



## **MEDIA RELEASE**

### **17<sup>th</sup> September 2019**

#### **“AUSTRALIAN CANOLA INDUSTRY TO REAP BENEFITS FROM NEW LOWER COST, SIMPLIFIED PROCESSES”**

Canola growers and traders gearing up for exports to the European Union this season stand to reap significant rewards from a new trading process announced today.

The new process, referred to as “Sustainable Grain Australia” is designed to simplify the sustainability certification process for Australian canola destined for the EU biodiesel market. The essence of the new process is that growers wishing to trade canola destined for Europe can now do so under one Central Office, using one common declaration form, while still retaining the flexibility to sell through their existing buyers.

“Europe is the number one destination market for Australian canola, and EU legislation requires all traded canola to meet strict sustainability requirements if the canola is to ultimately be used for biodiesel. The compliance cost of meeting these requirements is significant and is felt across the whole Australian supply chain from growers through to exporters. This new process reduces the paperwork and audit burden growers currently face, while also reducing the overall supply chain costs associated with the large number of on-farm audits that have to be undertaken.” Says Nick Goddard, CEO of AOF.

A consortium of major traders to Europe, consisting of ADM, Bunge, Cargill, Centre State, Glencore and Grain Corp have worked collaboratively with the AOF and Commodity Inspection Services over the past 2 years to develop and implement this new process. Integral in the new process is the ability for a grower to now complete their common grower sustainability declaration within the myNGR system. Growers need only to make their sustainability declaration once, which is then stored securely as part of their NGR Record. If a Grower wishes to trade canola with one of the participating trading companies, the sustainability declaration will be available for access by the trader/exporter from within the myNGR System.

“This new process significantly cuts down on the paperwork needed to be completed by growers, such as ourselves, and makes the trading of canola destined for the European market a whole lot easier” says Julia Hausler, Wimmera based grain grower. “In the past, we would have had to complete a separate declaration form for each buyer we sold to and be subjected to on-farm audits- potentially, one for each trader. Now we simply complete one form online through NGR and have the potential for just one audit” she says. “It’s simple, quick, time saving and more cost efficient”.

The Australian Oilseeds Federation (AOF) has stepped up to lead the development of the Central Office, and has received accreditation from Control Union, confirming that it meets the strict requirements laid down in the EU legislation. The AOF has contracted Commodity Inspection Services, which developed the quality system on behalf of the AOF, to undertake day to day management of the Central Office.

James Saunders, from Commodity Inspection Service, say this is a game changer. “As far as we know, no other canola supplier into the EU has developed a Central Office model, the overall savings from which should help Australian canola maintain its competitiveness in the global market” says James.

The Central Office process also delivers benefits to traders and exporters. “This new process simplifies the whole process of supplying certified canola to Europe” says Andrew Freebairn from Glencore Agriculture. “From an industry perspective, it’s a great benefit to have a common declaration held in a central repository, while the overall savings in audit time should enable the industry to save valuable time and money. It’s a win-win all around” he says.

Having established the Central Office for the supply and trade of certified sustainable canola, the model is now in place and the AOF believes that this process can form the basis of a sustainable grain trading process for other commodities such as barley and wheat. “The sustainable grain trading framework is now in place for canola, and it should be relatively easy to adapt to other commodities for other recognised sustainability certification schemes.” Nick Goddard says.

The new process will operate for the coming harvest, with the reduction in audit numbers beginning to flow through from next year. The process is open to all traders wishing to operate under the AOF Central Office, as well as growers across the country.

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**About the AOF**

The Australian Oilseed Federation (AOF) is the peak industry body for the oilseed industry, representing those involved in the value chain for canola, sunflower, soybean and other oilseeds. The AOF was established in 1970 to represent the common interests of all Australian oilseed industry participants and to promote the development, expansion and improvement of Australian oilseed production.

For more details, visit: <http://www.australianoilseeds.com/>

**About Commodity Inspection Services:**

Commodity Inspection Services (CIS) is an independently-owned business providing inspection, laboratory analysis and certification services to the agricultural industry. CIS works with an extensive range of commodities and consumer products and have a special focus on protein meals, seed and grain, and fats and oils, catering to producers and consumers, exporters and importers who want independent testing, inspection and certification services. For more details, visit:

<https://commodityinspection.com.au/>

**About NGR:**

Since 2002 NGR has provided a simple, secure and streamlined online business register for growers throughout Australia. Built on a foundation of robust processes and systems, the NGR System has revolutionised how the industry interacts – reducing administration and duplication for growers and data subscribers across the supply chain.

For more details, visit <https://www.ngr.com.au>