

Australian Grain Industry

A stylized, light blue graphic of a grain stalk with several leaves, positioned behind the word 'Grain' in the title.

Code of Conduct

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Industry Endorsement



Industry Endorsement

The development of the Australian Grain Industry Code of Conduct has been facilitated by Grain Trade Australia on behalf of the industry and with the financial support of the Australian Government Department of Agriculture, Fisheries and Forestry as part of the wheat marketing transitional funding assistance measures for the new wheat export marketing arrangements that commenced on 1 July 2008. The Code is endorsed by a range of industry organisations.

The Australian Grain Industry Code of Conduct is intended to cover all industry participants in the Australian grain industry. The Code is a voluntary code and does not imply any contractual obligations. The Code has been designed to promote best practices and continually enhance behaviour of industry participants.

To further the interests of the industry as a whole, a list of organisations and businesses who endorse the Code and commit to promoting the Code to their members is published on the Grain Trade Australia website www.graintrade.org.au

Industry participants who abide by the Australian Grain Industry Code of Conduct will:

- ▶ comply with laws and regulations relating to the merchandising, inspection, grading, weighing, storing and handling of grain and other commodities
- ▶ maintain and promote the highest ethical standards and procedures in the transaction of business
- ▶ act fairly and honestly with the public and employees
- ▶ consider the best interests of the Australian grain, and broader rural, industry and the public in their activities
- ▶ work towards improving the standards of practice and service in the Australian grain industry

Part One



Part One — Preliminary

1.1 About the Code

The Australian Grain Industry Code (the Code) has been designed to help set benchmarks and continually improve behaviour and practices in the Australian grain industry.

The Code sets out principles and standards of behaviour that underpin and promote best practice in the industry.

Although the Code primarily addresses the transactions and processes relating to the buying and selling of grain, it also seeks to actively encourage fair and transparent practices across the grain supply chain.

The Code encourages industry participants to support an efficient and competitive grain industry. The Code encompasses trade in grain by parties within the grain supply chain – from growers to end users and/or export in bulk vessels or in containers, but not including consumers.

The Code also incorporates a fair and equitable dispute resolution procedure.

Nature of the Code

The aim of the Code is to improve the transparency and clarity of transactions relating to the buying and selling of grain.

The Code is intended to guide the conduct of industry participants, but does not constitute a contract between them. The Code aims to promote behaviour that is based on all parties undertaking to operate in a fair and transparent manner in all commercial relationships relating to the sale or purchase of grain between supply chain participants.

The Australian Grain Industry Code of Conduct is a voluntary code.

The provisions of the Code are subject to all applicable Commonwealth, State and Territory legislation and all rights and obligations arising under common law.

Scope

The Code covers the grain industry supply chain and the commercial relationships between suppliers and purchasers of grain at different stages of production or distribution in the grain industry supply chain – from farm gate to the Australian end user and/or grain export in bulk vessels or in containers, but not including consumers.

The Code applies to all grain commodities at any point in the supply chain and to all forms of packaging i.e. bulk, containers, bags, etc.

The Code should, however, assist in providing confidence for buyers of Australian grain, whether in Australia or in overseas markets. It will assist in giving buyers confidence that there is uniform treatment of product by parties in the supply chain.

The Code is intended to promote fair behaviour by all those involved in producing, handling, transporting, marketing and buying grain. The Code specifically covers relationships with regard to the buying and selling of grain. In the future, the Code could be extended to cover relationships within the handling, storage and transport areas.

The grain industry has a number of other codes of practices, quality assurance systems (ISO, HACCP, etc) and accreditation schemes that cover activities in the industry such as product integrity, storage and handling, transport, seed production and sale, processing and food safety. These codes are described in Part 5.

The Code was developed to improve the confidence of sellers and buyers, transparency across the supply chain and behaviour of participants in the supply chain. The Code should benefit the grain industry by:

- ▶ Improving business practices and information flows
- ▶ Providing greater transparency to all parties in the supply chain
- ▶ Improving stakeholder and customer confidence in the industry

The signatories to the Code will actively promote the adoption of the Code by their members.

1.2 Objectives

The objectives of the Australian Grain Industry Code of Conduct are to:

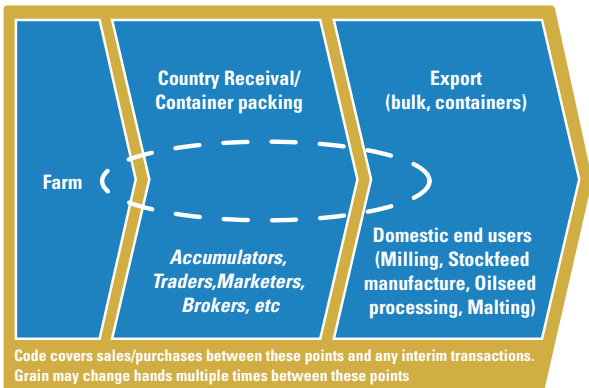
- ▶ promote fair and equitable trading practices amongst industry participants
- ▶ encourage fair play and open communication between industry participants
- ▶ promote best practice in the industry by seeking a commitment to comply with the spirit and intent of all laws, regulations and codes that have an impact on the industry
- ▶ provide a timely and cost effective dispute resolution mechanism for industry participants in the event of a dispute
- ▶ encourage professional development and industry training

1.3 The Australian grain industry supply chain and marketing relationships

The Australian grain industry comprises a range of participants from technology researchers, plant breeding and seed companies which develop and produce varieties required by growers, to growers who grow and manage the crops and a range of logistic and marketing organisations involved in ensuring the harvested crop reaches the end customer.

The supply chain stretches from farm through country receival sites to domestic end users and/or export marketers and international end users. Other participants in the chain include storage, grain trading and merchandising, container packing and grain brokers. At each link of the supply chain there are sellers and buyers whose interaction creates the markets and associated activities.

Growers can choose to market their grain via a range of options. This initial parcel of grain may be bought and sold a number of times as it moves through the supply chain to its ultimate destination and use. As grain moves through the supply chain it is aggregated into larger parcels, is transported to differing locations, is blended and conditioned into more uniform and suitable quality, and is stored until required by the market.



Part Two



Part Two — Code Requirements

2.1 Product Integrity/Standards

Background

The Code seeks to build buyer confidence through:

- ▶ providing evidence of compliance with regulatory and market requirements in relation to chemicals, labelling and processing
- ▶ the supply chain maintaining product quality and integrity and providing traceability
- ▶ providing accurate descriptions of products (truth in labelling) across the supply chain

Product Standards

Trade in the Australian grain industry is based on a set of grain standards and contracts that enable buyers to have clarity and confidence in the products they purchase; and growers to have clarity around the requirements and pricing of the product they supply.

Grain standards in Australia are published by GTA (Refer to Part 5). GTA develops and distributes standards for wheat and coarse grains. The Australian Oilseeds Federation is responsible for the development of standards for oilseeds, Pulse Australia develops standards for pulses and the Queensland Agricultural Merchants develop standards for birdseed. The GTA Standards Committee scope and process is outlined in Part 5 and these Grain Standards are available from www.graintrade.org.au

The GTA Grain Standards are underpinned by industry classification and accreditation systems such as for barley (Barley Australia) and wheat (Wheat Classification Council).

For each new variety of malting barley bred in Australia, there is a rigorous series of evaluations and hurdles the variety must pass in order to gain accreditation as a recognised malting barley variety. After new barley varieties have been routinely screened for agronomic and processing performance by the breeding institutions they are subjected to further micro and commercial scale testing for suitability to brewing. The final accreditation section of the evaluation process takes place over two seasons to ensure a broad examination of the variety. Full accreditation is achieved after the second season's evaluation results have been examined and approved by the Australian barley industry's technical evaluation

panel – The Malting and Brewing Industry Barley Technical Committee (MBIBTC).

With the changes in wheat marketing arrangements in Australia, GRDC has established a two tiered system for wheat classification – the Wheat Classification Council (WCC) to establish grades and grade requirements and the Variety Classification Panel (VCP) to grade varieties.

Wheat varietal classification is the categorisation of wheat varieties into grades based on processing and end product quality. Wheat varietal classification together with wheat grain standards aims to deliver grain of consistent physical quality, processing performance and end-product quality to customers and end-users in a differentiated form (grades) allowing exporters (or traders) to optimise value capture from markets for the benefit of industry. The two key functions required for wheat varietal classification are:

- i. establishing the grades i.e. determining the specific make up of grades required by end-users and the formulation of criteria by which a variety would be considered to be eligible for a given grade. These criteria must, and should, evolve in response to changing market signals (a function of the Wheat Classification Council); and
- ii. grading of varieties i.e. the technical and objective process for assessing a variety or proposed variety against a given grade criteria (a function of the Varietal Classification Panel).

In addition to grain quality, there are a number of other industry codes of practices that seek to protect product quality and integrity. These are listed in Part 5.

Chemical residues and product safety

The Australian grain industry has a range of quality assurance and industry protocols that, combined with a world recognised regulatory system, underpin buyer confidence in the safety and compliance of Australian grain with market requirements.

This combination of industry quality assurance systems and Australian Government legislation provide a whole-of-chain approach to food safety, residue management and the provision of grain according to customer requirements. This approach has proved effective in establishing Australia as a creditable producer and supplier of grain commodities. All practices are based on sound science and are consistent with international policy and standards for ensuring safe and suitable food.

The key elements of this system are (refer to Appendix 1 for further details):

- ▶ *Chemical Registration* – Chemicals are registered for both pre-harvest and post-harvest use on grain. In Australia there are two Government bodies responsible for registration of chemicals and for determining maximum residue limits of chemicals. Australian MRLs are generally either the same as, or more stringent than, those prescribed by the international Codex Alimentarius Commission.
- ▶ Australia is a full signatory to the World Health Organisation's Codex Alimentarius Commission recommendations with respect to pre and post harvest grain protectant chemicals. The Australian recommendations on the registration and use of chemicals, which reflect these Codex Standards, are binding in all Australian States. To access the Australian MRL database go to: www.apvma.gov.au/residues/mrl.shtml and the Food Standards Australia New Zealand (FSANZ) website address is: www.foodstandards.gov.au
- ▶ *Chemical Usage and Monitoring* – The Australian National Residue Survey (NRS) gathers information on chemical residues and environmental contaminants in the products of participating industries, such as crops, meat and grain. The NRS results show Australian grain is of a high quality with respect to residues and contaminants. Information about the NRS is located: www.daff.gov.au/nrs
- ▶ *Export Grain Regulations* – The Australian Government Department of Agriculture, Fisheries and Forestry (DAFF) controls exports under the Export Control Act 1982. The Australian Quarantine and Inspection Service (AQIS) is part of DAFF and is responsible for this task.
- ▶ AQIS interfaces with the grain industry through the AQIS Grains Industry Consultative Committee (AGICC). AGICC is the principal advisory forum for AQIS to consult with the grain and related industries on export certification, export market access, quarantine and other relevant issues. Accordingly, the AQIS Grain and Plant Products Export Program only introduces major policy or operational changes after AGICC has been consulted.
- ▶ *Industry quality systems* – Across the Australian grain supply chain from on-farm production to export in bulk vessels or containers, there are a range of systems and controls in place in order for all exports to meet the importing country quarantine regulations, quality requirements, chemical residue limits and other standards as necessary. Industry developed quality control checks are carried out from the time grain is

received into storage up to the time it is placed on a shipping belt for loading onto a vessel for export, into a container for export, or it is delivered to a domestic end-user. Quality checks are carried out during storage to confirm the integrity of segregations and to ensure there is no deterioration of quality as a result of insect infestation, unsound storage practices, or admixture between grain types or grades.

Declarations

Commodity vendor declaration forms are routinely used in the grain supply chain on receipt of grain from a grower or during the transfer of ownership within the trade. These commodity vendor declaration forms can include details such as chemical residue status, variety and quality status of the grain. More recently, declarations have also encompassed a declaration on GM status of grain. This information is used by the buyer or handler of the grain to verify the grain meets regulations and/or market requirements.

There are various formats of these commodity vendor declaration forms used in the industry, depending on the company receiving the grain.

Variety declarations are also important for commercial reasons. This is increasingly the case as the application of End Point Royalties (EPR) become more widespread. The industry is seeking to establish a National EPR Framework and members of the breeding community have developed a standardised agreement to licence new varieties to growers. The intent of a standardised agreement is to avoid confusion and reduce the number of different contracts currently being used to licence proprietary varieties to growers. Breeding organisations and commercial partners are encouraged to utilise these standard agreements. The Industry Standard PBR Licence Agreement and list of the varieties to which Plant Breeder Rights/End Point Royalties apply are available at www.grdc.com.au

CODE REQUIREMENTS – CHEMICALS

- i. Growers and other suppliers will maintain written records that demonstrate compliance with regard to use of chemicals with legislation and market requirements and, where required, make these available to buyers.

CODE REQUIREMENTS – TRUTH IN LABELLING

- i. Buyers will communicate relevant grain standards and specifications to their suppliers in clear, meaningful and accurate terms.
- ii. Where grain is rejected, buyers will provide the reason or reasons to their supplier. Such reasons shall be based on the relevant grain standards and specifications or other objective criteria and be consistent with the terms and conditions of the contract and GTA Trade Rule requirements as applicable.
- iii. Parties will undertake to correctly represent the product as per the grain standards, and where the product is sold outside of the industry standards, it will not be represented as being of equivalent to a defined industry standard.
- iv. Buyers will make their suppliers aware of the relevant grain standards and specifications prior to the supplier entering into a contract. Where grain standards vary from the GTA Grain Standards or other applicable standards, buyers will make their suppliers aware of these variations.

CODE REQUIREMENTS – VARIETY IDENTITY AND TRACEABILITY

- i. Growers will declare varieties as required by buyers and, where appropriate, make efforts to keep these separate to the best of their ability. Separation may be required for end point royalties, market benefit or process e.g. GM.
- ii. All industry participants will provide traceability of product through the supply chain where this is required by the market and specifically in relation to chemical residues and product safety.

CODE REQUIREMENTS – END POINT ROYALTIES

- i. Breeding companies and their commercial partners will promote and utilise the standard industry agreement or a document that is, at least, equivalent.
- ii. All parties will make efforts to ensure EPRs are correctly declared and records maintained as per the EPR contract. Growers recognise they have an obligation to ensure EPRs are or have been paid (either directly or by the marketer).
- iii. Companies supplying EPR agreements to growers should use standard terms and conditions, or where these differ, ensure growers are aware of, and understand, these.

2.2 Trade Rules

Background

Contractual relationships between parties in the grain industry are bound by provisions of contract law, government legislation, industry rules such as the GTA Trade Rules or the specific provisions of the terms and conditions of the specific contract

The GTA Trade Rules govern the rules and guidelines that underpin the majority of transactional relationships in the industry. All parties involved in buying and selling grain should be familiar with the GTA Trade Rules and ensure they understand the terminology of the industry.

The Code aims to improve transparency and remove the opportunity for ambiguity or misunderstanding by parties to a transaction by developing and using common definitions across the industry.

The GTA Trade Rules assist to harmonise the various contracts and trade rules in operation within the Australian market. GTA Trade Rules underpin the GTA Contracts and are the basis of trade for other specialty grain contracts. The Trade Rules reflect trade practices and facilitate trade between buyers and sellers in the grain industry.

The GTA Commerce Committee formulates and recommends GTA Trade Rule changes. The operations and guidelines for the Commerce Committee are outlined in Part 5.

The GTA Trade Rules govern disputes connected with grain trade based on GTA contracts and form the basis of arbitration unless otherwise and specifically agreed at the time of trade or a subsequent time.

The GTA Trade Rules cover:

- Terms of trade – what should be specified e.g. date of contract, kind and quality grade of commodity, type of quality inspection, quantity, type of weights, packaging, price, price basing point, transportation, delivery/shipment period, applicable trade rules, levies and statutory charges, payment terms, other terms and conditions
- Confirmation of trade – contract confirmed in writing by close of business the day following the date of trade
- Alteration of contract – mutual agreement and confirmed in writing
- Brokerage – definition, powers and payment
- Time – delivery or shipment periods, timeliness of notices
- Quantity – definition, tolerances, weights

- Quality – grades
- Chemical and pesticide residues – commodity complies with all State and Federal laws and requirements relating to chemical and pesticide residues and specified government designated maximum residue levels
- Certificates
- Unpriced contracts – cash price made up of futures, basis and foreign exchange
- Delivery and settlement – defined, instructions
- Rejection/default
- Payment
- Notices
- Force Majeure
- Disputes – parties who have entered into terms of trade subject to GTA rules are entitled to refer disputes arising out of such contract to GTA

The GTA Trade Rules are available from www.graintrade.org.au

CODE REQUIREMENTS

- i. All parties involved in buying and selling grain will conduct trading activities in accordance with the GTA Trade Rules, or practices equivalent to or exceeding the GTA Trade Rules, and all parties should have a full appreciation of the GTA Trade Rules.
- ii. Buyers should, when using industry terminology, use this in line with the intent of the definition. Buyers should, where required, explain terminology so that sellers understand their obligations.

2.3 Grain Contracts

Background

Grain is traded under contracts which may be created either verbally or in writing or using a combination of verbal and writing. Once reached, these contracts are legally binding on both parties. Contract confirmation is issued confirming the agreement.

The majority of grain in Australia is traded on GTA contracts. This Code aims to promote contract negotiations being conducted in a fair and transparent way and that buyers provide to growers/sellers, when requested, full disclosure of the terms and conditions relating to a contract, including fees and charges.

The elements which should be clear and recorded by the contracting parties include:

- Price
- Price basis
- Delivery date or period
- Grade/standard
- Tonnage and tolerances
- Fees and/or charges applicable
- Payment terms
- Default procedures
- Dispute resolution

Contracts are open to negotiation and a buyer or seller has the right to negotiate on any points of the contract.

GTA has developed the following contracts for use within the Australian grain trade. These contracts reference their own Terms and Conditions and the GTA Trade & Dispute Resolution Rules. Parties who use the contracts as published agree to the Terms & Conditions and the GTA Trade & Dispute Resolution Rules as published.

The GTA contract is a standard industry contract available for use by the industry. Growers and sellers should note that some industry participants have their own contracts, which may mirror many of the GTA contract features, but may also contain variations.

GTA Contracts include:

- ▶ *Contract No. 1 for Grain and Oilseeds in Bulk FOB Terms*
This contract is used by grain traders who aggregate tonnage for sale to an organisation who has arranged export sales and accordingly is responsible for shipping arrangements. Title to the grain transfers to the buyer when the grain passes the ships rail.
- ▶ *Contract No. 2 for Grain and Oilseeds in Bulk Delivered Price Basing Point or Port Terms (Basis Track)*
This contract is used by the post farm gate trade to aggregate substantial tonnages for domestic end user requirements or export shipments. This contract is not designed to be used by grain growers.
- ▶ *Contract No. 3 for Grain and Oilseeds*
This contract is designed for trade between grain growers and merchants. It needs to be noted that many merchants/traders have their own grower contract which may or may not contain the same terms and conditions as the GTA contract.

- ▶ *Contract No. 4 for Grain/Oilseeds/Birdseeds and Pulses in containers Delivered Container Terminal (DCT)*
This contract is used by grain sellers who pack and then deliver containerised grain for domestic or international shipping. Title in the grain transfers upon receipt of the packed container in the container terminal yard.
- ▶ *Storage & Handling Agreement*
This agreement can be used by grain growers who are warehousing grain and the warehouse does not have an agreement. This agreement has clauses dealing with grain title and insolvency of the relevant warehouse.
- ▶ *Bulk Freight Contract*
Designed to enforce contractual obligations on both the consignee and consignor in relation to the bulk movement of grain particularly by road transport. This contract should be utilised in conjunction with the Code of Practice developed by GTA in conjunction with the Livestock and Bulk Carriers Association.

Buyers may offer a range of grain contracts that may incorporate a range of features that increase the complexity of the contract and may or may not reference the use of derivative products or underlying futures markets or may be deemed a Financial Product as defined by the Financial Services Reform Act.

Contracts that may fall under this category include (but are not limited to) commodity futures contracts, basis contracts, hedge to arrive contracts, futures first contracts, futures look-a-like contracts such as: swaps; bought and sold options on physical or futures markets; contracts dealing with foreign exchange; and contracts connected to a managed investment scheme.

Industry participants considering utilising any of these types of contracts should ensure that they understand the nature of the contract, its pricing characteristics, the risks in relation to the contract and under what circumstances and through what mechanism the original terms of the contract can be altered.

Growers should clearly understand at the time of contracting what the implications are in the event of production difficulties and the inability to fulfil contract obligations due to reduced or failed production.

GTA has produced a plain English guide – *A Guide to Taking Out Contracts to Supply Grain* – which can be downloaded from the GTA website. This Guide covers the major issues that growers need to be aware of when contracting grain. This is not a substitute to reading and understanding the terms and conditions of the contract.

CODE REQUIREMENTS

- i. Grain contracts will clearly define payment and other contract terms. Where terms and conditions are outside the industry standard as defined in the GTA Trade Rules, buyers should make their supplier aware of these terms.
- ii. Buyers will make efforts to ensure that if terms and conditions are amended, this change is clearly identified and brought to the attention of their seller. Growers should be aware of the contract which they are negotiating with regard to: whether it is a GTA Contract or a company contract; and be aware if it is the latter that the contract may vary from the standard GTA Contract. Parties should note: any amendments apply to the base contract being negotiated which may not necessarily be equivalent to the GTA Contract.
- iii. Buyers will record in the contract confirmation, whether conducted verbally by telephone or by written facsimile, wire, email or mail, the following information:
 - Date of contract
 - Kind and quality grade of commodity
 - Type of quality inspection
 - Quantity
 - Type of weights
 - Packaging
 - Price
 - Price basing point
 - Transportation specification
 - Delivery or shipment period
 - Applicable trade rules
 - Levies and statutory charges
- iv. Growers will advise the buyer of any registered crop liens.
- v. Buyers will make efforts to ensure there is transparency of the their seller's obligations and rights under the contract they are entering into. Various publications and courses are available to assist parties in understanding contracts. These are detailed in Appendix 2.
- vi. Buyers and sellers will make efforts to ensure all verbal contract discussions are closed with a clear summary of the agreement and the terms. After a contract has been confirmed, this should be followed by a written confirmation as per the GTA Trade Rules. The Contract Checklist (refer Appendix 3) can be used by sellers to ensure all elements of the contract are clear and by buyers to ensure clarity by both parties of the contract agreed to.

- vii. Suppliers and buyers will negotiate the terms and conditions of their contracts (including terms of payment) in clear, concise, meaningful and accurate terms.
- viii. Where variations to the contract (GTA or other contract) are agreed, these will be confirmed between the parties in a clear and transparent manner. Amendments to a contract should be in writing and should be separate to the standard contract. Growers should be aware of the contract which they are negotiating with regard to: whether it is a GTA contract or a company contract; and be aware if it is the latter that the contract may vary from the standard GTA Contract.
- ix. Buyers should reference the GTA Dispute Resolution Service in all contracts in order to resolve disputes in a timely and cost effective manner.

2.4 Pricing

Background

The Code aims to improve transparency and to encourage clear disclosure with regard to prices including the basis of pricing, what is included, what is excluded and what charges apply.

The Code applies to cash prices and Pools.

Grain Pools

Pools involve: the acquisition by a Pool manager of grain primarily from grain producers as well as other grain market participants; the sale of that grain over time and; after making adjustments and deductions in relation to individual deliveries (e.g. quality adjustments, logistics cost deductions, management fee deductions), the distribution of the net average Pool return to all participants in the Pool.

At the time a party delivers to a Pool, title in the grain is transferred to the Pool operator. Title must change to allow the Pool manager to have clear title enabling sales to be made prior to the closure of the Pool.

Pool managers will announce and regularly update an estimated Pool return. As a general principle, estimated returns will reflect a reasonable expectation of what could be expected to be paid. These estimates will be subject to change throughout the life of a Pool. There is no guarantee that this figure will be achieved, as it is an estimate based on available information and assumptions relevant at that time. The final Pool return will depend on multiple factors, in particular, the management of the marketing program by the Pool operator and market movements over the life of the Pool.

CODE REQUIREMENTS

- i. Buyers and other industry participants will implement the following protocols:
 - publish all fees and charges associated with any products or services in a transparent and clear manner. This will be achieved by buyers posting all fees and charges on their respective web sites and/or making such information freely available upon application
 - quote all prices before allowing for statutory and industry levies
 - deduct statutory and industry levies, as required by law and remit same to the relevant agency
 - post all prices exclusive of GST
- ii. Industry participants who offer grain Pools will implement the following protocols:
 - Pool estimates (expressed on either a Free on Board (FOB) or Estimated Silo Return (ESR) basis) will be posted net of management and administration fees
 - Advance Pool silo based estimates (ESR) will be posted net of estimated finance and compulsory underwriting costs
 - Loan payment Pool silo based estimates with fixed draw down schedules will be posted net of estimated finance and compulsory underwriting costs
 - Regularly update changes to estimated returns by posting updates at regular intervals (usually at least monthly) on their web site
 - Have in place the necessary skills, payment systems, risk systems/procedures and resources you could reasonably expect to be in place to manage the Pools that they offer and regularly review these to evaluate the currency of their application

2.5 Training and Professional Development

The Code encourages professional development through the continual development of training to maintain high professional standards.

Industry participants should train staff (and authorised representatives and/or registered officers) so they can competently and efficiently discharge their functions and provide the services they are authorised to provide and have an adequate knowledge of the provisions of this Code.

GTA conducts a comprehensive professional development program across Australia. Each year GTA trains in excess of 300 grain industry personnel. Workshops are conducted in each State on a range of topics including contract terms & conditions, trade rules, Australian Financial Services Licence, commodity pricing, arbitration and grain accounting.

GTA offers the Professional Certificate in Grain Marketing which can be combined with further modules leading to the Professional Diploma in Commodity Trading Management. The Professional Certificate in Grain Marketing course includes modules on:

- GTA Trade Rules, Contracts & Dispute Resolution
- Grain Commodity Marketing & Trading
- Grain Standards

NACMA WA, Curtin University and Department of Primary Industry WA developed the Understanding Grain Markets course that has been an outstanding success in WA. GTA will conduct the Understanding Grain Markets course in all States except Western Australia from 2009.

In addition, modules are being developed for Grain Accounting and Arbitration.

Part Three



Part Three — Dispute Resolution

3.1 Dispute Resolution

The Code supports the GTA Dispute Resolution Service which is a comprehensive, timely and cost effective dispute resolution process developed for the grain industry.

All GTA arbitrations are subject to the *Commercial Arbitration Act 1984 (NSW)*. This Act should be read in conjunction with the applicable GTA Dispute Resolution and Trade Rules in order to understand how the arbitration will be conducted and the rules that govern it. If one of the parties to an arbitration is foreign, the International Arbitration Act will also apply.

The GTA Dispute Resolution Service:

- considers all vertical supply disputes arising between industry participants
- gives all industry participants an opportunity to resolve disputes under industry procedures
- considers all disputes fairly and impartially
- does not jeopardise the underlying commercial relationship
- respects the confidentiality of applicants and respondents
- encourages an equitable and timely resolution of disputes

Dispute Resolution Service

Over 95% of all grain contracts written in Australia rely on the GTA Trade Rules and/or GTA Grain Standards. GTA Contracts and Trade Rules contain agreements to refer disputes to the GTA Dispute Resolution Service. Parties to contracts incorporating the GTA Trade Rules are obliged to refer any dispute to GTA for settlement under the GTA Dispute Resolution Service.

GTA administers disputes referred for determination under the GTA Dispute Resolution Rules and provides administrative support to arbitrations. GTA conducts an arbitration service for contract disputation. The three methods to resolve a dispute are:

- ▶ Expert Determination: both parties supply their version of events leading to the dispute to an expert endorsed by both parties. The expert considers the evidence and submits a non binding opinion on the relative merits of both submissions and makes a determination

- ▶ Fast Track Arbitration: designed for a rapid determination of a dispute and works best where there is goodwill from both parties to reach a fair and equitable conclusion
- ▶ Full Arbitration

The Service is open to all participants of the grain trade, not only GTA members.

GTA Contracts and Trade Rules are backed by the Australian legal framework. GTA Trade Rules and Contracts have been challenged at the following jurisdictions – Small Claims Tribunals; County Court and the State Supreme Courts. In all cases the various jurisdictions upheld the GTA Awards handed down as part of the GTA Dispute Resolution Service or ordered the parties to refer their dispute to GTA for arbitration.

GTA arbitrations are subject to the provisions of the GTA Dispute Resolution Rules and the Commercial Arbitration Acts in all states of Australia and can be appealed at court. Arbitration awards are no less enforceable than judgements of the courts.

The dispute resolution process and procedures are outlined in the documents: GTA Arbitration Guidelines, GTA Dispute Resolution Rules and Request an Arbitration with GTA. These publications are available from the GTA website www.graintrade.org.au

Part Four



Part Four — Code Administration

The Australian Grain Industry Code of Conduct will be maintained and administered by Grain Trade Australia. GTA is the appropriate custodian of the Code as it is the body responsible for the development and distribution of the commercial resources for the Australian grain industry.

4.1 Application of the Code

The Australian Grain Industry Code of Conduct is endorsed by key industry groups which are committed to promoting adherence to the Code by their members.

The Code is intended to set a benchmark for industry behaviour.

The Code will be continually monitored to ensure the desired outcomes for all stakeholders and the community at large are being achieved.

4.2 Code administration

GTA Grain Industry Code Committee

The Code Committee provides oversight to the Code to assist in its implementation and ongoing effectiveness.

The Code Committee is a sub-committee under the GTA Corporate Governance Committee.

The Code Committee consists of a cross section of members from the Australian grain industry. It comprises of two grower representatives and three representatives from the post farm gate sector. Where possible, industry representatives will be representative of bulk handlers, marketers, traders and end users. Members will be drawn from the GTA Corporate Governance Committee (CGC), but members from outside the CGC can be coopted if necessary.

The role of the Code Committee is to:

- ▶ publicise and promote the Code and its dispute resolution procedures
- ▶ monitor the operation of the Code
- ▶ conduct an annual review of the Code

- ▶ consult with industry participants (where appropriate) on proposed amendments to the Code
- ▶ determine necessary amendments to the Code
- ▶ report to industry on the operation and effectiveness of the Code

Review of the Code

The Code Committee will conduct a formal review of the Code annually.

The objectives of the review of the Code shall be to:

- ▶ Assess the performance of the industry against the objectives of the Code
- ▶ Assess the effectiveness of the dispute resolution system
- ▶ Recommend any amendments to the Code required to address any problems or issues identified during the review process

The Review process will include:

- ▶ a call for comments/submissions which should address the overall effectiveness of the Code, levels of adoption, elements of the Code and whether these need to be modified, removed or added to
- ▶ review and analysis of the feedback along with reports from other monitoring activities
- ▶ development of an annual report
- ▶ presentation of the annual report at the Grain Trade Australia Corporate Governance Workshop in July each year

The Code Committee will foreshadow some specific issues for comment by stakeholders during the review process.

Part Five



Part Five — Industry Arrangements

As noted in the previous section, GTA has agreed to undertake the role of custodian of the Code. The following section provides a brief outline of GTA and further information is available from www.graintrade.org.au

5.1 Grain Trade Australia (GTA)

GTA is the focal point for the commercial grain industry within Australia and acts to ensure there is an efficient, equitable and open trading environment given the prevailing industry structures (commercial and legislative) in place.

The primary focus for GTA is to provide the commercial rules and standards that are used across the entire Australian grain industry.

GTA (formerly NACMA) was formed in 1991 to standardise grain standards, trade rules and grain contracts across the Australian grain industry to enable the efficient facilitation of trade across the grain supply chain.

GTA comprises 250 member organisations from across the grain supply chain. 95% of the Australian grain crop is handled by GTA members and 95% of grain contracts are based on GTA Trade Rules/Contracts and or Standards, including oilseeds and pulses. The primary focus of GTA is “facilitation of trade” across the Australian grain supply chain.

GTA facilitates the development of, manages and maintains the commercial resources of the industry. These include:

- ▶ GTA Grain Standards
- ▶ GTA Trade Rules
- ▶ GTA Contracts
- ▶ GTA Dispute Resolution Service

GTA is a member of the International Grain Trade Coalition (IGTC), the Australian Quarantine Inspection Service (AQIS), Grains Industry Consultative Committee and the Food Chain Assurance Advisory Group.

GTA makes representations to groups such as:

- ▶ Australian Securities Investment Commission (ASIC) in relation to Financial Services Reform Act (FSRA), Australian Financial Services Licence (AFSL) requirements and other ASIC issues relating to the grain industry
- ▶ Department of Foreign Affairs and Trade on issues such as the Cartagena Protocol on Biosafety

- ▶ Financial Ombudsman Service that was established to resolve disputes between parties to financial and derivative based products

GTA has a comprehensive series of technical committees that develop and review the commercial resources of the industry. These committees include:

- ▶ Standards Committee – Responsible for the development of wheat, coarse grain standards and the distribution of the oilseeds (AOF), pulse standards (Pulse Australia) and birdseed standards (Queensland Agricultural Merchants)
- ▶ Commerce Committee – Responsible for the development of and ongoing review of the GTA Trade Rules, Contracts and Dispute Resolution Service
- ▶ Corporate Governance Committee – Tasked with consideration of issues relating to statutory requirements such as the Financial Services Reform Act, Australian Financial Services License requirements and ASIC issues relating to the grain industry
- ▶ Transport, Storage and Handling Committee – Tasked with determining the GTA Location Differentials and Registered Bulk Handlers approval process
- ▶ Biotechnology Committee – Responsible for the facilitation of trade of approved biotechnology events

There is a formal selection process in place with regard to the GTA Technical Committees. This process is:

- a. Nominations are invited from members in September each year
- b. Nominations include a CV detailing technical experience relating to the Committee in question
- c. GTA Board considers applications and selects members of committees
- d. Considerations – spread of members across all relevant sections of the grain supply chain; geographic locations – east coast/west coast; and large/small organisation representation

All GTA Technical Committees follow a formal process in developing recommendations. The GTA process is:

- a. Call for submissions
- b. Committee consider all submissions from members and non-members
- c. Explanatory memorandum published and draft commercial resources published
- d. If necessary, calls for further submissions
- e. Repeat from step b when necessary
- f. When the Committee has reached consensus – a recommendation is given to the GTA Board to gazette the commercial resources

5.2 Other Industry Codes and Accreditation Processes

The grain industry has a range of supporting codes, quality assurance systems and accreditation processes that support product quality, integrity and industry practices.

Industry based codes include:

AOF – Code of Practice for the Bulk Transport of Vegetable Oils by Road and Rail & AOF – Code of Practice for the Bulk Transport of Vegetable Oilseeds, Meals and Hulls by Road and Rail

These Codes of Practice are intended to encourage good and safe practices as well as ensure the cleanliness and safety of transport for goods, including imports, which are, or may be, intended either for human consumption after processing or which are intended to enter the food chain either for direct feeding to livestock or for incorporation into animal feeding stuffs. These codes cover transport of crops (e.g. grain, pulses, oilseeds), vegetable protein meals and hulls and edible liquid products (oils).

AOF – Code of Practice for the Cleaning Of Containers List of Prohibited Immediate Prior Loads

This Code is designed to ensure all supply chain participants are aware of prohibited immediate prior loads, and of the cleaning operations that need to be undertaken before a Certificate of Cleanliness can be issued for acceptable prior loads.

AOF Guidelines for Use of Structural Treatment Chemicals on Canola

These Guidelines provide information on industry practices to ensure legal and market tolerances for chemicals on canola can be met. They address chemical treatments that are applied to grain or used within a storage/handling facility to prevent/treat an insect infestation and address the need to minimise the transfer of these chemicals onto canola.

ASF – National Code of Practice for Seed Labelling and Marketing

This Code strives to ensure consumers are provided with consistent and accurate information enabling them to make informed decisions about the suitability of seed for sowing.

ASF – National Code of Practice for the Use of Seed Treatments

This Code aims to ensure all treated seed for sowing sold under the ASF logo has been treated safely, accurately and efficiently in accordance with current regulatory and industry best practice methods.

GTA / Livestock & Bulk Carriers Association Bulk Freight Goods Code of Practice

The Grain Transport Code of Practice is a joint initiative between GTA and the Livestock and Bulk Carriers Association (LBCA). GTA and LBCA

have developed the Grain Transport Code of Practice as an important tool to assist participants transport grain to their designated markets quickly, safely and within the relevant laws. It is critical the Grain Transport Code of Practice addresses the transport task in a holistic sense covering all parties' responsibilities to ensure success.

SFMCA – FeedSafe®: Quality Assurance Accreditation Program for the Australian stock feed industry

All full (active manufacturer) members of the SFMCA are required to comply with FeedSafe® to retain their Association membership. The central aspect of FeedSafe® is a Code of Good Manufacturing Practice (GMP), which has been developed in conjunction with the Chief Veterinary Officers within each State, and the final document has Primary Industries Ministerial Council endorsement.

FeedSafe® requires feed manufacturers to meet minimum standards in relation to:

- ▶ Premises and mill buildings
- ▶ Personnel training and qualifications
- ▶ Plant and equipment
- ▶ Raw material sourcing and purchasing
- ▶ Raw material quality and storage
- ▶ Feed formulation and manufacturing
- ▶ Product labelling
- ▶ Loading, transport and delivery to clients
- ▶ Product inspection, sampling and testing
- ▶ Customer complaint investigation

To obtain FeedSafe® accreditation, feed manufacturers are required to undergo annual site audits, these being conducted by independent third party auditors.

FeedSafe® is a program aimed at increasing the commitment of the Australian stock feed industry to quality assurance and risk mitigation in the manufacture and use of animal feeds. The SFMCA through FeedSafe® has recognised the need for a broader industry approach to feed and food safety and is providing greater security of supply to Australia's livestock industries.

Industry based accreditation processes include:

- ▶ Barley Australia Malting Barley Accreditation
- ▶ Wheat Classification Council

Appendices



Appendix 1: Australian Industry Practices and Regulation – Chemical Residues

Chemical Registration

Chemicals are registered for both pre-harvest and post-harvest use on grain. In Australia there are two Government bodies responsible for registration of chemicals and for determining maximum residue limits of chemicals.

The Australian Pesticides and Veterinary Medicines Authority (APVMA), is a government body responsible for the registration of agricultural and veterinary chemicals in Australia. The principal governing legislation of the APVMA is the *Agricultural and Veterinary Chemicals (Administration) Act 1992* and *Agricultural and Veterinary Chemicals Code Act 1994*.

The APVMA also provides guidance to Food Standards Australia New Zealand (FSANZ) on maximum residue limits for particular chemicals.

Food Standards Australia & New Zealand (FSANZ) is the statutory authority responsible for developing, maintaining and reviewing standards for all food available in Australia and New Zealand. FSANZ also set maximum residue limits (MRLs) for chemicals and other substances on food, which is consumed in Australia and New Zealand.

Australian MRLs are generally either the same as, or more stringent than, those prescribed by the International Codex Alimentarius Commission. Australia is a full signatory to the World Health Organisation's Codex Alimentarius Commission recommendations with respect to pre and post harvest grain protectant chemicals. The Australian recommendations on the registration and use of chemicals, which reflect these Codex Standards, are binding in all States of Australia.

A number of grain insecticides are available in Australia that can be used as grain protectant chemicals. All vary in toxicity, persistence and mode of action. Instructions relating to the use of these insect control chemicals are comprehensively covered on the registration labels of such products sold in Australia. Information includes direction for use, application rates, mixing instructions, withholding periods, safety directions and first aid. Packaging, application and use of these chemicals is regulated in Australia under State Government laws.

Export Grain Regulation

There are two international agreements that relate to plant quarantine and the regulation of grain exports from Australia:

- ▶ World Trade Organization (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures (known as the WTO/SPS Agreement)
- ▶ The International Plant Protection Convention (IPPC) of the Food and Agriculture Organisation of the United Nations

The Australian Government Department of Agriculture, Fisheries and Forestry (DAFF), under the *Export Controls Act 1982*, control exports. The Australian Quarantine and Inspection Service (AQIS) is part of DAFF and is responsible for this task.

Prescribed goods, such as grain intended for export, must be prepared at registered premises. This requires that premises must be constructed, equipped and operated in an effective and hygienic manner, and be approved by AQIS. All exports that are prescribed goods may only occur from these registered establishments. During export, prescribed goods are inspected by officers of AQIS to ensure it meets quarantine requirements of the importing country, as well as complying with Australian export regulations.

Permitted Chemicals

There are three major types of insect control practiced in the Australian grain industry:

- ▶ Contact Insecticides (Fenitrothion, Dichlorvos, Chlorpyrifos-methyl)
- ▶ Non residual fumigants
- ▶ Inert atmospheres

Australian National Residue Survey

The Australian National Residue Survey (NRS) gathers information on chemical residues and environmental contaminants in the products of participating industries, such as crops, meat and grain.

The NRS is a program conducted by DAFF. Grain has been included in the NRS monitoring program since 1964, when NRS expanded to cover a wide range of agricultural commodities. The NRS grain program was independently reviewed in 1993. The revised monitoring program provides an independent and authoritative audit of chemical residues in Australian grain for use by Government, industry and consumers.

The main commodities monitored are wheat, barley, oats, sorghum, chickpeas, field peas, lupins and canola. The NRS tests for a wide range of chemicals. These include registered grain protectants used against insect infestation during grain storage and also agricultural chemicals that may contaminate grain at any stage during crop production and handling. NRS also monitors for environmental contaminants and persistent organochlorines, which are no longer used in agriculture.

The general purpose of residue monitoring is to quantify the occurrence of residues in products, to confirm that residues in products are within limits and to alert responsible authorities when limits are exceeded so that corrective action can be taken.

It is a mandatory requirement that samples are taken and analysed from each hatch from all export vessels of grain from Australia. An increasing number of container exports are now a part of this program. Samples are also taken of grain marketed domestically within Australia. The grain industry, including the AOF, strongly encourages container exports to be an important, recognised part of the NRS program.

NRS results are available soon after tests are conducted and are reported regularly to bulk handlers and exporters, for comparison with internal testing done for commercial assurance and certification purposes. State Government authorities are immediately notified if any Australian residue standard has been contravened, so they can investigate and take appropriate action. These powers to act are written into State Government laws.

The Result Reports of pesticide residue analyses are provided to exporters as well as the company operating the export facility. The results present the findings of the monitoring surveys that are designed to obtain a statistically valid profile of the occurrence of a residue in a commodity using a randomised sampling process.

Appendix 2: Publications and Courses

Publications

A Guide to Taking Out Contracts to Supply Grain – GTA publication. This publication has been distributed to every grain grower in Australia each year since 2007. It is available on the GTA website.

Courses

Understanding Grain Markets

This course was originally developed in Western Australia by NACMA WA, Curtin University and the Department of Primary Industry WA and has since been taken nationally by GTA. It is intended to provide grain growers with information enabling them to conduct informed grain marketing choices.

Professional Certificate in Grain Marketing

GTA conducts this course in all States each year. It has three modules:

- ▶ Grain Standards
- ▶ GTA Trade Rules and Dispute Resolution
- ▶ Management of Grain Marketing and Trading

Appendix 3: Contract Checklist

The following is a suggested check list of issues that should be confirmed by the parties to a verbal contract.

Issue and comments	
Buyer – enter full details, inc ABN	Buyer Legal entity ABN Contact person Postal address Street address
Date and time	
Contract number if known	
Commodity – use: Commodity Standard Grain (CSG) Commodity Standard Pulse (CSP) Commodity Standard Oilseed, (CSO) These are available on the GTA website	
Quantity, in tonnes	MT
Crop year	
Packaging – bulk or bags	
Price, ex GST	\$...../mt
Grade spreads	
Discounts/increments to apply	
Inspection – default destination	
Weight – default destination	
Tolerance – default, 5% or 12 mt which ever is less	
Price basing point	
Location Differentials or freight rates to apply	
Delivery point	
Delivery period	
Payment terms	
Disclosures – crop lien, EPR	
RCTI to be issued	Yes/No
Do GTA Trade Rules and Dispute Resolution Rules apply	Yes/No
Special conditions	

Buyer contact

Seller contact

Faxed to (retain fax receipt)

Glossary of Terms

AFSL (Australian Financial Services Licence): An AFS licence authorises an individual and their representatives to provide financial services to clients. Without an AFS licence, a financial services business cannot be carried out.

ASIC (Australian Securities Investment Commission): ASIC an independent Commonwealth Government body and it is Australia's corporate, markets and financial services regulator. It regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit. ASIC enforces company and financial services laws to protect consumers, investors and creditors.

Australian National Residue Survey (NRS): The NRS monitors residues of agricultural and veterinary chemicals and environmental contaminants in Australian food commodities. The cost of this monitoring is largely industry-funded through levies on the animal and plant commodities that are tested.

Australian Pesticides and Veterinary Medicines Authority (APVMA): APVMA is an Australian government authority responsible for the assessment and registration of pesticides and veterinary medicines and for their regulation up to and including the point of retail sale. The APVMA administers the National Registration Scheme for Agricultural and Veterinary Chemicals (NRS) in partnership with the States and Territories and with the active involvement of other Australian government agencies.

Australian Quarantine Inspection Service (AQIS): This service is part of the Australian Government Department of Agriculture, Fisheries and Forestry (DAFF). AQIS manages quarantine controls at Australia's borders to minimise the risk of exotic pests and diseases entering the country. AQIS also provides import and export inspection and certification to help retain Australia's animal, plant and human health status.

ASF (Australia Seed Federation): ASF is the peak seed organisation in Australia. It represents its members who are involved

in the breeding, production and marketing of sowing seed – at State, National and international level.

Cartagena Protocol on Biosafety: The Cartagena Protocol on Biosafety is an international agreement on biosafety. Its aim is to contribute to the safe transfer, handling and use of living modified organisms (LMOs) – such as genetically engineered plants, animals, and microbes – that cross international borders. The Biosafety Protocol is also intended to avoid adverse effects on the conservation and sustainable use of biodiversity without unnecessarily disrupting world food trade. The Protocol provides countries with the opportunity to obtain information before new biotech organisms are imported.

Commercial Resources: Commercial resources for the grain industry refer to the set of tools developed by Grain Trade Australia that enable the facilitation of trade. These include GTA Grain Standards, GTA Trade Rules, GTA Contracts and GTA Dispute Resolution Service.

Contact Insecticides: Contact insecticides are pesticides that are toxic to insects when brought into direct contact with them. Examples of contact insecticides include: Fenitrothion, Dichlorvos and Chlorpyrifos-methyl.

County Court: The County Court is an intermediate trial court placing it between the Magistrates' Court and the Supreme Court in the Victorian hierarchy of courts. The County Court can hear matters at first instance and in some circumstances on appeal.

Department of Agriculture, Fisheries and Forestry (DAFF): DAFF's role is to develop and implement policies and programs that ensure Australia's agricultural, fisheries, food and forestry industries remain competitive, profitable and sustainable. This includes the implementation and monitoring of the new wheat export marketing arrangements.

Department of Foreign Affairs and Trade: This Australian Government department's role is to advance the interests of Australia and Australians internationally. The Department provides foreign and trade policy advice to the Government and aims to strengthen Australia's security; enhance Australia's prosperity; and help Australian travellers and Australians overseas.

Financial Ombudsman Service:

This independent service provides free, impartial and accessible dispute resolution for consumers and some small businesses unable to resolve a dispute directly with their financial services provider. Disputes are resolved through negotiation or conciliation as an alternative to court proceedings. The service can make decisions which are binding on participating financial services providers.

Food Chain Assurance Advisory Group:

This group was formed in 2003 by DAFF. It is a Government – industry partnership. The group has undertaken a strategic assessment of Australia's food safety and security arrangements to identify potential gaps and vulnerabilities in the event of acts of deliberate and malicious intervention or contamination.

Food Standards Australia New Zealand

(FSANZ): FSANZ is an independent statutory agency established by the *Food Standards Australia New Zealand Act 1991*. It works within an integrated food regulatory system involving the governments of Australia and the New Zealand. They set food standards for the two countries.

FSRA (Financial Services Reform Act):

FSRA is Australian Federal legislation introduced to bring various financial services and products under one licensing regime. It introduces a new disclosure regime for most financial products and establishes a standard of conduct for financial service providers with the aim of increasing the level of compliance and competency in the financial services industry.

Grain: Includes wheat, coarse grains, oilseeds and pulses.

Grains Industry Consultative

Committee: The AQIS-Grains Industry Consultative Committee (AGICC) is the principal advisory forum for AQIS to consult with the grain and related industries on export certification, export market access, quarantine and other relevant issues.

Grain insecticides: Chemical substances used to kill insects in grain.

GTA Contracts: These contracts developed by Grain Trade Australia provide standard terms and conditions for the trade of grain within Australia.

GTA Dispute Resolution Service: Grain Trade Australia provides a dispute resolution service that is industry based. Its aim is to avoid litigation and thereby reduce the time and expense required to resolve a dispute between parties transacting in the Australian grain industry. This service provides an equitable means to settle a dispute by a committee of industry peers.

GTA Grain Standards: Grain standards are used to measure and describe the physical and biological properties of grain at the time of inspection. Grain Trade Australia develops and distributes the wheat and coarse grain standards for Australia. It also distributes the standards for oilseeds (developed by the Australian Oilseeds Federation), pulses (developed by Pulse Australia) and birdseed (developed by the Queensland Agricultural Merchants).

GTA Trade Rules: These rules, developed with industry consultation by Grain Trade Australia, reflect trade practice and facilitate trade between parties in the grain, feed, oilseeds and processing industries. They govern all disputes of a mercantile, financial or commercial character connected with grain, feed, oilseeds and other commodities when traded under the terms and conditions of Grain Trade Australia.

HACCP (Hazard Analysis and Critical Control Points): HACCP principles are included in the ISO system. This standard is a complete food safety management system incorporating the elements of prerequisite programs for food safety.

Inert atmospheres: A nonreactive gas atmosphere, such as nitrogen, carbon dioxide, or helium.

International Grain Trade Coalition

(IGTC): This organisation is an unincorporated coalition of non-profit trade associations and councils whose purpose is to convene significant expertise and representation to provide advice to governments from a global perspective on the commercial requirements and economics of the world's food, feed and processing industries including the implementation of the Cartagena Protocol on Biosafety.

ISO (International Organization for Standardization): This organisation is a network of the national standards institutes of 162 countries with a central secretariat in Geneva, Switzerland, that coordinates the system.

Maximum residue limits (MRLs):

APVMA sets MRLs for agricultural and veterinary chemicals in agricultural produce, particularly produce entering the food chain. These MRLs are set at levels which are not likely to be exceeded if the agricultural or veterinary chemicals are used in accordance with approved label instructions. At the time the MRLs are set, the APVMA undertakes a dietary exposure evaluation to ensure the levels do not pose an undue hazard to human health. The *MRL Standard* lists MRLs of substances which may arise from the approved use of those substances or other substances, and provides the relevant residue definitions to which these MRLs apply.

Malting and Brewing Industry Barley

Technical Committee (MBIBTC): The MBIBTC comprises of technical malting and brewing experts from Australia's major malting and brewing companies. The Committee evaluates new malting barley varieties for malting and brewing suitability for both domestic and export markets.

Non residual fumigants: Used to control insects in stored grain by completely filling an area with gaseous pesticides or fumigants that suffocate or poison the pests within. There is no retention of the pesticide after application.

Organochlorines: Organochlorines are chemicals that contain carbon and chlorine atoms joined together. Persistent or harmful organochlorines are those which do not break down easily and which stay in the environment and in our bodies for an extended period of time.

Prescribed goods: Products intended for export are either 'prescribed' or 'non-prescribed' goods under the *Export Control Act 1982*. Grain for export is 'prescribed' goods.

Protectant chemicals: These chemicals are used to treat insects (kill insects or protect the grain from insect infestation) in stored grain.

Stock Feed Manufacturers Council of Australia (SFMCA): The SFMCA is a national industry association, representing corporate and individual manufacturers of stock feed in Australia. It plays an active role in addressing national industry issues, many of these relating to raw material ingredient supply, quality standards, Federal

government legislation regulations and grains industry issues.

Small Claims Tribunals: Part of the Queensland Court system and generally deals with disputes between consumers and traders that have a maximum claim value of \$7,500.

State Supreme Courts: These courts are the superior courts within each State of Australia and they are divided into two divisions. In VIC and QLD: Appeal division and Trial division; in NSW: Common Law and Equity divisions; in WA: criminal and civil matters and in SA: the Supreme Court is a court of both law and equity.

World Health Organisation's Codex

Alimentarius Commission: The Codex Alimentarius Commission was created in 1963 by FAO and WHO to develop food standards, guidelines and related texts such as codes of practice under the Joint FAO/WHO Food Standards Program. The main purposes of this Program are protecting the health of consumers and ensuring fair trade practices in the food trade, and promoting coordination of all food standards work undertaken by international governmental and non-governmental organisations.

World Trade Organization (WTO):

The WTO deals with the rules of trade between nations at a global or near-global level.

WTO/SPS Agreement:

The SPS Agreement is the WTO Agreement on the Application of Sanitary and Phytosanitary Measures. The SPS Agreement binds its members to protect animal or plant life or health within its control from: the entry, establishment or spread of pests, diseases, disease-carrying organisms or disease-causing organisms; additives, contaminants, toxins or disease-causing organisms in foods, beverages or feedstuffs; risks arising from diseases carried by animals, plants or products thereof, or from the entry, establishment or spread of pests; or prevents or limits other damage within the area of control by the member from the entry, establishment or spread of pests.



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