GRAIN TRADE AUSTRALIA

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10th December 2024

Market Coordination and Strategy Team
Plant Systems and Strategies | Biosecurity Plant and Science Services Division
Department of Agriculture, Fisheries and Forestry
Canberra
Via Email: "have your say" and mcs@aff.gov.au

Dear Sir/Madam

RE: Consultation on Plant Market Access Prioritisation and Communication

1.0 About GTA

Grain Trade Australia (GTA) is the focal point for the commercial grains industry within Australia. It facilitates trade and works to provide an efficient, equitable and open trading environment by providing leadership, advocacy and commercial services to the Australian grain value chain.

GTA members are responsible for over 95% of all grain exported from Australia each year. Over 95% of the grain contracts executed in Australia each year refer to GTA grain standards and/or trade rules.

GTA members are drawn from all sectors of the grain value chain from production to domestic end users and exporters. GTA members are involved in grain trading activities, grain storage, grain for human consumption and stock feed milling. A list of GTA member is attached as an addendum to this submission.

GTA welcomes the opportunity to provide comment into the Department of Agriculture, Fisheries and Forestry (DAFF) consultation on plant market access prioritisation and communication. As exporters of grain GTA members have a heavy reliance on the DAFF market access team and its processes.

2.0 Introduction

The Australian grain industry[1] is a major economic contributor in regional Australia and to export revenue, with grain industry value in 2023/24 estimated to be $43.6 billion and $22.1 billion of exports[2], meaning the grain industry is one of the highest value industries in the agricultural sector, contributing more than 25% of Australia's gross value of agricultural production.

The summer and winter crop production in 2023/24 is forecast at 51 million tonnes following three prior record large crops with 2021/22 a 68.0 million tonnes, 59.9 million tonnes in 2020/21 and 73.6 million tonnes in 2022/23 [3].

Trade, and the grain industry supply chain is vital for the Australian grain industry and regional communities, with the industry well positioned to supply markets especially into regions such as south east Asia. This supply chain is heavily reliant on an efficient and well-resourced DAFF.

3.0 Trade Efficiency

Maintaining and improving existing market access in addition to opening new export market opportunities for Australian grain and products and reducing distortions in global markets are key

[1] Grains include wheat, coarse grains, oilseeds, oilseed meals and pulses
[2] Source: ABARES, 2024
[3] Source: ABARES, 2024

priorities for the grain industry. In GTA's view successful market access is critical and can potentially provide a significant increase in export value to the Australian grain industry.

Trade of Australian grain in the export market is challenging, largely due to the tariffs, and increasingly non-tariff measures including technical barriers to trade, domestic price supports, subsidies on crop inputs (such as fertiliser, chemicals) and other protectionist measures that importing countries may apply. All markets require a focus and management to maintain and improve access.

Market access requires an agile and a broad approach and should not be restricted to a priority market approach. This goes against the fundamentals of marketing as all markets are important and are subject to rapid change and swings importance based on a multiple of factors including:

- Annual changes in country demand due to internal factors;
- Grain supply across the numerous exporting countries;
- Political changes in the market and in associated markets;
- Tariff and non-tariff measures; and
- Economic factors in country and global that impact on the global grain supply and demand.

These factors are complex and can be difficult to predict requiring a multi-market approach.

Similarly, and as experienced by DAFF trade and trade multi-lateral and bi-lateral discussions are cumbersome and may see long periods of delay and inaction. Having a multiple targeted market approach is necessary from an efficiency and opportunistic perspective.

Limiting market access to priority markets reduces capability, flexibility and diminishes DAFF's knowledge across multiple markets. Having topical market intelligence is critical to grain exports to allow access when opportunity or tariff issues occur. This has been well demonstrated in recent years with Australia recording record production and exports whilst being impacted by trade issues with China for barley.

4.0 DAFF Focus and Resource Allocation

Government is currently considering the development of an ongoing sustainable export funding model to ensure DAFF remains appropriately resourced to carry out its agricultural trade and export functions into the future. GTA is concerned this may be a factor in DAFF's market prioritisation activity.

GTA has commented this funding review is welcomed on the basis it focusses on economic efficiency rather than a focus on increasing revenue or minimising cost and services to plug the reported financial shortfalls of the Department. Economic efficiency should consider appropriate funding and resourcing in areas of value such as trade and market access.

The Australian grain industry is a major economic contributor and demands work on market access in recognition of the value grain exports provide the Australian economy.   This is especially the case versus other smaller and emerging export sectors. Market access focus and expenditure by DAFF can be influenced through agri-politics and sector advocacy and too often grains are sidelined for emerging or small export industries.

Expenditure in technical market access by DAFF across sectors is not transparent nor economically justified. GTA has noted in recent communication to DAFF that all industry sectors have not been charged their appropriate cost and the recent Capability Review raised several concerns regarding **unfunded activities** including they are a risk to DAFF's financial sustainability.

6.0 Conclusion

Market access is critical to a trade orientated grain industry. Trade, and the grain industry supply chain is vital for the Australian grain industry and regional communities.

We believe there are realistic opportunities for the Australian Government and the grain industry through continuing our collaborative approach to support and grow trade in Australian grain. This is best supported through an agile and a broad approach to trade and market access. This should not be restricted to a priority market approach and is best provided through a transparent and economically justified expenditure across agriculture sectors.

We thank you for the opportunity to make this submission. We request that you keep us updated on developments and progress in this important inquiry.

Please do not hesitate to contact GTA should you have any queries or should we be able to be of assistance.

Yours faithfully,

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Pat O'Shannassy
Chief Executive Officer