

LIEBE GROUP NEWS

October 2021
Volume 24
Issue 8



What's Inside

Now HIRING

Job opportunities with Liebe Group



Harvest Employees: A Quick Guide



Global supply disruption to see growers lock in ag inputs early



2021 - the year in review



The Liebe Group mission is to facilitate grower prioritised research, development and extension to support our members to be profitable and sustainable.

From the Cover

Final AgChats workshop for 2021, held on the Nixon family farm in September.

DIAMOND PARTNERS



Rabobank



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FROM THE EXECUTIVE OFFICER

KATRINA VENTICINQUE

WELCOME to October and the start of the harvest season! This is the time where we see the culmination of the hard work put into each paddock throughout the year. With headers heading out into the fields and casual staff being inducted into their roles, it looks to be an exciting few months ahead.

Liebe Group is working alongside many of our members to prepare for the harvest activities relating to the projects and trials in our local R&D program. Whilst it is usually a quieter month for the group, this year has been an exception with many funding opportunities being explored for future seasons.

Planning for 2022 is also underway with dates set for our main events including: Crop Updates, Trials Review Day & AGM on Wednesday 2nd March, Women's Field Day on Tuesday 14th June, Post Seeding Field Walk on Wednesday 27th July and Spring Field Day on Thursday 8th September. These events will be complimented by our AgChats Series, Bitesize Learning Workshops, a season opening sundowner and more!



In other exciting news I would like to announce that Liebe Group has been successful in two recent project applications. Through the Future Drought Fund: Networks to Build Drought Resilience Program, we have received funding to support a Women in Ag Networking and Diversification Bus tour, as well as support for the 2022 Women's Field Day.

Through GRDC-investment Liebe Group will also be leading a multi-year project focused on providing growers with knowledge and understanding of how differing stubble architectures contribute value to their farming system, understand the differing costs involved, acknowledge the risk/reward profile and use this knowledge to apply the step changes required for profitability. Partnering with DPIRD, CSIRO, Farmanco, and three other grower groups (Stirlings to Coast Farmers, CFIG and Facey Group) there will be four demonstration sites located throughout WA investigating the strip and disc system. We will provide more information on the project activities in the near future.

We also have a number of current projects and funding on the go that will continue into next season.

The Liebe Group is also currently hiring for two positions! We farewell Judy Storer from the R&D Coordinator role as she heads off into another opportunity in Perth, and as such are recruiting to fill this position. This role would be suitable for recent graduates. We have also created a new position to provide increased member engagement and greater capacity within the group for project management. The job advertisements are advertised on page 4 and 5 which outlines more information. Please share to anyone who you think might be interested.

All the best for harvest!

GOLD PARTNERS



SILVER PARTNERS

Adama Australia
Australian Grain Technologies
Bayer
Boekemans Machinery Dalwallinu
FMC

GrainGrowers
Intergrain
McIntosh & Son
Nufarm
Nutrien Ag Solutions

Pacer Legal
Refuel Australia
Syngenta

LIEBE GROUP EMPLOYMENT OPPORTUNITY

Position: Project & Extension Manager



ABOUT THE LIEBE GROUP

The Liebe Group is a dynamic, grower-driven, not for profit organisation that operates within the Dalwallinu, Coorow, Perenjori and Wongan-Ballidu Shires in the West Australian Wheatbelt. The group has built a solid reputation over the last 24 years as being on the forefront of locally relevant research, development and extension as well as having a high status of reliability and professionalism. The group conducts valuable R,D&E through trials, demonstrations and workshops, and provides information to local farming businesses in the region. More information can be found on the Liebe Group website.

We are seeking a highly motivated and enthusiastic person for this exciting new position to lead and coordinate Liebe Group's R&D project portfolio in the region.

THE POSITION

Reporting to the Executive Officer, assisted by the wider team and guided by active grower members, you will be involved in diverse range of activities including:

- Understand and prioritise local grower agronomic, environmental and business management issues.
- Extensive and ongoing engagement with our diverse growers.
- Develop and implement comprehensive and collaborative project concepts that align with local R&D priorities and foster innovation and learning.
- Assist in the execution of the Liebe Group's annual R&D Trials and Demonstration Program including in-paddock sampling, monitoring, evaluation and analysis.
- Build and maintain strong relationships with growers, researchers and industry stakeholders.
- Lead and facilitate a comprehensive extension and communications program (events/publications) that focuses on local R, D&E priorities.
- Manage various projects in accordance with specifications and funding requirements.

ESSENTIAL CRITERIA

- Formal qualifications in agriculture or related disciplines, or experience equivalent.
- Current C Class Driver's license.
- The ability to live and work in Australia.
- Ability to relocate to the region.

VALUABLE CRITERIA

- Demonstrated experience working in the agriculture industry with knowledge of Australian broadacre farming systems, products, technologies and rural communities.
- Experience in the interpretation and evaluation of research data and scientific reports.
- Knowledge and experience in research trial management, such as in-paddock monitoring and reporting.
- High level of group facilitation/management skills and strong communication aptitude with farmers and industry partners.
- Highly developed time and project management skills with demonstrated ability to set priorities and meet deadlines.
- Experience planning and executing ag-focused events (field walks, workshops etc).
- Ability to work independently, be self-motivated, show initiative and work productively as part of a team.

THIS ROLE WILL PROVIDE THE SUCCESSFUL APPLICANT WITH

- Offered as a 3 year contract full time position, with the possibility of extension.
- An extensive network within the agricultural industry.
- A variety of independent work with an enthusiastic group of innovative growers.
- The opportunity to work in a well-equipped research facility.
- Mentoring and professional development opportunities.
- This is an exciting new role where you can put your mark on agricultural research in the region!

SALARY: Salary package to be negotiated.

LOCATION: The Liebe Group Office is located in Dalwallinu, 260km north of Perth. There will be a requirement to be based within this area. Dalwallinu is a progressive community in the Northern Wheatbelt that offers a welcoming atmosphere with the best of rural living and amenities. More information can be found on the Dalwallinu Shire website.

FOR FURTHER INFORMATION & APPLICATION PACKAGE

Katrina Venticinque, Liebe Group Executive Officer
0400 941 412 or eo@liebegroup.org.au

APPLICATIONS CLOSE 5PM FRIDAY 29TH OCTOBER 2021

LIEBE GROUP EMPLOYMENT OPPORTUNITY

Position: Research and Development Coordinator



ABOUT THE LIEBE GROUP

The Liebe Group is a dynamic, grower-driven, not for profit organisation that operates within the Dalwallinu, Coorow, Perenjori and Wongan-Ballidu Shires in the West Australian Wheatbelt. The group has built a solid reputation over the last 24 years as being on the forefront of locally relevant research, development and extension as well as having a high status of reliability and professionalism. The group conducts valuable dryland farming R,D&E through trials, demonstrations and workshops, and provides information to local farming businesses in the region. More information can be found on the Liebe Group website.

We are seeking an enthusiastic and hard working individual to coordinate on-ground research and development in the Liebe Group area. This position is suitable for recent graduates as a great kick start for a career in the broadacre agricultural industry!

THE POSITION

Reporting to the Executive Officer, assisted by the wider team and guided by active grower members, you will be involved in diverse range of activities including:

- Coordinate and execute the Liebe Group's annual R&D Trials and Demonstration Program including the Main Trial Site, project sites and grower demonstrations.
- Conduct on-farm monitoring activities of trial and demonstration sites such as plant and weed counts, disease identification, crop health monitoring and nutrient/soil analysis.
- Evaluate data and results from projects to identify trends, key messages and research outcomes.
- Assist in the development and management of research projects including application writing and reporting.
- Understand and prioritise local grower agronomic, environmental and business management issues. by maintaining strong relationships with growers and industry stakeholders.
- Work alongside the team to deliver the research, development and extension program which addresses local on-farm issues including the coordination of annual events (field days, workshops).
- Assist in the production of the annual Liebe Group Local R&D Book including writing scientific trial reports.

SALARY: Salary package to be negotiated.

LOCATION: The Liebe Group Office is located in Dalwallinu, 260km north of Perth. There will be a requirement to be based within this area. Dalwallinu is a progressive community in the Northern Wheatbelt that offers a welcoming atmosphere with the best of rural living and amenities. More information can be found on the Dalwallinu Shire website.

APPLICATIONS CLOSE 5PM FRIDAY 29TH OCTOBER.

ESSENTIAL CRITERIA

- Degree in Agronomy, Plant/Soil Science or related fields or experience equivalent.
- Current C Class Driver's license.
- The ability to live and work in Australia.
- The ability to relocate to the region.

VALUABLE CRITERIA

- General knowledge of Australian broadacre farming systems, products and technologies.
- Knowledge of or experience in scientific methods and analytical procedures appropriate to agricultural research.
- Knowledge and experience in research trial management including trial monitoring and writing scientific reports.
- Developed organisational skills and demonstrated ability to set priorities and to meet deadlines.
- Ability to work independently, be self-motivated, show initiative and work productively as part of a team.
- Demonstrated ability to build relationships with industry stakeholders, grower members and researchers.

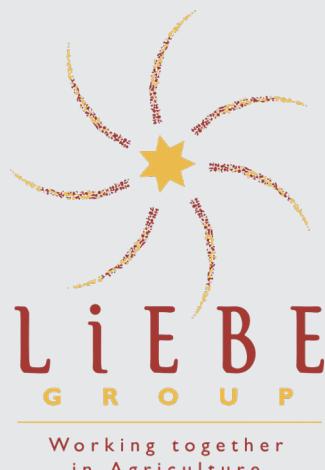
THIS ROLE WILL PROVIDE THE SUCCESSFUL APPLICANT WITH

- Offered as a full time, permanent position.
- The opportunity to build an extensive network within the agricultural industry.
- A variety of independent work with an enthusiastic group of innovative farmers
- The opportunity to work in a well-equipped research facility.
- Mentoring and professional development opportunities
- A vehicle, tablet and mobile phone for work purposes will be provided.

FOR FURTHER INFORMATION & APPLICATION FORMS
Katrina Venticinque, Liebe Group Executive Officer
0400 941 412 or eo@liebegroup.org.au

EOI TO INVESTIGATE YOUR HARVEST LOSSES

FAREWELL FROM JUDY



THE Liebe Group is seeking expressions of interest from growers who would like to measure how much grain they are losing from the front and back of their headers during harvest. The prospect would involve Liebe visiting with drop trays to measure grain losses from the front and back of headers and record information about harvester setups and crop conditions.

We are targeting all crop types, and are looking to record losses both in traditional crops (wheat, barley, canola, lupins) and less common crops (oats, field peas, chickpeas, lentils, etc.).

If you would like to be involved and to find out more, please contact the Liebe Group on 08 9661 1907 or email eo@liebegroup.org.au

AS my time with the Liebe Group is drawing to a close, I would like to take this opportunity to say goodbye to anyone I haven't had the chance to speak with in person. My time with Liebe has been an amazing experience, I have learnt so much and wholeheartedly enjoyed getting to know all of our members over the last two years. Thank you to everyone of you, for your support during my time with Liebe and for so many joy filled events and projects.

I would like to wish all of you the best with this year's bumper harvest and all your future endeavours over the coming years. I know that you will all achieve so many amazing things, and continue to explore the bounds of what is possible in broad acre farming. I am sure I will see you all again in future years, Ag is a very small place in WA, but until then, thank you and goodbye.

Judy Storer
Research & Development Coordinator



COUNTRY WIDE INSURANCE BROKERS A GOLD PARTNER FOR THE LIEBE GROUP



THE Liebe Group are pleased to welcome a new partner to the group in October with Country Wide Insurance Brokers coming on board as a Gold Sponsor.

Liebe Group partners are an integral facet of the success of the group and since our inception we have developed long and valuable relationships with a number of organisations who have mutual interests to the Liebe Group. These strong partnerships have given the group diversity, a level of security and the capacity to build a sustainable and healthy future.

Country Wide Insurance Brokers (CWIB) is one of the leading insurance service providers to the Wheatbelt region of WA. Their purpose is to provide protection and certainty, and they achieve this by maintaining an acute understanding of current and emerging risks associated with farming enterprises and providing responsive and reliable advice.

The key difference in Country Wide Insurance Brokers offering is their experience and local knowledge.

Paul Wilkes CWIB's MD explains that for over 30 years, our network of regional advisors has meant we've been able to really understand the communities in which we work. After all, we live there. We know agribusiness is one of the most challenging industries, and one of the most rewarding. By visiting with each client regularly to assess their needs and risks, we able to assist our them in the effective management of risk.

CWIB's offerings are broad and include; Insurance Broking Services; Claims Handling and Advocacy; Injury Prevention and Management; Contract Reviews, Life and Income Protection; and Premium Funding Services.

Our partners add value to the group through in-kind support, products or services and they see the relationship with the group as a meaningful way to stay in close contact with the grass roots innovators of the industry. We look forward to building an on-going relationship with our latest Gold Partner and thank them for their support towards the Liebe Group.





Drought Resilience Leaders Development Program

NORTHERN WHEATBELT, WA

The Australian Rural Leadership Foundation is inviting people from the Northern Wheatbelt, Western Australia to gather, collaborate and learn with other people who share the aspirations of the region.

The program provides a learning experience that will challenge and support you to develop the skill, knowledge, mindset and networks to lead your community into the future. Become part of a forward-thinking network of people committed to embedding resilience thinking in their communities and to influencing change.



The program will be held over the proposed following dates:

SESSION 1	SESSION 2	SESSION 3	ALUMNI
7-9 February 2022 <i>3 days in person</i>	8-9 March 2022 <i>2 days virtual</i>	21-23 March 2022 <i>3 days in person</i>	<i>upon completion</i>
Themes Self-awareness, adaptive leadership, change theory, personal and community resilience	Themes Climate science, problem solving, creativity, mental and physical wellbeing	Themes Scenario planning, influence, network leadership	All participants join the ARLF Alumni

Applications open 11 October–21 November 2021

Invest in yourself. The program is open to anyone over the age of 18 from any industry. The program is aimed at curious individuals who seek to understand their region, have strong relationships within the community or want to develop them, and who want to influence the resilience their community has, to adapt and manage uncertainty.

What will I gain from this program?

- » The opportunity to create new networks, to work alongside others and to not lead on your own as there is added strength in collaborating with others
- » The chance to collaborate with others who are willing and ready to respond to the future impacts of climate
- » To ask bigger, broader and more expansive questions about the future and what can be done now.
- » When you complete the program you become part of the ARLF network of alumni of over 1,700 members who are working for the greater good of rural, regional and remote Australia.

Who should apply?

- » People from all organisations are invited to apply:
Community, Health, Business and Small Business Owners, Education, NFP, Local Government, Agriculture, Social Enterprise, volunteer
- » If you are committed to the resilience of your region you are encouraged to apply.
Our aim is to bring together a diverse group of people with different ages, cultural identities, Aboriginal and Torres Strait Islanders, minority groups and interests

LIEBE GROUP PRESENTS

MYERS BRIGGS TYPE INDICATOR WORKSHOP



WANT TO KNOW MORE ABOUT YOUR PERSONALITY AND
HOW COMPATIBLE YOU ARE WITH OTHER PEOPLE?

The Myers Briggs Type Indicator is the most widely used personality assessment in the world!

Join the Liebe Group for a two day work shop in 2022.

More details to follow!

EXPRESSION OF
INTEREST

EARLY 2022 TBC

LIEBE GROUP OFFICE

REGISTER YOUR INTEREST

Ph: 9661 1907

E: admin@liebegroup.org.au



Australian Government

National
Landcare
Program



TAX ASSESSMENT ACT: UNDERSTANDING DIVISION 7A

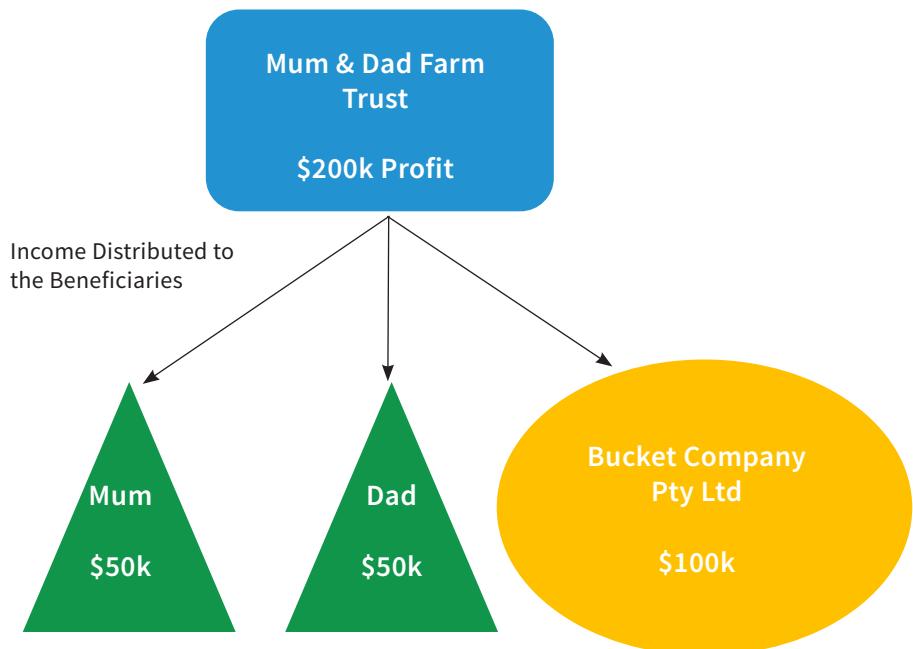
Keiran Sullivan
Director
RSM

FOR anyone who has a private (Pty Ltd) company in their family structure somewhere, you will have no doubt heard of the term Division 7A. It's an often talked about topic, however it is not always an easy topic to understand. So what is Division 7A and how does it apply?

Division 7A relates to section 109 of Division 7 of the Income Tax Assessment Act 1936 (ITAA1936). It covers situations where a private company provides a payment or benefit to a shareholder or associate of the shareholder.

Most often the scenario's of Division 7A apply whereby a business trades through a discretionary trust and passes income to a private company, commonly referred to as a "Bucket Company". This is often done to assist in reducing tax liabilities as the company has a fixed income tax rate rather than the individuals who have a variable tax rate. This is usually a good outcome, but more often than not, the cash is never passed across to the company. As a result, an implied loan is created and Division 7A of the ITAA1936 is triggered.

Outlined below is a diagram outlining the common relationship.



If the cash is not passed to the company, as mentioned the loan is created between the trust and the company. Division 7A requires the entire loan to be repaid via an Unfranked Dividend to the shareholders. Meaning that the shareholders, most likely individuals, would receive additional income that would be taxed at their own marginal tax rate. This would usually result in a worse than intended original tax consequence.

So how do we stop the impact from Division 7A occurring?

Option 1 - Cash

You could elect to pay the income across to the company in cash. This must be done by the lodgement date of the company's tax return in the income year following the distribution. This will result in the cash being in the company's bank account and not the trading entity, potentially reducing the ability for using that cash to continue the farming operations.

Option 2 - Complying Loan

The ATO allows you to put in place a Division 7A complying loan agreement. The criteria for a complying loan agreement is:

- One that is written
- Charges the ATO minimum interest on the loan. Currently the rate is 4.52%
- Has a maximum repayment term of seven years unless holding land as security and a mortgage is registered by the company over the land and then the maximum loan term is 25 years.
- Ensure that minimum yearly repayments are met each year

To make the minimum repayments, cash would then need to be passed to the company, resulting in the implications of Option #1 occurring. Alternatively, the company could pay a dividend out to the shareholders to reduce the loan. This dividend although it may be fully franked, could then lead to further tax consequences for the individuals who receive it.

Option - Look at Business Restructure

There are other options for still having a company involved in your business operating structure that will not trigger Division 7A. Any business re structure needs to be considered and planned carefully to avoid any unnecessary income tax or stamp duty implications.

The option you choose for dealing with Division 7A will have varying consequences on your business operations. Determining the most appropriate course of action is not always easy and will involve in depth discussions with your accountant to determine the best course of action. The most important thing is to ensure that you clearly understand your operating structure and how it works for you. Remember, every business may be structured differently for different reasons.

GLOBAL SUPPLY DISRUPTION TO SEE AUSSIE GROWERS LOCK IN AG INPUTS EARLY FOR SEASON AHEAD

Lisa Curtis
Assistant Marketing Manager
Rabobank



Rabobank

WIDESPREAD global disruption to supply is set to see Australian farmers again move to lock in fertiliser and other inputs early for the season ahead according to a recent Rabobank report.

This is despite global fertiliser prices at near-decade highs and expected to remain elevated in the short to medium term.

In its semi-annual Global Fertiliser Outlook: High prices to test demand, the agribusiness banking specialist says global fertiliser prices have reached their highest level since 2012. And while these price highs will “test demand”, the report says, this will be in the short term, with the “global fertiliser complex” expected to remain supported due to ongoing high commodity prices.

This global backdrop is set to underpin high Australian nitrogen (urea) and phosphate prices until at “least the end of Q1 2022”, according to Rabobank’s senior agriculture analyst Wes Lefroy, driving another year of early input purchases for many Australian growers.

And the challenges aren’t just confined to fertiliser, with global supply chain disruptions also impacting agri chemicals, Mr Lefroy said.

“2022 could be one of the toughest years that retailers of agri input supplies and farmers alike have seen in recent times when it comes to acquiring inputs,” he said.

“We see the production and supply of inputs being impacted by a combination of factors including weather events, the high price for raw materials, environmental regulation and freight being heavily disrupted. Overlaid with strong local demand, this is really ratcheting up the pressure.”

Mr Lefroy said with the current season nearing conclusion, farmers were now turning their minds to the 2022 season, and in particular phosphate and other inputs, such as glyphosate, for spraying over the summer.

“With no major price relief on the horizon and freight disruption continuing, this places farmers in a very difficult position ahead of the 2022 season,” he said.

“‘Just-in-time’ purchases by farmers come with an increased risk of inputs only partially arriving or arriving late. Early purchasing, or locking in early purchases, not only ensures product availability when needed most, but also helps mitigate any further price rises.”

For growers, higher fertiliser prices have already put pressure on margins during the 2021 season, Mr Lefroy said.

“Fertiliser prices have risen much faster than local grain prices and this has considerably reduced the relative affordability of fertiliser,” he said. “Relative to grain prices, AUD-adjusted global DAP (diammonium phosphate) prices are now the highest they have been for more than 10 years.”

And with early indications already looking positive for local demand next season, it doesn't appear as if any of these factors will ease heading into 2022, Mr Lefroy said.

"Indications from the BOM that southern and eastern regions may experience above-average rainfall this summer could add further to farmer confidence and support summer demand for fertilisers and agri chemicals ahead of the new season," he said.

Phosphate

In terms of the outlook for global phosphate markets, the report says "tight availability will hold phosphate prices at higher levels for some time", with processed phosphate at its highest level since 2011.

This, however, has seen phosphate become "less affordable for various crops in some regions, even with the higher commodity prices" and is likely to see some farmers purchase the "minimum level necessary".

But any price correction resulting from this drop in demand will be short-lived, it says, with the International Fertiliser Association (IFA) forecasting the phosphate balance to be at its lowest level in more than five years as China is expected to limit the country's exports in the second half of the year.

Glyphosate

Mr Lefroy said the impact of high phosphate prices isn't just confined to fertiliser – demand has placed inflationary pressure on prices of glyphosate and a range of other agri chemicals.

"Prices of Chinese glyphosate – the source of 65 per cent of global, and a large chunk of Australian, supplies – have increased 75 per cent this year," he said.

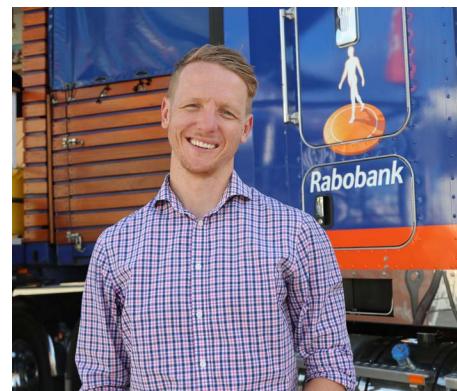
"In recent weeks, we have also seen a cap on the production of one of the key materials used in the production of glyphosate, which is likely to place further pressure on supply and prices."

Freight Issues

Mr Lefroy said inflated ocean-freight costs were also pushing fertiliser prices higher, adding as much as 10 per cent to a landed tonne of Australian fertiliser, with delivery times also "blowing out dramatically". And these bulk and container freight dynamics are unlikely to improve before the end of the year, he said.

"As such, we see supply chain disruption – along with some concerns about input prices rising even higher – prompting farmers to purchase their inputs earlier than usual again this season," Mr Lefroy said.

To find out more about other Rabobank research, contact Rabobank Dalwallinu and Moora branch manager Georgina Day on 08 9661 0900 or subscribe to RaboResearch Food & Agribusiness Australia & New Zealand on your podcast app.



Rabobank senior agricultural analyst Wes Lefroy.

WELL, as the year draws to a close and we start to see the headers rolling around the district it is undoubtedly going to be a year that we remember for many reasons! Rainfall that none of us would have predicted in the opening months followed by a cyclone to break the season before we saw one of the wettest winters in a long time with crops that looked like they could do anything before Jack came to visit and the tap turned off. Six weeks of almost no rain really did take the cream off the top of the season and widespread frost knocked millions of tonnes off what could have been. So as we reflect on the year I thought I would point out some of my key learnings from season 2021.

Rain

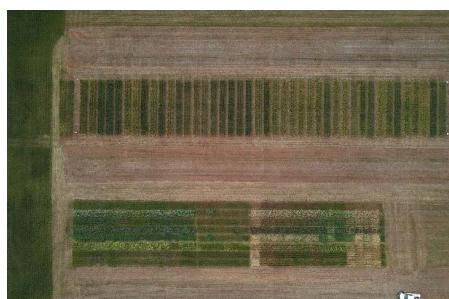
Timing is just as important as amount! With much of the region experiencing well above average rainfall, it would be expected that crops would be looking pretty good across the board. Unfortunately crops on lighter sandplain country have really struggled to make the most of this as we experienced a significant dry spell at the most important time of the year. I think this once again highlights the need to ameliorate these soil types to get the most out of the available rainfall in a year. Increasing water holding capacity is critical in maximising the bucket that we have available when the season cuts off, as it seems to be doing more and more.

Frost strikes again

Undoubtedly one of the more widespread frost events in recent times, I think everyone can say they have some frost on their property. Majority of this would be in areas that growers may expect and therefore it begs the question do we need to account for frost more in our rotational planning? Are these areas too risky to plant early with wheat or is there a better way of reducing risk? It seems too devastating to ignore the problem with large potential being lost after all the \$\$ have been spent. Hopefully work being done to develop frost resistant varieties will negate the risk to growers however in the meantime we must consider our options.

The value in a knockdown

The most important spray of the year (if we get the opportunity) is by far the knockdown. Reliance on pre-em products to do all the lifting has its inherit weaknesses and some of the cleanest crops around had nothing more than a cheap pre-emergent package with a robust knock/double knock before sowing. With resistance to many of our pre-ems becoming a larger issue it is important that we take the opportunity to utilise non-selective knocks where we can. On that note resistance to glyphosate has made a worrying jump in the last year and I don't predict it will stop there. Thinking about using paraquat is quite important in managing our most valuable tool in glyphosate.



2021 liebe group MTS knockdown and crop safety matrix from above.

Early sown canola wins again

With the exception of prices being decile ten canola has had a phenomenal year! Even without the price being so good I dare say canola would still win the gross margin analysis this year. It really has highlighted the fact that when given the opportunity with a good break early on, canola is a very good option. With much better early vigour from newer varieties and the ability to compensate pretty well even with marginal germinations I think canola will continue to play a large part of many people's rotation. Newer short season varieties coming out should really allow us to maximise the fit for canola even on a shorter more typical season.

A flurry of new herbicides

With the excitement of a number of new actives on the market this year it is without a doubt that there has been an abundance of farmer scale trials completed this year. For many of you I think the new herbicides released worked brilliantly, it was good to see the uptake and willingness to try these new actives and rotate away from the norm to manage resistance. It goes without saying there is still a lot to be learnt about these products and maybe some tweaks in where/how we use them is definitely on the cards for next year.



Overwatch working well on annual ryegrass in a wheat crop in Dalwallinu

I urge all of you however to remember that in the early days of all products there are always some issues, Sakura was not the silver bullet in its first year of release and it really was not until we had seen it for a few years did we realise where it would fit and how we could optimise its use. Also a timely reminder that we often only hear of the bad news stories through media, there are plenty of good stories too so get out there and ask your neighbour who tried a bit as to how it went on his farm. There is plenty to be gained for all of us if we collaborate our results and find the best fit for all new and existing technology.

Looking forward to 2022

Well, one thing we can learn from 2021 is that the uncertainty from COVID-19 is going to continue for some time. Global markets continue to bear the brunt of the pandemic and I don't expect this to waiver before next season. Keep focused on the controllable and I'm sure we will make things work for next year.

I hope all of you have a good harvest and look forward to catching up with you all in the new year.

LOCATION, LOCATION, LOCATION: WHERE WORLD WHEAT STOCKS ARE LOCATED MATTERS

Mae Connelly
Grain Marketing Consultant
Farmanco

Reviewed by Ryan Duane,
Grain Marketing Consultant,
Farmanco



FARMANCO

KEY POINTS

- Total global wheat stocks are the fifth largest on record.
- There is an inverse correlation between global wheat stocks-to-use ratio and global wheat prices.
- In 2021, global wheat stocks are relatively high, but global wheat prices are also high.
- The reason the correlation has been lost is because of the shortage of wheat stocks in the major exporters.
- The lack of available exportable tonnes of wheat has importers concerned, and global wheat prices have rallied.

World wheat stocks remain at historically high levels, so why have wheat prices been at historically strong levels over 2021? A significant reason for high prices has been the fact that while total world wheat stocks are high, stocks that are in the major wheat exporters are at record lows.

Definitions & Jargon

Stocks — when we use the word stocks, we are usually talking about “ending stocks”, which means the amount of tonnes left at the end of the marketing year.

Stocks-To-Use Ratio (STU) = ending stocks ÷ total use/consumption x 100.

For example, if you buy milk weekly, you have 1L left in the fridge at the end of the week and your total milk use for the week is 2L, then your STU for milk is 50%.

The STU provides more relevance than a straight stocks figure, as it considers the volume of demand. As an example, annual global demand for canola is roughly 60 million tonnes, while annual global demand for wheat is around 750 million tonnes. If both commodities had ending stocks of 30 million tonnes, this would be a much tighter (4% STU) position for wheat than for canola (50% STU). The STU number shows this, while the base stocks number in tonnes does not.

Million metric tonnes = Abbreviated to “mmt”.

Global World Wheat Stocks

Global world wheat stocks for the 2021/22 season were estimated at 279.06mmt by the USDA in their August 2021 WASDE report. Although global world wheat stocks have fallen from the record highs of recent years, they are still high in historical terms.

Figure 1 shows total world wheat stocks and stocks-to-use ratio over the last 20 years. In previous high price years such as 2007, global stocks were as low as 124mmt to 155mmt, or 55% lower than the current stocks level. In 2012, global wheat stocks were 176mmt to 103mmt, or 37% lower than today.

Figure 1 also shows that the current estimate would be the fifth highest stocks level on record.

Looking at the global wheat stocks-to-use ratio in Figure 1, the current STU is also comfortable in historical terms. As examples, in previous high-priced years, the global STU dropped to 20% in 2007 and 26% in 2012. Historically, an STU of 25% or above was considered adequate, while anything under this was considered to be tight (and therefore bullish for prices).

The current STU of 36% is down from the highs of the previous few years. For example, a peak of 40% was reached in 2019, but it is still historically high and at a comfortable level compared to the tighter seasons of the last 20 years.

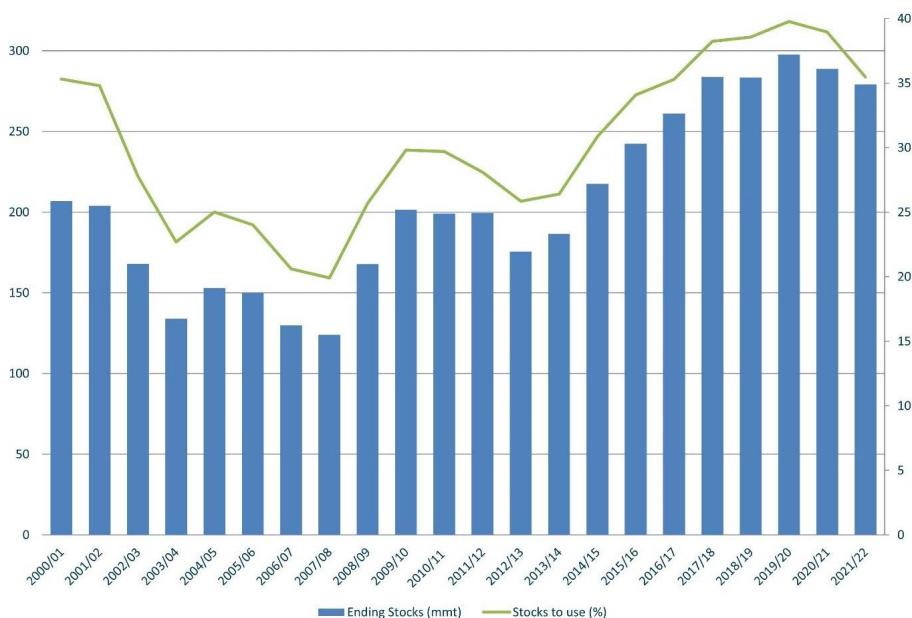


Figure 1: Global wheat stocks and stocks-to-use ratio, 2000 to 2022, USDA WASDE data.

There is an inverse correlation between the total global world wheat stocks-to-use ratio and the global price of wheat. Figure 2 shows the average Chicago Soft Red Winter (SRW) wheat futures contracts (a global benchmark for prices) over calendar years, versus the global wheat stocks-to-use ratio for that year from 2009 to 2020.

As the trend line of Figure 2 shows, global wheat prices tend to be higher when the global wheat STU is lower, and vice versa.

The most recently completed year (2020) is a bit of an outlier, with an historically high stocks level, but also a relatively high price level. This leads us into the second part of this article — why are wheat prices currently historically high, when the global wheat stock level is also relatively high in historical terms?

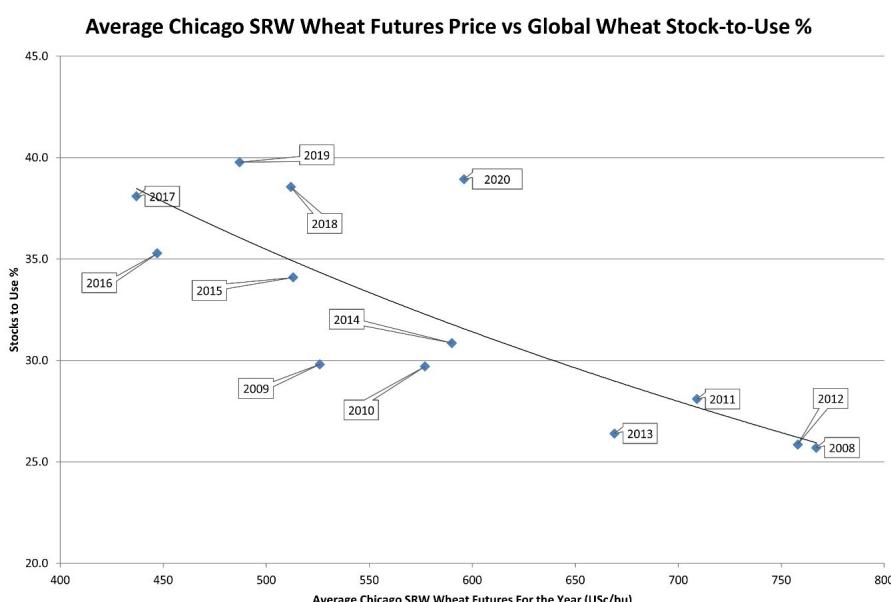
Wheat Stocks in Major Exporters

The major wheat exporters, as defined in the USDA data, are:

- Russia
- EU
- Canada
- Ukraine
- Australia
- Argentina

Although the USDA doesn't yet include them in "major exporter" data, some analysts now also include Kazakhstan on this list. They have exported up to 8mmt in a big production year.

Figure 2: Average Chicago Soft Red Winter (SRW) wheat futures over calendar year versus USDA global wheat stocks-to-use ratio, 2009-2020.



PARTNER UPDATES

Although there is volatility between seasons in these countries, as Table 1 shows, the major exporters (as defined by the USDA) usually account for 72% to 75% of total global wheat exports.

Country	2021/22 Forecast Wheat Exports	2020/21 Wheat Exports	2019/20 Wheat Exports	3 - Year Average
Argentina	13.50 mmt	10.50 mmt	13.50 mmt	12.50 mmt
Australia	22.00 mmt	23.00 mmt	9.14 mmt	18.05 mmt
Canada	17.50 mmt	27.50 mmt	24.63 mmt	23.21 mmt
EU	35.00 mmt	30.75 mmt	39.77 mmt	35.17 mmt
Russia	35.00 mmt	38.50 mmt	34.49 mmt	36.00 mmt
Ukraine	23.50 mmt	16.75 mmt	21.01 mmt	20.42 mmt
Total World Wheat Exports	195.03 mmt	201.63 mmt	198.23 mmt	198.30 mmt
Total Major Exporter Exports	146.50 mmt	147.00 mmt	142.54 mmt	146.35 mmt
% of Exports	75%	73%	72%	73%

Table 1: Major wheat exporters over the last three seasons (USDA WASDE data).

Figure 3 shows the wheat stocks-to-use ratio in major exporters since 2005 (Source: AgResource). In previous years of global high prices such as 2007 and 2012, the major exporter STU was low.

Figure 3 shows that the current forecast for the 2021/22 season is for the major wheat exporter stocks-to-use ratio to drop to the lowest level on record — 12.5%. This compares to the previous low of 13.1% in 2007. Unlike total global wheat stocks, which are forecast to be the fifth highest on record despite production issues on multiple continents, the stocks in major exporters have been falling since 2019 and are very low in historical terms.

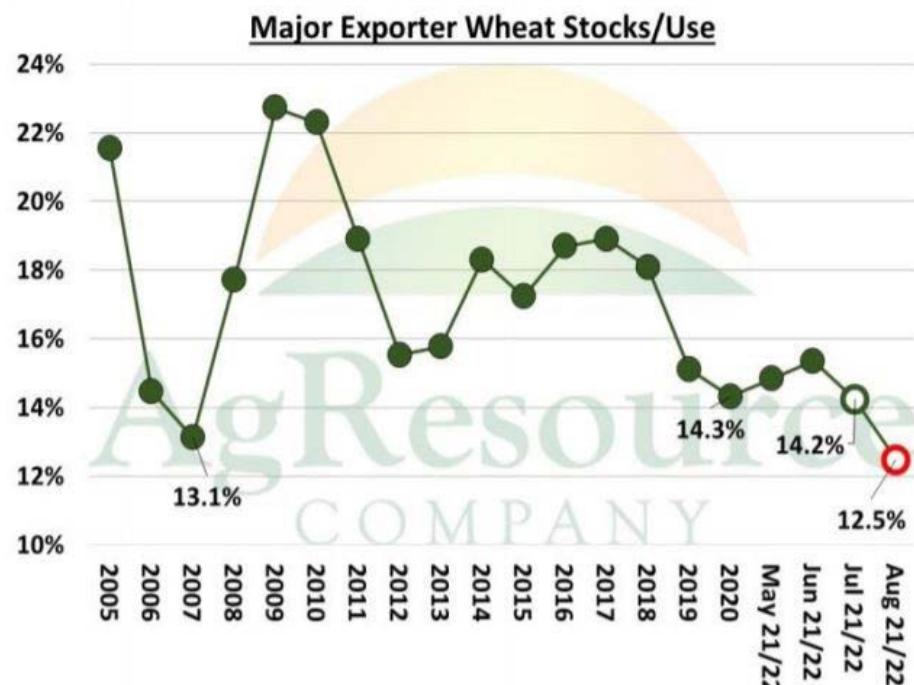


Figure 3: Major wheat exporter stocks-to-use ratio 2005-2022 (Source: AgResource).

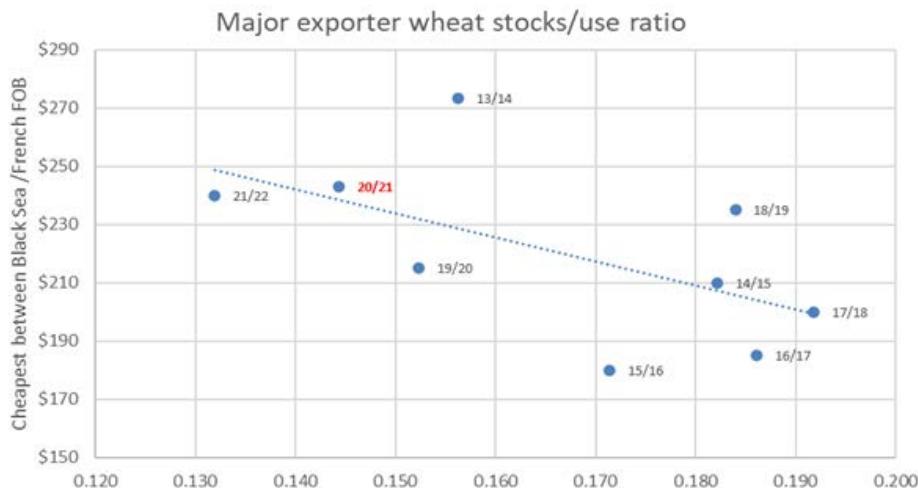


Figure 4: Major wheat exporter stocks-to-use ratio (x axis) vs Global wheat FOB price (y axis, USD/t) — lowest of Black Sea and French FOB wheat price (Source: Lloyd George, Agscientia). Note that major exporters in this chart includes Kazakhstan, while all other charts and data in this article excludes them from the major exporter list.

Figure 4 (with thanks to Lloyd George of AgScientia) shows the inverse correlation between the major exporter (including Kazakhstan) wheat STU and the global wheat price, using the cheapest of Black Sea or French FOB prices, from 2013 to 2021.

Unlike Figure 2, which showed the stocks/price correlation using total world stocks and had the most recently completed year (2020) as an outlier that didn't fit the pattern, Figure 4 shows 2020/21 and 2021/22 fitting the correlation more closely. This is further evidence that the current market is being driven by the low stocks situation in the major exporters, rather than the abundant total world stocks situation.

Conclusion

The 2021 wheat market rally was not driven by a low total global wheat stocks level, with world ending stocks still the fifth highest on record.

The 2021 rally was instead driven by the location of the world's wheat stocks. More than half of 2021/22 wheat stocks are in major wheat importers including China (151mmt or 51% of total global stocks) and India (25mmt or 8%).

A lack of exportable milling supplies in the major exporters has seen importers become concerned about meeting wheat demand and, therefore, the global wheat price has rallied.

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MANAGING seasonal staff over harvest can be a challenge for farming businesses. In the current market, it is crucial to capitalise on the full potential of your seasonal staff, so they perform well and are encouraged to return in the future.

ProcessWorx has helped numerous farms set up processes and systems to streamline recruitment, induction and retention of seasonal workers and we recommend taking the following steps.

Assess Need

Determine how many staff you need for seasonal periods like harvest and consider the level of experience and skills required for the job. Developing a position description can help with this. Consider if the job needs to be done part-time, full time, casual or could be done by a contractor.

Budget

Determine your budget for staff. Factor in the full cost of employing staff including;

- Remuneration – If you are paying a flat rate you need to ensure the rate of pay takes into account all aspects of the Award. This is called a Better Off Overall Test (BOOT).
- Accommodation – ensure you have adequate, safe accommodation for your staff. Consider if you will be providing accommodation as a condition of employment, charging rent, providing meals etc.
- Recruitment – consider the cost of recruiting for workers through paid advertising or engaging a recruitment agency.

Documentation

Prepare the correct paperwork for new employees including

- An employment contract which outlines the rights and obligations of the employee and employer. Having a written employment contract allows you to detail the terms and conditions of employment e.g. accommodation, keep and hours of work.
- An Individual Flexibility Agreement (IFA) which is a written agreement between an employee and their employer used to change the effect of clauses in their Award.
- The Fair Work Information Sheet which contains important information about employees' rights and the National Employment Standards.
- The Casual Employment Information Sheet which outlines the definition of a casual employee and rights to casual conversion.
- A New Employee Checklist that should be completed before and on the employees first day. This can include, preparing the above paperwork, asking employees to complete online induction, arranging accommodation, making arrangements for uniforms of PPE and collecting forms, licenses and certificates from the employee.
- An Induction Checklist is crucial. On the first day go over rules of the farm including, safety, HR and accommodation elements e.g. performance expectations, policies and procedures, incident reporting, and emergency management.

Danielle McNamee
Managing Director
ProcessWorx



Safety

Farms need to meet their work health and safety obligations for new staff. Ensure staff are inducted and trained to use equipment safely for their role. Make sure to document the process and record any necessary licenses. Communicate the risks of farm work to employees and hold staff meetings to cover hazards or incidents, safety processes and allow employees to give feedback. Having a fatigue management plan for harvest is also highly recommended.

Manage Staff if Issues Arise

If you find yourself in a difficult situation where seasonal workers are not meeting expectations, the first thing you can do is have a conversation with the employee. Talk to them about your concerns and document the conversation (e.g., a diary note recording what was discussed).

If the issue persists or is more serious, write a letter of allegation and invite the employee to a meeting to discuss the allegations. In the meeting express your concerns and give the employee an opportunity to respond. Go away and consider their response and organise an outcome meeting at a later date. Potential outcomes could be, no action, the employee is given a warning or termination. Be aware there are risks when terminating, so contact ProcessWorx for advice if you are considering this.

Overview

Doing your best to induct new staff and set clear expectations will minimise the likelihood of staff difficulties. However, if issues arise don't be afraid to manage your employees. At ProcessWorx we understand this process can be difficult and offer support for farmers. ProcessWorx has extensive experience working with farms to ensure they meet their HR and Safety obligations. Farmers can have peace of mind that a team of experts is helping their business, so you can focus on farming.



THE American Society of Agricultural and Biological Engineers (ASABE) recommend that machine harvest losses (from the rear of the harvester) should be 1% of grain yield or less for all grains. However, experience by grain growers, ag engineers and proponents of grain loss measuring equipment have found some exceptions to this rule. The target of <1% losses is a good rule of thumb but some of the exceptions include:

Crop type	Preferred goal	Real life conditions	Comments
Canola and small grain	<1%	2-3%	Grain loss of in excess of 10% has been measured in the field by growers. Growers were unaware they were losing this much until they measured with a drop tray.
Cereal grain	<1%	<1%	In good harvest conditions - <0.5% loss is achievable.
Pulse crops	<1%	0.5 - 1%	In pulse crops, header front loss is responsible for most grain loss and as such is the primary concern for growers.

Table 1: Achievable grain loss targets for selected crop types.

NB: Targets are for harvester machine loss only, does not include header front losses.

Target grain losses stated in Table 1 are achievable goals, but growers also need to consider the cost of compromises to harvest capacity, and accept the balance between the cost of harvest loss/ha and the cost of harvest capacity (ha/hr or T/ha), because crawling/harvesting slowly to achieve 0% harvest loss decreases efficiency.

We need to keep in mind the simple equation of:

Total cost of harvest = cost of harvest (harvester + chaser bin) + harvest losses.

It is necessary to determine the trade-offs between harvest loss and harvest efficiency for your operation - What numbers can I tolerate and what am I willing to gain or give up?

A harvester plus chaser bin may cost \$500 to \$800/hour to operate including cost of ownership (depreciation + interest), fuel, repairs and maintenance, and labour. For example, if a harvester covering 10ha/hour must slow down by 10% to reduce harvest losses this will increase the cost of harvest by \$5 to \$8/hectare. This extra cost must be compared to the savings in reduced harvest loss to determine what is optimum.

Marcel Kringe
Bushel Plus

Peter Newman



Is the only answer to slow down?

Slowing the harvest speed down is not the only answer and should not be the first thing we try to minimise harvest losses. Slowing down should be the last resort. Our goal should always be to maintain harvest capacity while minimising losses. Drop pans provide a repeatable and accurate methodology to measure losses, allowing the opportunity and freedom to change/try settings and learn new settings/techniques, and measure the impact of each adjustment.

Measure your harvest losses with a drop pans change one thing then measure again. Repeat this process until you achieve acceptable grain losses below 1% of crop yield, while achieving good harvest capacity.

What we cannot influence	What we can influence
Early and late morning dews	Harvest timing
Weather patterns	Combine capacity (per machine or more machines per farm)
Variety differences (hard to thresh, pod-shatter canola and pulses)	Combine set ups (concaves, sieves, header fronts)
Uneven crops/ripening	Pre harvest machine check lists: calibrate sieves, concaves, internal set ups, header front set up (angles, guards)
Small grain/kernel sizes due to drought or disease conditions	Maintenance on parts which wear, to maintain fuel efficiency and performance optimisation
Impact of biotic and abiotic stresses that result in uneven crop yields/volumes at harvest	Consistent harvest loss checks with drop pans (preferably remote controlled system for safety)
Field sizes (logistical consideration to keep combine full of material)	Consistent calibration of harvest loss sensors with drop pans, calibrating of harvest automation systems
	Driver (harvest team) knowledge and awareness
	After market solutions for header front and combine set ups
	Harvester clinics and dealer support
	General settings changes
	Mind-set changes to implement different ways of combine set ups and proactive approach to harvest
	Pre-harvest management of the crops (desiccation/ swathing for weed infested fields or uneven crops for dry down)

Table 2: Factors affecting harvest losses and ability to influence.

Useful links

[Any idea how much of your grain was lost during harvest?](#)

[How to measure harvest grain losses](#)

[Harvest loss calculator](#)

[HarvestCalc](#)

[Bushel plus - the app](#)

[Minimising canola & cereal harvest losses](#)

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CALENDAR OF EVENTS

LIEBE GROUP EVENTS 2022

Annual General Meeting	Wednesday 2 nd March	Dalwallinu Rec Centre
Crop Updates & Trials Review Day	Wednesday 2 nd March	Dalwallinu Rec Centre
Women's Field Day	Tuesday 14 th June	Dalwallinu Rec Centre
Post Seeding Field Walk	Wednesday 27 th July	Main Trial Site, North Milng
Spring Field Day	Thursday 8 th September	Main Trial Site, North Milng



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