

2013-14 Annual Report



Grain
Producers SA

Grower-driven advocacy for a profitable grains industry

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GPSA ... what we stand for

Our Vision

Viable and sustainable grain producers in South Australia

Our Mission

To ensure a viable and sustainable grains industry in South Australia for grain producers through leadership, advocacy and communication

Our Values

- > Integrity through transparency and accountability
 - > Consultative through approachability and communicating
 - > Desire for outcomes that are fact-based, proactive and considered
-

Our Priorities

GPSA's objectives are to improve the profitability and sustainability of South Australian grain producers through:

- > Representing the views of South Australian grain producers to government, industry and the community on grains issues.
- > Working with an effective state farming organisation and other commodity groups to represent South Australian grain producers on cross commodity issues.
- > Working with government and industry to develop policies around creating and maintaining an efficient, accessible and cost-effective supply chain.
- > Working with government, industry and institutions to improve the technical and business skills of South Australian grain producers.
- > Working with research, development and extension organisations to identify and disseminate research priorities in grain production, handling and management.
- > Supporting an effective national representative organisation to work with government around national initiatives to support the grains industry.
- > Providing a program to include and develop young farmers to be prepared to take on leadership roles within the SA grains industry.

Chairman's Report



It has been another year of growth for Grain Producers SA.

With extra staff on the team, we have widened our presence in regional South Australia and been able to mount a more rapid response to pressing issues while continuing our longer term strategic approach.

We have been working to gather growers' input on industry issues while also working closely with government agencies and commercial enterprises to bring these issues to their attention.

On behalf of the board, I would like to acknowledge the dedication and hard work of chief executive officer Darren Arney and his team. The board met seven times during the year, both in Adelaide and regionally at Clare. On behalf of board members continuing in 2014/15, I thank Malcolm Sargent and Mark Schilling who are retiring at our annual general meeting and Gary Flohr who retired in June. These directors have been with GPSA since its inception in 2012 and have provided valuable input and counsel to allow GPSA to be where it is today – an organisation that is valued by SA's grain producers.

I would like to thank the other organisations we have partnered with in 2013/14 to deliver outcomes to growers. GPSA continues to support Grain Producers Australia as the national representative organisation – both financially and in-kind. We also work closely with the

other South Australian commodity groups which feed into Primary Producers SA. PPSA is our vital link, focusing on cross-commodity issues, such as native vegetation, NRM, transport, and competing land use issues. We will continue to work collaboratively for the benefit of primary production and food production more broadly, and look forward to PPSA's new digital interface which will be a one-stop-shop for farmers – for all their business requirements, news, events and contacts.

I would like to acknowledge the passing of one of the industry's great researchers, Tony Rathjen. Tony's contribution to grain producers over his distinguished career was extraordinary, both at a high scientific level but also at a grassroots level with producers. He had an incredible understanding of growers' on-farm issues and was widely respected by the research and farming communities.

The most significant issue facing grain producers in South Australia is the significant supply chain costs where there are incremental increases, post-farm gate. It is critical that grain prices offered at port in a functioning deregulated market are comparable to the other states.

For the year ahead, GPSA will continue to work with all levels of government – local, state and federal – on issues impacting the grain industry. We will also continue our regular contact with marketers, exporters, storage and handlers, researchers and farm input suppliers on behalf of growers.

Garry Hansen



CEO's Report

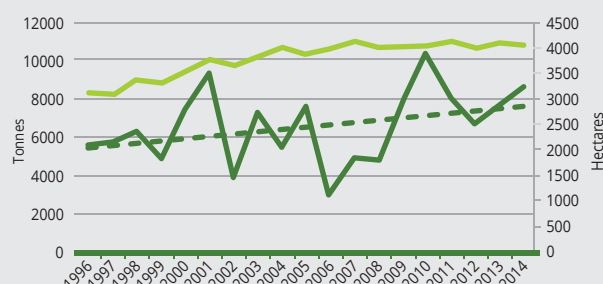


The season for 2013/14 was an above average year for most South Australian grain producers. Very good winter rainfall, after a dry start, was followed by a drier than average spring with plenty of wind.

Strong grain prices were supported by high world grain prices and a weakening Australian dollar.

South Australian grain producers grew more than 8.5 million tonnes of grain valued at about \$2.8 billion FOB from around 4 million hectares.

Figure 1: South Australian area sown to crop (hectares) and gross production (tonnes) 1996 to 2014



Source: PIRSA Crop and Pasture report

— Total tonnes — Total ha

Finances and projects

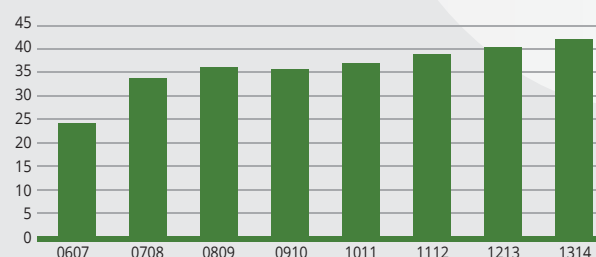
The 2013/14 financial year was the first full year of revenue where the contribution rate to the Primary Industries Funding Scheme (Grain Industry Fund) was increased from 5 to 20 cents per tonne in the 2012/13 season. Revenue collected under the PIFS averages about \$1.2 million per annum, up from about \$300,000 in previous years.

GPSA applied for and received \$810,000 from the PIFS Grain Fund in 2013/14 for operating capital, with remaining funds collected in 2012/13 retained in Primary Industries and Regions SA and an additional \$80,000 retained in GPSA to provide for reserves to fund projects in years where production may fall below average.

The increase in revenue has greatly improved the operating capital available to GPSA to carry out projects and to advocate for grain producers at a state and national level. Our main efforts have been put into improving the competitiveness of the South Australian grain supply chain, access to effective and affordable farm crop protection products and grower consultation.

The revenue has also enabled provision of additional resources to Primary Producers SA to carry out cross-commodity projects such as the impact of mining and exploration on land use, transport and natural resource management.

Figure 2: Changes in South Australian Gross Bulk Handling Fees 2006 to 2013



Source: Vitterra website

Grain producers and members

Contact and consultation with grain producers is critical to the project and policy drivers as well as the accountability of GPSA. Almost all South Australian grain producers contribute to the PIFS Grain Scheme that funds GPSA's activities and we endeavour to be in contact with as many of the contributors as possible.

Since 2011, GPSA has been increasing its communication program and is now in contact with more than 2000 South Australian grain producing businesses. Also important is the increase in the membership of GPSA to more than 1100 of those businesses. Membership is free to all PIFS Grain contributors and provides for the nomination and election of directors to the GPSA Board.

Staff

I am pleased to welcome Tim Burrow and Trudy Huczko as policy officers to GPSA. Both Trudy and Tim joined in early 2014 and have provided professional support in policy development and grower consultation. GPSA now has 3.6 FTE staff working to benefit grain producers.

This complements project work undertaken by consultants in a number of areas including crop protection access and competition policy.

GPSA is also fortunate to have a skilled board and chairman, who continue to provide professional input in policy, advocacy and accountability.

Future

Grain production is vital to the economic development of South Australia. The South Australian community and State Parliament have an increased awareness of the economic and social benefits agriculture brings to this state. GPSA's role is to ensure that this awareness is moved into action to provide improved economic returns for grain producers, through increased production, reduced supply chain costs and improved efficiencies in business operations.

Darren Arney

Organisations that GPSA collaborates with on projects:

Ag Excellence Alliance
Agribusiness Association of Australia
Agricultural Bureau of South Australia
Australian Competition and Consumer Commission
Australian Export Grain Innovation Centre
Australian Greens
Australian Labor Party
Australian Pesticides and Veterinary Medicines Authority
Australian Securities and Investments Commission
Biosecurity SA
Bureau of Meteorology
Business SA
Cargill
Country Fire Service
CSIRO
Department of Agriculture, Fisheries and Forestry
Department of Manufacturing, Innovation, Trade
Resources and Energy
Department of Planning, Transport and Infrastructure
Family First
Genesee Wyoming
Glencore
Grain Growers Limited
Grain Industry Association of South Australia
Grain Industry Market Access Forum
Grain Producers Australia
Grain Trade Australia
Grains Research and Development Corporation
Liberal Party of Australia
Local Government
National Farmers Federation
National Party of Australia
National Residue Survey
Native Vegetation Council
Natural Resources South Australia
Palmer United Party
Plant Health Australia
Primary Industries and Regions SA
Primary Producers SA
Pulse Australia
Regional Development Australia
Rural Business Support
Senator Nick Xenophon
South Australian Barley Advisory Committee
South Australian Freight Council
South Australian Grain Industry Trust
South Australian Police
South Australian Research and Development Institute
South Australian Road Transport Association
University of Adelaide: Agribusiness Advisory Board
Viterra
Wheat Quality Australia

The Board

Grain Producers SA's Board of Directors are elected by grain producers across South Australia at the organisation's annual general meeting. Directors are elected for a two-year term and meet eight times a year. The board also holds one to two meetings a year in the grain producing regions of the state to better engage with producers and the issues impacting the industry.

GPSA directors bring skills, knowledge and experience from many parts of the grains industry, including crop production, research, merchandising, marketing, storage, transport and logistics. The board determines GPSA policy in consultation with grain producers, farming systems groups and other grains industry bodies. GPSA directors participate in regular regional and state forums to enable input from all sectors of the industry.

GPSA currently has seven non-executive directors. The board can also decide to appoint up to two independent directors. The board met seven times in 2013-14, in Adelaide and at Clare (Table 1).

Garry Hansen Chairman

Garry is a grain and livestock producer, cropping about 5000 hectares at Coomandook in the Upper South East. He has served in a number of senior positions in the grains industry including as a grower-elected director of AusBulk Ltd and United Grower Holdings Ltd and a director of the Grains Council of Australia. He has been chairman of the SA GRDC Research Advisory Committee and deputy chair of the former SAFF Grains Council.

Wade Dabinett Director

Wade returned to his family farm at Parilla three years ago and looks after the grain growing side of the business, which includes 3500 hectares of cereals, 300ha of potatoes and "too many sheep". With experience in the grain trading, storage and handling industry, he is keen for other growers, particularly young farmers, to gain skills in grain selling and business management. He says he sees a great future in the grain industry, and would like to see more farmers engaged with GPSA and young farmers upskilled to be part of the future of the industry.

Peter Polkinghorne Director

Peter is a grain producer near Ceduna. He was born and bred on Yorke Peninsula, moved to Coonalpyn, where he mostly grew wool in the 1980s, then relocated to the West Coast 22 years ago. Wheat is the biggest crop grown and he and his family also run 2500 Dorpers. Peter wants to see profitable and sustainable grain production on the West Coast with access to a secure and efficient port. He says keeping the Thevenard port viable by upgrading it is the biggest issue for West Coast producers. At present, the channels are not deep and so only small ships with up to 25,000-tonne capacity are permitted.

Gary Flohr Director

Gary is a grain and sheep producer at Lameroo. Gary served on the former SA Grains Industry Committee for 18 months before GPSA was established. He is passionate about achieving a grain supply chain that benefits all parties and encourages all grain producers to participate in GPSA and support the grains industry. Gary retired as a director in June 2014.

Brett Roberts Director

Brett is a grain producer at Balaklava, where he crops 5500 hectares with his brother Gavin. He is a majority owner and director of Australian Growers Direct, a grain storage and trading company based at Balaklava. Brett is a Nuffield Scholar (1999), a past president of the SA Crop Science Society, and past chairman of both the former SAFF Grains Council and SAFF Transport Committee. His vision is for GPSA to be the mouthpiece for grain growers in South Australia, particularly through relevant affiliations with other lobby organisations at all levels.

Malcolm Sargent Director

Malcolm is a grain grower at Crystal Brook and is a member of the Australian Institute of Company Directors. He was a board member of the Australian Grain Growers Co-operative, past-president of the Southern Precision Agriculture Association, and former chairman and trustee of the South Australian Grain Industry Trust. In addition to these roles, Malcolm was a delegate to the former Grains Council of Australia, chairman of the former SAFF Grains Committee, and a member of the SA Research & Development Institute and SA Primary Industry Research & Development Boards. Malcolm believes grain growers need a respected lobby group to promote efficiency and competition beyond the farm gate and improve on-farm productivity. Malcolm retires as a board member at the 2014 AGM.



Directors of Grain Producers SA at the May 2014 meeting in Adelaide included (from left) Wade Dabinett, chairman Garry Hansen, chief executive officer Darren Arney, Peter Polkinghorne, Malcolm Sargent (back), Brett Roberts (front), Mark Schilling, Gary Flohr and Max Wilksch.

Mark Schilling

Director

Mark is a third generation farmer near Kadina, on the Yorke Peninsula. Over time, his farming business has evolved to be an integrated supply chain, with involvement in provision of services to the grains industry. Mark wants to see South Australian farmers competitive on the world export market which he believes has to start at home, with leadership and unity in the agriculture sector as well as GPSA's role in enabling growers to be active and have input into their own industry, before others and government. Mark retires as a board member at the 2014 AGM.

Max Wilksch

Director

Max is a partner in a family farming business at Yeelanna on the Lower Eyre Peninsula, with his wife Julie and sons Randall and Jordan. The business is dedicated to grain production and long-term sustainability. Max has previously represented growers as an ABB Grain director and as a member of the former SAFF Grains Council. He is also a fellow of the Australian Institute of Company Directors. Max believes GPSA's role is to be a focused and trustworthy advocate for all SA grain producers.

Table 1. Board meeting attendance in 2013-14.

Director	Applicable Meetings	Meetings Attended	Meetings Not Attended
Garry Hansen	7	7	-
Wade Dabinett	1	1	-
Gary Flohr	6	5	1
Peter Polkinghorne	7	6	1
Brett Roberts	7	6	1
Malcolm Sargent	7	6	1
Mark Schilling	7	7	-
Max Wilksch	7	7	-



Membership

Grain Producers SA had 1073 signed members at June 30, 2014. Members accessed the following benefits during the financial year:

Industrial relations support

GPSA members can access discounted industrial relations advice through Chas Cini at MERS – Mediation and Employment Relations Services. Members are offered a free half hour meeting, followed by a discounted rate for services at \$180 an hour. Services include advice on employment contracts, WorkCoverSA, termination of employment such as unfair dismissal and unlawful termination, workplace discrimination or bullying and sexual harassment.

Contact Chas Cini on 08 8331 2422 or visit www.mers.com.au/farms/

Legal services support

Mellor Olsson Lawyers provides discounted legal services to GPSA members. The first half hour of advice is free and then an hourly rate applies. The service may be either by phone or at one of their offices located in Adelaide, Kadina, McLaren Vale, Nuriootpa and Port Lincoln.

Contact Mellor Olsson on 08 8414 3400.

GPSA services

GPSA members can contact GPSA at any time, on any issue. GPSA produces a monthly newsletter to keep grain producers up-to-date with the latest issues and events in the South Australian grain industry. They contain information on issues that GPSA is advocating for on behalf of growers, industry diary dates, and comment on policy from the chairman and chief executive officer.

Newsletters can be received by post or email. Contact GPSA if you do not receive them.



How do I become a member?

Membership of GPSA is free but growers still have to register. For GPSA to communicate with you and keep you informed, you need to sign a membership form and send it back to the organisation.

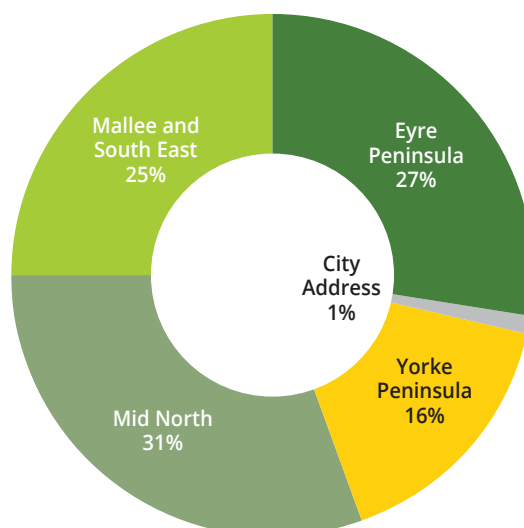
Sign up at www.grainproducerssa.com.au or call 1300 734 884

Rural financial counselling

Rural financial counselling services are available to all growers through Rural Business Support. This is a free, confidential and impartial business support and information service for primary producers and small rural business owners who are experiencing financial difficulties.

For more information, visit www.ruralbusinesssupport.org.au

**Figure 3. Membership by region
(% of total membership)**



Projects Summary



One of the key ways that Grain Producers SA works for growers is by developing projects in areas which are critical to their productivity and profitability. These projects are funded by contributions from producers and are influenced by feedback from growers as issues emerge and their businesses change over time.

GPSA has two project documents:

- > A longer term business plan which outlines priority issues for the organisation and details how and when they will be targeted in projects out to 2020.
- > An annual operating plan (Table 2) which targets specific projects for the financial year ahead as well as allows capacity in its budget to tackle short-term, priority issues which may emerge as the season progresses.

Table 2. Grain Producers SA 2014/15 Operational Plan Priority Projects

No	Strategy	Budget Allocation 2014/15
1	Grain Stewardship	\$200,000
	<ul style="list-style-type: none"> > Develop a voluntary code of conduct for the growing, storage, transport and sale of crops. > Review and highlight safe crop protection product use. > Ensure continued access to crop protection products. > Review existing quality assurance and stewardship programs. > Highlight and build upon SA brand and clean green environment. 	
2	Grain Freight and Logistics Plan	\$50,000
	<ul style="list-style-type: none"> > Review existing freight and logistics plan. > Improve grain transport and logistics within South Australia to reduce transport costs by 10%. > Improve allocation of vessel capacity to ensure timely and efficient export of grain. > Improve access to grain storage and handling facilities. 	
3	Communication and Grower Consultation Framework	\$50,000
	<ul style="list-style-type: none"> > Develop an effective communication framework for consultation with all grain producers in SA. > Regular newsletter communication with grain producers via email and post. > Maintain website with good functionality and information useful to grain producers. > Make becoming a member simple and attainable. > Membership application available via online form or download from website and fax/email to GPSA. > Membership forms available from GPSA directors and staff. > Membership forms available at industry forums and meetings. 	
10	Review Market Information Availability	\$50,000
	<ul style="list-style-type: none"> > Increase competitor activity by ensuring grain stocks information is available to all industry stakeholders in a timely, practical and cost-effective manner. > Review stock information transparency and stock information services. > Review price transparency and pricing services. 	
14	Review and Evaluate Grain Marketing Products	\$50,000
	<ul style="list-style-type: none"> > Develop a standardised reporting structure of grain marketing products including concise reporting of performance. > Ensure accountability of pool operators to grain producers. > Review current legislation around grain pools exemption from Australian Financial Services Regulation. > Facilitate training of grain producers and industry around different grain marketing tools and products. > Assist industry in developing new and innovative products to manage price, production and cash flow risks in the selling strategies of grain. 	

Projects Summary (continued)

No	Strategy	Budget Allocation 2014/15
15	Increased Competition in Grain Markets in South Australia	\$100,000
	<ul style="list-style-type: none"> > Foster the development of a competitive supply chain and ensure access equality and access for grain traders in South Australia. > Review current access arrangements for third party and grain producer deliveries through the bulk handling company. > Assist grain exporters and merchants in accessing South Australian grain. > Promote South Australian grain to international, national and domestic consumers. > Ensure export out-turn standards for bulk and containerised grain is maintained and enhanced. 	
16	Occupational Health, Safety and Wellbeing	\$50,000
	<ul style="list-style-type: none"> > Ensure grain producers are aware and compliant with OHS&W policy. Provide input into improving OHS&W issues. > Work with PPSA and industry stakeholders 	
17	Natural Resource Management	\$30,000
	<ul style="list-style-type: none"> > Provide ongoing support in developing sustainable farming practices. 	
18	Promotion of Agriculture to Customers and Community	\$30,000
	<ul style="list-style-type: none"> > Promote agriculture to consumers and the community. 	
23	Grains Research and Development	\$50,000
	<ul style="list-style-type: none"> > Provide grower input into R,D&E projects and progress extension of R&D activities. > Assist in the extension and communication of R,D&E projects. > Co-ordinate dissemination of grains R,D&E. > Ensure correct governance around grain producer contributions to R,D&E funding. 	
24	Improved Access and Efficiency of Port Facilities	\$50,000
	<ul style="list-style-type: none"> > Develop solutions with industry and government around efficient and cost-effective access to grain export port facilities. > Facilitate development of alternative port facilities. > Assist in third party access to port terminals. 	
28	Pre and Post Harvest Technical Forums	\$15,000
	<ul style="list-style-type: none"> > Provide a forum to annually review harvest issues and to present solutions and research prior to harvest of the subsequent year. > Invite industry stakeholders to attend and present. 	

No	Strategy	Budget Allocation 2014/15
30	Thevenard Port Terminal Access	\$30,000
	<ul style="list-style-type: none"> > Improve grain prices received for deliveries in the Thevenard zone. > Identify factors contributing to the price differential between Port Lincoln and Thevenard. 	
32	Affiliation with Industry Bodies	\$140,000
	<ul style="list-style-type: none"> > Assist funding of national bodies to promote issues of national influence on grain producers. > Work with national grains industry stakeholders and organisations. > Develop and implement policy on cross commodity issues at state and national level. 	
33	South Australian Barley Advisory Committee	\$10,000
	<ul style="list-style-type: none"> > Provide secretariat services to SABAC. > Convene two meetings per annum bringing together growers, traders, plant breeders and maltsters to discuss matters affecting the barley industry in SA. > Distribute minutes of other barley groups to SABAC. > Distribute minutes of SABAC meeting to South East BAC and Western Australian BAC. 	
34	Dissemination of project outcomes to fund contributors	\$20,000
	<ul style="list-style-type: none"> > Dissemination of project outcomes to fund contributors. > Review project progress against milestones annually and report to PIRSA. 	
35	Grain Production and Competing / Complementary Land Use	\$100,000
	<ul style="list-style-type: none"> > Scope grain production and alternative land uses and the effects on grain producers and the grain value chain. 	
36	Grain Production and Capital Access	\$25,000
	<ul style="list-style-type: none"> > Provide input to review existing and new and innovative ways to attract capital to grain production. 	
37	Capacity Building	\$50,000
	<ul style="list-style-type: none"> > Improve capacity of information and skills to grain producers and the supply chain to build financial outcomes for grain producers. 	



GPSA seeks to ensure primary production, including the grain industry, continues to be part of the state's growth and economic success. Production systems must be economically sustainable and value chains internationally competitive.

GPSA in action



Agricultural Security and Priority Committee expert consultant and Mellor Olsson lawyer Andrew Goode with members YP grower Naomi Bittner, GPSA director Mark Schilling, YP grower Brenton Davey, GPSA policy officer Trudy Huczko, GPSA CEO Darren Arney, GPSA director Max Wilksch, Barossa producer Peter Grocke, and PPSA policy officer Amy Williams.

Grain Producers SA's goal is to improve the profitability and sustainability of South Australian grain producers. The organisation is funded by contributions from grain producers which are used to:

- > Advocate on producers' behalf on issues affecting farm profitability to governments, the community and other industry groups and businesses.
- > Commission projects on behalf of producers that will help improve production, profits and sustainability.

GPSA is in regular contact with marketers, exporters, storage and handlers, researchers and farm input suppliers on behalf of producers. Producers contact GPSA on issues affecting their farm or to have their say on GPSA policies and activities.

ASAP Committee

GRAIN Producers SA formed the Agricultural Security and Priority Committee in 2014 following a resolution at the 2013 GPSA Annual General Meeting that more action was needed on issues with potential to impact prime agricultural land and production.

The committee is chaired by GPSA director Max Wilksch, Yeelanna, with seven members and an expert consultant. It consults with grain producers and works closely with Primary Producers SA, which has overall responsibility for cross-commodity issues. Its key aim is to advocate for the right to farm by making informed recommendations and providing relevant and timely information for consideration by the GPSA board.

The committee is the contact point within GPSA for growers affected by competing land use conflicts. As directed by the board, the committee responds to producers' requests to support the argument that they have a right to continue farming in the future. Issues currently under review by the committee include the Ceres Windfarm Project, Rex Minerals Hillside Project, Warrambo Iron Road Mining Project Community Survey and continued access to herbicides for grain production.

GPSA in action (continued)



Harvester fires

GRAIN Producers SA encouraged growers to take extra precautions when reaping lentils in the 2013/14 harvest. Some growers, particularly in the Mid North and Yorke Peninsula, had observed some lentil residues may be more readily igniting as they passed through the header than in previous years.

GPSA engaged a consultant to investigate whether there were any differences in lentil residues, the ignition sources and circumstances of fires and the fuel loads of the crops.

GPSA met with representatives from Primary Industries & Regions SA and the Country Fire Service to gain more information on harvest fires and reconfirm the industry's commitment to the Grain Harvesting Code of Practice and outline the extra precautions growers were taking when harvesting lentils.

GPSA warned growers to be vigilant when harvesting and ensure safety precautions are followed, such as regular blow-downs of machinery and to keep appropriate fire fighting equipment on hand at all times.

Mouse bait stations

SOUTH Australian grain producers were able to access regional bait stations to bring their own grain and have it treated to more cost-effectively control mice. A number of stations were set-up by commercial companies at Wudinna, Karkoo, Lock, Cowell and Kimba on Eyre Peninsula and Cunliffe, Kadina and Minlaton on Yorke Peninsula.

The stations were a result of work done by the Grains Research and Development Corporation, Grain Producers Australia and GPSA with regulatory bodies the Australian Pesticides and Veterinary Medicines Authority, SA Health, Biosecurity SA and SafeWork SA through the National Mouse Management Working Group.

The mouse bait mixing stations increased competition in provision of broadacre mouse control so the cost of baiting was lower than in previous years. The stations were a culmination of four years' work to provide growers with access to an economically and environmentally-sustainable baiting option.



One of GPSA's priorities has been to help South Australian growers source an effective product for mouse control that is cost-efficient and is easily accessible.

GPSA in action (continued)



Pictured at the March 2014 meeting of the SA Barley Advisory Committee are GPSA business manager Belinda Ryan, outgoing SABAC chairman Greg Schulz, Maitland, Executive Committee member Rob Wheeler, SARDI, incoming chairman Mark Modra, Port Lincoln, and University of Adelaide barley program leader Jason Eglinton.



Attending the SABAC March meeting was SAGIT trustee David Shannon, Grain Trade Australia chief executive officer Geoff Honey, GPSA chief executive officer Darren Arney, SABAC chairman Mark Modra and Barley Australia's Andrew Gee.

SA Barley Advisory Committee

THE South Australian Barley Advisory Committee is a sub-committee of GPSA. The group meets twice a year – in autumn and spring – and members provide updates on new and potential varieties, research, market and consumer requirements, topical seasonal issues such as agronomy and storage and handling logistics.

Committee members include growers, grain buyers, brewers, maltsters, breeders, marketers, bulk handlers, researchers and retailers. Each pays a membership fee while GPSA provides funding and administrative support for grower involvement.

Key issues identified in 2013/14 included the need to help growers make decisions on which variety to grow and the declining area of barley sown.

SABAC recognised that for some growers, there may be confusion on what is best to grow agronomically, what is required by end users and consumers and what segregations will be available at their nearest receival centre.

The area sown to barley has decreased by more than 100,000 hectares from 1996 to 2013, even though barley yields had been higher than wheat or canola. GPSA and SABAC would like to see this increase to ensure there is good competition between all crops to lift profitability for all primary producers.

Member surveys

ONE of the key ways GPSA seeks feedback from its member-growers is through surveys. Nearly 200 grain producers responded to GPSA's post-harvest questionnaire, which was aimed at gathering feedback on the 2013/14 harvest and what can be improved for the coming year.

Growers who replied had delivered to more than 400 individual receival centres across the state, including 87 percent to Viterro sites, 7 percent to GrainFlow and 6 percent to other sites. Growers were asked to rank the sites they delivered to on a scale of 1 to 10 for performance on:

- > Available segregations.
- > Length of turnaround time.
- > Suitability of opening hours.
- > Number of buyers from the site.
- > Communication from bulk handlers to producers and producers' ability to communicate with storage and handlers.
- > Classification consistency.
- > Staffing expertise.
- > Ease of access.

This criteria received averaged scores in the high sixes and low sevens. As a result, GPSA continued its advocacy efforts on investment in transport infrastructure and freight routes and third-party access to ports for grain exports and were in continual contact with stakeholders to get movement on these issues.



Leadership development

GPSA offered two young grain producers an opportunity to attend the Australian Grains Industry Conference in Melbourne on July 28 and 29. Andrew Baldock, Kimba, and Jordan Wilksch, Yeelanna, won the two scholarships, valued at \$2500 each. GPSA offered the scholarships to encourage participation of young people in the grains industry and help build their skills while gaining a broader perspective of the industry's key players.

The conference is hosted by Grain Trade Australia and is the premier, industry-hosted event for grain market participants and service providers. To enter, young producers had to outline their experiences, study or opinions on the grain industry supply chain and why they would benefit from attending the conference. These 400-word entries were assessed by GPSA.

Policy development

GPSA develops policy on issues affecting grain producers. GPSA works to communicate this to all levels of government – local, state and federal – and is in regular contact with marketers, exporters, storage and handlers, researchers and farm input suppliers on behalf of growers.

Producers are encouraged to have input on the organisation's policies by contacting a board member or attending any of the forums which GPSA hosts and putting forward their view. GPSA staff attend a host of industry meetings throughout the year too and are available to discuss issues with growers by contacting the office on 1300 734 884 (for the cost of a local call). GPSA holds pre- and post-harvest forums which growers are invited to attend. These are widely advertised in GPSA newsletters and electronically in its diary dates.

GPSA in action (continued)



> Election Policy Platform

GPSA released a Five-Point Policy Platform for all political parties and candidates contesting the 2014 State Election. Key issues included:

1. Increase competitiveness and profitability – Contribute to fostering a competitive, economically robust and environmentally sustainable grain industry.
2. Profitably grow grain production – Focus on the grain industry's sustainable development across the whole supply chain to ensure its full potential is reached and its contribution to the state's future prosperity is maximised.
3. Invest in research, development and extension – Enable the industry to drive innovation through increased government investment in agricultural research, development and extension and initiatives that encourage private sector investment, in collaboration with industry research partners.

4. Build a stronger workforce – Help to improve the understanding of agriculture's opportunities to ensure the industry's current and future labour demands are filled.

5. Balance agriculture with the environment and community – Promote a balanced and consistent approach to natural resource management, land access and infrastructure use, ensuring primary production has priority and can profitably increase production.

> Genetically modified crops

In 2013/14, GPSA continued its call for growers to have access to genetically modified crops in South Australia, enabling them to have the same freedom of choice as their interstate counterparts. GPSA argued that rational, science-focused debate was needed to take the politics out of the issue. It also argued against the State Government's continuation of the moratorium on growing GM crops.



Submissions

GPSA made a number of submissions on behalf of grain producers including:

> Ceres Wind Farm

GPSA's submission to the State Government in 2013 on the Ceres Wind Farm, proposed for Yorke Peninsula, outlined the risks to the grain industry and issues that could have legal ramifications for the government and the wind farm proponents.

> Rex Minerals

GPSA opposed the Rex Minerals Hillside Development near Ardrossan on the grounds that the mine was environmentally-unfriendly, destroyed prime farming land, caused untold stress on the families and businesses affected and impacted SA's 'clean and green' marketing claims.

> Agricultural competitiveness

The Federal Government called for input into improving agriculture's productivity and profitability through its Agricultural Competitiveness Issues Paper. GPSA's submission focused on the paper's target areas – access to finance, competitiveness through the value chain, reducing inefficient regulation, enhancing agricultural exports and managing drought for the longer term.

> Mandatory port access code

Fair and equitable access to port terminals by all grain traders has been a key issue for GPSA since it started. On June 3, 2014, the Federal Government released its draft code for bulk wheat exports for review by the grain industry. The code will standardise access arrangements and improve the transparency of exports. GPSA contributed to a joint submission by Grain Producers Australia, NSWFarmers, Victorian Farmers Federation, WA Grains Group and AgForce Queensland.

The submission outlined 26 recommendations in response to the Federal Government's draft port access code of conduct. GPSA believes that since about 80 percent of Australian grain is exported, ensuring market competition is vital to grain farming families and businesses.

Working with Primary Producers SA



Founding commodity members of PPSA include (back) Winegrape Council of South Australia's Simon Berry, SA Dairyfarmers' Association's David Basham, Park SA's Andrew Johnson, and Horticulture SA's Mike Redmond and (front) Livestock SA's Richard Halliday, PPSA's Rob Kerin and GPSA's Garry Hansen.

Grain Producers SA is a commodity group member of Primary Producers SA and works closely with Livestock SA on a raft of issues affecting farmers.

Fire response

GPSA and PPSA worked together to supply donations of grain and fodder to fire-affected producers. A National Grower Register number was given to grain producers wanting to donate while bulk handlers offered to swap donations between sites to match donations with areas of need, eliminating a huge part of the freight cost in getting the grain to where it was most needed. Grain producers also offered up recycled fencing material and agistment.

Mining and gas policy

PPSA worked with commodity group members GPSA, Livestock SA and the Winegrape Council of SA to develop a joint policy on mining and gas exploration. The new policy pushes for priority recognition of the importance of primary production to the State and the rights of farmers as landowners. Its focus is that farmers should have their interests respected and not over-ridden or ignored. This includes governments taking a long-term view in assessing mining and gas proposals to consider any possible long-term impacts on agriculture and protecting landholders' rights through strong regulation of mineral and petroleum licences.

Natural resource management

PPSA is part of a project aimed to increase the focus on productivity and sustainability in natural resource management and to make it more relevant to farmers.

GPSA has a representative on the PPSA NRM Committee. The committee's role is to:

- > Create a forum for the PPSA commodity associations to discuss priority NRM issues and identify those where common policy recommendations may be developed.

- > Share relevant NRM information (particularly regarding NRM policy development) amongst PPSA members.
- > Develop cross-commodity policy recommendations for endorsement by PPSA's commodity members.
- > Establish a point of contact between PPSA and SA Government agencies and statutory bodies involved in NRM.

Some key activities for the PPSA NRM Committee in its first year include:

- > Understanding the regulatory system for mining and gas activities in SA and to support representation of primary producers by the commodity associations on these matters.
- > Commencing discussions on water planning and management policy.
- > Providing input on native vegetation offset policy.

The Department of Environment, Water and Natural Resources has provided funding to PPSA to employ a part-time NRM liaison officer, Catherine Miles, to work with PPSA, its commodity groups and the NRM sector to facilitate engagement, information flow and relationship improvements between the agriculture and NRM sectors. The PPSA NRM Committee provides direction to this position.

Transport

PPSA works with industry stakeholders including Regional Development Australia, Department of Planning, Transport and Infrastructure, and local and state governments to improve transport freight and logistics.

PPSA met with new Minister for Transport Stephen Mullighan to discuss commodity freight issues and the movement of agricultural plant and equipment. PPSA was a key participant in the Integrated Transport and Land Use External Reference Group, considering key transport infrastructure projects including freight and ports for the future. PPSA attended the National Remote and Regional Transport Infrastructure and Services Forum looking at key national infrastructure projects.

Financial Reports

Audit and finance committee

GPSA takes its responsibility to spend levies in the best interests of grain producers very seriously. For this reason, and to achieve complete transparency and accountability to growers, GPSA has an Audit and Finance Committee.

The committee meets regularly to oversee the organisation's financial operations, reporting obligations, fraud and risk management. In 2013/14, it was chaired by Mark Schilling and its members included chairman Garry Hansen and chief executive officer Darren Arney. The committee has its own Terms of Reference.

As a company limited by guarantee, GPSA lodges financial statements and reports annually with the Australian Securities and Investments Commission.

Planning and reporting

GPSA's corporate planning and reporting approach includes:

- > A strategic plan that sets out GPSA's high-level goals, strategies and performance measures for a five-year period, developed in consultation with stakeholders.
- > An annual operational plan that outlines the annual budget, resources and research priorities that give effect to the Strategic Plan during a given financial year. It also provides the opportunity for GPSA to respond to external drivers and changing priorities during the life of the Strategic Plan by providing revised emphasis on project theme.
- > An annual report that provides information on project activities and their performance in relation to the goals set in the annual operational plan for a given financial year.

Risk management

GPSA maintains the following level of insurance cover through its insurance agent. Details of policies and cover held as at 30 June 2014:

- > Public and Liability Limit \$10,000,000
- > Association Liability Limit \$5,000,000
- > General Property Cover \$11,606
- > Motor Vehicle – Market value

Insurance cover is reviewed and adjusted from time to time.

Financial Reports (continued)

Project Profit and Loss 1 July 2013 - 30 June 2014

INCOME	Actual	Budget	Variance
Wheat Marketing Act (WMA)			
WMA - 50% share of funds	60,005		60,005
WMA - Monthly distribution from SAFF	-		-
Other Income	3,740		3,740
PIFS Gross Estimated Income at 20 cents by 6mt	810,000	900,000	-90,000
PIRSA	-		-
Interest Income	1,202		1,202
TOTAL INCOME	874,947	900,000	-25,053

PROJECT EXPENDITURE	YTD	Full Year Budget	Variance
Projects			
001 Grain Stewardship program	81,812	90,000	8,188
002 Grain Freight and Logistics Plan	33,255	40,000	6,745
003 Communication and Grower Consultation Framework	77,547	100,000	22,453
004 Legislative Review of Grain Producer Representation	2,639		-2,639
007 Biosecurity	7,000		-7,000
008 Grain Receival Standards and Quality Control	5,704		-5,704
010 Review Market Information Availability	17,524	45,000	27,476
011 Co-ordinate Technical and Market forums	14,698		-14,698
014 Review and Evaluation of Grain Marketing Products	17,000	45,000	28,000
015 Increased Competition in Grain Markets in South Australia	77,125	75,000	-2,125
016 Occupational Health, Safety and Wellbeing	28,497	15,000	-13,497
017 Natural Resource Management	5,000	15,000	10,000
018 Promotion of Agriculture to Customers and Community	1,543	30,000	28,457
019 Impact of Carbon Pricing and Carbon Farming	-	15,000	15,000
023 Grains R&D Oversight	45,702	40,000	-5,702
024 Improved access and efficiency of Port Facilities	12,590	15,000	2,410
028 Pre and Post Harvest Technical Forums	-	15,000	15,000
029 Pollination of broadacre crops	-	15,000	15,000
030 Thevenard Port Terminal Access	25,000	30,000	5,000
031 Farm machinery code of practise update	12,140	15,000	2,860
032 Fees for affiliation of relevant industry bodies	198,837	140,000	-58,837
033 South Australian Barley Advisory Committee	28,947	30,000	1,053
034 Dissemination of project outcomes to fund contributors	28,966	60,000	31,034
108 Agricultural Security & Priority Committee	18,216	-	-18,216
109 Fire Investigation	25,705	-	-25,705
110 Mouse Bait Stations	56,480	-	-56,480
TOTAL EXPENDITURE	821,927	830,000	8,073
Reserve Fund	53,020	70,000	-16,980

Statement of Profit or Loss and Comprehensive Income for the period ended 30 June 2014

	30/6/2014	For the period from 23/12/2012 to 30/06/2013
	\$	\$
INCOME		
PIFS Funds	810,000	-
Grants - SAFF WMA	60,005	157,017
Consultancy - SAFF	-	95,000
GRDC RAC Meetings	-	18,540
Other Income	4,942	8,243
TOTAL INCOME	874,947	278,800
EXPENSES		
Accounting	4,520	6,270
Administration	41,490	11,028
Advertising / Marketing	41,674	16,772
Consulting Fees	101,002	1,627
Contribution to GPA	80,000	-
Directors Fees	88,000	41,500
Employment Expenses	328,269	111,462
Insurance	4,060	1,757
Legal Fees	8,630	1,608
Meetings/Functions	12,435	15,381
Motor Vehicle Expenses	22,659	22,517
Rent/Occupancy	23,594	4,523
Seminars & Conferences	12,752	6,772
Sitting Fees	5,338	-
Telephone/Internet	10,008	2,339
Travel	37,496	17,532
TOTAL EXPENSES	821,927	261,089
TOTAL COMPREHENSIVE INCOME		
ATTRIBUTABLE TO MEMBERS OF THE ENTITY	53,020	17,711

Note: The comparison period was for six months due to the change in financial year end adopted by Grain Producers SA (ie, from 23 December to 30 June)

Financial Reports (continued)

Statement of Financial Position as at 30 June 2014

	30/6/2014	For the period from 23/12/2012 to 30/06/2013
	\$	\$
ASSETS		
Current Assets		
Cash at Bank - National Australia Bank	165,540	100,088
Term Deposit - National Australia Bank	10,000	10,000
Accounts Receivable	174	1,100
GST Receivable	17,661	759
Petty Cash	200	
Prepaid Expenses	10,834	8,487
Total Current Assets	204,409	120,435
Non-Current Assets		
Plant & Equipment at Cost	15,074	7,753
Less Accumulated Depreciation	-5,311	-2,443
	9,763	5,310
Motor Vehicles	59,126	-
Less Accumulated Depreciation	-5,364	-
	53,762	-
Total Non-Current Assets	63,525	5,310
TOTAL ASSETS	267,934	125,744
LIABILITIES		
Current Liabilities		
Accounts Payable	41,988	35,285
Accrued Expenses	41,823	35,477
PAYG Withholding Payable	28,426	16,814
Provision for Annual Leave	18,166	7,101
Loan - Toyota	53,443	-
Total Current Liabilities	183,846	94,676
TOTAL LIABILITIES	183,846	94,676
NET ASSETS	84,088	31,068
MEMBERS FUNDS		
Retained Earnings	84,088	31,068
TOTAL MEMBERS FUNDS	84,088	31,068





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