



GRAINS COMMITTEE 2011/2012

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Dear Grain Grower Members,

It has been a busy period for NSW Farmers lately with numerous meetings and field days occurring during the period leading up to harvest. Some much needed rain has fallen across large areas of the State this week, some of it unfortunately too late, but for those crops still with good prospects, hopefully the weather continues to be kind. A key issue which NSW Farmers have been working on is mouse baiting. Other key issues which the NSW Farmers Grains Committee continues to work on include national grain grower representation, ACCC review of the purchase of Hi-Fert fertilisers and APVMA reviews of Diuron and Dimethoate.

Please read on to see how NSW Farmers is working for you.

Kind regards



Mark Hoskinson
Chairman – NSW Farmers' Grains Committee

National Grain Grower Representative Organisation

NSW Farmers hosted a meeting at Sydney Airport with independent facilitator Lynette Glendinning from Tempo Strategies on 2 September 2011, attended by Grain Producers Australia, Grain Growers Limited, National Grains Australia, Victorian Farmers' Federation, Agforce, South Australian Farmers Federation, Western Australian Farmers' Federation, Pastoralists and Graziers of WA and the Council of Grain Grower Organisations.

There was unanimous agreement within the room to get a single voice for National Grain Grower Representation.

The meeting had the following points of convergence, which were subsequently endorsed by the NSW Farmers Grains Committee at their face to face meeting in Canberra on 20 September.

Points of Convergence

Representation

- Members have representation
- Election to Board - 1 grower 1 vote
- Growers are the Membership
- SFO + non SFO



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Funding arrangements

- Funding is sustainable
- Not tied to sectional interests
- Diverse sources and arrangements

Governance

- Board can Govern effectively
- Directors can act with authority
- Acts in interests of whole rather than sectional interests
- Transparent decisions
- Flexible constitution that enables Board to take direction

Policy Review Committee

- Board powers regarding policy are separate from Policy Governance including Policy development (robust and transparent).
- Policy will be developed by wide engagement across stakeholders – SFOs, growers, grower bodies, and growers have final say on policy.

One National Peak

- Has authority to deal with PIERD Act functions for growers
- Capable of influencing industry and Government on behalf of growers (authority and resources and capacity)

Dispute Resolution

- Need a mechanism based on voting – weighted or non-weighted.

Some of the main issues remaining unresolved from the Roundtable include source of funding, regions being based on State Boundaries or GRDC Regions, voting being 1 grower 1 vote or weighted by production.

As per Association policy NSW Farmers is analysing the strengths and weaknesses of all bodies aiming to be the Peak Grains Representative with a view to establishing one organisation.

Mouse Control

NSW Farmers has been liaising with Workcover NSW, 4Farmers, Animal Control Technologies Australia,

APVMA, NSW DPI, LHPA, GRDC, the National Mouse Management Working Group, other SFOs to ensure that there is adequate mouse bait for spring. Through the Association's participation on the National Mouse Management Working Group, APVMA were made aware that there is going to be a shortfall of approximately 600 tonnes of mouse bait this spring and that the 4Farmers permit that expired on 30 September which was withdrawn on 16 September had to be renewed. The permit was renewed on 23 September. More information click here [MOUSE UPDATE](#)

GRDC will develop an OH&S package by next March/April to make it easier for manufacturers to make bait. GRDC are also looking at recommending some label changes in order to manage risk and are spending up to \$1.5 million to develop new active which would be S6 liquid rather than S7 granular with a different mode of action – double knock effect.

Convertible tippers

NSW Farmers have been informed that Cargill Australia are banning all deliveries from convertible tippers at GrainFlow sites from 1 October 2011. NSW Farmers have written to the Managing Director of Cargill Australia on 30 September 2011 imploring him to reverse this decision. NSW Farmers was only notified by email on 26 September of the intended change and was not consulted prior. With the oncoming harvest upon us this recent development has left many truck drivers in limbo at this late hour. They now have minimal time to plan ahead and manage their investments in time for harvest. Aluminium tippers are limited to bulk products, however the convertible tippers can be utilised for many other commodities such as wool, livestock and cotton. This rule change will affect more than 30% of trucks, and in some areas, more than this. Old and new tipping trailers are in short supply and very expensive. Considering the wet harvest last year and the decade of drought prior to that not many truck owners would be in a financial position to replace their tipping trailer.



Wheat Exports Australia

NSW Farmers have written to and met with the Federal Minister for Agriculture about the need to retain Wheat Exports Australia. NSW Farmers believes ongoing accreditation of bulk wheat exporters by WEA, or a similar independent body, is essential to at least give growers some assurance they are dealing with a fit and proper company to export bulk wheat from Australia. WEA is also essential to maintain Australia's competitive advantage as a provider of high quality wheat. It is the view of NSW Farmers that the reputation and quality of Australian wheat is worth far more than the cost of the Wheat Export Charge of 22 cents per tonne. Click here [PRESS RELEASE](#)

Impact fertiliser purchase of Hi-Fert

NSW Farmers participated in a teleconference with the ACCC on 25 August 2011 regarding the purchase of Hi-Fert fertiliser by Impact fertilisers. NSW Farmers did not have any objection to the proposed acquisition. For a number of reasons whether it be poor management or poor buying decisions during volatile fertiliser price markets particularly through 2008 and the early part of 2009, Hi-Fert hasn't done much in the way of competing with Incitec Pivot Limited. The acquisition of Hi-Fert will increase Impact's ability to compete with Incitec Pivot Limited, particularly in the Northern NSW and Queensland market where the market has been dominated by Incitec Pivot Ltd, Hi-Fert and the only other company of any significance Ravensdown.

In the 2010 calendar year 3 million tonnes of fertiliser was used in the eastern Australian market (SA, Tas, Vic, NSW, Qld). 85% of this is through 7 main products – MAP, DAP, Sulfate of Ammonia, Urea, Single Super, Anhydrous Ammonia and Muriate of Potash. Of this 50% of the market is taken by Incitec Pivot Limited, 16% by Hi-Fert and 8% by Impact. There are 7 other companies in the eastern Australian market which all import bulk fertiliser; KOCH (Melbourne), Weng Fu (Melbourne), Viterra (Melbourne), Direct Farm Inputs (Adelaide), Ravensdown (Townsville, Mackay, Brisbane),

Megafert (Melbourne) and Advanced Nutrients (Brisbane).

Agrium

NSW Farmers is very interested to keep a close watch on how Agrium work to increase competition in the Australian fertiliser market. When Agrium initially purchased AWB (evidently primarily for the Landmark holdings merchandising arm) NSW Farmers was assured that Agrium would be very committed to increasing services in this ag retail space. Results in the first 12 months of Agrium's entry appear to have been minimal. The increased focus upon liquid products and technological advances in residual fertiliser and low volatilisation Nitrogen promised by Agrium are yet to become widely available.

Research Agronomist – Condobolin Agricultural Research and Advisory Station

NSW Farmers has written to Minister Hodgkinson highlighting the importance of replacing Dr Neil Fettell as Research Agronomist at Condobolin Agricultural Research and Advisory Station after Dr Fettell resigned in early July. Dr Fettell will stay on in a part time role and it will be an ideal opportunity for him to mentor a successor in the important role. The Condobolin Agricultural Research and Advisory Station conducts key Research Development and Extension projects for the arid and semi-arid cropping zones of Queensland, NSW, Victoria and South Australia and for this reason it attracts investment from GRDC. The facility specialises in key areas such as large scale farming systems research, wheat physiology, soils research, new industrial crops, livestock and pasture management.

Deltamethrin – Grain Fumigation

NSW Farmers has been involved in preliminary discussions with GRDC and Bayer Crop Science about obtaining registration for Deltamethrin for use in fumigating grain. The Australian Lotfeeders Association are opposed to this use due to the inability to determine whether the grain has already been treated, and associated residue levels and ALFA are wanting



third party audits. Bayer has information around a possible Stewardship program. New products for grain fumigation are badly needed due to resistance to Phosphine, IGR and Fenitrothion increasing and Dichlorvos being de-registered. Another product with a registration on the horizon is Exstinosad.

Spray Drift Review

Over the last 18 months GRDC have supported the formation of the National Working Party on Pesticide Application – 7 different agricultural industries sitting around the table. GRDC committed \$1 million to develop a new model for spray drift deposition and an additional \$1.5 – 2 million to address all technical issues, to give all industries ongoing access to chemicals in an effective manner. In early September at a meeting in New Zealand, with all the key scientists in this area present, it became clear that the APVMA model overestimates spray drift by 200%. APVMA are now recognising that they have overreached with their precautionary principle. For aerial application the model is pretty good, but for ground based model it is immature. Acknowledging the drift reduction work already conducted GRDC will be developing an active model, and as such we should not see any regulations on spray drift until the model has been completed in the next 4-5 yrs.

Diuron

NSW Farmers have provided a submission to the APVMA review of Diuron on Friday 30 September. NSW Farmers supports the safe use of chemicals but sound evidence-based science must underpin the assessment of risk associated with any specific chemical use. NSW Farmers does not believe a scientific assessment of risk would warrant a blanket ban on the use of Diuron products nationally. NSW Farmers asks the APVMA to consider factors including farming system, spray technology, climate, topography and actual use patterns in their risk assessment of Diuron. These factors are highly variable within Australia. Therefore while some uses of Diuron in Australia will most likely require suspension, users of Diuron in low risk regions

should not be penalised by a national suspension of Diuron products.

Dimethoate

GRDC have assured NSW Farmers that broadacre agriculture will not be impacted heavily by the suspension of Dimethoate. Late season issues on specific pulse crops, pulse crops – should be able to get use with a minor use permit, and early season use on pastures and as seed dressings are not an issue.

Graincorp 2011/12 Harvest Site Availability And Capacity

A small number of GrainCorp's more than 280 sites will have carryover related operational limitations, however the following sites are likely to be unavailable for new season deliveries – Arajoel, Yerong Creek, Tabbita and Culcairn (Southern NSW) and St. Arnaud (SE Victoria).

Northern NSW - A number of sites will be carrying old season stock, but storage or segregations capacity limits across the region are not anticipated.

Central NSW - Carryover stocks of approximately 20% of total regional storage capacity will have little to no effect on new season storage or segregation capability. Contingency plans are in place should individual sites come under capacity pressure. A significant export program from the region is booked for the remainder of 2011.

Southern NSW - Due to anticipated carryover of around 30% of total regional storage capacity by harvest commencement, plans are in place to expand bunkers at Hillston, Merriwagga, Barellan and Henty West, and capacity improvements are planned for Tullibigeal and Cunningar. More than 800,000 tonnes from the region is booked for export through Port Kembla up to the end of December.

Cargill Grain Capacity 2011/12 Harvest

Cargill have 10 sites in NSW with a capacity of approximately 1.5 million Tonnes. Cargill are looking to increase their capacity by approximately 100,000 Tonnes. Cargill are not yet sure which sites or where this capacity will be increased. There will be carryover



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of approximately 380,000 Tonnes, not all Cargill owned grain. Therefore there will be capacity of approximately 1.2 million Tonnes (1.5 million + 100,000 – 400,000), and Cargill are forecasting receipts of approximately 1 million Tonnes so they are confident they have enough capacity. Cargill have approximately 2.1 million Tonnes rail capacity.

IPART submission and round table

On 5 August, policy staff attended a round table as part of IPART's review of access pricing on the grain line network. Prior to this, NSW entered a submission to IPART. Our consistent theme was that Government needs to invest in upgrading below-rail grain line infrastructure to achieve gains to productivity. If and when this occurs, we outlined our support for sharing of the benefits between the Government and growers. Consistent with a key theme of the round table, concern was expressed for the consequences of shifting more grain transport onto already under-funded rural and regional roads. Click Here [Submission and Public Hearing](#)

Wheat Marketing information provision

NSW Farmers attended a Grains Industry roundtable meeting at Grain Growers Ltd on Wednesday 3 August to discuss the continuation of the provision of wheat use and stocks information in Australia. DAFF have indicated that the funding for this service will run out at the end of August. The service costs the ABS \$900,000 per annum. Grain Growers are proposing to fund the service to continue in its current style but renegotiate a reduced service at a cost of \$400,000.

NSW Farmers sees minimal benefit in continuing the current information provision service in its current form. The information is 5 weeks old, is listed per State and not per port zone or bulk handler, and is effectively just an inventory of monthly sales, 5 weeks in arrears. In its current form it is not useful for current decision making for growers, which is the main driver for this information provision.

Bulk handlers are not going to cooperate with providing any additional segregated data that we as growers will

require to contribute a meaningful contribution to our marketing decisions.

NSW Farmers has met with the Federal Agriculture Minister asking him to enact new legislation and develop an online information site to provide all the necessary information a grain grower might require in order to market their grain. This site might also underpin a market reporting service as part of the ABC Country Hour similar to the reporting service already given for livestock and horticultural industries.

Australian Grains Industry Conference

NSW Farmers attended the Australian Grains Industry Conference in Melbourne on 26 and 27 July 2011. The long term bullish outlook for the grains industry was evident throughout the conference. The fundamental supply and demand curve is very promising, however now that soft commodities are linked to the various global macro-economic issues and are increasingly popular with speculators, markets are and will continue to be extremely volatile. NSW Farmers is progressing the roll-out of technical training courses conducted through Grain Trade Australia focussing on Trade Rules, Contracts and Dispute Resolution and Understanding Grain Markets. NSW Farmers will also be seeking more practical courses (i.e marketing strategies) to be available and is working with Profarmer and Partners in Grain to make this happen. Click Here [AGIC](#)

Grain Trade Australia Common Interest Forum

NSW Farmers attended the Grain Trade Australia Common Interest Forum in Melbourne on 25 July 2011. Reports were provided from all Sub-Committees of Grain Trade Australia. Grain Trade Australia have a number of discussion papers imminent, including Location Differentials and Receival Standards. NSW Farmers will continue to seek the provision of these discussion papers from Grain Trade Australia and will work with other SFOs to provide constructive input.