

Contact Us

GRAINS COMMITTEE

Mark Hoskinson (Chair)
mhh1@bigpond.com

Peter Cannon (Deputy Chair)
peterjannon@hotmail.com

Wayne Dunford
lynton@activ8.net.au

Mark Swift
swiftyandtreen@bigpond.com

Ralph Gebhardt
kanoona1@bigpond.com

Rod Hatty
rodhatty@harboursat.com.au

Martin Honner
mhonner@activ8.net.au

Jock Munro
the_brae@bigpond.com

Ben Bailey (Young Farmer)
bqbailey@bigpond.com

NSW FARMERS' ASSOCIATION STAFF

Ben Mason
Policy Manager
Cropping and Business,
Economics and Trade
T: 02 8251 1827
masonb@nswfarmers.org.au

T: 02 8251 1700
F: 02 8251 1750
Level 25, 66 Goulburn
Street, Sydney NSW
2000

Member Service Centre
1300 794 000

Dear Grain Grower Members,

November 2009

With the current harvest underway, the Association has been able to gain an extension until 4 December 2009 to lodge its initial submission to the Productivity Commission's Wheat Export Marketing Arrangements inquiry. A roundtable discussion forum is scheduled for Wednesday 9 December 2009 in Dubbo and the formal public hearing will occur in Sydney on Friday 11 December 2009. The Dubbo roundtable discussion is your chance to have your say regarding the wheat export marketing arrangements.

Over 50 key industry stakeholders attended the Association's coordinated drought Workshop in Griffith on 4 November 2009. The Workshop followed a meeting in Lake Cargelligo where over 140 Members, non members and community representatives attended to voice their concerns with the current drought and the support measures available. The Workshop in Griffith included solicitors, accountants, banks, financial service providers, social support networks, NSW Government Departments, and other organisations. The key outcomes from the workshop are contained further in the newsletter.

For those Members still engaged in harvesting operations I wish you all the best,

Kind regards



Mark Hoskinson
Chairman – NSW Farmers' Association Grains Committee

Griffith Drought Workshop 4 November 2009

As reported above, outcomes from the workshop included;

Key short term measures:

- The need to ensure the continuation of Exceptional Circumstances support measures with a revision of the current assessment criteria.
- The recognition that drought is a whole of community issue and increased support measures need to be made available to support the community.
- The need to develop additional measures to support the next agricultural season where the current situation has limited financial opportunities.
- The recognition that farmers and communities need to start planning for the medium term.

Key medium term measures:

- The need for increased and continued investment in research, development and extension.
- The development of a whole of agriculture strategy to recognise the critical value of the industry to the Australian economy in view of increasing pressures on food and fibre production. Policy areas in Government need to be aligned to ensure impacts on agriculture can be assessed in context.
- The need for young farmer support to encourage young farmers to enter the industry and to stay in the industry.
- Fiscal policy support measures need to be explored and developed to address the future, to strengthen the recovery capacity of the industry and communities.

Another of the items discussed was the possibility of a Multi Peril Crop Insurance (MCPI) scheme to provide risk mitigation from perils such as drought and frost.

Association Policy in 2001 requested the NFF to continue its efforts to introduce multi peril insurance and progress to phase three of the MPCl investigation. The Grains Committee have been researching the outcomes of the previous feasibility studies from phase two of the investigation with the aim of progressing the matter.

Grains Committee Implementation and Operational Plans

The Committee has discussed the implementation of motions passed at Annual Conference and the operational plan involves the priority areas that the Committee will be focusing on over the next 12 months. These priority areas include wheat marketing and supply chain issues, genetically modified grain, grains research and development, grain prices and terms of payment, grain freight, end point royalties and two additional tasks; development of a grains industry code of conduct and development of a grains peak representative body.

Grains Industry Code of Conduct

The Committee has been involved in the formulation of a voluntary Grains Industry Code of Conduct intended to cover all industry participants in the Australian grain industry. The Code does not imply any contractual obligations. The Code has been designed to promote best practices and continually enhance behaviours of industry participants and will be subject to an ongoing annual review process. The Code has been distributed with the November edition of GRDC *GroundCover*. If you don't currently receive *GroundCover*, a free GRDC Grains publication, the link to subscribe is available at <http://www.grdc.com.au/account/register.cfm>

NSW Grain Freight Review Report released

The report from the NSW Grain Freight Review has been released. The Association had input into the Review by representation on the NSW Grain Freight Review Taskforce and a submission to the Review. The report contains a number of recommendations regarding the ongoing operation of the NSW branch line network, port access, track capacity and track ownership. A full copy of the Report and the Commonwealth's response the Report is available at the following link http://www.nationbuildingprogram.gov.au/funding/projects/NSW_grain_freight_review.aspx

Weemelah – Camurra Branch Line will re-open

After much lobbying the Association has welcomed the announcement by the Hon David Campbell MP, Minister for Transport and Minister for Roads on 15 October 2009 to re-open the Weemelah-Camurra branch line. The line, which was suspended on 1 September 2009, is expected to carry between 200,000 and 300,000 tonnes of grain during the 2009/10 grain harvest. The Minister has indicated that work will include the replacement of 2500 sleepers and that this work is expected to be completed by February 2010.

ACCC Submission re: GrainCorp Ltd.'s proposed acquisition of United Malt Holdings

The Association lodged a submission on 26 October 2009 with the ACCC re: GrainCorp Ltd.'s proposed acquisition of United Malt Holdings. The Association is concerned about the proposed acquisition due to the following effects it may have in the grains industry:

- Loss in downstream competition resulting from the loss of Barrett Burston as a potential customer.
- Private storage operators who currently accumulate malt barley on behalf of Barrett Burston will eventually no longer be in the market place.
- Increased market power which could be exercised by GrainCorp Ltd and ABB resulting in below market prices received by NSW malt barley farmers
- GrainCorp Ltd's vertical integration into the processing (malting) segment of the supply chain would place the company in an even greater position of market dominance.

However on 11 November 2009, the ACCC announced that it would not oppose the proposed takeover.

Productivity Commission Inquiry into Wheat Export Marketing Arrangements – Key Dates

The Association will be providing a submission to the Productivity Commission on 4 December 2009. The key dates for the inquiry are as follows:

- Dubbo – Roundtable discussion forum 9 December 2009 (See Upcoming Events at end of Newsletter)
- Sydney - Public hearing 11 December 2009
- Draft Report released mid March 2010
- Draft Report submissions due mid April 2010
- Draft Report hearings mid April/mid May 2010
- Final Report 1 July 2010

ACCC Port Access Undertakings

The Australian Competition and Consumer Commission formally approved CBH, GrainCorp and Ausbulk's grain port access arrangements on 29 September 2009. Ausbulk is the wholly owned subsidiary of ABB Grain that owns and operates the ports. The decision will ensure that there is fair and transparent access to grain ports operated by CBH, GrainCorp and Ausbulk.

Plant Breeding Institute

The Wheat Research Foundation at Narrabri have signed a 20 year lease with Sydney University, with two further 10 year options. A \$6 million state of the art plant breeding centre is to be built, with funding from Sydney University, to be repaid by the Wheat Research Foundation over a 20 year term. The centre will provide new and modern research infrastructure, has strong support from industry, Grain Growers Association and GRDC, and will aim to become a Centre of Excellence in cereals and winter crop (primarily wheat) and also including agro-forestry and soil science.

GrainCorp Canola Segregations for 2009

GrainCorp has announced the receival sites in NSW that will be accepting GM Canola this harvest and they are Grenfell, Parkes Town, Stockinbingal and Lockhart. GM Canola under the CS-01 segregation will have the GrainCorp grade code CANG, whilst the non-GM Canola under the CS-01-A segregation will have the GrainCorp grade code CAN.

Blackleg in Australian Canola Consignment to China

AQIS has received notification of emergency measures that the Chinese quarantine authorities have initiated on canola imports from Australia. This relates to the presence of *Leptosphaeria maculans* ('blackleg') being detected on canola seed exported from Australia. From 15 October 2009, all exports of canola seed to China will require a phytosanitary certificate. The AQIS Industry Advice Notice can be found by clicking on the following link <http://www.daff.gov.au/aqis/export/plants-grains-hort/ian/2009-grain/g2009-06> Industry is advised to contact AQIS for exports of canola seed to China and to consider the implications of the emergency measures when negotiating future canola contracts. Contact: Ms Jenny Dunn at AQIS on Telephone (02) 6272 5102.

Grain Trade Australia Committee representation

The Association has gained representation on all Committees of Grain Trade Australia for 2009-10 as follows:

Biotechnology – Mark Swift

Commerce – Nick Taylor

Corporate Governance – Rod Hatty

Standards – Peter Cannon

Transport, Storage and Handling – Jock Munro

Harvesting in Hot and Windy Conditions

Whilst there are no specific guidelines or protocols for harvesting in hot and windy conditions, there is the specific requirement for any header to carry either a 9L pressurised fire extinguisher or a 16 L knapsack. The Rural Fire Service have recommended growers continue to be responsible when harvesting. If the general district wide consensus is to stop harvest when weather conditions become too extreme, then common sense must prevail. If some isolated growers and or contractors continue to harvest under such extreme conditions, any person may contact the Community Safety Officer of the Rural Fire Service to approach the individual and request them to discontinue harvest operations.

Rural Fire Service Website - <http://www.rfs.nsw.gov.au/>

Find your nearest Fire Control Centre - http://www.rfs.nsw.gov.au/dsp_content.cfm?CAT_ID=577

Bureau of Meteorology Fire Index – http://www.bom.gov.au/cgi-bin/wrap_fwo.pl?IDN22000.txt

New Fire Danger Ratings - http://www.rfs.nsw.gov.au/file_system/attachments/Attachment_FireDangerRating.pdf

UPCOMING EVENTS

Productivity Commission Wheat Export Marketing Arrangements inquiry

As part of the review of the Wheat Export Marketing Act 2008, the Productivity Commission will be holding a roundtable discussion forum;

Date: Wednesday 9 December

Time: 10:30am – 1:30pm

Venue: Cattleman's Country Motor Inn, 8 Whylandra Street, Dubbo.

It is important that any person intending to attend registers either:

- by phone; Freecall: 1800 020 083
- online; <http://www.pc.gov.au/projects/inquiry/wheatexport/public-hearings>
- in writing to the Productivity Commission, By filling out a [registration form](#) and faxing to Vicki Thompson: (03) 9653 2214
- by mail to;
Wheat Export Marketing Arrangements
Productivity Commission
Locked Bag 2, Collins Street East
Melbourne, Vic 8003
- by email to: wheatexport@pc.gov.au

The formal public hearing will follow later that week on Friday 11 December 2009, 9.00am – 4:30pm, at Medina on Crown, 359 Crown Street, Surry Hills, Sydney.

The following articles have been written by organisations external to the Association and therefore the views contained in the articles may not necessarily represent the views of the Association.

Inaugural GrainsPlus Auction

On Wednesday 21st October the inaugural online grain auction took place with over 5000 tonnes listed for auction. Under 45 minutes later approximately 30% of those listings were sold. As this was the very first auction in a very quiet market GrainsPlus were thrilled with the result.

Using GrainsPlus Auctions www.grainsplus.com.au buyers can purchase grain directly from the seller on a fast paced online auction platform. The auction replicates the pace and suspense of a real-time live auction. The auction provides the grower with the opportunity to set their reserves and have a range of buyers from different locations and requirements actively competing for their parcel of grain. Growers can list forward or stored grain with a minimum parcel size of 25 tonnes.

An initiative of AgVance Marketing, the Liverpool Plains-based farmers marketing group, GrainsPlus Auctions marks a significant move by the industry in enabling farmers to maintain full control of their grain whilst providing a revolutionary transparent pricing mechanism for a portion of their grain.

GrainsPlus have partnered with AuctionsPlus, the market leaders in agricultural online auctions, to provide the user with comprehensive technical back-up support for every auction, enabling users to transact with ease and confidence directly from their computer.

Registration is free at www.grainsplus.com.au