



17 October 2014

Committee Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House Canberra ACT
2600
via email: rrat.sen@aph.gov.au

Dear Committee Secretary

Inquiry into the Rural Research and Development Legislation Amendment Bill 2014

GrainGrowers welcome the opportunity to provide a brief submission to the above inquiry in relation to grains research and development. GrainGrowers is Australia's only national, independent, member-based, grain producer organisation representing 19,000 grain producers.

Under the proposed amendment to legislation, the Australian government's membership subscription to the International Grains Council (IGC) would be deducted from the Government's contribution to grains research development and extension, managed by the Grains Research and Development Corporation (GRDC).

It is understood that the IGC is an intergovernmental forum and consists of all parties to the Grains Trade Convention. Currently, the Australian government is a member of the Council and is represented by the Department of Agriculture. Australia's contribution to the Council is approximately \$170,000 per annum.

The IGC holds two regular sessions a year and its function is to oversee the implementation of the Grains Trade Convention; to discuss current and prospective world grain market developments; and to monitor changes in national grain policies and their implications. It may develop and sponsor grain-related projects in member countries for financing by the Common Fund for Commodities. The Grains Trade Convention applies to trade in wheat, coarse grains, (maize (corn) barley sorghum and other grains), rice and oilseeds and aims to: promote openness and fairness in the grains sector; contribute to grain market stability; and enhance world food security. These objectives are achieved through market transparency through information-sharing, analysis and consultation on grain market and policy developments.

The proposed amendment represents a reduction in government's total commitment to grains research development and extension but potentially provides government with more interaction with GRDC and the grains industry. Given that the purpose of the IGC is to promote (inter alia) market transparency, information sharing, consultation and global grain market stability, there is the potential for these goals to align with the strategic aims of the GRDC research agenda.



It is not clear, however, that this is government's intention because industry has negligible detail on the rationale for the Australian commitment to this forum, the activities of the IGC or the derived benefit for, specifically, the grains production sector from this forum.

In order to support this Bill, GrainGrowers will need to see greater involvement of the grains industry representative bodies; at the minimum, the Department of Agriculture IGC representative should report back to industry representative bodies on the following aspects:

- (i) Rationale for the Australian Government commitment to the International Grains Council;
- (ii) Update on activities and progress of the International Grains Council on trade and market access issues; specifically, an update on activities and progress of the Grains Trade Convention forum and any decision to develop and sponsor grain-related projects in member countries, should be reported to industry at the conclusion of each of the two yearly meetings
- (iii) Reporting on any benefit derived from the participation in the International Grains Council with particular detail around benefit to the production sector, provided at the conclusion of each of the two yearly meetings.

I would welcome the opportunity to discuss this submission with you further

Yours Sincerely

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