

# What does Asia want from Australian wheat?

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AMC



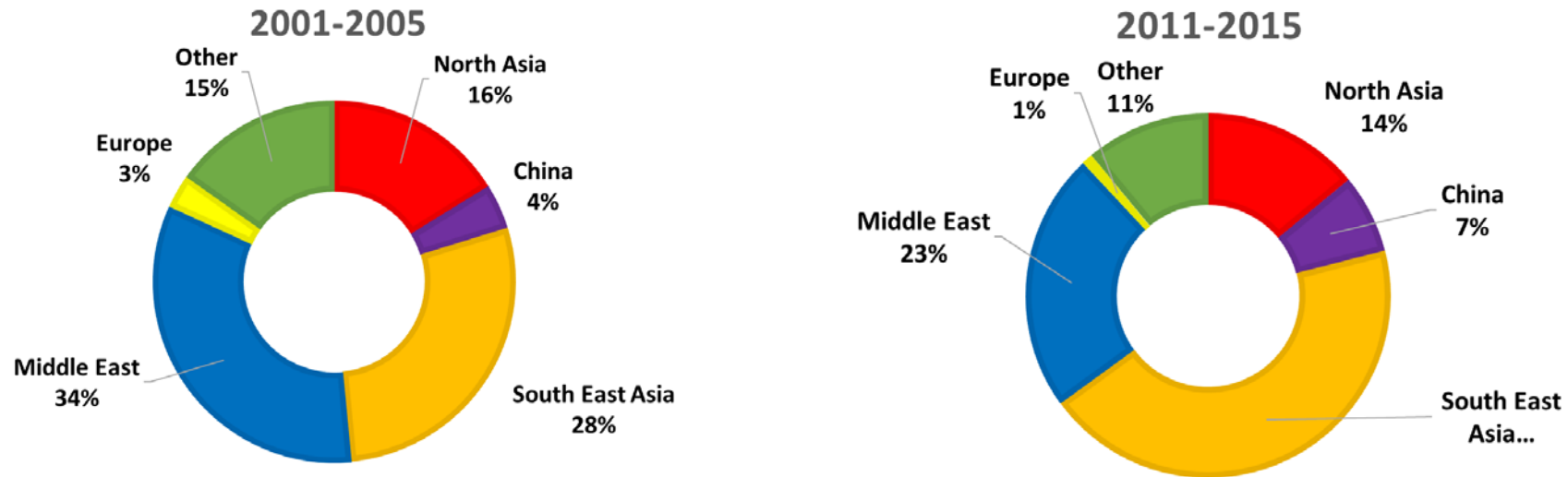
# Content page

- AEGIC
- Importance of Asia
- Choice analysis
- Major targets
- Future growth and opportunity
- Competition

# Who is AEGIC?

- Investment by WA Government and GRDC
  - Laboratories in Perth and Sydney (former BRI)
  - National, independent ‘innovation center’ for Australian grains
  - Not for profit company
- **PURPOSE & VISION**
    - To increase value in the Australian grains industry
    - To be Australia’s leading organization for market insight, innovation and applied technology in the grains industry

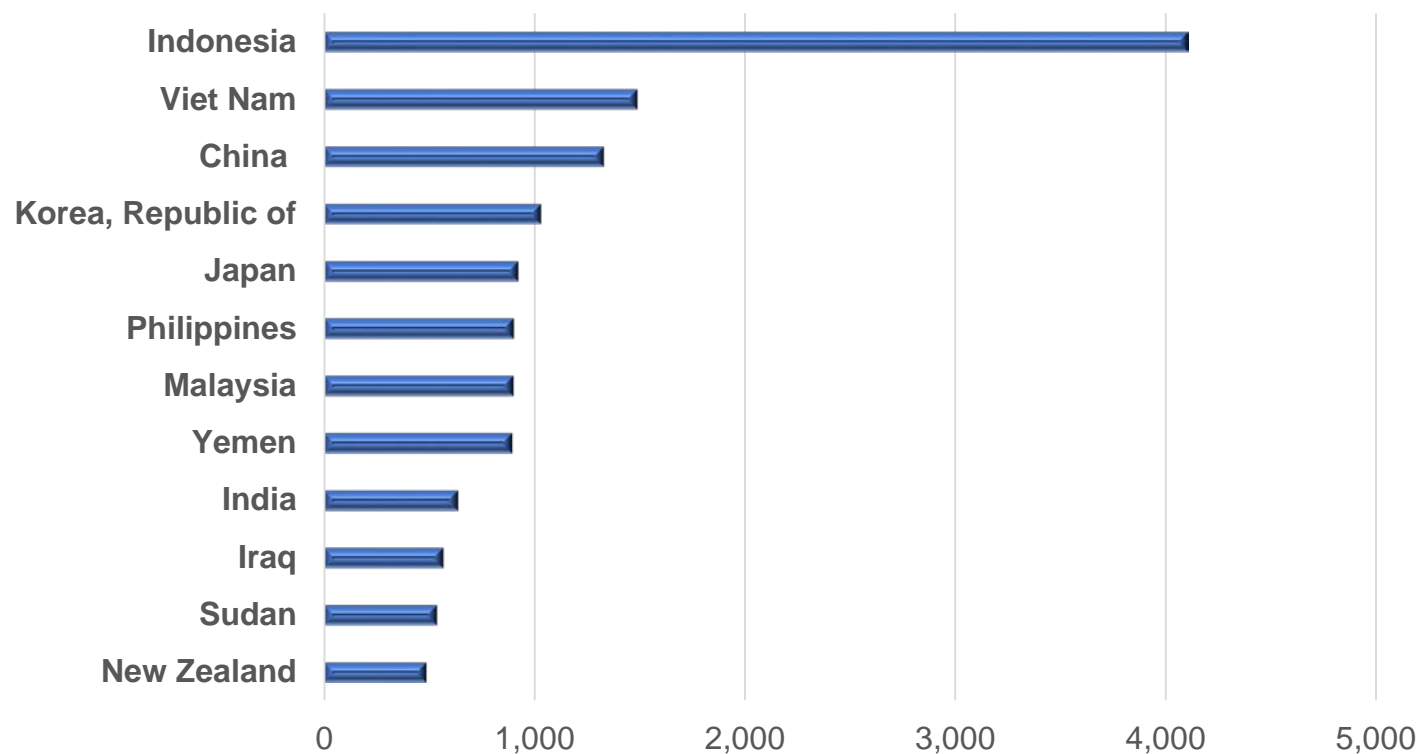
# Australian wheat exports



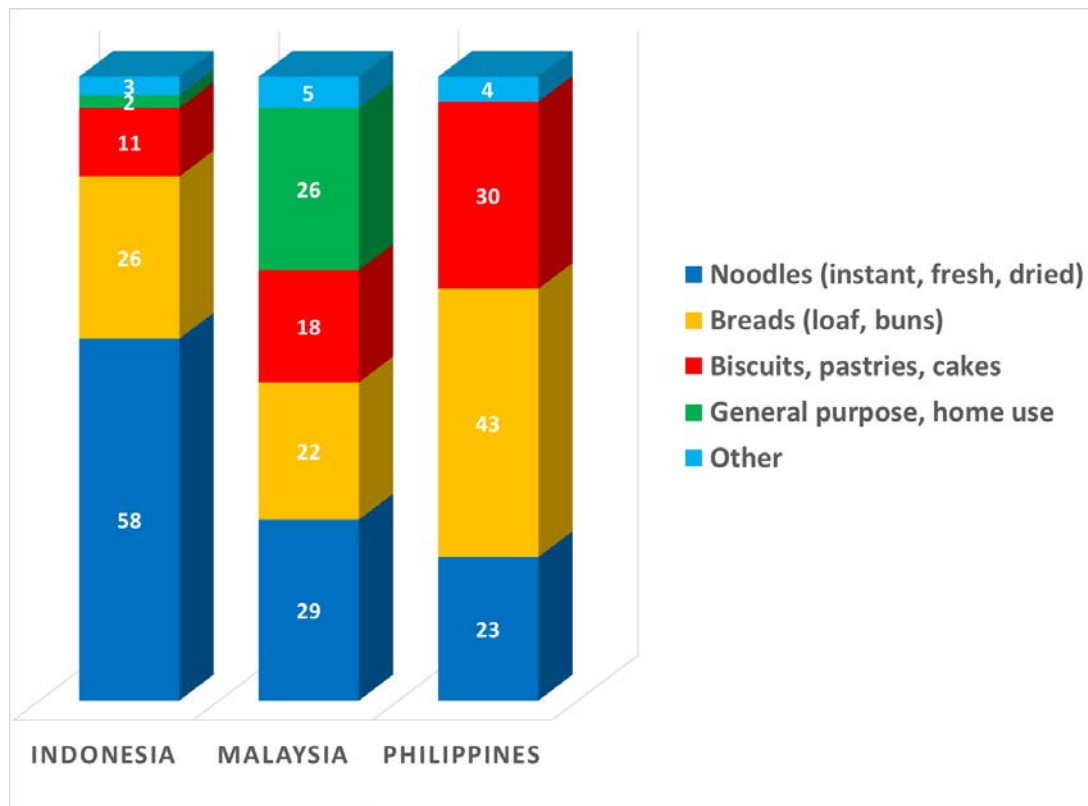
SE Asia now accounts for 44% of Australian wheat exports.  
Asia accounts for 65%...and rising

# Our leading markets

Wheat exports 5 year Ave 2013 to 2017 ('000MT)



# Flour use in SEA



- Noodles are the largest flour use in Indonesia and Malaysia
- Bread major use in Philippines
- Study focussed on wheat purchase for noodle and bread

# Quality requirements of SEA wheat markets

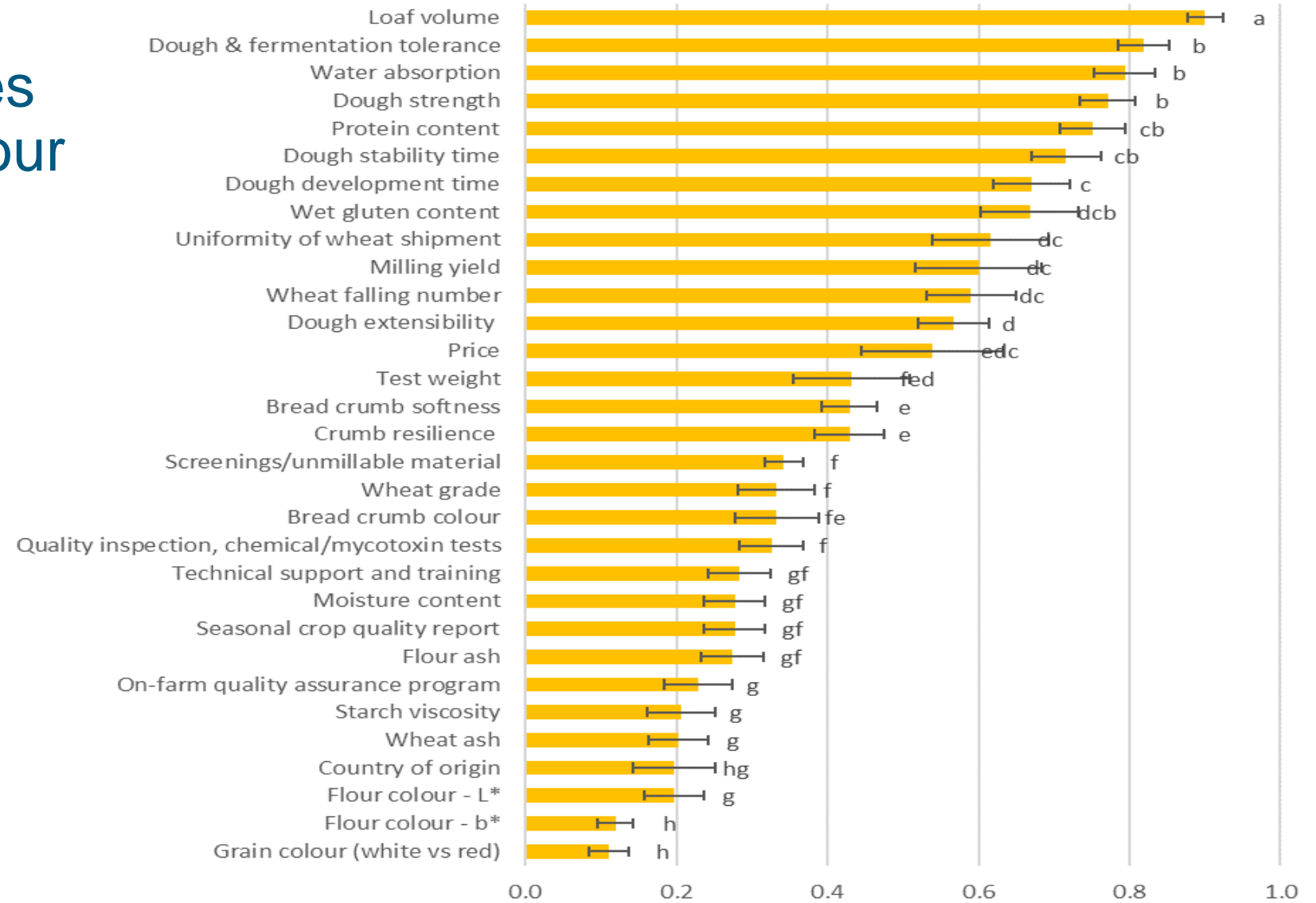
Build evidence on preferences for wheat quality and functional attributes

- 4 markets studied
- 20 milling companies and 80 participants (wheat purchasers & mill technicians)
- Evidence based approach – choice analysis



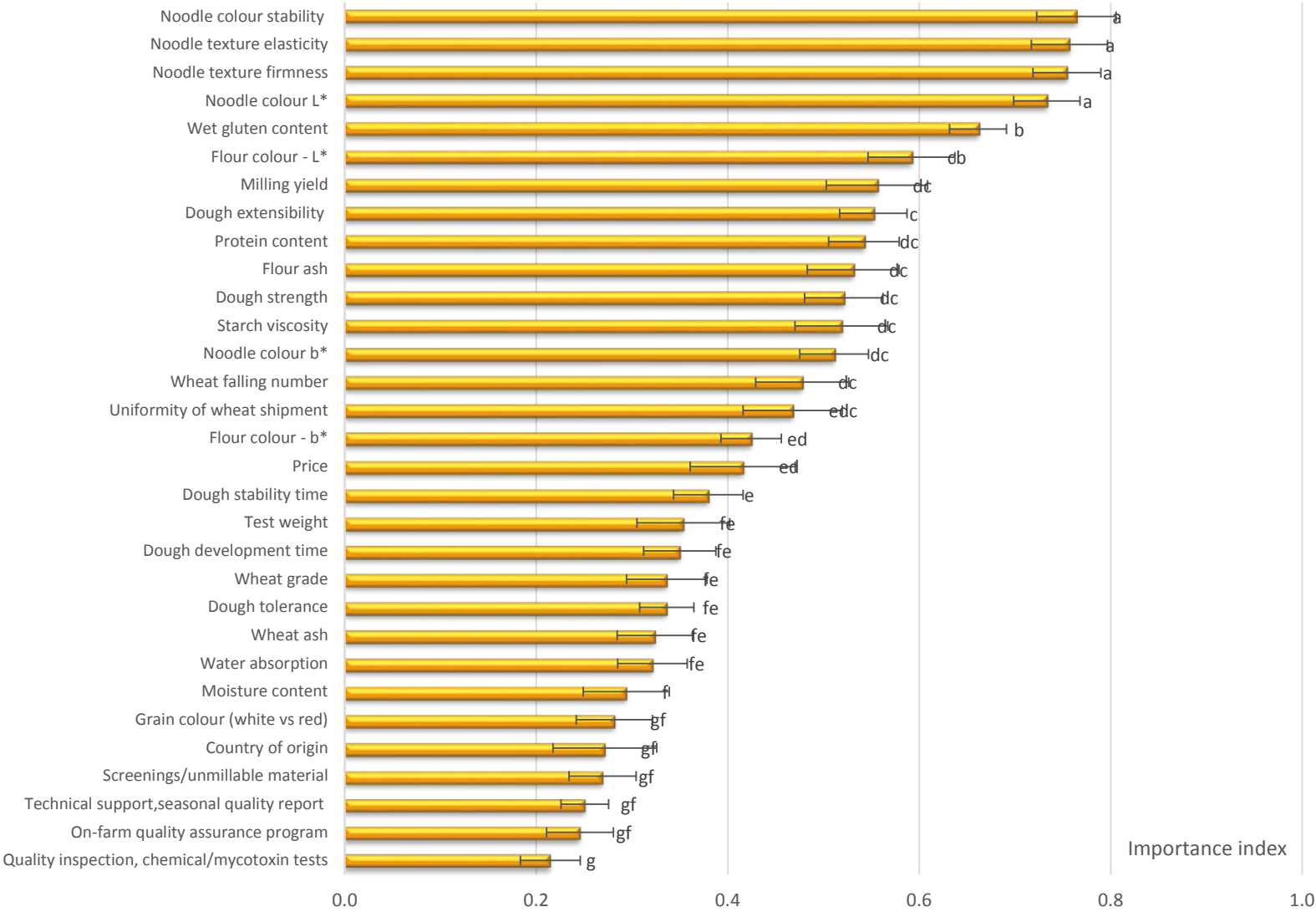


# Attribute preferences when Indonesian flour mill technicians purchase wheat for bread making

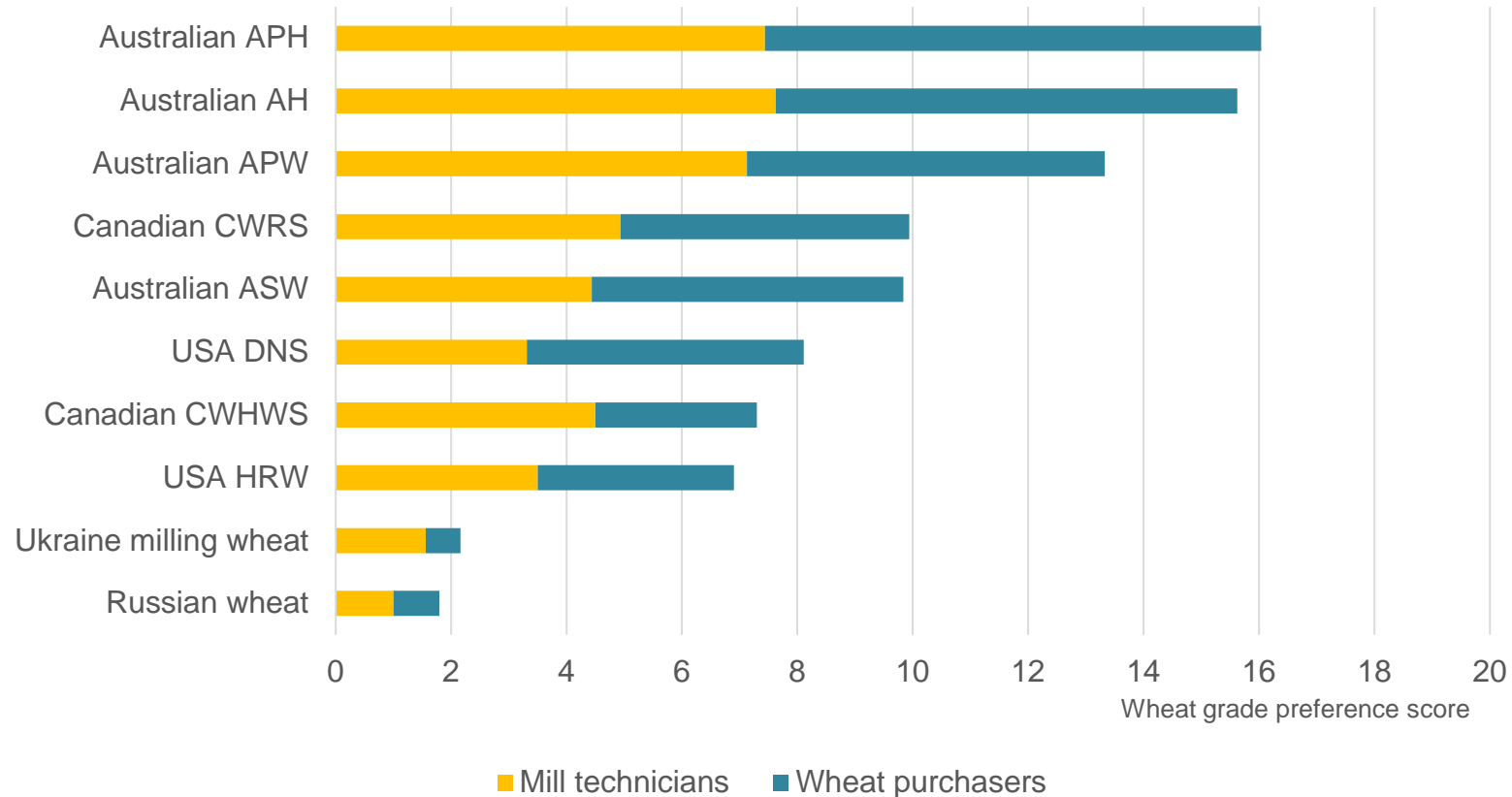




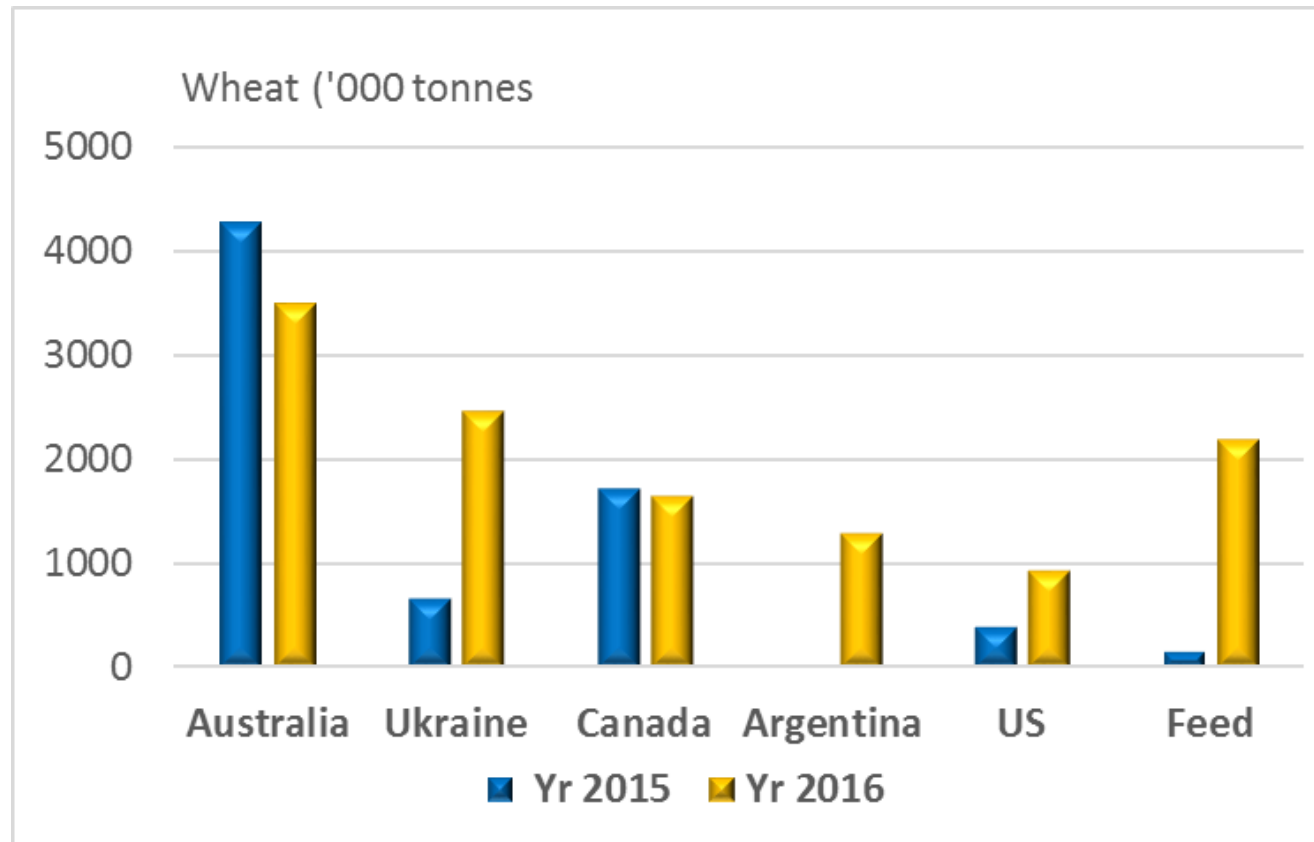
# Attribute preferences when Indonesian flour mill technicians purchase wheat for fresh noodles



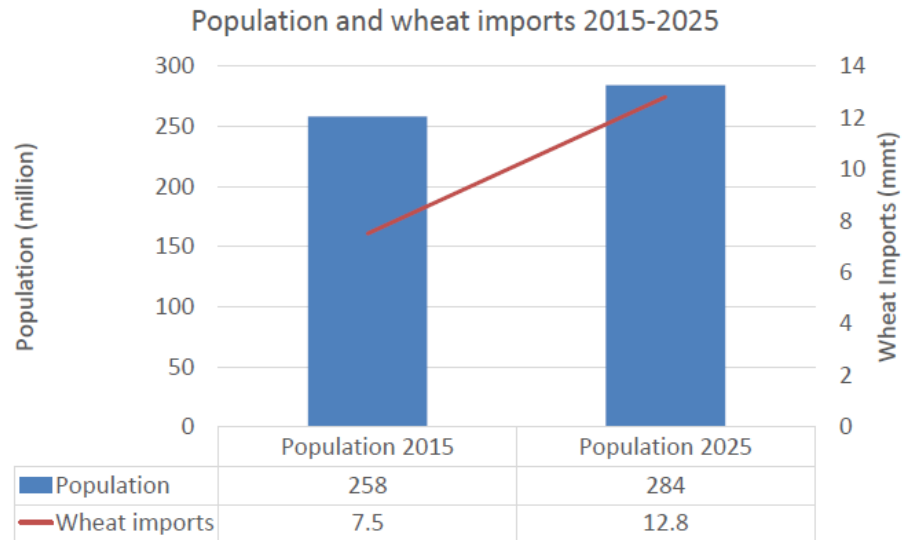
# Wheat grade preferences for Indonesian fresh noodles



# Competition



# Indonesian consumption



	2014	2020
Wheat consumption	22kg/person	34kg/person

Australian wheat exports ave 2011-15	4MMT
Other suppliers ave 2011-15	3.8MMT
Projected total import growth 2025	5MMT

Segment	Growth Rate 2015/20 (%)	Market Scale 2025 (MMT)
Instant noodles	17	4.3
Fresh & dry noodles	25	3.1
Bread & buns	28	3.3
Biscuits & cakes	16	1.4
Pasta	44	<0.2

# SEA: Key Recommendations

	SEA: Market Scale 2025 (MMT)	Price Difference to BS
<b>Defend share of noodle market</b> Volume of wheat Grow the price differential to Black Sea Continuous improvement using B/W and WTP data as reference	8.2	>20USD
<b>Capture share of the bread market</b> Drive improvement in baking performance Establish an elite baking class using B/W and WTP as targets	5.5	>50USD
<b>Australian wheat to supply the biscuit, cracker and cake market</b> Develop a solution that provides a win for farmers and our markets	2.7	ASW price?

# Conclusions

- Asia is a focus for our wheat and value add markets
- End product performance drives value with clear messages for:
  - Breeding
  - Classification
  - Supply chain
- Noodles are our strength but there are opportunities to supply bread and soft wheat markets



# Next steps

- Vietnam and Thailand
- Detailed demand studies to forecast requirements to 2030 including market segments
- Soft wheat
  - Benchmarking US wheat and potential Australian supply to Asian requirements
  - Global supply and demand
  - Review production options
- Australian wheat for Asian baking

# Acknowledgements

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