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**Letter from the Chairman of the Grains Committee**

Dear Grain Grower Members,

2009 will be another year of massive change for the grains industry as the repercussions of the new wheat marketing legislation continue to flow through the value chain. A major problem only just emerging is slow pace of exporting all grains as ports and rail systems strain under the changed task. There is a real risk that some country storages will be still be filled to capacity when the next crop is ready for harvest.

NACMA's enhanced role as an independent forum for the setting of trade rules and receival standards is still evolving. With little input and influence from growers trade rules and receival standards are likely to be an ongoing area of contention for some time.

We continue to try to work with growers, Government, industry and other grower organisations to ensure the best outcomes for farmers in marketing, regulation, transport, and research as you will see from the summary below.

Kind regards

Richard Clark

Richard Clark
Chairman – NSW Farmers' Association Grains Committee

RAC Coordinator

The NSW Farmers' Association ('the Association') is proud to announce it has secured the GRDC management contracts for all 6 NSW Research Advisory Committees ('RAC') up until 2011.



In addition, the Association welcomes Mr. Robert (Bob) Freebairn OAM as the new RAC coordinator. Bob brings to the role a wealth of experience in research and extension programs having worked for DPI for 40 years as well as being a weekly columnist in *The Land* newspaper for the past 26 years. Bob also has 7 years experience on the GRDC Southern Panel and 3 years as an independent consultant.

Duties of the position include:

- The provision of secretariat support including all aspects of organising meetings such as information gathering, minutes, venues, agendas and reporting;
- Acting as a liaison between the Northern and Southern Regional Panels, RAC Members, NSW Department of Agriculture, CSIRO and universities; and

- Assisting and facilitating the six RAC of NSW by arranging meetings and visits for the purpose of identifying and prioritising current and emerging issues affecting the production of grains and preparing an annual Priorities Issues Paper.



Post Harvest Grain Meetings

The Association's Grains Committee will be holding post harvest grain meetings in Lockhart, West Wyalong, Trangie and Narrabri on Wednesday 18 and Thursday 19 February 2009. The purpose of the meetings is to gather information about how farmers dealt with the new wheat marketing system and how farmers believe the wider industry is adapting

Issues which are likely to be covered in the meetings include successful and unsuccessful marketing, storage and handling strategies used by farmers and what more information or skills farmers want provided before next harvest.

The information gathered will help Government and industry stakeholders assess the operations of the new wheat marketing arrangements and the products they offer farmers.

The meetings will be chaired by Richard Clark (Chair - Grains Committee) and members of the Grains Committee will be in attendance where possible. Representatives from AWBL, GrainCorp, the Department of Agriculture, Fisheries and Forestry, and an independent grain marketing advisor, have been invited to attend and briefly address each of the meetings before taking questions from the floor.



Wheat Growers and Market Information

The Federal Minister for Agriculture, Fisheries and Forestry Hon Tony Burke has announced that wheat growers will have access to important market information to help maximise their returns under the reformed wheat export marketing system. The project aims to produce monthly grain supply and demand reports (similar to that of the USDA) to help improve the quality of market information available to growers.

The monthly industry reports for growers will be produced by the Australian Bureau of Agricultural and Resource Economics (ABARE). Data collection is already underway and the first report will be published in February 2009, with data up to December 2008. However as this information will not be available to growers until February 2009 the Association has written to the Federal Government to express concern about the timing of providing the market information after the majority of growers have made their grain marketing decisions. Furthermore the Association has requested that it be consulted about the type of information which would be provided through the market reports.

On Thursday 5 December 2008 the Association held a meeting with both the Department of Agriculture Fisheries and Forestry and the Australian Bureau of Agriculture and Resource Economics in order to discuss ways of delivering better information to help address the concerns currently held by Members.

NACMA

National Agricultural Commodities Marketing Association Limited, (NACMA) will change its name to Grain Trade Australia (GTA) from 1st March 2009. Please plan to make amendments to any commercial documents that reference NACMA. Reference should also be made to Notice to Members 1 and 2 on the NACMA website. Please contact the NACMA office if you require further assistance.

<http://www.nacma.com.au>

Branch Rail Line Suspension

As part of the Mini Budget, the NSW Government has announced the suspension of five branch lines as the Government believe they are unviable. Details of these lines are as follows:

Suspended lines	Maximum capacity in tonnes on these lines (not including bunkers)	Average annual grain rail freight on this sites
Ungarie – Lake Cargelligo	70 000	50 000
Nevertire – Warren	50 000	30 000
Cowra – Koorawatha Koorawatha – Demondrille Koorawatha – Greenethorpe	100 000	20 000

The Association is concerned that the decision by the NSW Government to suspend these grain lines is premature given the recent establishment of the joint State and Federal Grain Rail Freight Taskforce. The Association has requested further information from the Government regarding the suspension of these lines.



Grain Freight Taskforce Review

The Association continues to be represented on the Grain Freight Taskforce by the Chair of the Grains Committee and Senior Vice President. The Taskforce has been established in order to review the grain transport network in NSW. The review is chaired by the former Deputy Chair of the National Transport Commission, Des Powell and the Taskforce is expected to report by May 2009.

The review is examining grain freight supply chains and the most sustainable, long-term solution for moving grain efficiently from the farmer to the customer as well as the current and future grain supply, market demand, impact of regulatory reform and the capacity of supply chain infrastructure. Prior to the release of the final paper the task force is expected to release a discussion paper for the purpose of industry feedback.



Insurance Council of Australia

The chair of the Association's Biotechnology Task Force Mr Hugh Roberts, has meet with the Insurance Council of Australia on the 3 February 2009, in order to facilitate the establishment of an Insurance policy to protect growers from liabilities brought about from GM production negligence. It was suggested that the association develop a policy discussion paper for the progression of the issue, while future meetings were placed on the agenda.



Global financial crisis weakens commodity export earnings

Australia's commodity export earnings are forecast to be \$192 billion in 2008-09. This is down from ABARE's September forecast of \$214 billion and is largely as a result of the recent global financial crisis, according to the December issue of *Australian commodities* released by ABARE.

According to ABARE, while world prices for many commodities have declined markedly over the past few months, a significant depreciation

of the Australian dollar, if sustained, is expected to provide some support for commodity export earnings.

Farm export earnings are forecast to be \$29.4 billion in 2008-09, a 7 per cent increase from \$27.5 billion in 2007-08, marginally lower than the \$30 billion forecast in September 2008. Agricultural commodities for which export earnings are forecast to rise in 2008-09 include wheat, barley, canola, pulses, sorghum, sugar and live cattle.

Crop export earnings are forecast to increase by 18.3 per cent, to \$15.4 billion in 2008-09. In contrast, export earnings from livestock and livestock products are forecast to decline in 2008-09 by 3.3 per cent to around \$14 billion.

ABARE • Australian commodities • vol 15 no 4 • December quarter 2008

State Grain Freight Infrastructure



The Association's Grains Committee is concerned with the increasing level of decay of the state's regional road and rail infrastructure and will be urging the State Government to seize the opportunity presented with the announcement of the Federal Government's \$42 billion stimulus package, to include a focus on the restoration of the state's regional rail infrastructure including the grain branch lines. The Association also continues to work towards progressions in the construction of the north-south inland rail corridor which will be a critical catalyst for increased future business activity in regional NSW. The Federal Government has made clear reference to NSW's crumbling road and rail network and has dedicated \$3 million towards the establishment of a Grain Freight Task Force, of which the Association is an active member.