

6th August 2025

The Hon Julie Collins MP,
Minister for Agriculture, Fisheries & Forestry
Parliament House
Canberra ACT 2600
Via email: minister.collins@aff.gov.au

cc: Mr Adam Fennessy PSM, Secretary, Department Agriculture, Fisheries & Forestry

RE: Lifting Productivity in Agriculture, Fisheries and Forestry

Dear Minister,

Grain Trade Australia's (GTA) supports the Government's strategy of '*improving Australia's productivity*' outlined in the Department's issues paper and through the Roundtable scheduled on the 12th of August 2025.

GTA is looking forward to attending the Department of Agriculture, Fisheries and Forestry (DAFF) Roundtable and contributing to the discussion. GTA outlines the following context for information and for DAFF's prior consideration of GTA priorities.

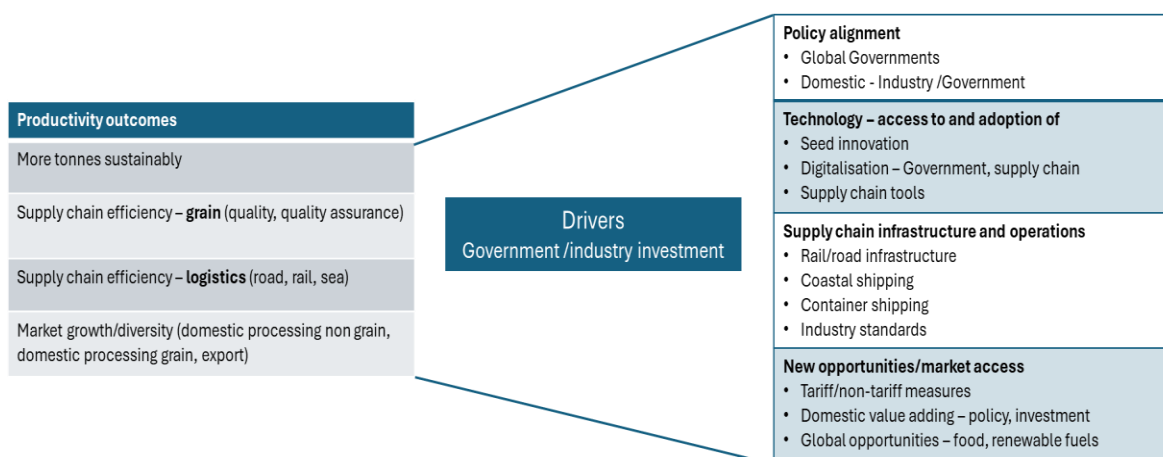
1. Executive Summary

- The importance of the grain sector:
 - The Australian grain sector is one of Australia's largest agricultural industries exporting over 70% of production in a normal season. It is **a major economic contributor** to the region and to Australia's export revenue, and a significant employer across regional Australia.
 - Grain Trade Australia (GTA) is the leading post-farm gate industry association in the grain sector. Its purpose and mission is to **facilitate trade** in the grain sector at both a **domestic and international level**.
 - It does this by providing the grain industry and members with an **industry driven self-regulatory framework**, including an industry managed Code of Practice, that details the base process and procedures for quality assurance and the management of grain through the supply chain
 - The grain industry is an **internationally exposed sector** and as such, the rules-based global trade framework and science and risk based policy is critical to supporting growth. GTA proactively engages with and supports DAFF for both new and improved technical market access for Australian grain.
 - The grain sector **underpins many other agricultural sectors** such as meat, brewing and food processing. Thus, productivity of the grain sector is not only critical to its profitability but also other key sectors in the economy.
 - The grain sector has an enviable record on productivity but with growing demand and limited resources it is critical to drive productivity improvement at farm level and in the post farm gate activity. Fundamental to the productivity of the grain sector is the **efficiency of its supply chain**
- To support the improvement of the sector's productivity, GTA **recommends several policy and supply Chain initiatives and opportunities** be considered to improve productivity,

reduce risk and red tape to deliver economic benefit to Australia, particularly in rural and regional economies. Improved alignment of industry and government policy and strategic priorities is critical to capturing productivity benefits from initiatives and policy settings.

- GTA believes there needs to be a comprehensive and consistent strategy across the industry to support productivity outcomes. This approach is shown in figure 1.

Figure 1 –Productivity & Policy Alignment Summary



- **Key priorities** to deliver improved efficiency and outcomes include:

Sound Policy Principles & Settings	<ul style="list-style-type: none"> a) Support for industry self-determination and industry managed self-regulatory frameworks b) Collaborative Industry/Government arrangements, such as the Grain Storage Asset Management Standard c) Science and risk-based policy to enable access to technology (including biotechnology and information technology) d) Adopting and promoting the International Grain Trade Coalition (IGTC) Sustainability Principles and Guidelines in advocacy and active policy development in both domestic, bi-lateral and multilateral environment and sustainability related policy.
Supply Chain Efficiency	<ul style="list-style-type: none"> e) Review of inefficient “landside” port charges and operational arrangements in the container shipping industry, particularly the significant misalignment between operational practices and contractual obligations among stevedores, shipping lines, empty container parks, transport operators, and exporters. f) Development of a land freight policy and strategy to improve road and rail networks and regulations (including cross jurisdictional regulations) g) Review of proposed changes to the Government’s Coastal Shipping reforms

Leverage Opportunities	<ul style="list-style-type: none"> h) Review of the Safe Work Australia proposed changes to the grain fumigant Phosphine workplace reforms, which has significant potential to impact the Australian grain supply chain. i) Delivering both new and improved trade and market access outcomes j) Development of policy settings to enable a commercially viable develop low carbon clean fuels sector in Australia which supports increased Australian based value adding activity k) In partnership with industry, continuing Australia’s global leadership in advocating for the multi-lateral rules based global trade system
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GTA welcomes the opportunity to provide input into the Government Productivity Roundtable and the consideration and adoption of these proposals.

2. The Grain Sector

The Australian grain sector is one of Australia’s largest agricultural industries exporting over 70% of production in a normal season. Grain production in 2024/25 was 64.5 million metric tonnes (MT), with exports of 41.7 MT. Grain industry value is reported at \$25.8 billion in 2024/25, with exports valued at \$21.4 billion.

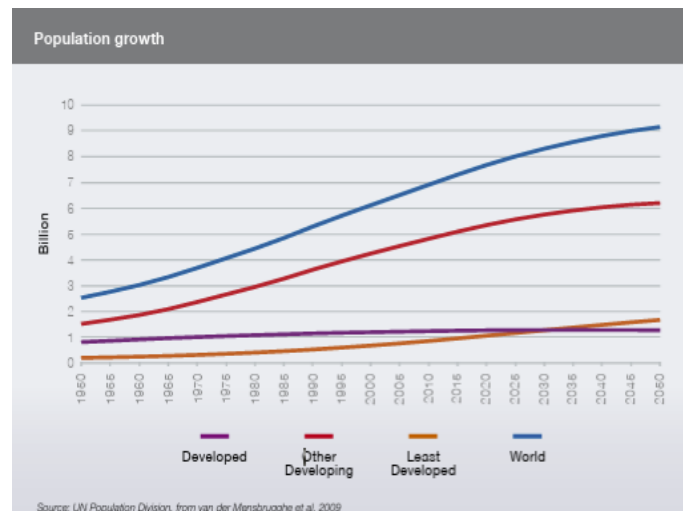
The grain industry is also a **foundation of many other industries** (meat, malting, food processing) in the agriculture sector. Exports of Australian grain is an important component of **food security and political stability in the Asia-Pacific region**. This means the productivity of the grain sector and the efficiency of its supply chain is important for these sectors and should be a strategic priority for Australia and for the stability and security of the Asia-Pacific region.

The grain industry plays a key role in domestic and global food security, however, as an export oriented sector it faces a volatile and competitive international market with price driven by global and climatic influences. Further at production level, there is a need to produce more from less with growth being driven by increased yield rather than increase in area.

The world’s population will reach 9.1 billion, 34 percent higher than today¹. Nearly all this population increase will occur in developing countries. To feed this larger population, food production (must increase by 70 percent. FAO predicts annual cereal production will **need to rise 43% to about 3 billion tonnes from 2.1 billion today** and annual meat production will need to rise by over 200 million tonnes to reach 470 million tonnes.

¹ Food and Agriculture Organisation (FAO) paper – [‘How to Feed the World in 2050’](#), by 2050

Figure 2. Forecast Population Growth to 2050



These population growth trends and a wealthier and more discerning consumer **offer opportunities for the grain and other agricultural sectors**. Industry and Government must continue to partner and work towards ensuring maximum benefit from these opportunities.

3. About GTA

Grain Trade Australia (GTA) is the leading post-farm gate industry association in the grain sector. Its purpose and mission are to facilitate trade in the grain sector at both domestic and international levels. It does this by providing the grain industry and members with an industry driven self-regulatory framework, including an industry managed **Code of Practice**, that details the base process and procedures for quality assurance and managing grain through the supply chain. The Code of Practice is endorsed by the Australian Department of Agriculture, Fisheries and Forestry (DAFF).

As an internationally exposed sector, GTA spends considerable resources advocating for evidence and risk based global rules-based trade frameworks. GTA engages with DAFF for both new and improved technical market access for Australian grains.

GTA is a long standing and active member of the **International Grain Trade Coalition (IGTC)** and currently holds the position of President. IGTC has a strong focus on minimising trade distorting non-tariff measures (NTMs) and advocating for evidence and rules-based frameworks to support global food security including advocating for trade as a critical component of food security.

The role GTA plays in contributing to the grain industries productivity is outlined below. Our comments focus on key aspects of the grain value chain including supply chain quality assurance, supply chain efficiency, regulation, trade and market access, non-tariff measures port costs and efficiencies, and coastal shipping.

While the industry has a strong productivity platform, there remains opportunity for further productivity gains.

4. Supply Chain – The Key Focus

The grain sector is the foundation for many other agricultural sectors (such as meat, livestock, food processing, aquaculture). Without an Australian based grain industry, the scale and efficiency of these sectors would be diminished. **Improving grain productivity will have synergistic and downstream benefits to other sectors** and support value adding activities in Australia and in global markets.

Investment in the grain industry and particularly its supply chain is critical to remain competitive into the future and to continue to deliver economic growth for Australia.

GTA has developed an innovative growth and investment strategy named “[Modernising the Grain Supply Chain](#)”. This strategy recommends public and (when profitable) private investment in industry driven ‘strategy enabling initiatives’ to drive productivity and efficiency gains through the value chain increasing the competitiveness of the Australian grain industry. They focus on four key supply chain “Growth Pillars”:

1. Skills and Capability,
2. Quality and Market Access,
3. Technology,
4. Transport and Logistics.

Australia must continue to build its competitiveness to enhance its grain supply chain and quality advantages in global markets.

*Improving supply chain efficiency adds value to **every** tonne of grain the moves through it*

5. Recommended Initiatives - Policy Opportunities

a) Government/Industry Policy Alignment

GTA recognises the importance of aligning wherever possible with Government’s policy to drive industry economic value and global competitiveness.

It also recognises the success of Government value driven policies are most effective when **aligned with industry driven strategic objectives** and enabling projects.

The successful outcome of strong alignment between industry strategic pillars and Government programs, should be positive Government Policy outcomes and strong industry growth and improved efficiency and globally competitiveness.

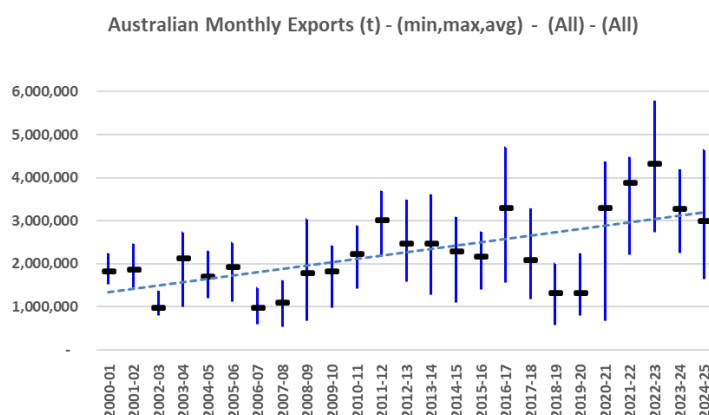
b) Increased Efficiency through Industry Self-Determination/Regulation

As a general principle, GTA encourages **simplicity and consistency** to optimise business efficiency, and to **minimise regulatory cost burden** on consumers and business, thereby driving optimal value.

The grain industry is operating in a competitive commercial environment, and continues to demonstrate its ability to **respond, innovate, invest, and** drive efficiency across the supply chain. In our view the recent review by the DAFF and its final [Report of the Port Terminal \(Bulk Wheat\) Code of Conduct known as the Wheat Port Code \(WPC\)](#) provides evidence of the benefits of a self-regulatory framework. We note the Government has not yet provided its formal response to the WPC Report.

The DAFF report notes since the deregulation of wheat exports in 2008 there has been a significant increase in Port Terminal Service Providers (PTSP) competition through private capital investment and expansion in export capacity. In 2008 there were 17 port terminals operated by 4 PTSPs. In 2024, there are 32 port terminals, operated by 18 PTSPs, with a consequential increase in annual **export capacity from around 2 million tonnes in the early 2000’s to almost 6 million tonnes in 2022-23.**

Figure 3. Australian Monthly Grain Exports 2000/01 to 2024/25



Source: ABS statistics

This significant growth in competition and export capacity is a result of increased operational efficiency and capital improvements by incumbents, combined with new investment in infrastructure and the significant advent of mobile bulk loaders (MBLs). The innovation of MBLs has significantly reduced barriers to entry, developed additional supply chains, increased competition, efficiency and flexibility across the industry. Further productivity gains can be made by **improving the transport infrastructure feeding the ports.**

Across the value chain, the grain industry has developed processes and systems to self-regulate activities and support its productivity and trade. GTA has established a range of codes, guidelines and dispute management services to provide transparency, certainty and opportunities for industry participants to manage issues.

The global trade of grain is complex, competitive and is best undertaken without unjustified regulatory burdens.

Industry simplicity and efficiency can be further supported through GTA facilitating the development of an industry **Port Protocol** as a replacement for the Port Terminal Access (Bulk Wheat) Code of Conduct and a further addition to the industry self-regulatory framework.

c) Efficiency through Industry / Government Arrangements

To increase supply chain participant **capability and help maintain Australia's reputation** as a reliable supplier of safe and high-quality grain, GTA has collaborated with DAFF in a joint initiative to develop the **Grain Storage Assets and Management Standard (GSAMS)**.

The GSAMS aims to improve compliance and competitiveness throughout the supply chain by providing an auditable Standard and set of requirements for the management of grain storage assets.

Adoption of GSAMS will improve process and procedure in the storage sector, reducing variability between individual establishments in key areas such as sampling, storage, handling and treatment and will provide a framework to show **compliance with the Grain Industry Code of Practice.**

The association with DAFF allows for the creation of an **alternative industry assurance arrangement**, in which DAFF recognises the GSAMS, GTA's auditing and assurance framework and industry systems in meeting export regulatory requirements.

This can create value for GTA members and DAFF as the department will intervene less as the level of assurance increases. The GSAMS provides the supporting framework and assurance that legal, regulatory and operational requirements are consistently met by participating businesses adopting the

GSAMS. Further government engagement and support in implementing GSAMS across the industry will be assist in its adoption.

d) Efficiency through Technology

The Australian grain industry recognises the critical role of new technologies in meeting growing global demand for food, feed, and industrial uses. Having invested heavily in innovation, the industry requires competitive access to these technologies across seed innovation and digitalisation.

Technology can deliver benefits across government, industry, consumers, and the environment. However, successful adoption requires coordinated industry dialogue to support the commercial rollout of new tools and processes without disrupting trade.

To ensure smooth integration, the industry must proactively manage emerging regulatory, market access, and customer-related challenges. GTA via its [Grain Industry Stewardship Framework for New Technologies](#) is working across the grain value chain to develop a **collaborative approach** for the purpose of:

1. Promoting information sharing on technologies being developed for commercial application in the grain industry to avoid/**minimise any trade disruption**; and
2. Establishing criteria, certification and **supporting frameworks** for technology utilised in the grain supply chain.

e) Government Role in Technology Efficiency

Government plays a critical role in the efficiency of international trade. Digitalisation of **trade documentation for export grain** is an opportunity to reduce regulatory burden and significantly improve efficiency for the industry.

Australia is a member of the international Plant Protection Convention (IPPC). The IPPC has established an innovative project called the **ePhyto Solution**. The ePhyto solution aims to modernise the phytosanitary certification process and holds tremendous potential for trade facilitation.

Industry is seeking the rapid deployment of ePhyto within the Australian system, with current limited implementation by DAFF putting the Australian industry at a **competitive disadvantage**.

f) Trade & Market Access

As a trade exposed sector, the Australian grain industry and GTA members, will always be dependent on open and fair access to international markets. GTA's Trade and Market Access (TMA) strategy seeks to develop domestic and global policies and approaches to position the industry to take advantage of trade opportunities, minimise impacts and constraints on trade, and to enable the trade of grain to continue in an efficient and equitable manner.

Management of trade and market access issues is critical for GTA members and all grain industry participants. The impacts of not proactively managing market access issues include:

1. Higher operational and commercial risk for exporters
2. Risk of trade ban or trade restriction
3. Increased costs (compliance, administration, production)
4. Loss of reputation and important markets and the potential for lower prices to growers and higher prices for consumers.

Given the severity of these impacts on its members, GTA continues to focus significant activity and effort into trade and market access. **GTA is ideally placed to address these issues** as it operates (and has practical insight) across the supply chain with access to its members commercial skills, experience, and capabilities.

GTA acknowledges the work of other parties in relation to trade and market access and works closely with the Australian Government and other stakeholders.

Complex international markets require an ongoing effort to maintain existing market access, and where possible, secure improved market access and global rules of trade.

As well as tariffs there is an increasing prevalence of **non-tariff measures** (NTMs) that impact and hinder trade. GTA works collegiately and proactively with industry stakeholders and the Australian Government to counter the growth of NTMs by supporting international standards that are based on sound science. Both **industry and governments must work together to build and strengthen science and risk-based trade policy.**

g) Practical Experience & Market Understanding

Complex international markets require an ongoing effort to maintain existing market access, and where possible, secure improved market access and global rules of trade.

Through its broad membership base of commercial companies and its experience GTA is able to assist with a '*frontline perspective*' and provide input and information to Government in developing policies and global advocacy programs. A recent example is the development by GTA of the **Australia India Strategic Grains Partnership**, an initiative to bring together Indian and Australian decision makers, foster relationships and to maximise the opportunity for development and collaboration amongst the relevant country grains, food processing and livestock sectors.

Figure 4 – Australia India Grains Industry Partnership



GTA has also been active across several other country trade opportunities in conjunction with other stakeholders. The focus of this activity has been promoting the Australian grain industry and its key strengths and how it can add value to these countries human consumption and animal feed industries.

Promoting the attributes of the Australian grain and the surety of its supply chain and supporting industry and Government frameworks **provides importers with confidence** in the product and Australia's capability to deliver.

h) International Linkages

GTA actively builds international linkages to **promote the value of the Australian industry** and to ensure access to and input into global decision-making institutions whose frameworks and decisions can have far-reaching implications for the grain industry.

GTA has proactively initiated and facilitated roundtable industry/Government discussions in Indonesia, China, Thailand, Vietnam, India and the Philippines as part of the Australian Grains Industry Conference (AGIC) Asia and India programs and AGIC Asia – Roundtables.

GTA is a long standing and active member of the International Grain Trade Coalition (IGTC), currently serving as President on the Executive Committee and Management Council. The overarching objective of the IGTC is to achieve a market and regulatory environment supportive of trade that avoids disruptions in the international trade of grain, oilseeds, pulses and derived products.

Through IGTC, the Australian grain industry increases its advocacy to multiple international institutions, bringing Australian issues to the global stage. These institutions include:

- World Trade Organisation (WTO)
- Codex Alimentarius Commission
- International Plant Protection Convention (IPPC)
- World Bank
- Food and Agriculture Organisation (FAO)
- International Grain Council (IGC)
- Asia Pacific Economic Cooperation (APEC)
- APEC Trade Facilitation Forum (ASEAN)

GTA's Presidency of IGTC, is concurrent with DAFF holding the Chair position of the **International Grains Council (IGC)**. This presents **an opportunity for Government and industry** to focus the international dialogue of grain trade issues on issues of significance to Australia as well as other global grain trade stakeholders.

i) Promoting Sustainability Principles and Guidelines

International governments are promoting the **use of trade policies to advance environmental goals**. This is concerning to GTA as it raises important questions about potential impacts on market access and increased commercial risks and regulatory costs

Newer bilateral and regional trade agreements have included full chapters on sustainability, indicating an ongoing trend towards environmental measures at borders. This should become a standard approach for Australia and included in FTA reviews and improvements wherever practical.

To help ensure international grain trade perspectives are reflected in trade discussions, the International Grain Trade Coalition (IGTC) has developed a set of seven Sustainability Principles providing a practical reference point for engagement with governments and institutions. The principles are **grounded in science-based approaches, regional flexibility, and support for predictable, rules-based trade**.

IGTC is sharing the principles directly with key international bodies including the WTO, FAO, and the OECD. GTA supports these principles and guidelines and would welcome consideration by the Australian government with respect to sustainability and trade matters.

The IGTC principles and guidelines can be found [here](#):

6. Recommended Initiatives – Supply Chain Productivity Opportunities

a) Container Supply Chain

Australia's ports are critical assets and require a concerted industry and government focus to ensure efficiency is maximised. Container stevedore's terminal service **fees applied to landside services are threatening to impact access to valuable international markets** that are serviced through the container supply chain. This is likely to have a consequential impact on:

1. the level of competition in the Australian grain supply chain
2. investment and employment in rural and regional communities.

In GTA's view container shipping lines are benefiting from reduced direct costs from Australian Container Terminals (CTs), while CTs have remained whole (or potentially even increasing revenue) through the introduction of a raft of fees onto the land-based transport industry.

GTA is concerned about this **imbalance in negotiating power** between shipping lines and CTs in part due to the exemption of the shipping lines from **Part X of the Australian Competition Act (ACA)**. This imbalance has resulted in the CTs introducing land-based fees where they appear to have a stronger negotiating position to recapture revenue reduced through shipping lines negotiations. As a consequence, grain shippers and other exporters are paying more for land-based services with no apparent benefit or saving in productivity.

Export commodities like grain that are shipped in containers **suffer a disproportionate impact** from any CT land-based fees, especially fixed service fee increases, as compared to higher value goods such as processed or electronic goods.

This is due to grain being a relatively **low value and high-volume commodity**. The grain industry, because of road weight mass restrictions favours the use of 20-foot (ft) containers for containerised grain export trade. Nominally a 20ft container will hold 24 metric tonnes of grain. At current nominal wheat values of \$420 (FOB) per tonne a container load of wheat is valued at \$10,080, whereas a 20ft container can hold 400 flat TV screens, which would mean a consignment value of say \$400,000.

This is important to understand as it means from a value/volume perspective for grain, increases in container terminal costs when applied as a flat fee per container have a **disproportionate impact on grain shippers** compared to higher value goods such as processed or electronic goods.

<p><i>Indiscriminate Allocation of Costs = Trade Distortions & Negative Competition Impacts</i></p>
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In our view, these cost increases will **damage the grain industry's ability to compete in the international market** and consequently reduce the shipment of grain in containers.

Indiscriminate allocation of costs, without regard for where costs are incurred is a fundamental breach of basic economic principles of the efficient allocation of resources. These **costs should be apportioned based on where they are incurred**, so as not to exacerbate economic distortions and inefficiencies.

b) Coastal Trading Act

The Government strategy to develop an Australian Strategic Fleet is relevant to GTA, and its members given they are heavy users of both bulk and container shipping services for exporting of grain and importing of protein meals. The Independent Review of the Coastal Trading Act – Phase 2 Consultation is recommending changes to licensing arrangements, whereby individual ships are required to apply for a licence for each single voyage. In our view this is not practical and will **reduce current supply chain efficiency**.

The current coastal trading licensing framework supported the movement of large tonnages of grain to the east coast during the most recent (2017-2019) drought, when around **6.08 million metric tonnes (MT) was transhipped from WA and SA** to east coast ports. Most of these movements would have been under one-off or temporary trading arrangements.

Figure 5. Coastal shipping flows of grain 2017/18 and 2018/19

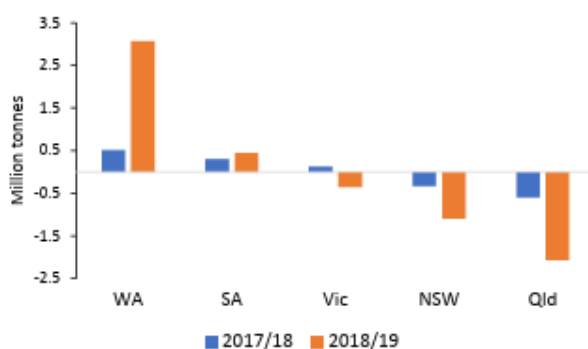


Figure 4. Coastal shipping flows of grain from or into each State in 2017/18 and 2018/19
Source: Based on data in an appendix in ACCC (2019)

The proposed reforms that restrict licences to an individual vessel are **not practical and therefore not acceptable** to GTA and its members. The proposed reforms are restrictive, overly bureaucratic and will be a serious impediment to what is a relatively open and transparent global shipping market.

GTA's members do not support Government policy that inhibit, restrict and distort commercial trade. The proposed strategy is not market driven, evidenced based, and will increase commercial risks for GTA members and reduce productivity.

c) Land Freight

Recent record years of grain production have highlighted deficiencies in the Australian grain supply chain. Investment in the grain industry and particularly its supply chain is critical to remain competitive into the future and to drive productivity and deliver economic growth for Australia. Improving efficiency and reducing costs in the supply chain adds value to every tonne and benefits all participants and downstream agricultural sectors.

Australia's road and rail freight networks are vital for the efficient transportation of grain. Improved Government strategy in this area is required to ensure a fit for purpose and well-maintained national transport system.

Similarly, the transport infrastructure must be supported by streamlined and harmonised regulation that supports rather than restricts the efficient operation and coordination of the supply chain, including across jurisdictions.

d) Regulatory Alignment with Industry

Regulatory direction and change must be sympathetic to the practicalities of industry. Safe Work Australia (SWA) are proposing changes for the Workplace Exposure Limits (WEL) for the fumigant Phosphine to take effect from 1 December 2026. The main change of concern is the substantial reduction in the Time Weighted Average (TWA) for Phosphine from 0.3ppm to a Workplace Exposure Limit (WEL) of 0.05ppm.

Phosphine is a fumigant used extensively in the grain industry to manage stored grain pests post-harvest. While worker safety is a key principle of the grain industry, we are questioning the evidence base and need for change as the reduction in the WEL to 0.05ppm will have dramatic impacts on the efficiency of the grain industry supply chain.

Failure to have in place cost-effective and practical solutions for the industry to meet new SWA regulations by 1 December 2026 has the potential to negatively impact not only the availability of phosphine for use by industry but also will damage the excellent reputation the grain industry has in managing chemical compliance.

A case for change to this new level has never been provided to industry by the SWA. We question why Australia is moving to new limits lower than being other overseas countries who also rely on phosphine to fumigate grain.

e) Policies that support growth in new ventures - LCLF

The Australian grain supply chain is sophisticated, market driven and has demonstrated its responsiveness to changes in supply, supply chain shocks and market demands.

Australia exports around 70-75% of grain production each year into a globally competitive market. As such the Australian grain industry is exposed to risk and global trade disruptions.

The introduction of Low Carbon Liquid Fuels (LCLF) refineries, aside from the benefits in the production of sustainable fuels, is also welcomed from a grain market perspective. LCLF refineries should create new demand points for Australian grain and domestic grain trade opportunities. The Australian grain supply chain has both a domestic and export market focus and is experienced in managing the demands and commercial tensions of domestic grain consumers.

GTA supports the government review, and the potential introduction of LCFL production in Australia. Creating new domestic demand opportunities for Australian grain is of benefit to the industry and the broader economy. However, any new domestic consumption points must have equal and not preferential access to the existing grain trading market. In its review of LCLF Government should also consider aspects of the supply chain and new technologies to maximise the value and performance of the proposed LCLFs.

7. Conclusion

Thank you again Minister for the commitment you and the Government have and continue to provide to the agricultural supply chain.

As noted, through its broad membership base of commercial companies and its experience GTA offers Government a 'frontline perspective' in the provision of input and information to Government in developing policies and strategy to 'Lift Productivity' in the grain sector and subsequent downstream sectors.

GTA is looking forward to attending the DAFF Roundtable and discussing the above-mentioned challenges and initiatives that provide opportunities for Australia to support trade and increase supply chain efficiency.

Please do not hesitate to contact me should you require further information on this and any other grain industry issues.

Yours faithfully,



Pat O'Shannassy
Chief Executive Officer