

AUSTRALIAN WHEAT INDUSTRY

IAOM Conference 2009

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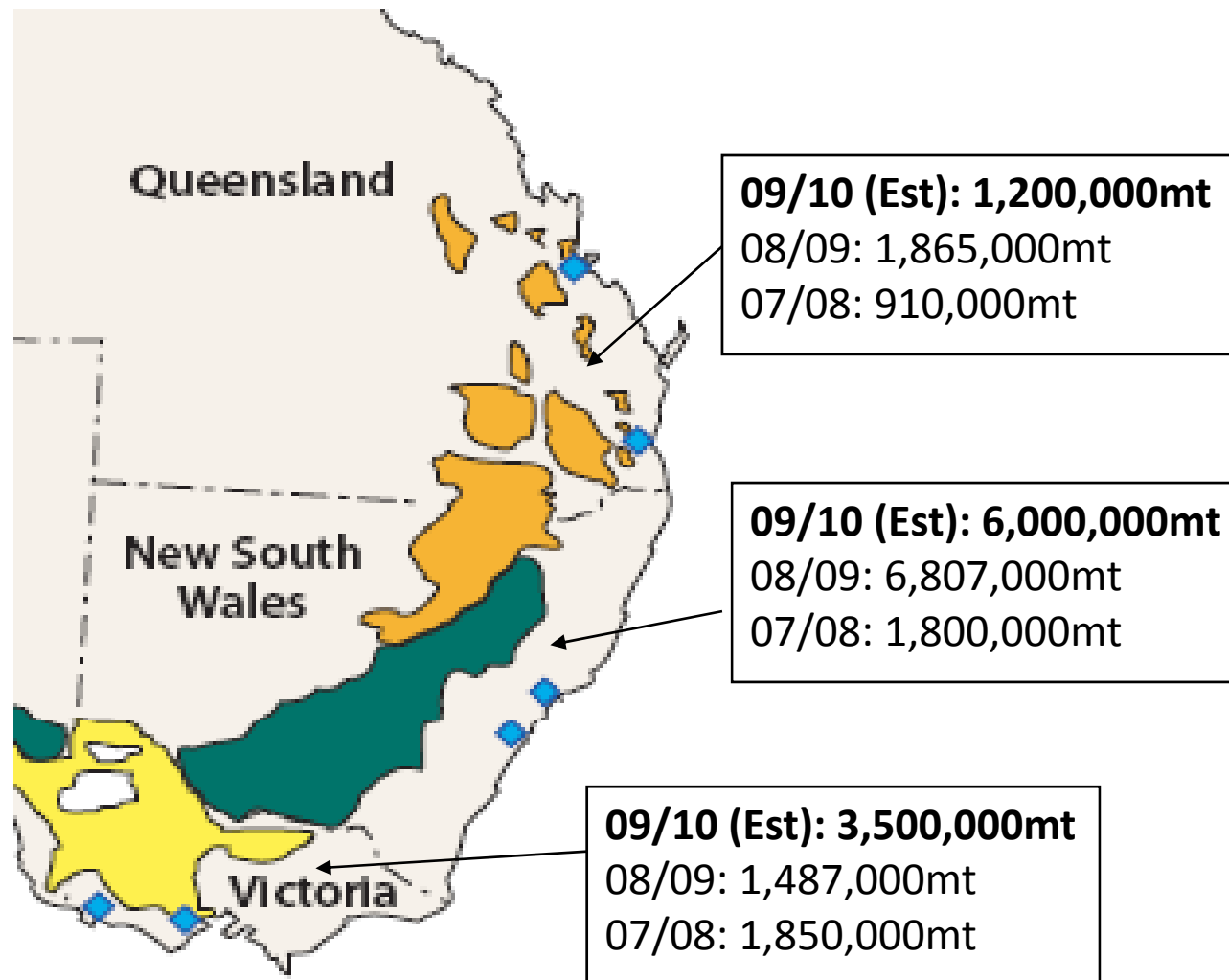
GrainCorp



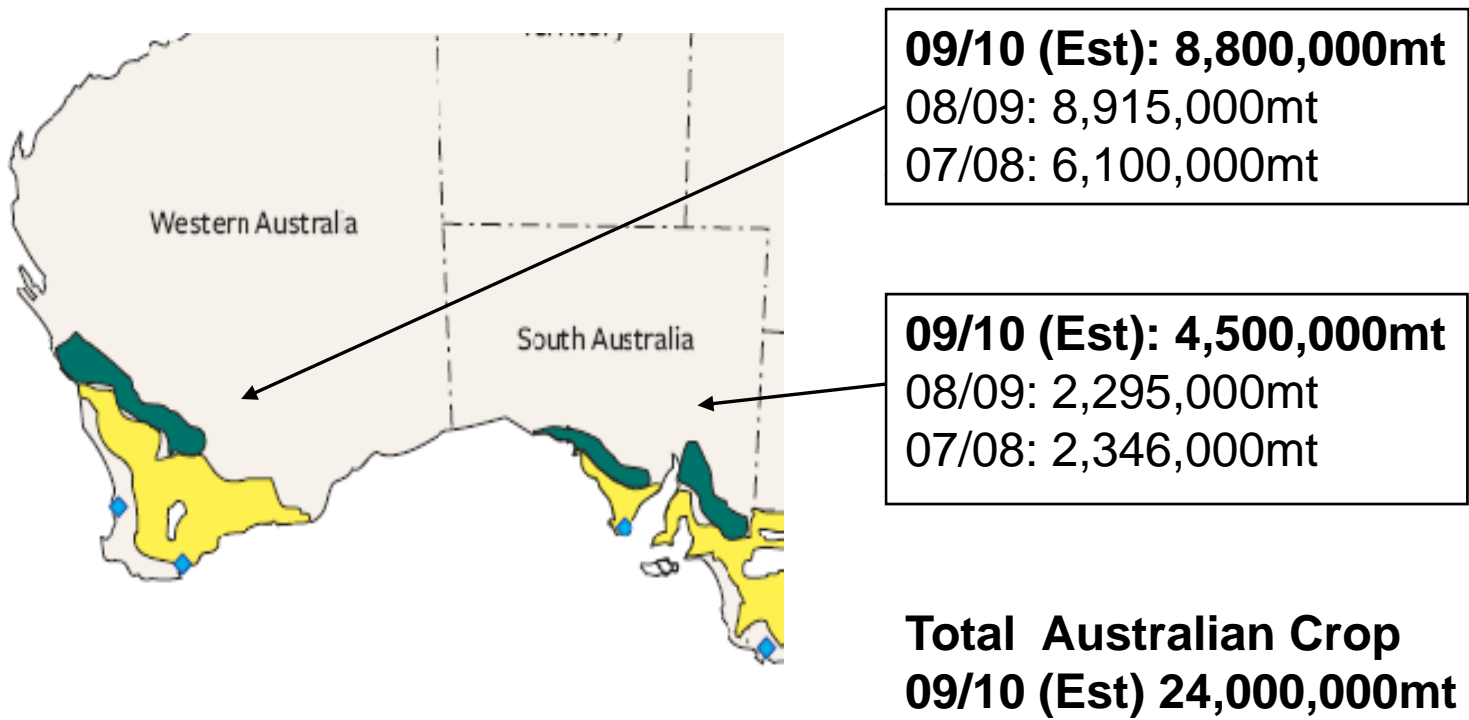
Overview

- 2009/10 crop
- Removal single desk – A big change
- Logistics and exports
- Quality

East Coast Australia Wheat Crop



Western & South Australia



Australian Wheat Quality



Australian Protein Distribution

<u>Protein Specifications</u> (Basis 11% Moisture)	<u>Average Percentage of Crop</u>
High Protein Wheat > 13%	East Coast 15% - 30% SA 0%; WA 0%
Mid Protein Wheat 11.5% to 12.9%	East Coast 30% - 50% SA 30%; WA 20%
Low Protein Wheat < 11.5%	East Coast 20% - 30% SA <70%; WA <80%



Single Desk Removal

- Supply chain owners GrainCorp/ABB-Viterra/CBH quick transition to major wheat exporters
- Capitalised on deregulation with most having a 1/3 or better market share in their respective footprints
- Farmers realised “sky hasn’t fallen in”
- Currently 22 accredited exporters, 6-8 major participants



Australian Logistics

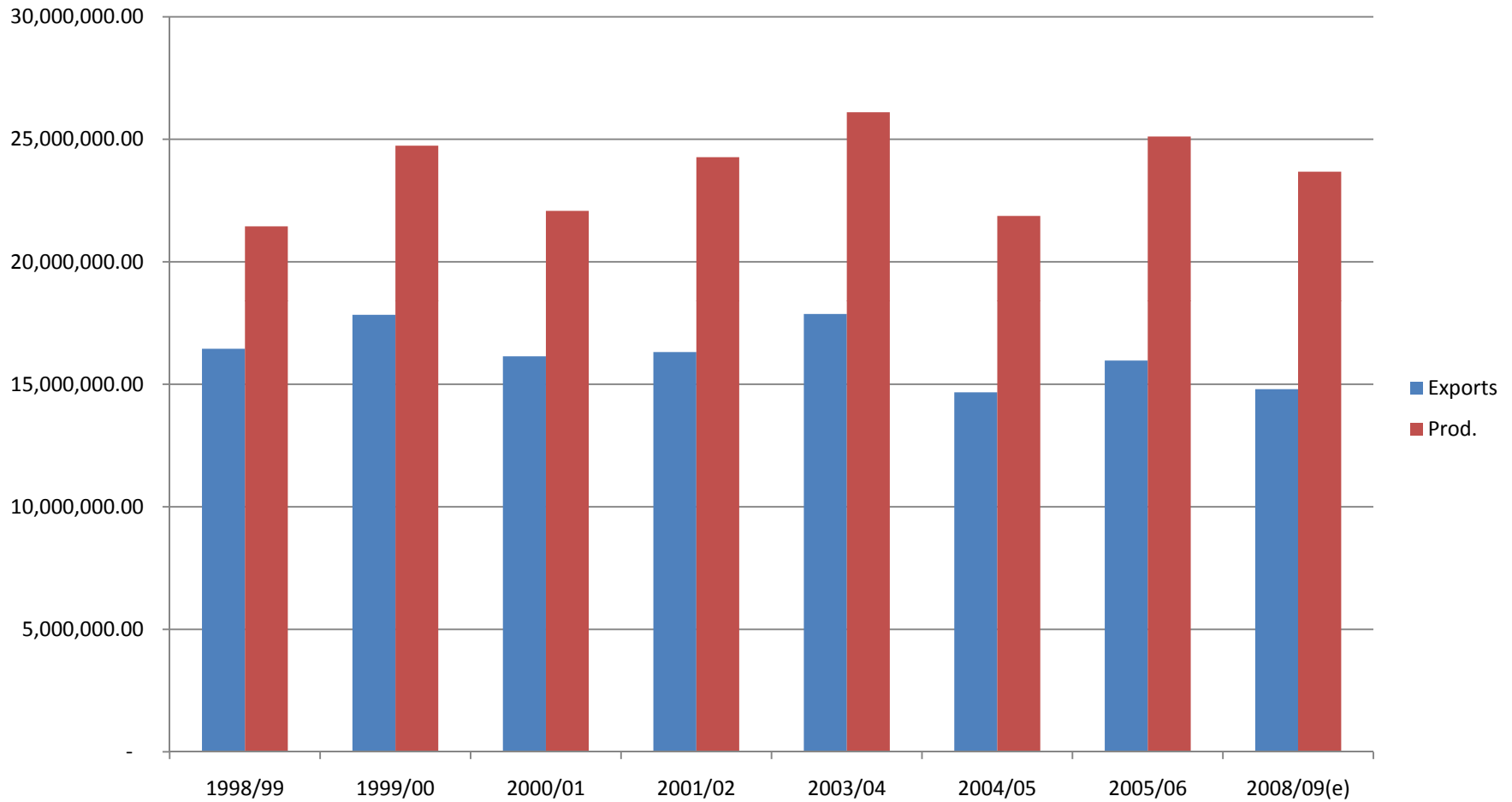
Challenges

- Transport to port critical for exporters
- Road restrictions
- Rail ownership change
- Crop volatility
- Competition from minerals

Improvements

- Rail agreements
- Supply Chain owners able to extract greater efficiencies

Australian Wheat Production and Exports



Source: ABS and GrainCorp

Quality



- Australia has built strong reputation
- Ex-farm containers, too often low and variable quality
- GrainCorp committed to maintaining high quality of Australian wheat



Conclusion

- Significant change
- Industry adapted well
- Settling into new system
- Commitment to supply high quality wheat, develop new varieties and add value to customers

Questions

