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
GrainCorp

- 280 country elevators
- 7 Bulk ports
- 2 container plants
- 900kmt pa. flour miller
- 17 trains
- Largest east coast wheat exporter 2009
- United Malt Holdings
East Coast Australia Wheat Crop

09/10 (Est): 1,200,000mt
08/09: 1,865,000mt
07/08: 910,000mt

09/10 (Est): 6,000,000mt
08/09: 6,807,000mt
07/08: 1,800,000mt

09/10 (Est): 3,500,000mt
08/09: 1,487,000mt
07/08: 1,850,000mt
Western & South Australia

09/10 (Est): 8,800,000mt
08/09: 8,915,000mt
07/08: 6,100,000mt

09/10 (Est): 4,500,000mt
08/09: 2,295,000mt
07/08: 2,346,000mt

Total Australian Crop
09/10 (Est) 24,000,000mt
## Australian Protein Distribution

<table>
<thead>
<tr>
<th>Protein Specifications</th>
<th>Average Percentage of Crop</th>
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</thead>
<tbody>
<tr>
<td><strong>High Protein Wheat</strong></td>
<td></td>
</tr>
<tr>
<td>(Basis 11% Moisture)</td>
<td>East Coast 15% - 30%</td>
</tr>
<tr>
<td>&gt; 13%</td>
<td>SA 0%; WA 0%</td>
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<tr>
<td><strong>Mid Protein Wheat</strong></td>
<td></td>
</tr>
<tr>
<td>11.5% to 12.9%</td>
<td>East Coast 30% - 50%</td>
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<tr>
<td></td>
<td>SA 30%; WA 20%</td>
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<tr>
<td><strong>Low Protein Wheat</strong></td>
<td></td>
</tr>
<tr>
<td>&lt; 11.5%</td>
<td>East Coast 20% - 30%</td>
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<tr>
<td></td>
<td>SA &lt;70%; WA &lt;80%</td>
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</tbody>
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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