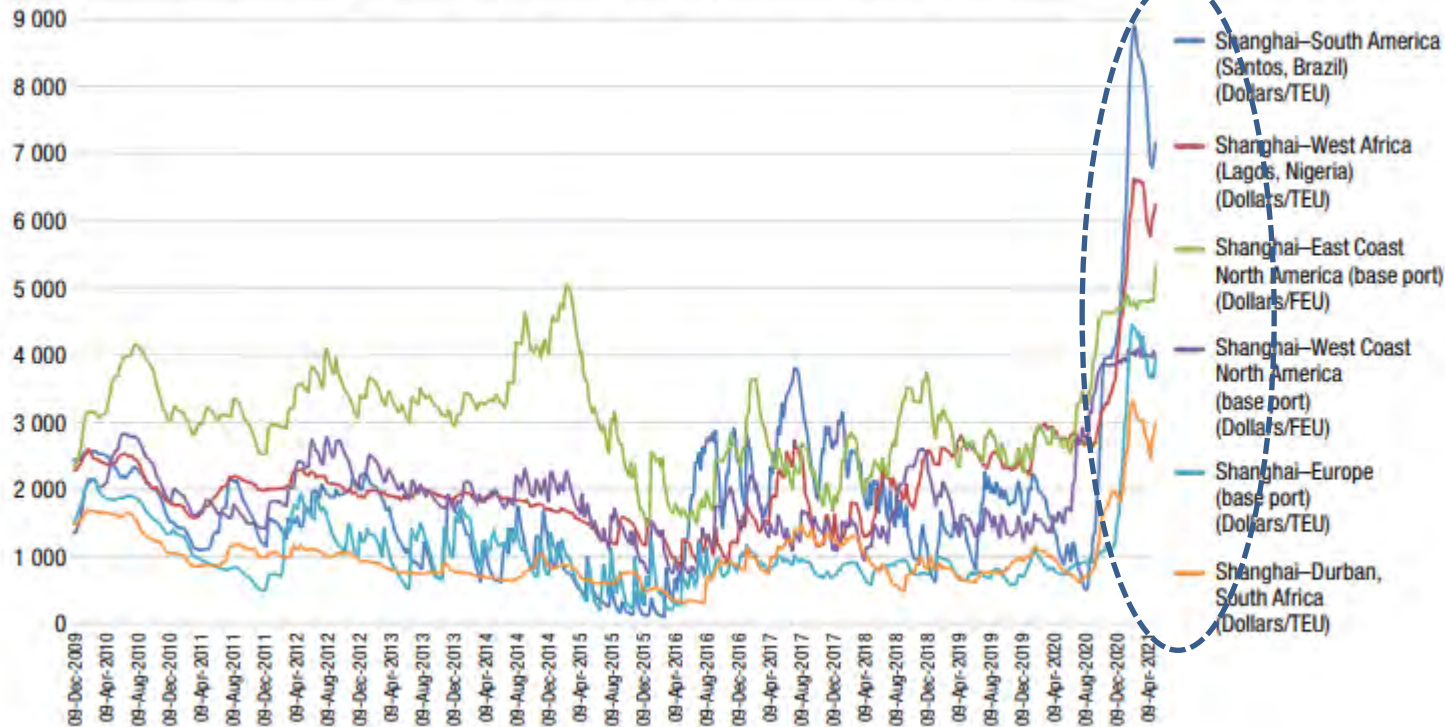


- East Coast concentration
- Competitive freight to reposition boxes....still?
- Lower entry cost
- Lower working capital cost
- Logistics at destination
- Shipping line consolidation



Containers

Shanghai containerized freight index, weekly spot rates, 18 December 2009–9 April 2021



Abbreviations: FEU, 40-foot equivalent unit; TEU, 20-foot equivalent unit.

Source: UNCTAD calculations, based on data from Clarksons Research, Shipping Intelligence Network Time Series.

Increase in
Container
rates

Container Park
Congestion

Container
Supply and
demand

Landside costs

Policy
Settings?

Economic Forces...

- ✧ GTA understands:
 - Shipping market driving consolidation
 - Leverage is currently with Shipowners
 - COVID-19 = Chaos = increased freight cost
 - Grain feels impacts a/c volume/value
- ✧ Markets should be allowed to operate freely and drive supply/demand balance
- ✧ GTA Technical Committees established the GTA position
 - Shipping Industry has reacted to market forces
 - However, Aust structural reform process has fallen behind
 - Review & understand Policy Settings
 - Generate reform through existing processes = Harper Review 2015



Policy Settings

2015 Harper Review – Temporarily paused

- Measured response to an extensive review
- Removal of the supports for ongoing special treatment of the liner shipping industry
- Consideration of extending the review to infrastructure charges
- Relevant today?

Collaborative Discussions Importers & Exporters

- 23 Industry Associations – not all exposed directly to the supply chain
- Seeking clarity – **discovery process** of market forces / structural issues
- Group focus is to advocate a Govt review



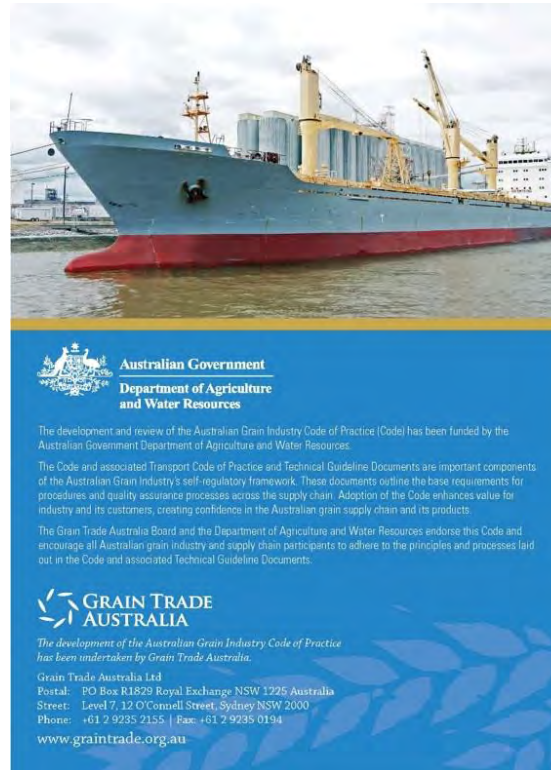
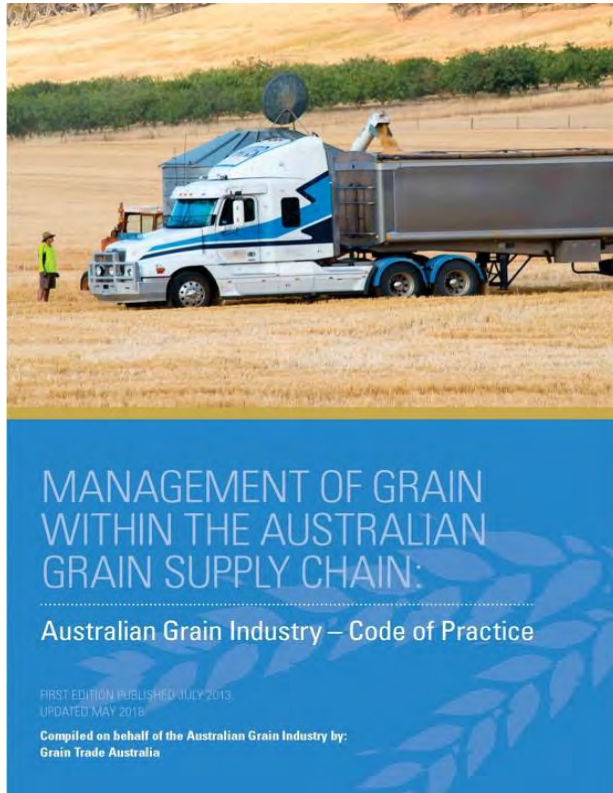
Objectivity

GTA will continue to seek Supply Chain efficiency to support its objective 'The Facilitation of Trade'

- Science and fact-based approach
- Focus on Principles and frameworks and allow the market to function freely



Thank you!!!



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