



Talking Grain: 2009 Grains Industry Forum
By Murray Jones, Chairman Grains Council of Australia

The grains industry will always be in a constant state of change. As the world changes, we must adapt and change with every new demand. Civilization began with the growing and storage of our product - grain, and today we are still the basic food producers.

In 2009 the 'GFCs' have dominated – the Global Financial Crisis and the Global Food Crisis. While Australia has so far fared better than most in the financial crisis, our nation has been crippled by devastating floods and fires.

Global food security is just one of the challenges that our world faces. With over 60% of our production exported, Australia plays a critical role in addressing this crisis. To date, our principal wheat markets include Indonesia (our largest and closest neighbour), Vietnam, Japan, Republic of Korea, Malaysia and the Sudan. Our principal barley markets include Saudi Arabia, China, Japan, United Arab Emirates, Republic of Korea, and Vietnam.

Global wheat consumption in 2008-09 was forecast to be a record 651 million tonnes, 27 million tonnes above the previous record in 2005-96 and 37 million tonnes more than last season. The use of wheat as a livestock feed is driving the increase, with consumption forecast to be 32 million tonnes higher in 2008-09 than 2007-08. The use of wheat for human consumption is forecast to increase by 1 per cent to 452 million tonnes in 2008-09, around 70 per cent of total wheat consumption*

According to many scientists, the world will have to produce the equivalent of the total amount of food and fibre consumed over the past 10,000 years in the next 50 years to maintain our current food and fibre supply standard. We cannot ignore this fact, especially with millions of people in the world verging on starvation right now.

Therefore, there has never been a more critical time for the Australian grains industry to unite and work together on important whole-of-industry issues.

The Grains Council of Australia will be hosting the Grains Industry Forum in Sydney on 31 March. This will be the first Grains Industry Forum and was initiated following recommendations from past Grains Industry Leaders Summits. Industry representatives at the 2008 Grains Industry Leaders Summit expressed the need for the whole-of-industry to come together on a regular basis to discuss and work on resolutions for whole of industry issues.

The March 31 Grains industry Forum will focus on three critical issues:

Facilitating Trade:

Grain trading depends on market information, supply and demand. Transparency and sharing of information of grain stocks is sensitive and needs to be discussed by all sectors of the industry to develop protocols on stock disclosure. It is critical that the whole of industry together understands how the new liberalized market has worked during the 08/09 harvest, what areas need addressing and how new challenges are to be met. This forum is timed to bring the industry together to discuss any market possible market failure and determine what action may be necessary.



The two hour session will be chaired by Peter Woods , CEO of Wheat Exports Australia. Panel members will be Ron Greentree - NSW grain grower, Ron Storey - crop forecaster, Malcolm Bartholomaeus - marketer, and Geoff Honey – CEO Grain Trade Australia.

Biosecurity and Quarantine:

Australia has a unique opportunity to export to food hungry nations all around the world, particularly within the Pacific Rim where food demand is rapidly increasing. China for example has 20% of the world's population, but not enough land to satisfy its own consumption requirements. China's consumption of beer alone has doubled in the past decade. Grain customers are requiring ever higher standards for our produce.

AQIS has a key role in the export of Australian commodities, the AQIS Grain Industry Consultative Committee needs to provide a function where exporters and AQIS can resolve such issues as cost recovery, fumigation, and import requirements of grain customers. The grain industry must negotiate chemical residue limits and meet the requirements of importing overseas customers and maintain our precious standards. In 1986 almost 100% of grain was treated with contact chemicals to control insects, by 1995 the level had dropped to below 20% and today the levels are minimized through careful management and control measures. Customers are very specific in their requirements and industry needs to work together co-operatively to maintain our already high reputation.

This two hour session will be chaired by Rob Delane, AQIS Executive Director. Panel members, Greg Fraser - CEO Plant Health Australia, Geoff Masters – ABB Grain, Mike Gilbert – AQIS, and Bill Murray - National Working Party on Grain Protection.

Research and Development:

Research and development is the cornerstone of the nation's agricultural success. Producing food in one of the world's toughest environments has been the challenge for Australia's farmers. The world is looking to Australia to provide food security and grain has the key role to play. Climate variability has its extremes in this country, yet the grains industry has adapted continuously to meet the challenge. Production of grain during this past decade of serious drought has been sustained through modern practices where total failures were the norm in the past.

New technology, particularly bio-technology is the next opportunity for grain. How the industry accepts these new technologies will be critical to producers who must keep their businesses sustainable. Plant breeders are challenged to keep ahead of pests and diseases and ensure that industry is not vulnerable to pathogens that could destroy grain varieties in a single season as they have done in the past. More efficient water use and the potential to increase fertility through better use of bacteria are just some of the challenges for research and development. The industry needs to have more awareness of the importance of research and development to determine the future direction of its investment.

This two hour session will be chaired by Peter Reading, CEO GRDC. Panel members Mark Laucke – Laucke Flour Mills, Dr Steve Jeffries CEO AGT, Andrew Weideman - Victorian Grain Grower.

The Grains Industry Forum is a unique opportunity for the whole of the Australian grains industry to come together and work together on solutions for a more sustainable future.

I hope to see you there!

* ABARE, Australian commodities, vol 15 no4, December quarter 2008.