

KIT 4.2

Invest in R&D that informs industry and government approaches to trade and market access for Australian grain into export markets.



Impact	Growers benefit from maintaining and improving market access for Australian grain into export markets.
Summary	<ul style="list-style-type: none">• Growers, exporters and government agencies improve collaboration to more effectively respond to existing and emerging market constraints and opportunities.• Growers, exporters and government agencies work with foreign governments and importers to develop solutions to minimise market access constraints and maximise market access opportunities.• Growers, exporters and grains industry representative organisations have access to new technical resources and capacity, enabling them to respond quickly to emerging market access constraints and opportunities.

OVERVIEW

The aim of Key Investment Target (KIT) 4.2 is to improve the profitability of Australian grain growers through maintaining and improving market access for Australian grain into existing and new markets. This KIT primarily focuses on market access opportunities as they relate to export. The strategy supports growers, traders, and other key industry stakeholders to collaborate and respond quickly and effectively to trade and market access issues and opportunities through the establishment of collaborative cross-industry forums and supporting RD&E investment that allows the grains industry to effectively identify and capture new market opportunities and rapidly respond to market access issues as they arise.

There are three major types of trade restrictions impacting on Australian grain exports:

1. Changes in tariff rates by designated importing countries which is permitted under World Trade Organisation rules (eg India tariff on pulses).
2. WTO actions or allegations which block or impede market access (recent examples include China's action on barley in Australia, canola in Canada, and corn and soybean in the United States).
3. Sanitary and phytosanitary issues, criteria and protocols (India's notice of 54 prohibited weeds or engagement on the EC rules around sustainability issues).

Continually improved performance in these areas should deliver benefits to growers through minimising compliance costs and providing greater surety of grain marketing options.

New market access opportunities can be large and/or strategic in nature and require a broader industry response, or bespoke opportunities that might be developed by individual exporters.

GRDC future RD&E investment relating to KIT 4.2 will focus on improved collaboration and co-ordination of market access efforts delivering benefits to growers in the areas of minimising compliance costs and trade disruptions, and maximising opportunities to open markets. The ability of the grains industry to co-ordinate and communicate its response to issues such as these as they arise is important in ensuring that growers are planting and delivering the right crops and varieties to maximise their profitability.

KIT 4.2 is partitioned into 3 scope areas. The first scope is focused on improving collaboration across the grains industry on market access constraints and opportunities. The second scope area aims to develop solutions to trade constraints and market access opportunities. Finally, the third scope area aims to facilitate the development of new tools and resources to enhance the grains industry's capacity to address market access constraints or emerging opportunities.

FUTURE RD&E FOCUS

SCOPE – Collaboration on market access constraints and opportunities

Grower representative organisations, research providers, processors, grain and grain product exporters, government agencies and international trade delegates currently work together on trade related issues and opportunities. However, there are several organisations that fulfil different roles across the grains industry, and this fragmentation means that decision making processes can be slow. In addition, the responsible organisation may not be readily apparent for external stakeholders, and therefore the ability of the trade committees to communicate, collaborate and implement outcomes has been cumbersome.

Improved collaboration and coordination will result in significant benefits to the Australian grains industry, including more efficient industry operation, improved connectivity across the value chain and improved industry influence in domestic and global forums.

Investment Outcome 4.2.1 – Growers, grains industry representative organisations, exporters and government agencies have a collaborative framework in place to identify and respond to existing and emerging market access constraints and opportunities.

To achieve this outcome it is expected that organisations and government will form a formal collaborative framework and utilise it to engage on strategy development and to actively implement solutions to trade issues and opportunities.

SCOPE – Development of solutions to trade constraints, requirements and opportunities

The resources and capacity for the Australian grains industry to effectively develop solutions to ad hoc trade issues is limited. With resources under pressure industry needs to identify those constraints and opportunities where overcoming the constraint or capturing the opportunity will deliver the largest possible benefit. Identification of the priority trade constraints and opportunities will require research, modelling and co-ordination amongst participants.

Harmonising protocols between Australia and targeted importing countries is a high priority. In order to achieve that outcome developing stronger shared understanding of both requirements and protocols of destination markets by Australian grains industry stakeholders, and a reciprocal understanding of Australian grain crop quality, testing and QA process by key stakeholders in those markets has been and will continue to be important. Ensuring that the right industry stakeholders are engaged with the right information at the right time will improve the effectiveness of these interactions.

Investment Outcome 4.2.2 – Growers, grains industry representative organisations, exporters and government agencies strategically engage with foreign policy makers, regulators, importers and competing exporters to reduce costs, improve efficiency and harmonise grain-trading systems.

It is anticipated that these outcomes will be delivered by purpose driven organisations. A detailed list of roles and responsibilities across issues will need to be developed within these organisations in conjunction with government and industry.

SCOPE – New tools and resources to enhance the grains industry’s capacity to address market access constraints or emerging opportunities

Grain industry stakeholders require access to the latest information on the import requirements for specific destination markets such as: quota limits; pest; disease; weed seed limits/constraints; MRL requirements; grain treatment protocols; cargo limits; import taxes, duties and tariffs. The second need was for the exporters to have access to data to demonstrate that exported grain was free of pests, disease or weeds relevant to each potential destination market. For new market opportunities, reliable information on the performance of Australian grain and grain classes is often crucial to capture those opportunities.

Research and tools that allow industry to more efficiently understand and respond to market requirements and opportunities and match Australian grain to those requirements will improve transaction efficiency in existing markets and allow Australian industry to develop and capture new markets.

Investment Outcome 4.2.3 – Growers, grains industry representative organisations and government agencies have access to the technical capacity and resources necessary to develop and implement new solutions to address market access constraints or capture emerging market opportunities.

The resources to achieve these outcomes may include technologies to acquire and construct data sets, data set curation, capacity to analyse the data and provision of reports to the industry committees and responsible agencies.

REFERENCES

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