## Managing outturn quality in a deregulated market

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## Regulated Export Market



- Wheat dealing with 1 exporter (AWB)
- Majority of crop in pools
- Shipping program managed between AWB and BHC
- Stock selection and accumulation balanced against operational issues
- Typically shipped a single grade
- Importing country requirements well understood

### **Critical issues**



- Export Control Act
  - "nil" tolerance for live insects on export
  - Strict inspection regimes
  - Need to ensure effective grain treatment / fumigation
  - Dealing in biological systems
  - Increasing resistance to current chemicals
  - CRCNPB (ABB/CBH/Graincorp/GRDC/Govt)
  - Methyl Bromide QPS

### **Critical issues**



- Phytosanitary requirements
  - Mandatory fumigations
  - Weed seed restrictions
- Chemical residues
  - Codex and Importing Country MRLs
  - Some insecticides zero MRL
    - Taiwan wheat Fenitrothion
    - Malaysia wheat Chlorpyrifos Methyl
  - Many countries ramping up residue testing

## Deregulation



- Multiple exporters
- Up front shipping programs
- Ownership of crop spread over a number of marketers
- Marketers tonnage spread over several grades
- Increased complexity of accumulation
- Need to ensure we load to client requirements

# **Quality Specifications**



#### **Client requirements**

- What are your requirements?
- Need advice as to what your outturn specifications are
  - Vessel Nomination/Accumulation Advice





#### **Grain Quality Specifications**

#### **QUALITY PARAMETERS**

\*\*\*Please note the two sections below (wheat / barley) only need to be completed if above minimum ABB receival standards are required and may incur additional charges.

#### Wheat (1)

TEST NAME	MIN	MAX	SUGGESTED LOAD SPECS
Grade Name:			
Test Weight (kg/hL)			
Protein (%)			
Moisture (%)			
Screenings (%)			
Falling No. (sec)			
Vitreous – Durum Only			

# **Quality Specifications**



### **Grain Quality Specifications**

#### Barley (1)

TEST NAME	MIN	MAX	SUGGESTED LOAD SPECS
Grade Name:			
Test Weight (kg/hL)			
1000 Corn Weight (AS IS)			
Protein (%)			
Moisture (%)			
Screenings (%)			
Foreign Material (%)			
Varietal Purity			
Germination			
Retention			
RVA			





#### **Contaminants**

EXPORT OUTTURN TOLERANCES	MAX
Heat Damaged, Bin Burnt or Storage Mould Affected Grain (combination of all) (by count) per half litre	2
Seed Contaminants (Type 2; not regulated by AQIS) (by count) per litre	1
Sticks (by count) per two litres	
<10cm in length &/or 1cm in width	1
>10cm in length &/or >1cm in width	1
Stones (by count) per five litres	
>2 - = 5mm diameter	2
>5 - = 12mm diameter	1
Total >2 - = 12mm diameter	2
Excreta (% by weight)	0.005

# **Quality Specifications**



#### **Pesticides**

This Cargo Requires Nil Contact Insecticide?	Yes / No

CONTACT INSECTICIDE MRL's (mg / kg)	MAX
Fenitrothion	5
Chlorpyrifos – methyl	5
Pirimphos	4
TOTAL OF ABOVE MUST NOT EXCEED	5
Methoprene	1
Pyrethins	0.3
Deltamethrin	1
Piperonyl Butoxide	15
Dichlorvos	2
FUMIGANTS MRL's	
Methyl Bromide	50
Phophine	0.1

# **Ownership vs Quality**



- Need to match assembly of stocks & quality against shipping demand
- What stocks does the client own?
- Where is ownership?
- Are stocks available and within fumigation limits?
- Is it the right quality?
- What impact of seasonal conditions?
- Other vessels on the stem

## Accumulation



- Your choice
- Clients can opt to manage own logistics
- Assembly of cargo Export Select
  - Manage logistics / quality task for client
  - Additional logistics staff appointed
  - Optimise asset utilisation
- ABB will work with clients to achieve target specifications
- Impact of additional services?

# Summary



Managing outturn quality in a de-regulated market

- Planning is essential
- Balance between quality, logistics and shipping demand
- Communication is essential









