

Modernising the grain supply chain

- from Drought, through Covid-19 to 2030

An Innovative Growth & Investment Strategy for the Grain Supply Chain



*Industry/Government
Collaboration – Market Access –
Pat O'Shannassy, GTA*



**GRAIN TRADE
AUSTRALIA**

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



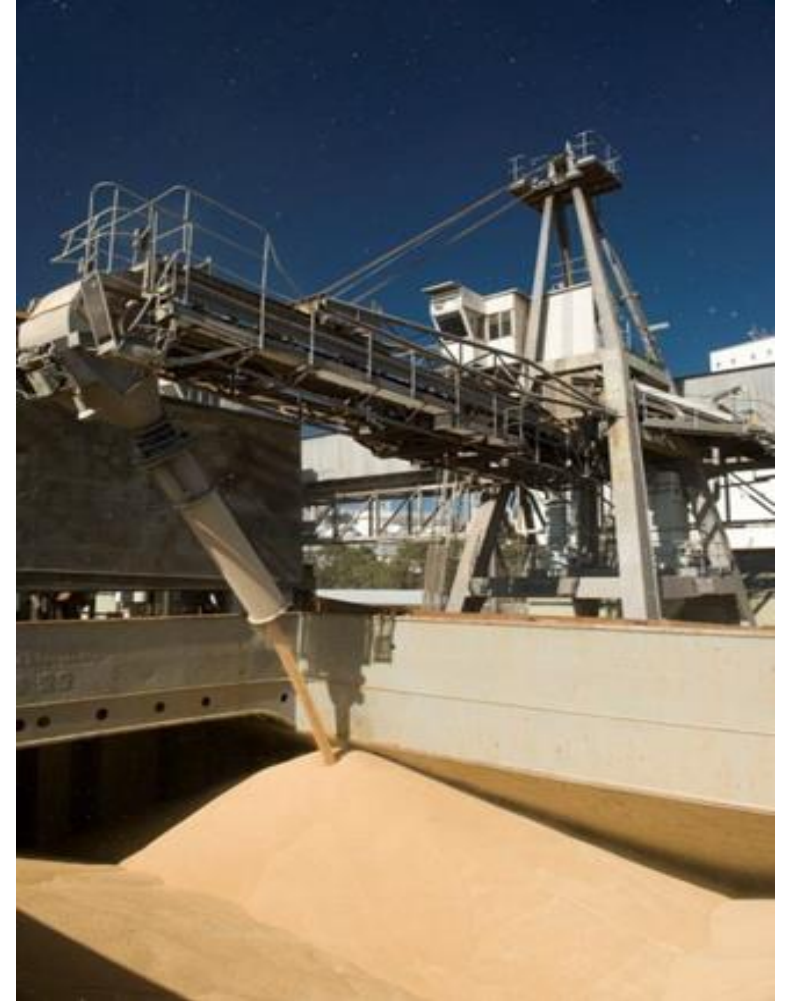
Leadership and Codes of Practice
Increase Industry capacity by providing training & development programs

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

Market Access



1. **Before** a grain can be traded you need Market Access to
 - ↗ Multi lateral agreement on the Rules
 - ↗ Multi lateral agreements on approach to the Phytosanitary frameworks
 - ↗ Provide bi-lateral bio-security access

2. **After** Grain is traded you need
 - ↗ Govt & Industry resources to implement the rules and agreements
 - ↗ Monitor and maintain the rules, agreements & access
 - ↗ Govt & Industry to improve the rules and agreements
 - ↗ Govt & Industry to reduce risks, drive efficiencies
 - ↗ Make Trade more effective, efficient with less risk and more predictable



Industry Strategic Benefits



Australian Government

-  strengthening Industry relationships
-  support for bilateral trade & market access discussions

Grain Commodities

-  increased trade, improved access conditions,
-  more favourable protocols

Grain growers

-  improved returns
-  ongoing access for their products

Processors

-  more secure access to and tailored quality Australian grain products

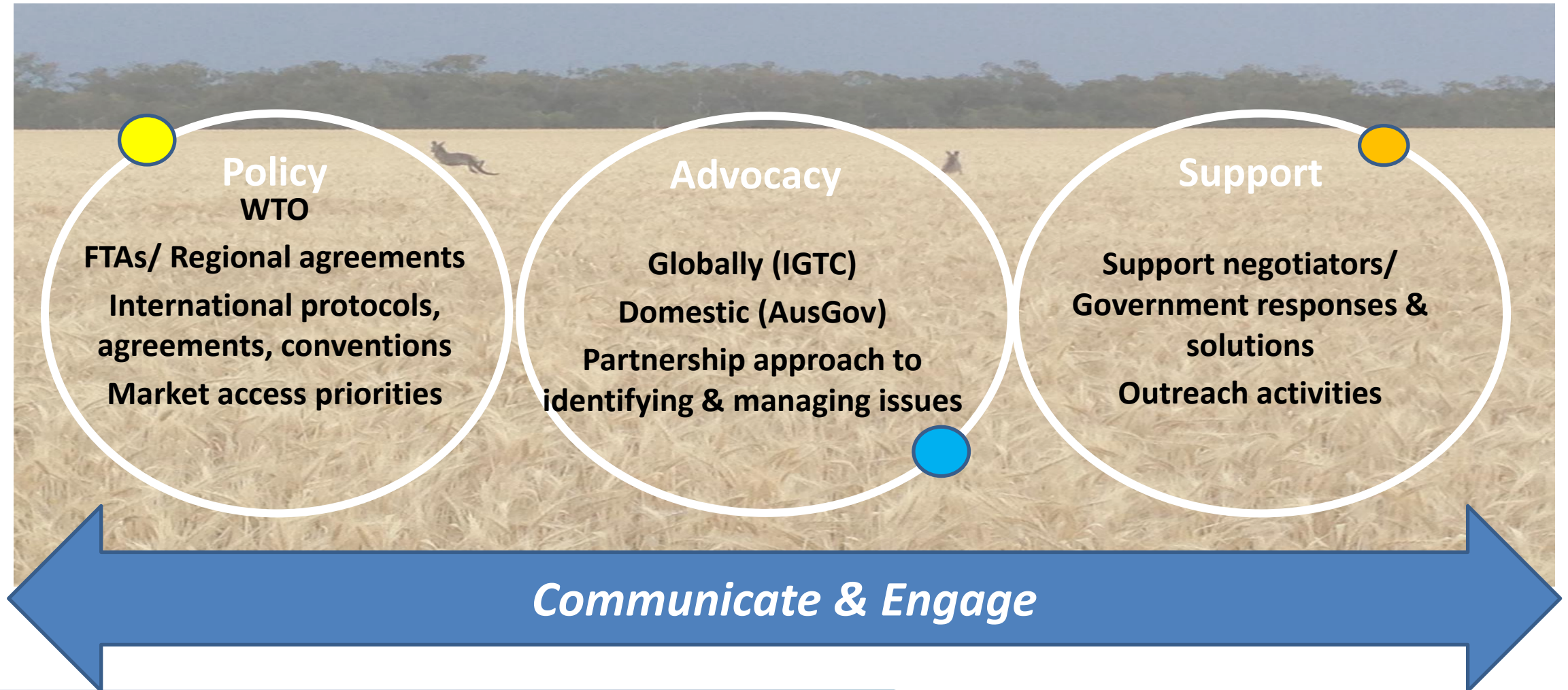
Australian grain industry

-  being better informed policy development
-  alignment with regulatory frameworks
-  protocols to improve market access and add value to Australian Industry

Effective and proactive management of trade and market access for the grains industry

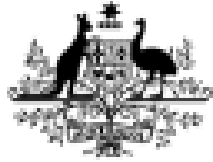
Four pillars underpinning the TMA Strategy			
<p><u>Policy</u></p> <ul style="list-style-type: none"> Ensuring the policy settings are supportive of the grains industry trade 	<p><u>Advocacy</u></p> <ul style="list-style-type: none"> Proactively promoting the grains industry's priorities and positions in domestic and global forums 	<p><u>Support</u></p> <ul style="list-style-type: none"> Providing technical and operational support to the industry to address trade issues as they arise and assist to implement appropriate policies to maintain and enhance future trade 	<p><u>Communication</u></p> <ul style="list-style-type: none"> Ensuring industry has transparent and open mechanisms for providing input into and receiving feedback on TMA priorities Creating a collaborative and shared commitment to TMA activities
Key Strategies			
<ul style="list-style-type: none"> Identify and communicate industry's position Advise Government on the impact of trade barriers 	<ul style="list-style-type: none"> Monitor, articulate and address technical trade barriers Engage with and influence trade negotiations, regional initiatives and other market access initiatives Communicate the value of grain trade and the importance of market access Build relationships with Government, cross sector representatives and global grain partners 	<ul style="list-style-type: none"> Provide informed analysis and support to Government and other initiatives 	<ul style="list-style-type: none"> Foster strong engagement with Government and industry in Australia and globally
Outcomes			
<ol style="list-style-type: none"> Government and Industry domestically and globally for advice on TMA issues Proactive engagement, self-regulatory approaches and technical input Reduced impact of trade barriers/more open and facilitative trade environment 			

Trade & market access requires multi-faceted approach



Government & Industry Consults

OFFICIAL



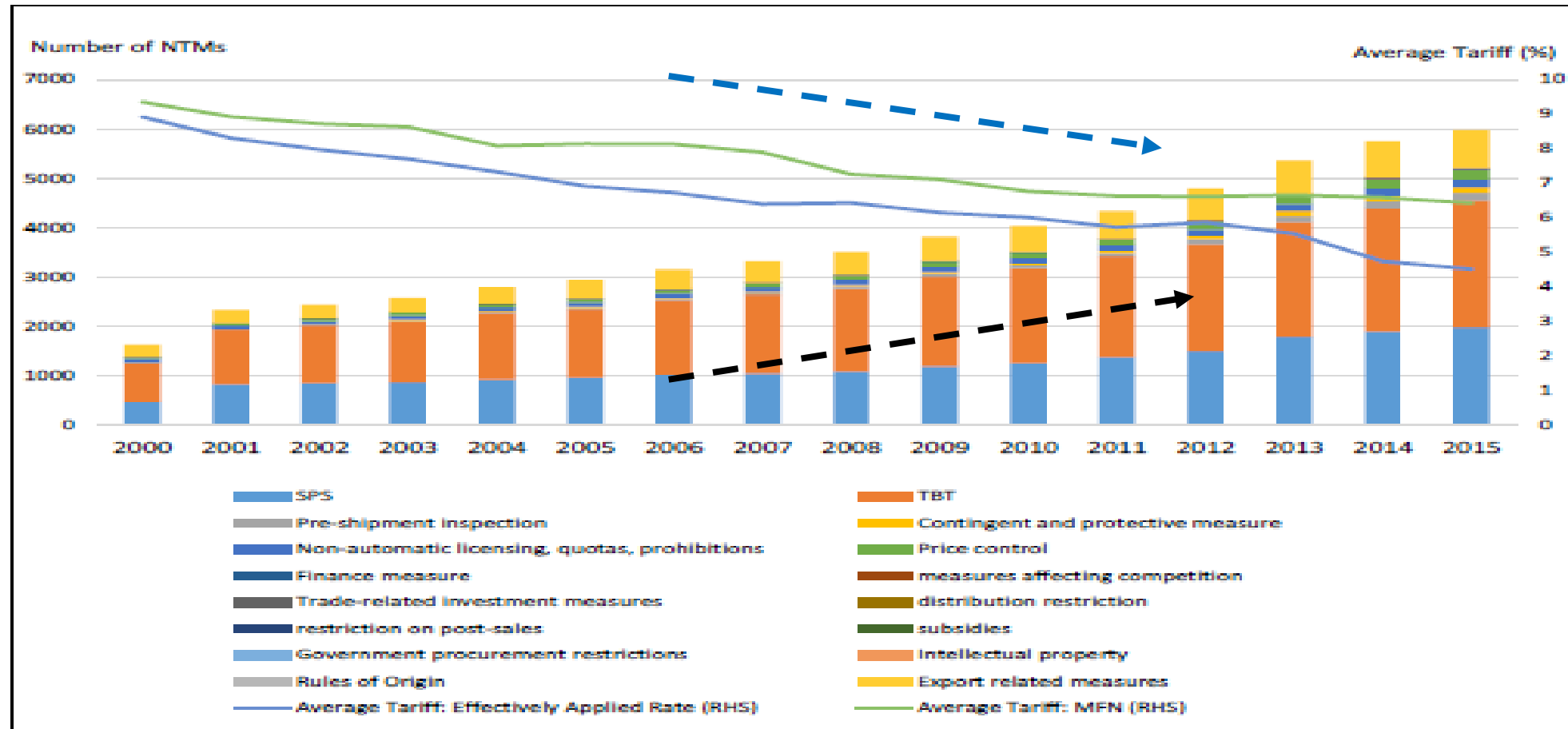
Australian Government
Department of Agriculture,
Water and the Environment

Meeting No. 27
Date: Tuesday 9 March 2021
Time: 10.00am – 3.00pm
Department of Agriculture, Water and the Environment
Microsoft Teams
Secretariat P:

Grain and Plant Products Export Industry Consultative Committee (GPPEICC)

- ✧ **Market Access**
- ✧ **Export Operations / RFPs**
- ✧ **New Market Access Priorities**
- ✧ **Regulatory impacts**
- ✧ **Bio-security & Phyto**
- ✧ **\$\$ - Cost Recovery**

Increasing NTMs Despite Falling Tariffs



Source: Source: ERIA: Non-Tariff Measures in ASEAN, April 2016

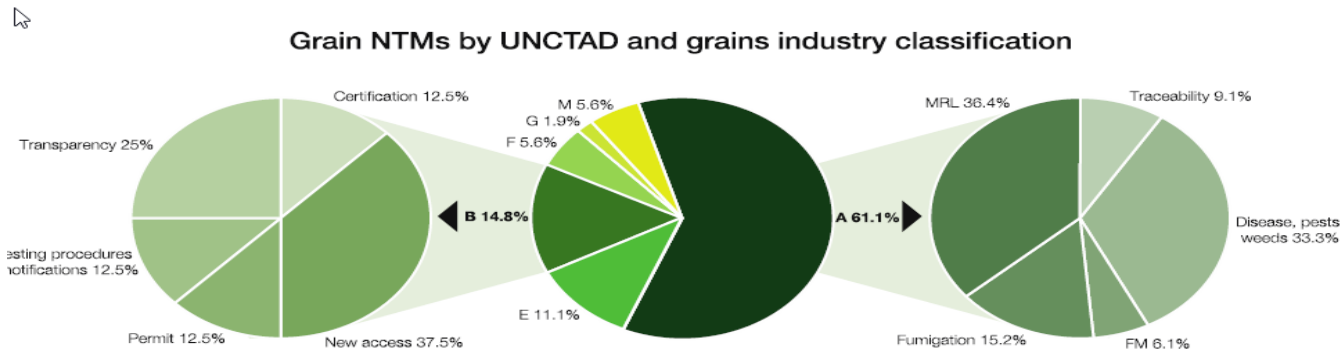
Global Approach to non-Tariff Barriers

- ↗ Risk, uncertainty and cost to commercial trade
- ↗ Restricted or no market access
- ↗ A number of international institutions establish guidelines to mitigate adverse impacts e.g.
 - ↗ WTO Agreements (principles based)
 - ↗ Codex Alimentarius Commission (Advisory Standards based)
 - ↗ IPPC
 - ↗ Regional agreements such as APEC (Regulatory coherence)
 - ↗ Systems recognition in bi-lateral agreements



Industry Approach to NTMs

- ↗ Capture Issues direct from markets, exporters, importers, consumers
- ↗ Assess impact & practicality
- ↗ Prioritise
- ↗ Communicate
- ↗ Engage with Govt, bi-lateral, multi-lateral, global counterparts



The first Grains NTM Project was prepared for and funded by the Grains Research and Development Corporation (GRDC) and the Australian Government Department of Agriculture on behalf of the Australian grains industry in March 2018.

The grains industry, through the Grains Industry Market Access Forum, funded this update of the project in May 2019.

This report published July 2019.

Stronger connectivity, stronger relationships, stronger markets

Connections

- *Build substantive and enduring connections* between both governments and industries
 - Trade Association cooperation

Capacity building

- mutual benefit through identifying capacity building opportunities
 - mutual commitment to regional e.g. APEC NTM engagement strategies
 - Technical training programs

Collaboration and knowledge

- sharing in areas of mutual benefit

Collaborative research & development:

- improving product understanding, applications & utilisation
- increasing production capacity & stability
- improving quality
- modernising the grain system
- food safety

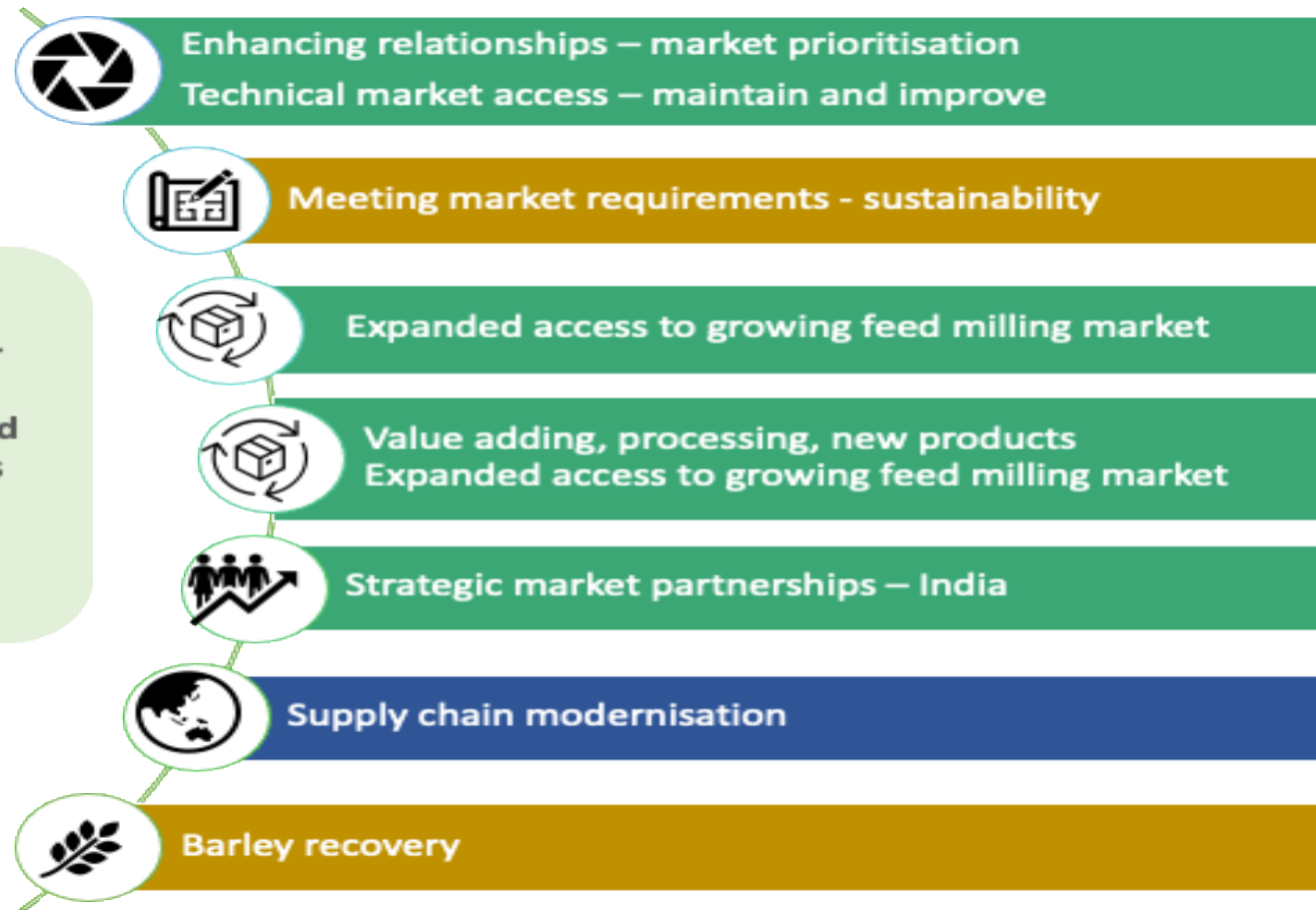
Improve understanding and harmonisation

- Quality Assurance Systems
- Sampling & testing methodology/ processes

Grain Industry Market Diversification and Recovery Roadmap

Current situation

- Market concentration (China – barley, EU – canola)
- Market access to China blocked
- Uncertainty over future access and implications for other products
- Lack of market depth



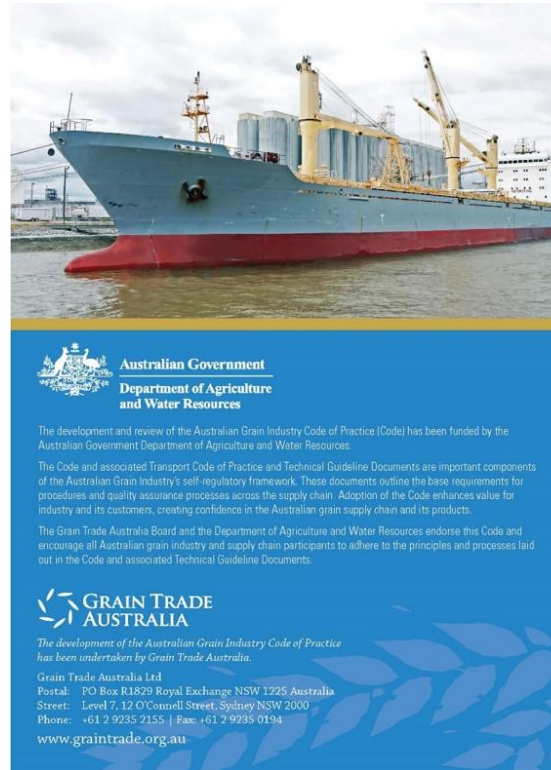
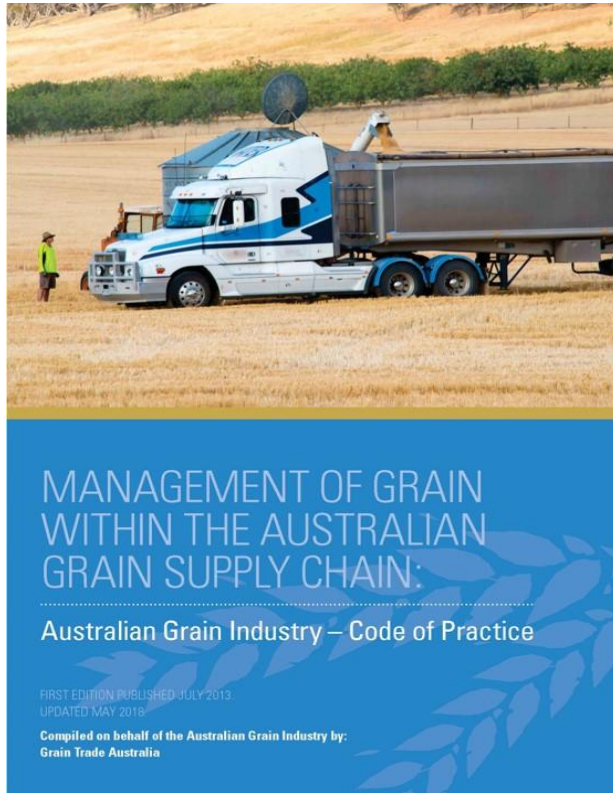
Diversified pipeline of markets and products

Global impact if NO collaborative industry efforts in TMA

Issue	Impact=> Higher
✂ "Free From" GM Certification not recognised	✂ Cost & Risk
✂ Grain would be defined as an explosive substance	✂ Cost & Constraint
✂ Low Level Presence (LLP) would not be recognised as acceptable risk mitigation measure	✂ Risk
✂ Commercial quality contractual issues (eg FM) would be part of Govt SPS regulations	✂ Cost & Risk
✂ No credible "NGO" advocacy for grain trade in global forums	✂ Inefficiency & duplication
✂ High Cost & duplication to tackle issues	✂ Cost
✂ No clear grain trade industry positions	✂ Congestion
✂ Ineffective Advocacy with "commercial suspicions"	✂ Inefficiency
✂ No Seat at the table in Global Policy Forums	✂ Risk unintended outcomes

No Access to Anywhere!...ie A Road to Nowhere...!!!

Thank you!!!



The Australian Grains Industry Conference

2021



GRAIN TRADE AUSTRALIA

E: pat.oshannassy@graintrade.org.au

W: www.graintrade.org.au