

# 2021 Annual Report



Grain Producers Australia is a not-for-profit company limited by guarantee. It is governed by a Board, elected by its members. The GPA Board is directly accountable to grain producers in the same way a corporate Board is accountable to its shareholders. The charter of the GPA Board is to provide representation for Australia grain producers and to foster a culture of service within GPA.

GPA fulfils its role as a national Representative Organisation (RO) for the grains industry in accordance with the Primary Industries and Energy Research Development Act 1989 (PIRD), with responsibilities under the Primary Industries (Excise) Levies Act 1999 and the Primary Industries (Customs Charges) Act 1999.

GPA is supported by Grain Levy Payers in Australia, direct grower membership, State Farming Organisations and affiliates.

Grain Producers Australia Limited  
ABN: 63 111 059 995

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# CHAIR'S REPORT

As we leave 2020 behind us and reflect on the significant challenges that we've all faced during the past 18 months, we can look ahead and anticipate some form of 'normal' returning to our lives during 2021. While the COVID-19 situation in Australia seems to be heading in the right direction, I acknowledge there will continue to be lingering issues both here and certainly abroad which will impact on our industry. But just like putting a crop in the ground there are things in our control that we can try to manage and things completely out of our control that we just have to adapt to.

Which leads me to the latest work on the barley trade issue with China and action taken by our Federal Government in response, to try to resolve the dispute via the World Trade Organisation. A panel to hear the dispute over China's decision in May last year to impose anti-dumping duties and countervailing duties on imported barley has been established. GPA has been vocal on this issue and clearly the games have begun between China and our Government in what will be a long and very protracted process. Some of us will most likely no longer be in the room when the final curtain is drawn on this process.

We know the estimated \$2.5 billion cost of this action, over the initial five-year period, is having an immediate impact on our industry. But I'm encouraged by recent reports which indicate Australian barley exports have increased in volume into other markets such as Saudi Arabia, Vietnam and Thailand, showing growers are getting on with business as always, making commercial decisions. GPA will continue to remain engaged in this space including holding regular updates and briefings with the Trade Minister's Office and Department Officials to monitor developments and understand any impacts on our growers.

On a more positive note, we will most likely surpass our record sales of wheat to China this year and thanks largely to the Russian tariff we have had a small win to some degree at least. Barley has had a small reprieve on the back of feed demand in other parts of the world. The question for our industry as a whole is; will the focus on varieties now be totally based on feed and should we consider pursuit of new malting varieties a distant cousin? I believe it will be interesting to see this play out over the coming years as the Australian and global barley production profile will change due to the market volatility.

During the Christmas and new year period I was able to catch-up with the newly appointed Minister for Trade Tourism and Investment, Dan Tehan. We were able to discuss a wide range of issues including the China barley dispute and the ISCC documentation that growers are signing onto and the need for greater grower-control of this space.

In early February Maddison McNeil and I spent time in Canberra with the Grains Research and Development Corporation (GRDC), Plant Health Australia (PHA), National Residue Survey (NRS) and a few elected members. We caught up with Minister Tehan again and Federal Agriculture, Drought and Emergency Management Minister David Littleproud to discuss key issues; including investing into the industry support package for finding new markets. We took the opportunity to introduce them to Jonathan Wilson, the new CEO of Grains Australia, and Tony Russell from the Grains Industry Market Access Forum (GIMAF), to discuss current and future market opportunities.

In 2020 many grain growers had a particularly good season which has lifted spirits after some tough years. It was fantastic to see the large amount of grain produced which has really breathed life back into the east coast in particular. However, grain supply chain issues are back on the table as we look to rebuild relationships that have been put on hold for some time due to the extended east coast drought. It would be remiss of me not to mention that not all the grain growing regions had a successful season but hopefully the last month has seen some of these areas rebuild some much-needed subsoil moisture.

Over the past year, GPA continued to push for the grains industry market study and I believe we are starting to bring this outcome closer to fruition. With a Federal Election looming we plan to maintain pressure on the current government, as it has the Department reviewing the implementation of its response to the Bulk Wheat Port Code Review. We need to see stronger rules in place and tougher measures to protect growers and encourage greater transparency and healthy competition in the grains supply chain.

Biosecurity continues to be a much-discussed topic at both Federal and State levels exemplified by the \$371 million biosecurity investment package in the May Budget in Canberra.

GPA welcomed greater Government investment in surveillance technologies, tools and capability for Australia's biosecurity systems and the \$3.9 million allocated to increase community and business biosecurity awareness.



*GPA's Andrew Weidemann with Dan Tehan, Minister for Trade, Tourism and Investment.*

In our discussions with Minister Littleproud we again raised the concerns regarding containers and the recent string of potential khapra beetle incursions which would decimate trade for the grains industry overnight. This is our number one concern now as we continually dodge potential incursions and repeatedly, we see incoming containers from known khapra areas causing the problem. The development of the GPA biosecurity committee will help to promote our concerns through the various avenues available to us.

Within GPA we have been busy developing the GPA Training platform and we held a summit with all the major Bulk Handling Companies as a number have indicated making it a compulsory function for the upcoming harvest season. We believe we have the industry solution in GPA Training, and we will continue to push for better safety outcomes working with the trade and governments to deliver results using our platform.

On the pesticides and technology front we have been working on various permits and new chemical registrations and again we are extremely fortunate to have the professional services and expertise of Dr Rohan Rainbow at GPA, to drive our response to these issues and capture opportunities.

We have successfully applied for an emergency permit for an increased strength mouse bait which has been at the forefront of recent public and media debate about the current mouse plague, leading the way as a safer and more immediate and effective solution for growers. This work is the result of ongoing collaboration with CSIRO and GRDC and stems from GPA's support for establishment of the National Mouse Group in 2011, in response to the need for awareness and action in the wake of high mouse numbers.

The board has appointed a Chief Executive Officer and we warmly welcome Colin Bettles to his first GPA AGM. Colin comes to us with extensive strategic communications and policy experience and contacts in industry and government and heralds the next phase for GPA in strengthening our strategic policy development. He has already hit the ground running with meetings in Canberra during Budget Week and beyond, indicating a stronger focus on growing GPA's presence and advocacy, supported by strategic communications and engagement.

The GRDC Managing Director's recent departure after six months is an area of concern to growers and a situation we'll be monitoring closely. GPA will continue to engage directly with senior management to ensure we understand the process for future Executive appointments, to be confident the Corporation's operating culture remains focussed on maximising grain grower returns from the investment of grower levies in Research, Development and Extension.

I see many more concerns for growers as we move forward and key systemic issues facing farmers around the China conflict playing out both on outputs as well as now influencing input costs as well. I'm disappointed in my time that more couldn't have been made in privatising the GRDC to allow it to act more commercially and returning greater returns to levy payers. Unfortunately, we see our organisation continue to be drawn more into a government bureaucracy which struggles with the progressive industry it has been setup to support. Establishing the levy payer data base still has work to be done to ensure levy payers can vote on the future structure and levy-rate of the GRDC.

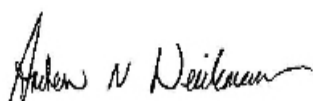
In my opinion, in time GRDC should also find a suitable base outside of Canberra where it will be easier to draw key leadership for the organisation from but also to continue the decentralisation process of important symbolic agricultural organisations and greater connection with levy payers. Internally we have seen Maddison McNeil return to her home State of WA and pursue a new career pathway. We thank Maddison for helping GPA to establish our new website, finalising the strategic plan as well as increasing our internal engagement with members through the development of GPA Training which has proved invaluable for farmers seeking employees over the critical harvest period during the height of the COVID 19 pandemic. We wish Maddison and Peter Ellis now newly married a wonderful life together from everyone at GPA.

We have also seen Tanya Pittard leave our organisation in the past month and we wish to acknowledge the considerable work Tanya has done through the past year but also over the last eight years helping to ensure that GPA has a strong foundation to work from with her extensive knowledge in policy development and government relations. I'm sure everyone will share our thanks to Tanya for her passion for farmer recognition and key policy experience.

As this will be my last AGM as GPA Chair, I wish to thank the GPA Board for their amazing support of myself over the past nine years and to the members of this organisation. Thank you for your friendships and support of the many issues we have faced before and now. I hope to remain on the board for some time yet to support my successor and help to complete some of the current work we are doing. My family has given me amazing support over the journey and I look forward to hopefully being able to spend more time with them into the future.

Best wishes to all the members and supporters of GPA and by the end of the COVID 19 pandemic and for the 2021 season may we all see bins full of grain right across this magnificent country once again.

Regards



Andrew 'Weidy' Weidemann AM



# POLICY MANAGER'S REPORT

- Tanya Pittard

Despite COVID and the seemingly unending number of challenges during 2020, it has also been a year of consistent work in the policy space for GPA. While some important reviews and actions were delayed such as the agricultural levies review, other legislative reviews still went ahead during 2020. In some cases the move to online consultation had significant cost benefits. For example, being able to have a teleconference with the team reviewing the overseas agricultural trade counsellors with GPA participants from across Australia. We were also able to workshop the Person Property Securities Register S85 and 86 proposals with representatives of the Attorney General's Department.

Congratulations to GPSA on their long-fought and hard won achievement to lift the GM moratorium and allow SA grain producers the opportunity to plant GM canola varieties from 2021. The importance of farmers being able to choose the most appropriate plant varieties for their production systems, regardless of the plant breeding technique used 10 years earlier to develop the variety, can not be understated. The lifting of the moratorium should also improve Western Australian farmers access to seed for new GM canola varieties at most cost effective prices. There had been a significant cost impact while the moratorium was in place as GM seed had to travel to WA via the Northern Territory due to the imposed transport ban.

Broader policy issues which progressed during 2020 included the Plant Health Australia Review of EPPRD responses. While there were not too many surprises raised during the review panel discussions, there was robust discussion regarding prioritisation of the recommendations and how to streamline processes. While the review did not examine current activities some of the discussions did highlight how particular proposed actions would impact current response activities.

For GPA, one of the clear issues through this and other biosecurity processes is the need to continue to advocate for improved funding for biosecurity activities and the need to build human capacity to manage concurrent responses. The formation of the GPA Biosecurity Committee will provide an opportunity for members to undertake training and gain a greater understanding of GPA's activities as signatory to the EPPRD as well as more general biosecurity issues.

One of the highlights of the past 12 months has been working with Maddison to work with the ACCC and raise their understanding of the impact issues such as lack of access to parts, no right to repair and other contract limitations are having on grain producers. As outlined further in this report GPA has out in a number of submissions, providing case studies and recommendations to improve the functionality of the application of regulations in this space and the perverse outcomes currently impacting grain producers.

I wanted to publicly thank Maddy for the wonderful working relationship and collaboration we have had over the past two plus years together. It has been just wonderful to work closely with Maddy. I had admired her perspective and passion when she worked at WA Farmers, but have so truly appreciated getting to know her more closely as we have worked together at GPA.

Having a chance to have a work colleague with a similar passion for agriculture and looking after farmers was just wonderful and created a team environment which was a joy to work within. We got to know each other, shared ideas and challenged one another, supported one another and backed each other up, we knew there was always someone to help, to share the load. I am sure the broader GPA membership would want to wish her and Pete every happiness and all the best for the future.

2020 was a challenge for everyone across Australia. A warm thank you to all the GPA members who were part of the many policy discussions during 2020. While it was a year where we were denied the opportunity to come together in person it was also a year where we could sincerely appreciate those who took time to reach out to check how we were as well as delve into deep policy discussions.

Thank you.



# POLICY COUNCIL REPORT

During 2020, Policy Council continued to meet and shape relevant policy for GPA to advocate and deliver outcomes which boost the profitability and sustainability of Australian grain growers.

As was the case universally, the past year was critical shaped by the global COVID-19 pandemic. GPA's Policy Council considered some of the pandemic's immediate implications for the Australian grains industry, including trade and market access and delays in inputs such as fertiliser and fuel.

Significant issues with labour and workforce availability and suitability were also considered and addressed by Council. The grains sector relies on a supply of skilled labour from overseas to support farmers in seeding and harvest. Border closures and movement restrictions limited our industry's ability to compete for labour with mining. GPA worked with State Governments on resolving movement restrictions to support contractor access where it otherwise would have been limited, such as contract harvester movement from Queensland to Victoria.

GPA Policy Council also completed a range of work including competition policy concerns with agricultural machinery ACCC submission, right to repair review from productivity commission Biosecurity response to Khapra from detections of the Australian border controls.

The GPA Policy Council have remained strong advocates for the implementation and launch of Grains Australia - to support the future through implementation of a range of industry good functions including pre competitive market development, support and implement the work from Australian Export Grains Innovation Centre (AEGIC) in market education and training.

It will also support consolidation of a range of functions currently done by Grains Industry Market Access Forum (GIMAF), Wheat Quality Australia (WQA) and eventually Pulse Australia and the Australian Oilseeds Federation (AOF).

The work by the Grains Research and Development Corporation (GRDC), GPA, GrainGrowers Limited as an advisory support has been crucial to the establishment of Grains Australia, the appointment of the Board and the appointment of the CEO, Jonathan Wilson.

This year also marked the launch of GPA Training and our ongoing work to progress this initiative and improve safety and efficiencies with grain delivery is detailed later in this report along with our emergency use mouse bait permit to better-support growers facing mouse plagues through ongoing collaboration with CSIRO and GRDC.

Other policy highlights/core actions include:

- Work with QANTAS to provide short-term skilled workforce options
- Development of additional modules for GPA Training
- Initiation of the GPC Biosecurity Committee to support the development of biosecurity knowledge and communications
- Workshop with the Attorney General's Department on Sections 85 and 86 of the Personal Properties Securities Act
- Workshops on the Grains Sustainability Framework to ensure grain producers needs are clearly prioritised
- Ongoing response to the China barley dispute and WTO process
- Workshops with GRDC on greenhouse gas and community trust in rural industries projects
- Development of policy and submissions in the food regulatory space including plant based proteins
- Development of policy and submissions in the AgVet chemicals regulatory space
- Development of policy and submissions to ACCC on issues such as agricultural machinery
- Development of policy and submissions to the vulnerable supply chains discussions





## - Our Mandate

To represent Australia's grain producers nationally and internationally in advocating policies and practices for an innovative, competitive & sustainable grains industry.

## - Our Strategic Purpose

The advocacy of public policies and institutional arrangements and on and off-farm practices conducive to a world class industry that is safe, productive, internationally competitive, innovative, and environmentally and socially responsible attuned to producers and market needs, and community expectations.

## - Our Values

- Integrity and trust
- Gender and racial diversity
- Individual accountability
- Mutual respect
- Pursuit of excellence
- Collective responsibility

## - Our Pillars

- Trade and investment
- Innovation
- Resource management
- Product integrity

## - Our Goals

1. Reduce barriers to trade and subsidised competition
2. Secure international market access to herbicides and fungicides
3. Competition policy for the provision of grain handling, storage and infrastructure transport services
4. Increased supply chain transparency and accountability
5. Establish and promote grain quality characteristics for end product consumer markets
6. Develop specific new target market strategies to grow market share and diversify customer base
7. Research, development and extension initiatives responsive to the needs of producers and markets
8. Review of Australian research and development corporations (RDCs)
9. Strategies to improve functionality and accountability of Grains Research & Development Corporation (GRDC)
10. Land management
11. Agricultural pesticides – access and use
12. Human resources
13. Water access and management
14. Biosecurity and phytosanitary risk management
15. Establishment and monitoring of grains chemical residues

# ADVOCACY HIGHLIGHTS

## - Media Releases

### 23 June 2021 - **APVMA delivers common sense ruling on bromadiolone**

Grain Producers Australia (GPA) has welcomed the Australian Pesticides and Veterinary Medicines Authority's (APVMA) common sense, science-based decision today to reject approval for farmers in NSW to use bromadiolone-treated grain, to help fight devastating mouse plagues.

### 21 June 2021 - **Ag visa fails to deliver on grains industry needs**

Australia's peak national grain grower advocacy group is urging the Federal Government to address chronic labour shortages which carry the potential to cause market failure in the WA grains industry.

### 10 June 2021 - **Pragmatic solutions needed on mouse plagues**

Australia's peak national grain grower advocacy group is continuing to call for the delivery of timely, safe, practical solutions to help growers fight mouse plagues in impacted farming communities.

### 10 May 2021 - **GPA, CSIRO and GRDC collaborate to control mouse plagues**

Australia's peak national grain grower advocacy group has collaborated with CSIRO and the GRDC, to deliver tougher control measures that will help fight exploding mouse populations and protect crops.

### 04 May 2021 - **GPA welcomes stronger biosecurity measures**

Australia's peak national grain grower advocacy group has welcomed the Australian Government's announcement today of stronger measures to protect their industry from devastation, with a \$371 million biosecurity package in the upcoming Budget.

### 03 May 2021 - **GPA appoints inaugural Chief Executive**

GPA has appointed an inaugural Chief Executive. GPA Chair Andrew Weidemann said the GPA Board chose experienced strategic rural communications expert and senior policy advisor, Colin Bettles (pictured below).

### 14 April 2021 - **GPA welcomes improved biosecurity screening measures**

Grain Producers Australia welcomes the announcement by Minister Littleproud, on additional sea container measures to manage the risks of Khapra beetle incursion into Australia.

### 20 December 2020 - **Australia to take China to World Trade Organisation for barley tariff dispute**

Grain Producers Australia chairman Mr Andrew Weidemann AM is looking to the future for the Australian grains industry and calls on government to work with industry on a plan to diversify Australian agricultural commodity export markets.

### 16 October, 2020 - **Vic Govt Announces Support for GPA's Online Industry Workforce Training**

Victorian Minister for Agriculture Jaclyn Symes today announced \$175,000 in funding from the Agriculture Workforce Plan for the Grains Industry Skills Development and Induction Program, an online training package which will be developed by Grain Producers Australia.

### 25 September 2020 - **Failures in Regional Investment Corporation delivery to farmers**

Grain Producers Australia chairman Mr Andrew Weidemann AM expressed frustration and disappointment at the ongoing failure of the Regional Investment Corporation (RIC) drought loan scheme to meeting grower expectations.

### 30 August 2020 - **GPA demands greater biosecurity action on flower imports**

Grain Producers Australia is concerned that DAWE is using trade sensitivity as an excuse to not provide transparent information regarding biosecurity non-compliance.

### 14 July, 2020 - **GPA Training Launch**

Grain Producers Australia invites you to the launch of GPA Training, our online grains industry stewardship and training platform.



# ADVOCACY HIGHLIGHTS

## - Media Coverage

### SHEPPARTON News

**CROPPING** | Jun 18 2021

#### Sri Lanka-Australia in grain breakthrough

By Daniela Hill



Bulk wheat is loaded on to a ship in Port Kembla, NSW.

Bulk grains, pulses and oilseeds can now be fumigated in-transit between Australia and Sri Lanka after the two countries came to an agreement.

### Countryman

**AGRI**

#### Calls for \$20m barley market fund grow louder

Cally Dupe | Countryman  
Wed, 14 April 2021 9:27PM



Grain Producers Australia chairman Andrew Weidemann. Credit: Dana'la Bevis.

### GRAIN CENTRAL

#### Autonomous ag machinery code of practice takes shape

Neil Lyon, October 21, 2020



### farmonline NATIONAL

#### Double strength mouse bait to bolster eradication efforts

Gregor Heard  
@grheard

30 May 2021, 9:45 a.m.



AUSTRALIAN farmers will have access to double strength mouse bait as they try to bring the current horror plague under control.

The Australian Pesticides and Veterinary Medicines Authority have issued a permit for the use of bait with 50 grams a kilogram of zinc phosphide, up from previous levels of 25g/kg.

Grain Producers Australia chairman Andrew Weidemann said

### ABC NEWS

**AGRI**

#### What is the World Trade Organization? How will it help our trade with China?

By political reporter Georgia Mitchell, national rural reporter Kirk Sullivan and Julie Lumley  
Posted Wed 10 Dec 2020 at 11:55am, updated Wed 10 Dec 2020 at 12:25pm



You can watch this and read at the same time with picture in picture

### Pilbara NEWS

**AGRI**

#### Large will continue to speak up for west

Cally Dupe | Countryman  
Fri, 14 August 2020 11:39AM



Barry Large will remain on the GPA board. Credit: Daniela Bevis.

# GPA Activities - TRADE AND INVESTMENT

GPA supports the diversification of Australian grain markets to prevent reliance and subsequent vulnerabilities. We made submissions to the Senate Committee Inquiry into the Diversification of Trade and the vulnerable supply chains investigation.

China's decision to impose significant tariffs on Australian barley has impacted the barley price and led to increased volatility. Australia disputed the findings, and subsequent imposition of tariff penalties, made by the Chinese regarding the Australian barley growers being paid subsidies and the below cost of production dumping of barley. The process remains ongoing within the WTO anti-dumping and subsidy committees and a resolution will likely take a number of years. The current tariffs are in place until 2025. GPA has remained vocal that the dispute resolution should be resolved through political engagement and diplomatic resolution. While the WTO dispute is ongoing, GPA supports the panel dispute as part of a process to a resolution and mitigation of these issues in the future.

## International Sustainability and Carbon Certification (ISCC)

The ISCC (International Sustainability and Carbon Certification) Sustainable Grain Australia (SGA) accreditation is globally recognised and supports Australian grain access into markets like the European oilseed market. The program has recently been expanded into a range of other commodities. GPA is working with SGA to ensure the program remains fit for purpose and not an administrative burden to grain producers that choose to comply with the program. GPA has been particularly concerned about the lack of transparency about audit requirements when farmers sign the declaration and use of ISCC as a penalty or access restriction for grain being delivered.

GPA is looking to implement a broader grains industry steering committee to discuss the need for ISCC recognition for Australian world leading production systems and regulatory environment. Australia is currently being judged against standards set to manage concerns about countries that do not have the regulatory framework operating in Australia for example the APVMA, NRS, our workforce and labour laws, regulations that limit environmental clearing and strict water management requirements in Australia that support our production and set requirements which maintain long-term viability and stewardship.

## Overseas Ag Trade Counsellor Review

GPA (Tanya Pittard and Maddison McNeil) and GIMAF (Tony Russell) met with the Mark Tucker and the panel appointed to review the DAWE Overseas agricultural trade counsellor program.

GPA believes Overseas Ag Counsellors:

- Provide opportunities for crucial education regarding the Australian grains industry within overseas markets,
- Have a crucial role in having an in depth understanding of the needs and business culture of the countries in which they are based,
- Have a role supporting broader access for Australian agricultural within those markets, and
- Provide critical support should an issue arise which causes complications within the market.

GPA supports the Ag Counsellor program. It has become apparent that current and future trade issues will be more a reflection of cultural sensitivities and a lack of empathy or ignorance regarding cross cultural perspectives and politics. During the consultation, GPA conveyed our support for its continuation. There is a real need for Australian representatives to be based in-country. Special expertise is important but the in-depth immersion in the country supports a true understanding of the market and supports the development of strong relationships.

The market volatility will only be more challenging as the world attempts to recover from the COVID pandemic and its associated economic recession. Protectionist behaviours are likely to become more prevalent as is a strong focus on ensuring access to a consistent food supply either domestically supplied or through investment in farms situated in "safer/more stable" countries.

When a market damaging issue occurs the importance of on ground, in market personal cannot be understated. The diplomacy and market maintenance work simply cannot be done from Canberra. Ag Counsellors based in country have greater flexibility to respond to an emerging issue. Immediacy is often critical to positive resolution of an issue. Granting Ag Counsellors the flexibility to respond quickly and with authority can assist in de-escalating an issue.

Ag Counsellors are an important link between Australian agriculture and the markets they export to or would like to export to.

While the market access work undertaken by DFAT is also important the Ag counsellor roles provide a practical, agricultural expertise linkage between Australian agricultural industries and their customers. Ag Counsellors are able to provide practical advice and information to the market regarding the production methods, safety regulations and efficiency of the Australian supply chain. This gives buyers more confidence in Australia's ability to meet their needs.

Currently the Australian grains industry utilises and benefits from the expertise of a number of the Ag Counsellors. There is a considerable amount of contact with the Ag Counsellors based in India and China, sometimes the Middle East. SE Asia and broader Asian markets had been less frequent but may be a growing opportunity, only rarely is their contact with the Americas. GPA has recommended implementation of a funded alumni system where ex-overseas agricultural counsellors are available to industries to provide expertise on trade issues.

### Market Study - ACCC review of the grain supply to investigate the impact of deregulation

GPA have been long running advocates for the need for an independent analysis of the Australian grains industry and supply chain. GPA has previously outlined the substantial reasons to believe the full economic benefits of a deregulated grains industry have been undermined by the lack of measures which would ensure a truly competitive industry. The results of multiple areas of market failure have become evident in the lack of the grains industry achieving those outcomes promoted as the benefits of deregulation.

The grains industry is characterised by many growers (22,845 according to 2018-19 GRDC annual report), a small number of bulk handling companies who facilitate most freight to port, and monopolistic infrastructure, such as freight and port facilities. This structure, coupled with the associated significant information asymmetries which exist across the sector, foster a potentially anti-competitive market environment in the Australian grains industry.

While numerous reviews of the Australian grains industry have been conducted, including most recently an ACCC review of the Wheat Port Code (the Code) and annual operating reports, there has been no work undertaken to examine the complexity of the systems within the grains industry.

With complexity becomes potential inefficiencies, duplication and therefore opportunities for review.

**Outcome required:** Grain producers want an investigation to examine the impact of the implementation of a mandatory enforceable Code of Practice for the Australian Grains Industry.

Measures must be introduced which address the current inadequacy of the Port Code and industry self-regulation, gaps in consumer protection, financial regulatory laws and lack of opportunity for breaches of the Code to be investigated and acted upon with consequences for the companies that commit those breaches.

*GPA's Maddison McNeil and Andrew Weidemann joined Grains Australia's Jonathan Wilson and GIMAF's Tony Russell in a meeting with Minister Tehan in Canberra. Source: GIMAF.*



The market study may also lead to a range of additional outcomes, such as:

- A deeper understanding of the operations and potential efficiencies available to improve the profitability of the grains industry
- Opportunities to improve existing legislative instruments to meet the functionality of the industry
- Opportunity for the ACCC to make recommendations and/or work collaboratively with industry and/or governments to develop solutions
- ACCC action to address any conduct that may fall under the Competition and Consumer Act 2010
- Improved transparency around the supply chain and grains industry

#### **Key mechanisms – Terms of Reference**

ACCC to be given the power to:

1. Fully investigate and collect evidence regarding the breaches and issues with the current Code of Practice for the Australian Grains Industry.
2. Collect evidence and investigate the ramifications regarding the current lack of enforceability of the Code of Practice.
3. Give growers a fair hearing and to provide support by gathering evidence regarding the current lack of grower protections.
4. Undertake gap analysis regarding mechanisms which are hindering competition and full achievement of competitive deregulated market (i.e information discrepancies and lack of transparency)
5. Make the case for future policy areas
  - a. Data retention and rights
  - b. Privacy versus misleading behaviour
  - c. Ability to impose and enforce sanctions regarding breaches of the Code
  - d. Reporting obligations to ensure accountability
  - e. Transparency and information flow
  - f. Market obligations and support

Evidence to be collected and provided as part of the consultation would examine competition, efficiencies, transparency and market issues in the Australian grains industry and supply chain.

It will allow the identification of potential market failures or trade practices that may be preventing the functioning of a competitive industry, such as:

- Competition between farmers and the supply chain and intermediaries
- Competition in the supply chain, infrastructure, grain buyers and suppliers of inputs, including chemicals, fertilisers, fuel
- Breeding system, including grain classification
- Grain payments, including trader insolvency, contract terms, risk allocation, quality assessments and associated payments
- Adequacy of the grains industry code of practice, evidence of breaches and impact of the lack of enforcement or sanctions for those committing the breaches
- Existing legislative frameworks, infrastructure protections and other regulations that apply to the grains industry and supply chain impediments to greater efficiency, such as bottlenecks or market power at certain points along the supply chain
- Seeking information on the share of profits, value and information among the supply chain
- The effect (direct and indirect) of domestic and export prices, level of demand, impact of importation

#### **NHVR review consultation RIS submission**

Flexibility is key to an efficient grain supply chain. Unfortunately, there are many examples of significant costs being imposed on the grains and broader agricultural industries. Burdensome, non-risk based, and impractical regulatory impositions such as chain of responsibility requirements and other easy target regulatory imposts are adversely impacting profitability and productivity.

GPA recognises and supports the work HVNL is doing to prioritise regulatory changes with the goal of improving consistency, productivity and effective risk reduction focused regulation.

GPA specifically supports the following policies with relation to HVNL priorities:

- Improved access
- Increased harmonisation
- Flexibility and risk-based regulation
- Technology
- Realistic and practical enforcement activities

GPA supports exploring alternative regulatory approaches to national heavy vehicle law especially where the current prescriptive approach often leads to farmers being penalised on minor technicalities that have little or no safety implications. For example, many of our members have cited examples of being penalised for minor infringements such as worn-out seat covers or 100ml dimension breaches that have no demonstrable bearing on safety. Axle weights have become contentious in some States where they are being used as a primary enforcement issue. Across the Australian grain industry, axle group measuring technology is extremely rare. However, recent enforcement actions which have prescribed 10% underloading as a remedial action set an unworkable and expensive precedent for the grains industry.

Given that the HVNL applies to the whole supply chain, competitive implications of underloading trucks means that other grain companies that are unable to accurately measure axle group mass limits would need to take the same underloading measure. Under the scenario of an industry-wide application of a 10% underloading, the implications for the grain industry would be significant.

It would reduce supply chain efficiencies, add unnecessary cost, and reduce Australia's competitiveness in international markets. The bulk of the impact would be felt by the grain producer.

Based on GrainCorp's assumptions, a 10% underloading extrapolated across the eastern Australian grain industry, applied retrospectively from 2011 to 2020, would have had the following impact:

- An additional \$4.63/tonne in freight costs (\$800 million over 10 years or \$80 million p.a.) to transport the same volume of grain.
- An additional 770,000 truck movements (77,000 p.a.) to transport the same volume of grain; with associated safety risks, road wear, congestion etc.
- An additional 65 million tonnes of carbon emissions (6.5m tonnes p.a.) due to the increase in truck movements.

GPA has recommended that enforcement of axle group measurement requirements is given greater consideration. Particularly with regard to taking enforcement action against loaders and unloaders of grain trucks because of the following:

- Strict adherence to gross combination mass limits on arrival/exit from storage sites ensures substantial compliance
- Given the substantial compliance with gross combination mass limits where is the evidence that minor movements of grain which can cause some deviation across axle limits is causing a significant safety risk
- The costs and time required to ensure full and accurate compliance (if even possible) are disproportionate
- Truck drivers and operators themselves are best placed to ensure compliance with axle weights within realistic and practical tolerances if the focus of enforcement is truly about improving safety
- Improving efficiency
- General considerations to support road-based transport safety and efficiency
- Coordination of Road and Rail
- Freight Flow

Investment needs to ensure successful flow of container freight through urban areas and out through the port. This improves markets access and reduces costs to the growers and the industry. Innovation cannot be achieved without complimentary infrastructure planning and investment.

Rail connectivity, standardisation supports and enables competition between ports. Better coordination of investment in rail hubs between state and federal governments can help achieve real time efficiency. The costs, complexities and lack of information transparency regarding grain movement to port is impacting Australia competitiveness in the global market.

Government must support early access to technology, including automated facilities and transport options which include larger configurations and higher total mass limits. Higher configuration mass units will reduce overall truck movements, improving safety and congestion outcomes while improving efficiency. The newer larger trucks being built in the EU are moving towards 20m in length, despite the potential safety improvements using these trucks in Australia would be problematic under current regimes.

### ACCC Agricultural Consultative Committee

Shane Gale, from Grain Producers SA is the Grain Producers Australia representative on the ACCC Agricultural Consultative Committee. The Committee provides a forum for discussion of issues being investigated by the ACCC Agriculture Unit. Where appropriate GPA raises issues of concern within this committee to encourage further investigation. For example, issues surrounding contract terms and conditions including warehousing contracts have been part of the discussions within the Committee.

### Personal property security register

GPA organised and facilitated a workshop with the aim of better developing our shared understanding regarding how the PPS Act sections 85 and 86 were being used. For more than two hours participants delved into the details of crop financing options, provision of financial services as impacted by the PPS Act sections 85 and 86 and potential considerations for any changes to the sections of the Act. We found the workshop an invaluable consultation opportunity and believe it also provided the AGD representatives with an opportunity to develop their understanding of how sections 85 and 86 are utilised within a modern grain farming context.

GPA recognised the parameters, scope (and limitations) of the current AGD PPS Act review response work. The review was only looking at sections 85 and 86 and how they were being used by grain producers/farmers. The AGD department wanted to understand whether from grain producer's perspectives:

- Is s85, and also where relevant to grain/livestock producers s86, used and useful?
- Is the current provision which allows a s 85 PPS registered security interest against a crop to have ranking above other forms of security interest causing confusion or unforeseen impacts?

Summary of GPA's response:

- Yes, the PPS Act s85 and 86 are still used and provide an important legal provision which supports access to short-term finance for the growing of crops or purchase and maintenance of livestock.
- Further analysis is required regarding the impacts of retaining the S 85 registered security priority provision – it is clear there are some benefits for accessibility short-term finance options. GPA contends the priority provision does support the provision of options and can enhance competition between short-term financing providers.
- While further analysis is required there may be different needs for young/new entrant farmers, farmers leasing land to grow crops versus older established farmers with higher equity in their farms. Therefore s85 provides a particularly valuable crop financing tool for younger farmers.





## Port Terminal Access (Bulk Wheat) Code of Conduct

The Port Terminal Access (Bulk Wheat) Code of Conduct (the Code) remains as one of the last pieces of regulation within the grains industry. The 2018 ACCC report provided clear evidence supporting the retention and strengthening of the Code.

GPA maintains active communication with the ACCC regarding the Code and participated in the Departmental review of the Code in 2018. The final report contained twelve recommendations, supported by GPA noting that following the establishment of Grains Australia, GPA do not support Grain Trade Australia (GTA) leading the industry activities such as leading collaborative work within the industry to identify concerns about the system.

The Government response detailed support for most of the recommendations however, have not supported an extension of the port code in up country supply chains, nor have they supported extending the code to cover all grains.

GPA remains concerned about the continued granting of exemptions to the Code and the continued lack of holistic, transparent or detailed analysis of the evidence being used to support those exemptions. GPA does not support any company being granted an exemption to the Code. All current exemptions must be fully reviewed with evidence transparently presented prior to any future exemptions being granted in order to ensure the efficacy of the Code is not being undermined.

## Food labelling and regulation

GPA put submissions into the FSANZ review. All Australian Ministers for Agriculture are members of the Forum on Food Regulation (FoFR). However, strong support and reinforcement of needed policy positions from the agricultural sectors supports the Minister's for Agriculture within the ministerial forum. Without that support, issues impacting agriculture can be dominated by the Ministers for Health and their departmental representatives.

GPA believes in science based regulatory systems. The Australian regulatory framework for food has supported general confidence within our community that it has access to one of the safest food supplies and most rigorously overseen supply chains in the world.

However, any food safety related incidence has an immediate and negative impact on consumer confidence and overall societal well being. As demonstrated by the high level of traditional and social media coverage of recent food safety related occurrences (needle and foreign object contamination of fresh fruits, bacterial contamination of fresh foods and prepared foods, hepatitis contamination of frozen foods, substitution and allergen contamination and concerns). Concerns about food safety issues are quick to cause generalised community anxiety with all its intrinsic consequences.

The strong relationship between general community stress and anxiety related to security of safe food supply has never been more obvious than during the past year. During the both real and perceived periods of supply chain disruption caused by COVID lock downs, the general public exhibited a high level of anxiety about access to food. If additional pressures had occurred due to food contamination or safety concerns the effect could have been dangerous.



Food regulation is key to maintaining market access. International customer confidence in the safety of the Australian food production and manufacturing supply chains is crucial to maintaining international market access. Even if a food product or ingredient is approved for use within an international market some markets also require reciprocal approval in the country of origin. This can also become an issue of maintaining competitiveness where overseas competitors have the ability to use a process or add an ingredient to meet a market's requirements which Australian manufacturers are not able to utilise.

GPA raised a number of other questions and concerns within the submissions process. A priority of which was concern regarding proposals to increase the costs of food regulation through the imposition of a cost recovered regulatory model.

### Plant based protein working group

GPA recognises the potential of plant based proteins (Alternative food industries) to support further value adding of Australian produced grains and the increased consumption of Australian grain. Fledgling industries promoting innovation will play an important role in market diversification.

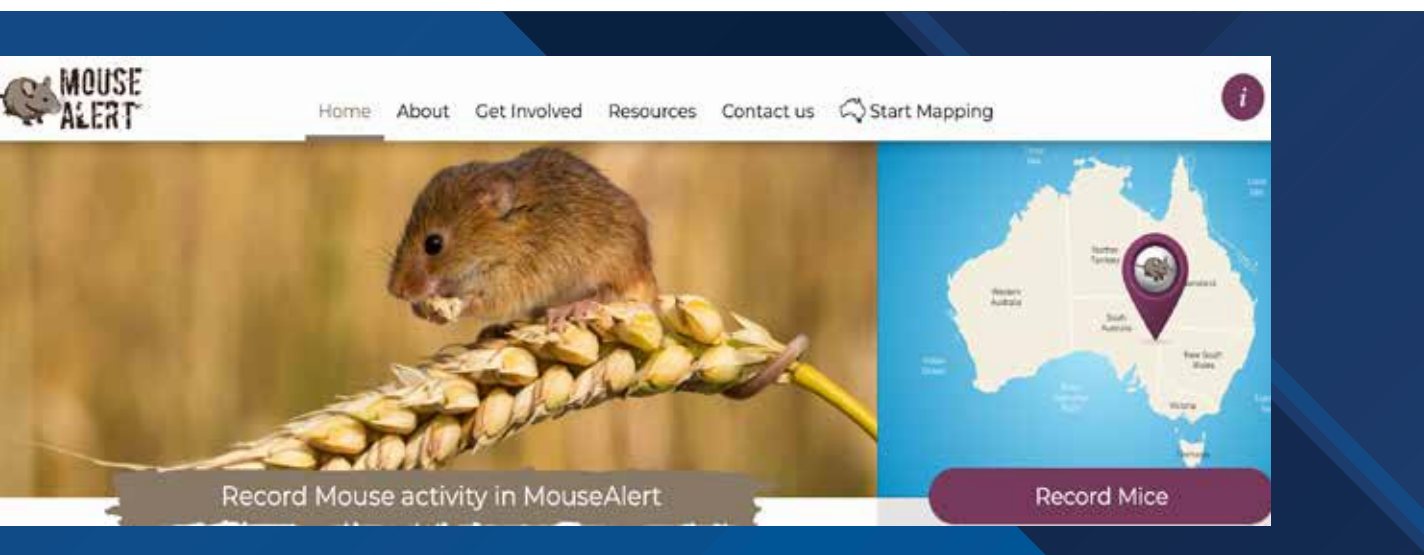
GPA also recognises the need for these products to be clearly labelled and marketed. The Alternative food industries have considerable potential. But the support from traditional agriculture for the development of innovative products is inhibited when the plant based protein sector tries to simultaneously ride on the reputation of traditional agriculture through the use of words and images traditionally associated with animal based agriculture while at the same time declaring itself to be environmentally, ethically and/or nutritionally superior.

GPA supports the development of a voluntary code to clearly define the allowable terms and images when companies are branding and marketing their plant based products. A review of the effectiveness of the voluntary code should occur within a set period of time.

Should the plant based industry continue to mis-represent themselves as being equivalent to animal based products then GPA removal of the food standards exemptions which allow plant based protein products to infer either with words or images that they are meat or dairy products.

The meat and dairy sectors have raised their concerns regarding the inadequacy of current food labelling laws with respect to how alternative foods are being labelled and marketed.

GPA was part of the original round table discussion and was invited to participate in the working group. NFF chaired the working group and had an additional representative to represent them within the group. NFF have no policy position on the issue, dairy have requested that NFF put the issue on the next members meeting agenda for development of an NFF policy position.



# GPA Activities - INNOVATION

## GRDC Consult

Grain Producers Australia is a joint Representative Organisation (RO) of the GRDC, along with Grain Growers Limited, under the enabling federal legislation; the Primary Industries Research and Development (PIRD) Act.

GRDC's purpose is to invest in RD&E projects and activities "to create enduring profitability for Australian grain growers" and GPA's role is to provide rigorous oversight to ensure they deliver it.

Growers pay a 0.99pc levy to fund GRDC collected at the first point of sale and based on the net farm gate value of 25 crops. This grower levy is matched by the Australian Government up to a limit of 0.5pc of the three-year rolling average of the gross value of production of those 25 leviable crops.

In its 2019-20 annual report, GRDC recorded \$95.76 million in income from industry contributions (grower levies) – its lowest income from grower levies since 2010 and 26pc lower than the forecast budget, which in turn reduced the Australian Government's contribution by 15pc. GRDC recorded total income for the same period of \$173.2m. In 2018-19, GRDC recorded \$114.2m in grain grower levies against \$69.4m in Australian Government contributions and \$23.4m in interest and royalties. Overall, since 2014-15, growers have contributed about \$700m from levies, to fund the GRDC.

As an RO, GPA maintains frequent contact and engagement with the GRDC Board and Executive on issues directly affecting GRDC operations and strategic objectives, to represent growers' interests.

This oversight includes GPA attending formal consultation meetings with the GRDC Board and Management and holding regular informal discussions to provide grower-focused feedback on GRDC's strategic investment activities.

Additionally, GRDC's 5-year strategic plan is developed in coordination and consultation with GPA and our SFO Members and Policy Council, to ensure it remains focussed on delivering direct grower benefits from RD&E activities, to boost growers' profitability and sustainability.

GPA's oversight activities of the GRDC this year include:

- Two formal consultation meetings between GPA and GRDC over the 20/21 financial year. The first was on 29 September 2020 by video conference with the GRDC Board and the second on 2 February 2021 with Chairs and CEOs at GRDC's Office in Barton, Canberra
- Ongoing informal consultations regarding various matters of importance to growers
- GPA's Grains Policy Council will also be participating in the development of the next five-year GRDC Research and Development plan. The current strategic plan has focused on the enduring profitability of Australian grain producers. GRDC is still in early phases of developing its approach to planning for the next R&D Plan; however, GPA will be an important stakeholder that will be engaged in the process

This year's priorities during engagement included:

- Presentation of the GRDC Annual Report and questions from ROs regarding the use of reserves
- Discussion regarding the GRDC performance against the Five-year Strategic Plan
- Clarification of the ability for GRDC to undertake research to inform policy
- Discussion regarding the implementation of the levy payer database and the future use of the database to improve GRDC accountability to levy payers
- Discussion regarding issues of concern to SFO members such as the National Variety Trials, Sorghum breeding program and the Regional Cropping solutions groups
- Discussion regarding joint RDC projects and the expected return to grain producer levy payers such as the Community Trust in Rural Industries project
- GRDC role in sustainability work and the Greenhouse Gas project with CSIRO

## Establishment of Industry good company – Grains Australia Limited

### Grains Australia

The establishment of Grains Australia is a significant achievement and one GPA is proud to have been a part of. GPA warmly welcomed Jonathan Wilson to the role as CEO and looks forward to seeing the industry good company thrive. Grains Australia Ltd (GA), is responsible for the delivery of certain grains industry good services and functions on behalf of the entire Australian grains supply chain. The establishment of GA has been driven by the desire for the Australian grains industry to consolidate a number of important industry good functions and add value to the Australian grains industry.

## What are the core functions of Grains Australia?

- to establish and maintain a grain variety classification system(s)
- to provide services that maintain and improve trade and market access
- to develop long term market and consumer analysis and product awareness to support longer term demand and value creation
- to ensure technical support and training is available for customers of and participants in the Australian grains industry

## Grains Industry Sustainability Framework

Throughout the past two years GPA has been an integral member of the Steering and Working groups for the development of the grain industry sustainability framework. The sustainability framework has now been drafted and includes a range of goals, targets and measurable indicators.

The aim has been to utilise established data capture sources where possible to reduce the individual burden on farmers. The importance of having a framework written by the grains industry for the grains industry has never been more apparent. There is evidence of increased demands from international markets for information about how industries are meeting customer's sustainability expectations.

The goal of GPA's involvement and support for the project has been to ensure the framework is based on celebrating the achievements of grain producers and recognising the huge steps to improve carbon capture and environmental outcomes already taken by grain producers.

In setting goals to demonstrate the sustainability credentials of the Australian grains industry GPA believed it was important to acknowledge the progress that has been made during the past thirty years. The adoption of minimum tillage agriculture, retention of stubble and controlled traffic technology have all made considerable improvements to the health of soils, water use efficiency, carbon capture and soil biodiversity.

## GPA Training

With support from the Victorian Government, through the provision of a training grant, GPA has been able to increase the number of online training courses offered through GPA Training. A virtual forum involving bulk grain handling companies was held in early 2021 to discuss gaining their support for GPA Training and accessing a single grains industry induction tool to enable growers to access grain delivery sites.

GPA Southern Region Director Steve Ball has worked with GPA staff, to further develop this initiative and continue promoting GPA Training as the preferred option to improve efficiencies for bulk handlers and growers but also to be proactive and more responsible in improving health and safety outcomes for our industry.



GPA Training currently has courses in:

- workplace safety for farm managers
- grain site induction
- fire safety and preparedness
- farm worker - harvest ready
- cropping and grazing safety
- Covid-19 and your workplace
- comprehensive safety induction
- Balco delivery induction

### **Agricultural Field Machine Autonomy Code of Practice**

Grain Producers Australia invested in the development of a 'Code of Practice for Agricultural Field Machine Autonomy' (COP) which is the first in the world, for the use of mobile autonomous agricultural equipment.

The COP was developed by GPA, led by GPA Project Manager and Technology Expert Dr Rohan Rainbow, working in partnership with the Tractor and Machinery Association of Australia (including John Deere, CNH, AGCO, Kubota and Nufarm Croplands) and the Society of Precision Agriculture Australia.

The COP will assist those involved with autonomous agricultural field equipment to meet their legislative obligations for work health and safety under the Safe Work Australia Model Work Health and Safety (WHS) laws.

It was designed to provide guidance on developing and evaluating safe work procedures for use of mobile partially automated, semi-autonomous and autonomous mobile field equipment including scouting vehicles, tractors, sprayers, haymaking and harvesting equipment.

The Code has been finalised and a formal engagement and communications strategy is now being implemented, to have it formally adopted by governments throughout Australia, as a proactive tool to support the development of these exciting technologies that are expected to boost the profitability and performance of grain farmers.



# GPA Activities - RESOURCE MANAGEMENT

## AgVet Policy Reform

Since GPA became active in 2014 making submissions to the Australian government on Agricultural & Veterinary Chemicals Legislation Amendments, over 70pc of key GPA proposals have been delivered through either legislation or regulation changes or partially delivered through Department or APVMA programs. The most recent reforms detailed in the AgVet Chemicals Legislation Amendment (APVMA Board and Other Improvements) Bill 2019 that is still yet to pass the Senate, only address a small number of the issues GPA has identified, or in some cases has addressed new issues created through previous rounds of poor legislative reforms. There is clearly a need for major legislative reform to deliver technology access outcomes for Australian grain growers and ensuring the industry is internationally competitive. GPA will continue to be actively engaged on these issues.

GPA has been engaged for many years in cross industry discussion in relation to increasing market failure of commercial investment in agricultural pesticides and veterinary medicines (AgVet) in Australia. As detailed in nine formal submissions to the Australian government by GPA since 2014, it is recognised that Australia is no longer on the global priority list for pesticide and veterinary medicine investment in commercialisation as it was 20 years ago. It is essential that unnecessary legislation, reviews and red tape does not further erode Australian AgVet investment and resulting productivity through reduced technology access for producers.

GPA has engaged regularly with the Minister for Agriculture's office, plus executive staff of the Department of Agriculture, Water and the Environment on industry challenges with AgVet technology access and potential options for improving investment to benefit Australian growers. GPA has also actively participated on an industry consultative committee engaging with an independent panel conducting a first principles review of the AgVet chemical regulatory framework.

GPA has responded to the Independent Review Panel - Draft Report of the Independent Review of the AgVet Chemicals Regulatory System on the 26 February 2021. GPA also detailed a separate submission detailing risks of managing chemicals of security concern and strategic risks to pesticide supply.

The Draft Report details 139 recommendations. Within those recommendations there are:

- Several that GPA considers may be potentially useful, if appropriately implemented, in improving regulatory efficiency and improving access to a wider range of global AgVet technologies.
- Many proposed reforms which will erode consumer and market confidence in the Australian AgVet system,
- A number of proposed reforms which will disincentive and therefore force a further winding back of the already hampered investment by commercial pesticide companies.

Any actions to diminish the role of the APVMA such as the proposed establishment of an AgVet commissioner as the lead pesticide product regulator in Australia would significantly undermine the agricultural sectors, consumer and international trade confidence in both historical and future regulatory decisions.

GPA considers that there are three main outcomes required from reforms to the AgVet system in Australia:

- Increased investment and technology access
- Increased transparency of science-based decisions that are internationally recognised
- Increased Australian public and international trade confidence in the regulator

Through the recent COVID-19 impacts on chemical production which stalled overseas in early 2020 and the ongoing trade difficulties with China, Australia has experienced some of the potential risks of dependence of pesticide products for crop protection from overseas.

Australia's agricultural industries are highly reliant on pesticide products imported from overseas, particularly from China.

There is effectively no remaining pesticide active manufacturing capability in Australia, with Nufarm announcing closure of its Australian plant in 2021, on top of recently closing its manufacturing capability and capacity in New Zealand. Corteva also announcing closure of its NZ pesticide manufacturing facilities in August 2020. There is a need to adopt an industry strategy encouraging minimum production capacity, similar to the national fuel reserve policy.

## 2,4-D review

The APVMA finalised the 2,4-D chemical review regulatory decisions on 3 September 2020. While most of the decisions proposed are pragmatically workable, there is an urgent need to reduce label complexity to users through the use of electronic look-up tables for spray use with different set-ups as proposed in the APVMA stage 2 spray drift review recommendations. GPA supports that spray droplets are no smaller than a Very Coarse (VC) spray droplet size category for nozzles used to apply 2,4-D chemical. GPA continues to support the industry stewardship around the changes made in 2018 to using nozzles that deliver VC spray quality.

## Spray drift management review

GPA has continued to actively engage with the APVMA on the issue of spray drift management and the on-going spray drift review through the cross-industry National Working Party for Pesticide Applications (NWPPA). GPA continues to support an 'advisory' rather than the proposed 'mandatory' approach to downwind buffer zones until the APVMA implements supporting label reference to spray drift management tools (SDMT) as proposed in Stage 2 of the APVMA spray drift review recommendations. GPA in consultation with the NWPPA and chemical registrants is assembling an application to the APVMA for a NSW only pilot permit as a step towards supporting the APVMA in establish a tool for producers to better manage the complexity of pesticide labels and spray buffer zones. If successful, GPA will expand this to a national permit in 2022.

## Inversion risk management

GPA was actively engaged in two workshops and meetings with the Bureau of Meteorology over the last 12 months in developing tools to support producers in managing their agricultural businesses, with a focus on new tools to manage real-time measurement and forecasting of air temperature inversion risks to support industry with a focus on improving industry productivity. GPA engaged with a number of commercial, government and investment stakeholders on delivery of these solutions, unfortunately progress has stalled due to commercial and investment challenges. GPA will continue to advocate for the grain industry to access to these risk management and productivity tools.

## Industry Pesticide Permits and Trade Support

GPA has worked closely with the Grain Industry Market Access Forum (GIMAF) on trade issues related to the proposed phase out of key chemical maximum residue limits (MRLs). GPA engagement in Australian Government trade discussions was also instrumental in achieving acceptance for the use of grain phosphine treatment for exports to India.

GPA has supported the Australian grains industry with access to new pesticides and expanded label use through submissions to the APVMA trade advice notices (TANs) and public release summaries (PRS) including:

- TAN on azoxystrobin and cyproconazole in the product Amistar Xtra Fungicide for use on oats, triticale and rye – 2 April 2020
- PRS on the evaluation of the new active trifludimoxazin with saflufenacil in the product Voraxor Herbicide – 5 May 2020
- PRS on the evaluation of the new active metcamifen in the product EPIVIO C Sorghum Seed Safener APVMA product number 87317 – 5 June 2020
- TAN on glyphosate for use on maize and popcorn Emergency use permit PER89622 – 19 June 2020
- TAN on acetamiprid and emamectin in the product Skope Insecticide for use on pulses APVMA product number 81486 – 18 September 2021
- TAN on cyproconazole and azoxystrobin in the product Amistar Xtra Fungicide for use on pulses, maize and sweet corn – 17 November 2021
- PRS on the evaluation of the tiafenacil in the product Terrad'or 700 WG Herbicide – 1 December 2021
- TAN on azoxystrobin and tebuconazole in the product Veritas Opti Fungicide for use on adzuki beans, mung beans and navy beans APVMA product number 89698 – 24 February 2021
- PRS on the evaluation of fomesafen in the product Reflex Herbicide – 24 February 2021
- TAN on flonicamid in the product MainMan 500 WG Insecticide for use on canola APVMA product number 66373 – 9 March 2021

## GPA Minor and Emergency Use Permits

GPA has expanded support to the Australian grains industry through extending the scope of APVMA emergency and minor use permits. GPA permits held during the reporting period include:

- PER82594 - Glyphosate / barley (except malting barley) / harvest aid and annual grass weeds – 2 November 2016 to 30 April 2020
- Permit PER 90799 - Chemical product for control of mice in certain crops and pasture - 27 April 2020 to 30 April 2021
- Permit PER89400 – Product for the control of Lepidopteran pests in millet (methomyl) 27 April 2019 to 30 April 2021
- Permit PER89322 – Product for control of annual grasses in summer fallow (clethodim/paraquat) - 20 April 2020 to 31 July 2021
- Permit PER89403 – Product for the control of Lepidopteran pests in millet (alpha-cypermethrin for *Helicoverpa* spp, Common Armyworm, Inland Armyworm and Southern Armyworm) - 8 May 2020 to 31 May 2023

GPA permits submitted for approval by APVMA during the reporting period include:

- Minor Use Permit Application for various herbicides to be used in fallow weed control using optical camera sprayer technology – Renewal of PER11163 – application submitted 1 October 2020
- Permit PER 90799 - Chemical product for control of mice in certain crops and pasture – application submitted 3 March 2021 - since approved 27 April 2020 to 30 April 2021.

## Zinc phosphide mouse bait

The 2021 mouse plague in NSW/Queensland is one of the worst on record. It has been estimated that more than \$1 billion will be stripped off the farmgate value of the winter crop, while the mounting social toll is virtually impossible to calculate by numbers alone. Grain Producers Australia has been actively monitoring the situation and leading the delivery of an ecologically sound solution that's resulted from strong collaboration over an extended period of time, working with leading CSIRO researchers, GRDC and agencies. This joint-effort led by Australia's peak national grain grower advocacy group has delivered tougher, and more effective control measures through an emergency permit recently issued by the Australian Pesticides and Veterinary Medicines Authority (APVMA).

This new permit doubles the potency of current zinc phosphide in mouse bait registrations, giving farmers a more potent control tool they can access now, for use in-paddock. The resulting permit increases the concentration of zinc phosphide active from 25 g/kg to 50 g/kg of mouse bait and farm chemical manufacturing companies ACTA, Imtrade, PCT, Wilhelm Rural and 4Farmers have also supported this application. GPA applied for the APVMA emergency use permit in early March 2021, based on the outcomes of new research which looked at the problem of anti-feeding behaviours in mice and in response to mouse monitoring and emerging plague risks. The work of GPA to help establish the National Mouse Management Group in 2010 is another key part of the ongoing joint effort to help protect the profitability of Australian grain producers.

## Glyphosate

Glyphosate is a tool for growers used as part of their farming operations for chemical control, herbicides, crop rotations, water conservation. The loss of the chemical could significantly increase the global supply of food, with a reduction in yields, increased cost of production and food prices. Land degradation, increase in stubble burning, and increased energy use. In 2016 the Australian Pesticides and Veterinary Medicines Authority (APVMA) comprehensively reviewed the IARC report and found no grounds for glyphosate's approved uses to be reassessed. The APVMA has approved the use of glyphosate-based agricultural chemicals, and GPA trusts the independent regulator's science based processes for reviewing and approving chemicals. Grain Producers Australia applied for an extension of the previous permit PER82594 that expired on the 30 April 2020.

Without an approved permit or label the maximum residue limits (MRL) for glyphosate in barley will expire and result in significant trade and market risks for Australian barley. If there is no permit or label application pending, the MRL will revert to 0.1mg/kg. An Item 25 (technical evaluation) application for late season glyphosate application in barley (except malting barley) was lodged by GRDC with the APVMA, including a letter of support from Bayer Crop Science (Australia), which was subsequently approved. A label application by Bayer to the APVMA resulted with a Trade Advice



Notice (TAN), to which GPA supported the label use registration as proposed. The label registration for glyphosate application on barley was approved on the 18 May 2020.

### **National Agricultural workforce strategy**

GPA held a workshop with the panel appointed to develop the strategy and put forward a submission to the National Agricultural Labour Advisory Committee during their development of the National Agricultural Workforce Strategy.

- GPA put forward a submission to the process including a number of pilot program ideas.
- Three of the GPA proposals were noted in the final strategy.

A key element of safety and workforce productivity on a grain production farm is the general knowledge and awareness regarding the skills required to operate machinery of the size and capacity of the agricultural machinery used on grain farms. There is a generally recognised need for a farm ready workforce and has been a key concern raised by all GPA members across Australia.

GPA Training provides an online training tool which can provide an on-farm and grain delivery site induction tool. The modules increase familiarity with real life grain farming operations and highlight the safety steps required of employers and employees.

GPA undertook a range of additional activities in the labour space to support the SFOs whose members were facing a range of limitations; especially WA in facing skilled labour shortages ahead of the 2021 harvest, due to border closures, and the need to push government to find ways to provide skilled heavy farm machinery operators, plus truck and train drivers.

Working with the SFOs to have a consistent message about the need for cross border movement of contract harvesters was a high priority issue in the lead up to the 2020 harvest season. While the situation provided some moments of levity, such as when a contract harvester indicated they'd been advised to fly their equipment to Sydney or Brisbane and then quarantine it and their staff prior to driving it out into the regions. Overall, the inability of Governments to understand the impact of their lack of flexibility to consider the needs of agriculture was problematic.

With the shut-down of the travel industry many highly skilled pilots found themselves in need of additional work. The capabilities of pilots and other airline staff made them ideal candidates for work in the modern tractors and harvesters used by grain producers. GPA worked with Qantas to develop a job matching program. Farmers were encouraged to upload job descriptions and roles which could then be matched with Qantas staff in their area who were looking for employment.

### **RIC engagement and advocacy**

Grain Producers Australia has been firm in their support for the RIC however, during 2020 we received an increasing number of calls from disappointed grain and mixed farming business still being significantly financially impacted by the prolonged drought. These members raised their concerns regarding the time it had taken and in some cases is still taking to process their applications for assistance. It is unacceptable that some are now approaching 10 months since their initial applications. Even after receiving a letter of acceptance/approval they wait are still waiting, more than 6 months later, to receive funding.

GPA discussed the issues with the RIC Chairman Bruce King and representatives of the Federal Government. GPA have previously made submissions to the RIC with respect to developing a seasonal cropping facility. This proposal was rejected by the RIC Board over claimed security concerns, which GPA soundly rejects. GPA believes a seasonal cropping facility would have immediately dealt with the working capital challenges faced by drought impacted farmers and allow regional towns to enjoy the flow on benefits of financial investment from farmers into their local suppliers.

In addition to action on funding assessment and distribution GPA believes the RIC needs a strong industry advisory group to provide a circuit breaker to the board. There needs to be a clear process and level of accountability regarding the RIC response to industry raising these concerns. RIC must be accountable for developing and implementing options for quicker release of funding to support farmers which will achieve what GPA believes will be a more strategic long-term solution through the existence of the RIC.

# GPA Activities - PRODUCT INTEGRITY

## Gene technology and GM

Australian grain producers face many challenging circumstances, climate variability, rising input costs and volatile market situations. They need to be able to choose the crop types best suited to their chosen production system. They need access to a wide range of varieties and options with the cost of regulating the process to develop those varieties commensurate with any risks to human health or the environment.

GPA maintains support for Australia's transparent science-based risk assessment process and regulatory system. It is imperative scientific analysis of risk is the basis of any system used to assess the products of breeding technologies, plant breeding in particular.

### OGTR regulations

GPA has patiently participated in the many reviews of the national Gene Technology Scheme, supporting the need for a regulatory regime that protects human health and the environment. The risk assessment framework established within Australia's National Gene Technology Scheme (the Scheme) is a proportionate response and one that ensures an effective scheme that provides a clear framework for the assessment and regulation within the evidence-based risk framework.

During 2020 start of 2021 GPA responded to the Consultation Regulatory Impact Statement (CRIS) on Modernising and future-proofing the National Gene Technology Scheme.

GPA outlined broad supportive of the attempt to develop a risk-tiering approach. Option B, while a missed opportunity to truly modernise the regulatory system, will provide some modernisation with regards GMOs developed using more traditional gene technology techniques. There has been a missed opportunity to build on the work done in 2019 to exclude SDN-1 techniques from regulation as a GMO. GPA recognises this may be the focus on the next review period however, it is a missed opportunity to provide clarity in this process and support investment through a consistent and streamlined regulatory approach.

GPA, ASF, Croplife and others all strongly opposed the introduction and use of the word 'creation' within the gene technology regulatory framework. Modification/modified are internationally accepted terms and broad enough to encompass all breeding technologies.

### State and federal regulations update on SA

On the 15th May 2020 the South Australia Government passed a Bill to amend their GM moratorium. the moratorium on the commercial growing of GM crops across South Australia. No areas of mainland SA have been designated as GM free so this season grain producers of SA had the freedom to choose to grow the crops that best fit their chosen production system. The moratorium will remain in place on Kangaroo island indefinitely. Congratulations to GPSA for their consistent hard work to provide choice to their members.

## GPA Biosecurity Committee

The Biosecurity Committee is a Grain Policy Council working group (following the model of the Pesticides Committee) initiated by the GPA Board to provide an opportunity for greater engagement with GPA members on biosecurity issues.

The role of the Biosecurity Committee is to:

1. Provide an opportunity for State Farming Organisation (SFO) members to develop their understanding of biosecurity processes across Australian agriculture
2. To provide a forum for discussion and for seeking additional information about specific biosecurity concerns.
3. Develop GPA Policy positions to support responsiveness, improve preparedness and support development of submissions on biosecurity matters
4. Communicate available information about biosecurity activities
5. Encourage and support stakeholders to accept their roles and responsibilities based on available information.

## Biosecurity responses during 2020

During the last two years the grains and other Australia plant based agricultural industry signatories to the Emergency Pest Plant Response Deed have had to invest millions of dollars in the assessment, eradication, surveillance and ongoing management of pests caused by inadequate container

inspection and quarantine. In addition to contributing levies towards the industry funding component, individual farmers also bear the costs of ongoing production loss and management costs when a pest becomes established. Khapra Beetle, Russian wheat aphid, fall armyworm, red witch weed, varroa mite, brown marmorated stink bug are just a few of the pest responses that have been undertaken during the past two years.

A robust and effective biosecurity system is key to ensuring:

- Ability for grain producers to increase profitability and productivity
- A reduction in the costs being imposed on Australian grain growers from pest and disease outbreaks
- Ongoing and improved access to international markets

It is far cheaper to stop biosecurity risks at the border. As the largest individual levy paying member of Plant Health Australia, GPA believes it is time for those creating the biosecurity risks to contribute funding toward the costs they are imposing on Australian industries.

GPA lobbied for increased Government investment in Biosecurity so welcomed the 2021 budget announcements which should lead to increased investment in surveillance and inspection activities as well as broader investment in biosecurity.

### **EPPRD reference group**

Tanya Pittard represented GPA on the EPPRD Review Reference Committee.

The scope of the 2020 review includes an assessment of findings arising from the 2015 review of the EPPRD and the Incident debriefs from 2017/18 tomato-potato psyllid, chestnut blight, giant pine scale and the annual general debrief of 2017, the debriefs from 2018/19 – brown marmorated stink bug, exotic fruit flies in the Torres Strait (2015-18), citrus canker and Owner Reimbursement Costs.

Findings arising from these debriefs were consolidated into the list in scope prior to the review commencing in October 2020. A summary of all findings in scope was provided to Parties through an update in November 2020.

The aim of the 2020 review is to assess the findings against the agreed recommendations and actions and determine if the right approach has been identified to address the root cause of each issue; specifically:

- Consider the findings in light of recent experience to identify those that remain an ongoing issue and those for which the lesson has been learnt.

Assess whether the identified recommendations and actions/activities are likely to be successful in addressing the root cause of each ongoing issue.

- Identify alternative approaches to address the issue (if required) and assign the responsibility for actioning activities.
- Establish the priority recommendations and actions and resources required to address.

The ability for Parties to sustain responses to multiple incursions/Response Plans was proposed as an additional topic for incorporation in the scope of the review. This matter was raised at the EPPRD Party engagement meetings held by PHA in April 2020. The intent was to look at the EPPRD through the lens of what is potentially the new “norm” of multiple incursions (including of the same Emergency Plant Pest) and seek to understand whether the EPPRD as a mechanism meets this challenge.

### **Imported Flowers and Foliage**

Following the 2020 release of Pest Risk Analysis for the import of cut flowers and foliage Part 2, it was clear the significant threat to broadacre agriculture, particularly the grain sector, biosecurity status and activities remained. Since late 2018 GPA had been included on the Imported flowers and foliage Regulation Working Group, representing the interests of grain producers to maintain biosecurity.

With a number of recent biosecurity incidences and responses linked to imported flowers and foliage, it is essential that Australia maintains strict import protocols to protect agricultural interests. GPA has supported the Department’s actions to impose tougher permit conditions on imported cut flowers and foliage. GPA also advocates for the imposition of permit fees and a biosecurity levy that reflects the biosecurity threat and contributes to future management activities. These levies would be remitted to Plant Health Australia to contribute towards the shared costs of responses and surveillance activities.

GPA was disappointed the DAWE chose to disband the IFFRWG. However, recognise that DAWE have indicated a willingness to still engage to ensure the needs and interests of the grains industry is given due consideration when the Department of Agriculture Water and Environment (DAWE) are making decisions with regards the permit conditions for the importation of cut flowers and foliage.

### **Biosecurity container levy policy**

Biosecurity funding via the imposition of compulsory levies is key to the strength of Australia's biosecurity systems. Broadening the funding base by applying a consistent biosecurity levy to all imports is the next step in improving the equity of a risk-based funding model.

Containers have been the vectors by which a number of recent incursions have entered Australia. GPA will continue to lobby for the implementation of the biosecurity levy to protect Australia's biosecurity interests.

### **National Residue Survey (NRS)**

GPA works with the NRS program to ensure relevance, adequate funding, and the program is meeting the expectations of growers, traders and our markets. GPA provides advice and annual confirmation to the NRS on the sampling regime and list of chemicals included. The NRS survey in addition to supporting trade and market access also supports the grains industry to continued access to chemicals under regulatory review through supporting data on use and residues.

### **Plant Health Australia**

GPA are the grains industry representatives to Plant Health Australia (PHA) with regards all biosecurity interests for grains across Australia. GPA are signatories to the Emergency Plant Pest Response Deed (EPPRD). This means that should a declared pest under the legislation enter a post-border detection, the deed enters into cost sharing arrangements with the government and affected industries.

GPA's commitment to biosecurity includes:

- Biosecurity planning and implementation at both a national and on-farm level;
- Liaison with federal and state governments on trade issues from biosecurity or phytosanitary concerns;
- Funding and supporting biosecurity initiatives and projects; and
- Participating in national committees and response efforts in an emergency.

Over the past year there have been a number of pest incursions and formal responses under the EPPRD. Each incursion has been managed according to the procedures laid out in the EPPRD. GPA also participated in a number workshops and preparedness activities. These activities allow real world analysis of processes to be used during potential outbreaks and can quickly identify research requirements and potential weaknesses.

### **National Mouse Group**

GPA supported the establishment of the National Mouse Group (previously the National Mouse Management Working Group) in 2011 in response to the need for awareness and action in the wake of high mouse numbers. The group was brought together to find solutions and options to address the shortage of control options. In recognition of the work undertaken by the group, the role has evolved to be a forum for a national discussion on mouse management and mouse focused research in Australia.

During 2020 it became apparent that mouse numbers had not dropped during winter and there was significant concern regarding the potential for build-up due to the large crop/food supply. NMG met in February to discuss the key messages regarding baiting timing and how to ensure maximum efficacy of in paddock baiting programs. GPA maintains our commitment to the NMG to ensure robust consideration of the mouse monitoring observational data. The group also provides a forum for communication between the farming community and CSIRO researchers. After each national mouse monitoring an update is published by GRDC.



# Financial Statements

For the Year Ended 31 March 2021

ABN: 63 111 059 995



# DIRECTORS' REPORT

For the year ended 31 March 2021

Your directors present their report on the company, for the financial year ended 31 March 2021.

## Directors

The names of each person who has been a director during the year and to the date of this report are:

<b>Andrew Noel Weidemann</b>	Southern Region Elected Director & Chairman
Qualifications	B.A. Dip Ag Sc Research and Development Spokesman
Appointed	25/09/2009
<b>Barry Large</b>	Western Region Elected Director
Qualifications	Quarantine and Biosecurity Spokesman
Appointed	27/08/2010
<b>Luke Arbuckle</b>	Northern Region Elected Director
Qualifications	B. Agr Sc
Appointed	09/01/2013
<b>Andrew Earle</b>	Northern Region Elected Director
Qualifications	Dip. Farm Mgt
Appointed	09/01/2013
<b>Stephen David Ball</b>	Southern Region Elected Director
Qualifications	B App. Sc. Ag
Appointed	07/02/2016
<b>Peter Bridgeman</b>	Board Appointed Skills Director
Qualifications	B.A. (Hon), LLB (Hons), FIML, Barrister-at-Law - Law, Public Policy
Appointed	07/09/2010
<b>Mitchell Harry Hooke AM</b>	Board Appointed Skills Director
Qualifications	B.Rur,Sc. (UNE), MAIA, MAICD - Public Policy development and advocacy, business in agri-food and resources sector, and corporate governance
Appointed	28/07/2015
<b>Gerard Paganoni</b>	Western Region Elected Director
Qualifications	BSc in Env. Mgt. and Sust.
Appointed	21/07/2019
<b>Neil White</b>	Company Secretary
Qualifications	Dip. App. Sci. (Agriculture)
Appointed	09/01/2013

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

# DIRECTORS' REPORT

For the year ended 31 March 2021

## Principal activities

The principal activities of Grain Producers Australia Limited during the financial year were to:

- Represent Australia's broadacre, grain, pulse and oilseed producers at the national level.
- Represent Australia's broadacre grain, pulse and oilseed producers in our role as an appointed Representative Organisation to GRDC.
- Represent Australia's broadacre grain, pulse and oilseed producers in our role as grains signatory to the Emergency Plant Pest Response Deed (EPPRD) and as the grains member of Plant Health Australia (PHA).
- Foster a strong, innovative, profitable, globally competitive and environmentally sustainable grains industry in Australia.
- Be a strong independent national advocate for grain producers based on a rigorous and transparent policy development process.
- Engage all sectors of the Australian grains industry to ensure operation of the most efficient and profitable grain supply chain.
- Facilitate a strategic approach to Research, Development and Extension intended to deliver sound commercial outcomes from industry research.
- Foster an industry leading policy council which is supported by the State Farm Organisation (SFO) members including: VFF Grains Group, NSW Farmers Association, Agforce Grains, Grain Producers SA, TFGA, WAFF, WAGG along with 3 elected growers from the North, South & Western region of Australia.
- Support the comprehensive national representation across the Australian production sector.
- Work with stakeholders to develop policies and positions on chemical regulations reform, pesticide application technologies, wheat export marketing arrangements skills and training in agriculture and research and development in chemical residues.
- Make written submissions and presentations to Senate and the House of Representative committees on wheat export marketing arrangements and skills and training in agriculture.
- Be involved in the National Working Party on Pesticide Application, Grains Industry Market Access Forum, Industry Working Group for the Code of Conduct for Port Access and the National Mouse Management Working Party.

There were no significant changes in the nature of the Company's activity occurred during the financial year.

## Short term objectives

The Company's short- and long-term objectives are to:

- Foster and initiate the development and implementation of policies that promote the economic and environmental sustainability of the Australian grains industry;
- Develop strategies that address key commercial issues and impediments to the profitable commercial operation of the grains industry to enhance the efficiency, effectiveness, viability and comparative advantage of Australia's grains industry;
- Represent and promote Australia's grain growers, the policies of the Company and the interest of Australia's grain industry nationally and internationally; and
- Make representations to, and work with, governments in accordance with the roles and responsibilities of the Company under the Primary Industries and Energy Research Development Act 1989 (PIERD), the Primary Industries (Excise) Levies Act 1999 and the Primary Industries (Customs Charges) Act 1999 and grains industry signatory to the Emergency Plan Pest Response Deed through Plant Health Australia.

# DIRECTORS' REPORT

For the year ended 31 March 2021

## Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Developing and promulgating policies developed through engagement with grains industry stakeholders;
- Facilitating processes that identify issues and shape strategies to represent the production sector of the Australian grains industry; and
- Representing the production sector formally through participation in key forums and through submissions to government and industry inquiries.

## How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Ensuring transparency and accountability to the grains industry;
- Providing effective representation to national government representatives and politicians;
- Raising the awareness of the issues facing grain producers; and
- Facilitating action on key issues facing the grains industry.

## Performance measures

The following measures are used within the Company to monitor performance:

- Assessing the transparency of policy development;
- Physical presence representing the views of grains industry stakeholders;
- Ensuring revenue derived is effectively being directed towards increasing the profitable commercial and comparative operation of the grains industry; and
- Assessing the impact of all these activities through policy of position change around key areas of activity.

## Members guarantee

Grains Producers Australia Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member is limited to \$2, subject to the provisions of the company's constitution.

For governance matters (at 31 March 2021) based on financial contributions, Grain Producers Australia Limited membership comprising Direct Members and Australian Grain Producers (being represented by their State Affiliate Farming Organisations) totals 4,045. The State Affiliate Farming Organisations (SFOs) together with the Direct Members collectively represent the interests of approximately 28,800 businesses growing cereal and broadacre crops. These broadacre cropping businesses are the largest employers of the estimated 326,000 workers engaged in Australian agriculture.



# DIRECTORS' REPORT

For the year ended 31 March 2021

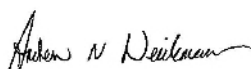
## Meetings of Directors

During the financial year, 7 meetings of directors (including committees of directors) were held. Attendance by each director during the year were as follows:

	Directors' Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Andrew Weidemann	7	7	-	-	3	3
Barry Large	7	7	-	-	3	3
Luke Arbuckle	7	5	1	1	-	-
Andrew Earle	7	6	1	1	-	-
Mitchell Hooke	7	6	1	1	3	3
Peter Bridgeman	7	6	1	1	-	-
Neil White	7	6	1	1	3	3
Steve Ball	7	7	-	-	-	-
Gerard Paganoni	7	5	1	1	-	-

## Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 31 March 2021 has been received and can be found on page 34 of the financial report. Signed in accordance with a resolution of the Board of Directors:



Director: Andrew Weidemann  
Dated: 31 May, 2021



Director: Barry Large

*L-R: GPA Deputy Chair, Barry Large, GPA Southern Region Director, Steve Ball, GPA Chair, Andrew Weidemann, and GPA Northern Region Director, Luke Arbuckle.*





Accountants Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Grain Producers Australia Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2021, there have been:

- (i) No contraventions of the accountant's independence requirements as set out in the *Corporations Act 2001* in relation to the review of the financial reports; and
- (ii) No contraventions of any applicable code of professional conduct in relations to the review.

Herries Davidson & Co

A handwritten signature in cursive script that reads "Shawn Quinton".

Shawn Quinton  
Partner

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2021

The accompanying notes form part of these financial statements

		2021	2020
	Note	\$	\$
<b>Revenue</b>			
Affiliate fees		196,600	220,250
Consultations	2	58,866	104,793
Other revenues	2	308,685	80,498
Director's fees in lieu	2	73,330	51,240
<b>Expenses</b>			
Administration expenses		(13,153)	(109,249)
Ag in Compliance Project		(175,000)	-
Audit fees		(4,800)	(4,800)
Bad debts		-	-
Code of Practice Project		(15,000)	-
Consultants		(60,365)	(115,836)
Director's fees	2	(97,330)	(86,177)
Employment expenses		(176,542)	(95,247)
Insurance		(986)	(553)
Quality Leadership Project		-	(199,120)
Telephone		(797)	(250)
Travel & Accommodation		(3,388)	(58,819)
<b>Profit / (Loss) for the year</b>		<b>90,120</b>	<b>(213,270)</b>
<b>Total Profit / (Loss) for the year</b>		<b>90,120</b>	<b>(213,270)</b>

# STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2021

The accompanying notes form part of these financial statements

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Bank balances	3	789,838	610,665
Trade and other receivables	4	27,500	119,267
Other assets	6	83	437
<b>TOTAL CURRENT ASSETS</b>		<b>817,421</b>	<b>730,369</b>
NON-CURRENT ASSETS			
Property, plant and equipment	5	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>817,421</b>	<b>730,369</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	7	92,089	95,657
<b>TOTAL CURRENT LIABILITIES</b>		<b>92,089</b>	<b>95,657</b>
<b>TOTAL LIABILITIES</b>		<b>92,089</b>	<b>95,657</b>
<b>NET ASSETS</b>		<b>725,332</b>	<b>634,712</b>
<b>EQUITY</b>			
Retained earnings		725,332	634,712
<b>TOTAL EQUITY</b>		<b>725,332</b>	<b>634,712</b>

# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2021

The accompanying notes form part of these financial statements

2021	Retained Earnings \$	Total \$
<b>Balance at 1 April 2020</b>	634,712	634,712
Adjustment to prior year	500	500
Profit / (Loss) attributable to members	90,120	90,120
<b>Balance at 31 March 2021</b>	<b>725,332</b>	<b>725,332</b>

2020	Retained Earnings \$	Total \$
<b>Balance at 1 April 2019</b>	848,878	848,878
Adjustment to prior year	(896)	(896)
Profit / (Loss) attributable to members	(213,270)	(213,270)
<b>Balance at 31 March 2020</b>	<b>634,712</b>	<b>634,712</b>

# STATEMENT OF CASH FLOWS

For the year ended 31 March 2021

The accompanying notes form part of these financial statements

	Note	2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		559,135	392,293
Payments to suppliers and employees		(384,979)	(563,142)
Net cash provided by (used in) operating activities	11	174,156	(170,849)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest		5,017	13,248
		5,017	13,248
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Net increase (decrease) in cash and cash equivalents held		179,173	(157,601)
Cash and cash equivalents at beginning of year		610,665	768,266
Cash and cash equivalents at end of financial year	3	789,838	610,665

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

The financial statements cover Grains Producers Australia Limited as an individual entity, incorporated and domiciled in Australia. Grains Producers Australia Limited is a company limited by guarantee.

### 1. Summary of Significant Accounting Policies

#### (a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar. The financial statements were authorised for issue on 24 May 2021 by the directors of the company.

#### (b) Comparative Amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### (c) Revenue and other income

Donations and bequests are recognised as revenue when received. Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of Goods and Services Tax (GST).

#### Interest revenue

Interest is recognised using the effective interest method.

#### (d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

## **(e) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

### **Plant and equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

### **Depreciation**

The depreciation rates used for each class of depreciable assets are:

#### **Fixed assets class**

Furniture, Fixtures and Fittings	33%
----------------------------------	-----

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

## **(f) Financial Instruments**

### **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

### **Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future

net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

#### *(i) Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

#### *(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

#### *(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

#### *(iv) Available-for-sale financial investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

#### *(v) Financial liabilities*

Non-derivative financial liabilities are subsequently measured at amortised cost.

Borrowings are classified as current liabilities unless

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

## Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a 'loss event'), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter into bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

## Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

## (g) Impairment of non-financial assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

## (h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

## (i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

## (j) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

## (k) Economic dependence

Grains Producers Australia Limited is dependent on the support of annual member subscriptions and sponsorship from other organisations for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the support of members and sponsorship will not continue.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

## 2. Revenue and Other Income

	2021	2020
	\$	\$
<b>Revenue</b>		
- Affiliate Fees	196,600	220,250
- Government Grant (Maintaining quality leadership in the Australian grains industry)	175,000	67,250
- Consultations	58,866	104,793
- Directors fees in lieu offsetting fees paid*	73,330	51,240
- COVID-19 ATO subsidy	40,868	-
- JobKeeper subsidy	57,800	-
- Victorian Govt COVID-19 supprt	30,000	-
- Interest	5,017	13,248
	<u>637,481</u>	<u>456,781</u>

\*Directors of Grain Producers Australia Limited largely contribute their services to the Company at no cost which is recognised here as an in-kind contribution.

## 3. Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	789,838	610,665
	<u>789,838</u>	<u>610,665</u>

## 4. Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT Trade receivables	27,500	119,267
	<u>27,500</u>	<u>119,267</u>

Reconciliation of changes in the provision for impairment of receivables is as follows:

	2021	2020
	\$	\$
Balance at beginning of the year	-	-
Additional impairment loss recognised	-	-
<b>Balance at end of the year</b>	<u>-</u>	<u>-</u>



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

## 5. Property, plant and equipment

	2021	2020
	\$	\$
Furniture, fixtures and fittings		
At Cost	3,291	3,291
Accumulated Depreciation	(3,291)	(3,291)
Total furniture, fixtures and fittings	-	-

### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture, Fixtures and Fittings	Total \$
<b>Year ended 31 March 2021</b>		
Balance at the beginning of year	-	-
Depreciation expense	-	-
<b>Balance at the end of the year</b>	-	-

### Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture, Fixtures and Fittings	Total \$
<b>Year ended 31 March 2021</b>		
Balance at the beginning of year	-	-
Depreciation expense	-	-
	-	-

## 6. Other assets

	2021	2020
	\$	\$
Prepayments	83	437
	83	437

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

## 7. Trade and other payables

	2021	2020
	\$	\$
<b>CURRENT</b>		
Trade payables	2,014	62,165
Accruals	5,500	5,500
Net GST payable	12,834	15,920
PAYG payable	12,831	8,435
Superannuation payable	-	-
Annual leave provision	12,266	3,637
Contracted funds with deliverables	46,644	-
	<u>92,089</u>	<u>95,657</u>

## 8. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2021	2020
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	789,838	610,665
Trade and other receivables	27,500	119,267
<b>Total Financial Assets</b>	<u>817,338</u>	<u>729,932</u>
<b>Financial Liabilities</b>		
Trade and other payables	92,089	95,657
<b>Total Financial Liabilities</b>	<u>92,089</u>	<u>95,657</u>

## 9. Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding's and obligations of the Company.

For governance matters (at 31 March 2021) based on financial contributions, Grain Producers Australia Limited membership comprising Direct Members and Australian Grain Producers (being represented by their State Affiliate Farming Organisations) totals 4,045. The State Affiliate Farming Organisations (SFOs) together with the Direct Members collectively represent the interests of approximately 28,800 businesses growing cereal and broadacre crops. These broadacre cropping businesses are the largest employers of the estimated 326,000 workers engaged in Australian agriculture.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

## 10. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 March 2021 (31 March 2020: None).

## 11. Cash flow information

### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
	\$	\$
Profit/(loss) for the year	90,120	(213,270)
Cash flows excluded from profit		
Attributed to investing activities	(5,017)	(13,248)
Non-cash flows in profit:		
- Prior year change to profit	500	(896)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	91,767	22,633
- (increase)/decrease in prepayments	354	1,649
- Increase/(decrease) in trade and other payables	(3,568)	32,283
Cashflow from operations	174,156	(170,849)

## 12. Events occurring after the Reporting Date

The financial report was authorised for issue on 24 May 2021 by the Board of Directors.

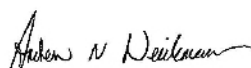
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

## DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 30 to 43, are in accordance with the Corporations Act 2001 and:
  - a. Comply with Accounting standards – Reduced Disclosure Requirements; and
  - b. Give a true and fair view of the financial position as at 31 March 2021 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the Board of Directors.



Andrew Weidemann  
Director  
Dated: 31 May 2021



Barry Large  
Director

## **Independent Assurance Practitioner's Review Report to the members of Grain Producers Australia Limited**

### *Report on the Financial Statements*

We have reviewed the accompanying financial report, being a special purpose financial report of Grain Producers Australia Limited, which comprise the statement of financial position as at 31 March 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Assurance practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with Standard on Review Engagements ASRE 2400, *Review of a Financial Report Performed by an Assurance Practitioner Who is not the Auditor of the Entity*. ASRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ASRE 2400 is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Australian Auditing Standards. Accordingly, we do not express an audit opinion on these financial statements.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Grain Producers Australia Limited as at 31 March 2021 and its financial performance and cash flows for the year then ended, in accordance with the Australian Accounting Standards.



Shawn Quinton  
Partner

31 May 2021



**Postal address:** PO Box 370  
Braidwood NSW 2622

**Email:** [admin@grainproducers.com.au](mailto:admin@grainproducers.com.au)  
**Web:** [www.grainproducers.com.au](http://www.grainproducers.com.au)