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# AUSTRALIAN WHEAT SITUATION

A wide-angle photograph of a vast wheat field during harvest. Several green combine harvesters are visible, moving across the golden wheat. A blue tractor is positioned on the right side of the field, connected to a long conveyor belt that extends across the field, likely for grain transport. The sky is clear and blue.

**21<sup>st</sup> Annual IAOM Middle East & Africa District Conference**  
**Chris Whitwell**  
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**GrainCorp**

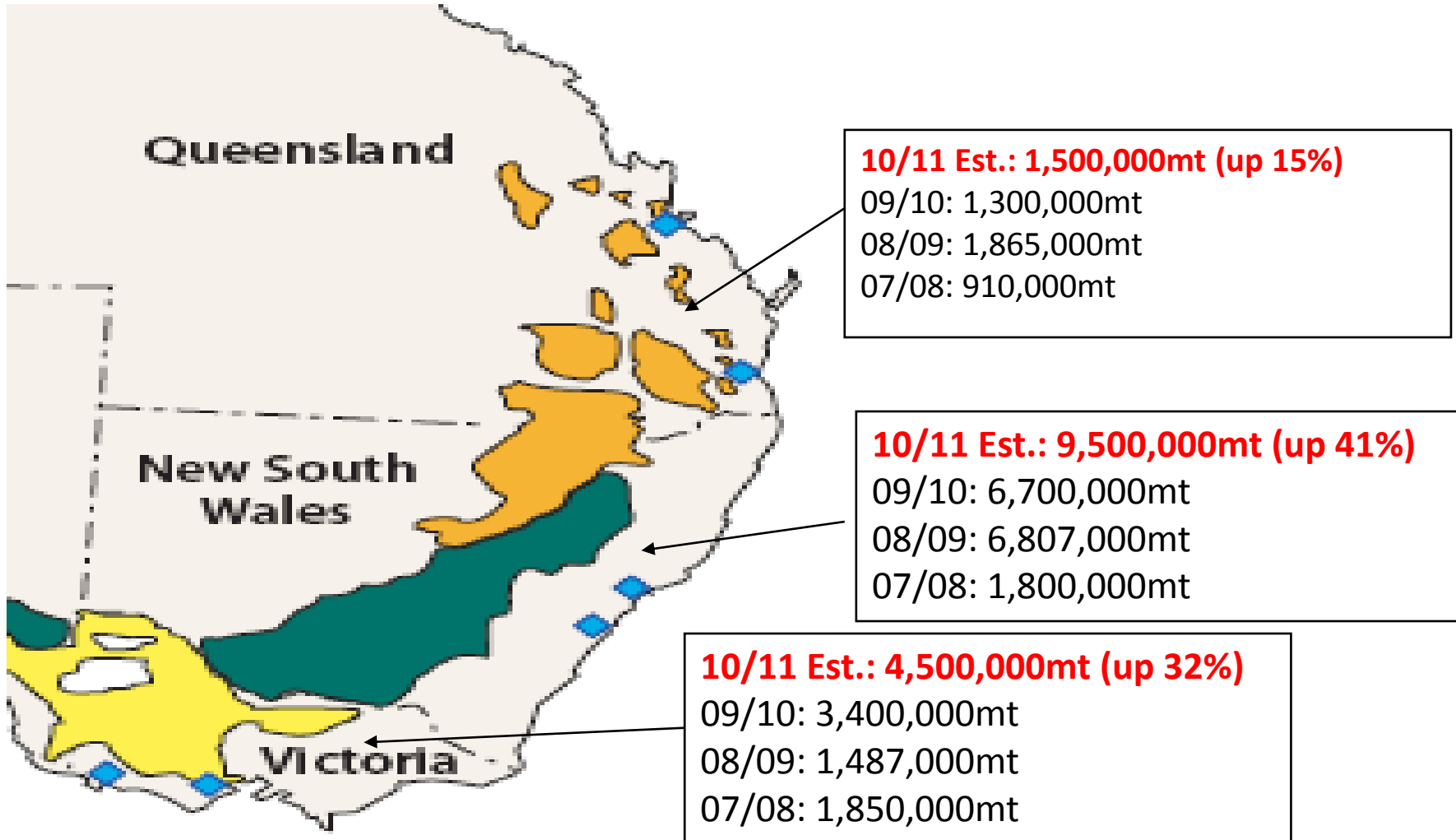


## Overview

- 2010/11 Wheat Crop by state
- Production and Exports
- Export Capacity
- Quality expectations
- Logistics
- Conclusions



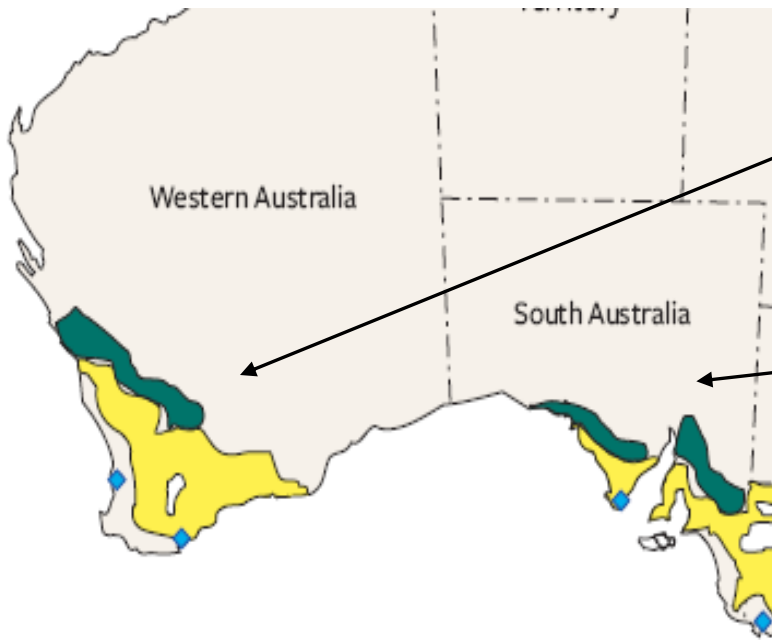
# East Coast Australia Wheat Crop





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# Western & South Australia



**10/11 Est.: 3,400,000mt (down 58%)**  
09/10: 8,200,000mt  
08/09: 8,915,000mt  
07/08: 6,100,000mt

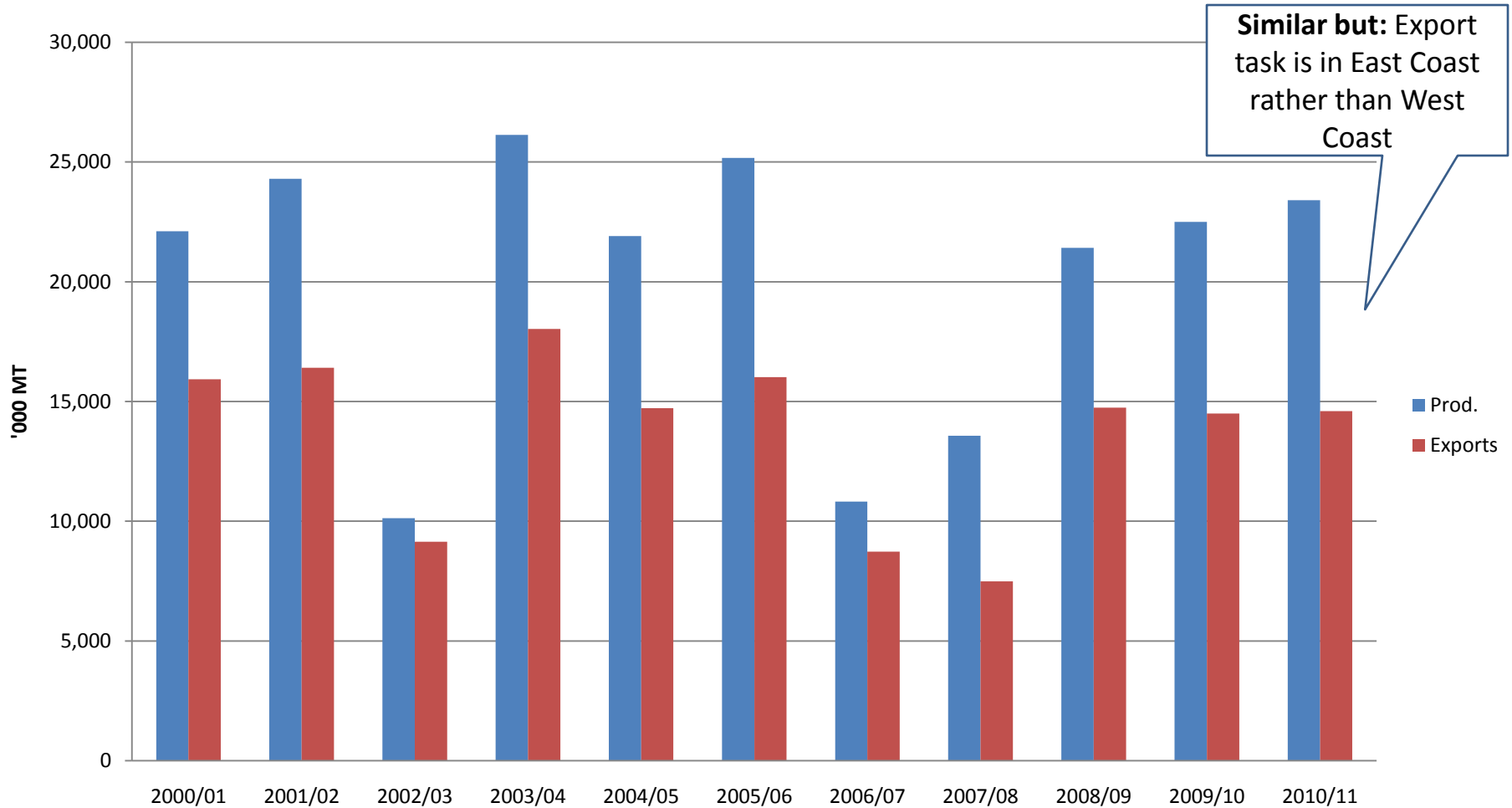
**10/11 Est.: 4,500,000mt (up 12%)**  
09/10: 4,000,000mt  
08/09: 2,295,000mt  
07/08: 2,346,000mt

**Total Australian Crop  
10/11 Est. 23,400,000mt**



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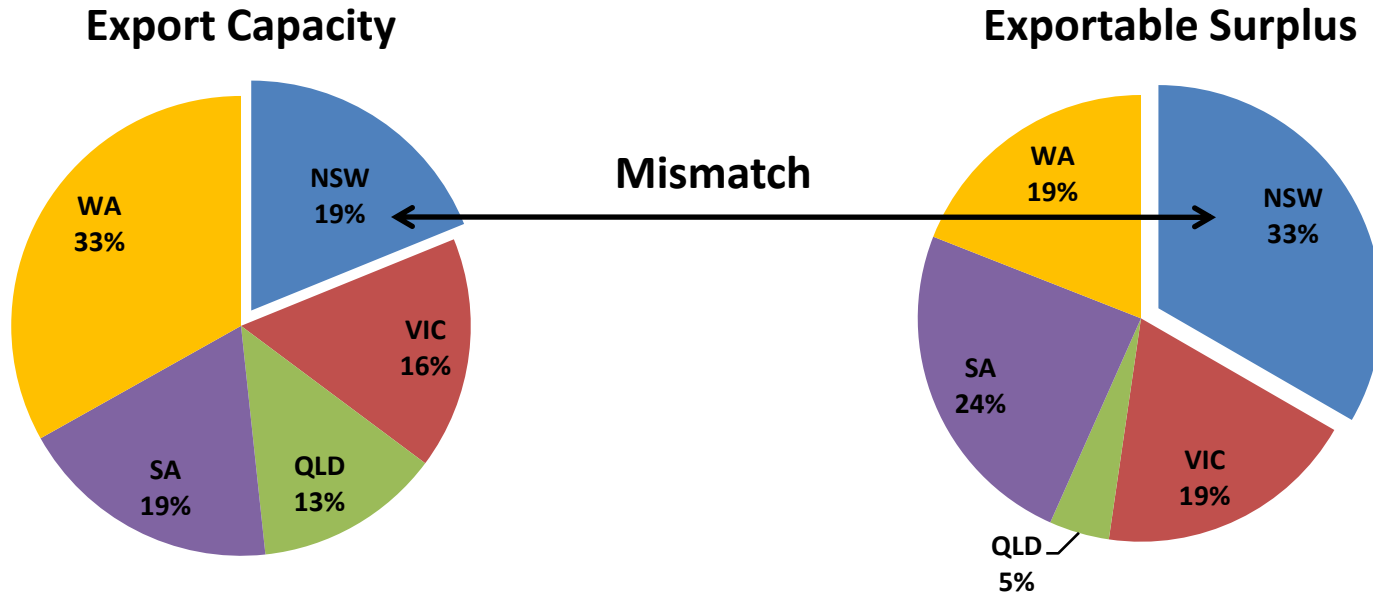
# Australian Wheat Production and Exports



Source: USDA and GrainCorp



# Export Capacity versus Exportable Surplus



- NSW: Insufficient export capacity
- WA: Surplus export capacity



# Australian Protein Distribution

High Protein Wheat

➤ 13%

➤ (approx 500,000mt)

2010/11 Season 2% - 5%

SA 3-8%; WA 2-5%

Domestic Demand 200,000 – 250,000 mt

\*\* Normal East Coast Season 10% - 20%

Mid Protein Wheat

11.5% to 12.9%

(approx 7,000,000mt)

East Coast 30% - 50%

SA 10-30%; WA 20-40%

Domestic Demand 3 mil mt - 3.5 mil mt

Low Protein Wheat

< 11.5%

(approx 11,750,000mt)

East Coast 50% - 60%

SA 60-70%; WA 60-80%

Domestic Demand 4 mil mt – 4.5 mil mt



## Harvest Quality

- Quality of the 2010/11 crop is still taking shape. The harvest is up to 3 weeks late.
  - High yields has reduced wheat protein in East and South Australia below the historical average.
  - Wet harvest has the potential to damage wheat quality
  - WA reduced production has the potential to raise protein levels above the historical average. Raised screening levels expected.





## East and South Australian Logistics

### Challenges

- Limited elevation capacity – competition from barley and oilseeds for elevation space
- Shipping stem is fully booked for January to August
- Transport to port critical for exporters. Rail will be in deficit this year, truck supply will be tight
- Need for efficient planning to accommodate the biggest East Coast export program since the 1990s. The first since the removal of the single desk.
- Buyers should consider supply requirements at least 60-90 days out from execution.
- Spot demand may be difficult to accommodate this year



## Conclusion

- 2010/11 wheat crop will be large 23-24 million mt. Up to 15 million mt of exports.
- East and South Australia will absorb reduction in Western Australia Exports particularly to Asian and Pacific Markets.
- Capacity to Export is an issue in East and South Australia.
- There will be lower amounts of higher protein wheat available in East and South Australia.
- Lower production of high protein has widened price spreads for protein in the domestic track market.
- A late crop means we have a long way to go in determining harvest quality.
- Forward planning will be essential to a successful supply program from Australia this year.



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# Thank you

