



Australian Government

Wheat Exports Australia

EXPORTING WHEAT FROM AUSTRALIA

ASOCIACIÓN DE COOPERATIVAS ARGENTINAS

12 NOVEMBER 2010

Wheat Exports Australia

- **The *Wheat Export Marketing Act 2008* commenced on 1 July 2008**
- **Wheat Exports Australia (WEA) was established as the regulator to administer the *Wheat Export Accreditation Scheme 2008***
- **Legislative objectives:**
 - Promote the development of a bulk wheat export marketing industry that is efficient, competitive and advances the needs of wheat growers
 - Provide a regulatory framework in relation to participants in the bulk wheat export marketing industry.
- **The Act and Scheme were developed to assist the introduction of competition into Australia's wheat industry**

Overview of the Scheme

The purpose of the Scheme is to attest that an exporter is a ‘fit and proper’ company to export bulk wheat from Australia

The Scheme does not in anyway:

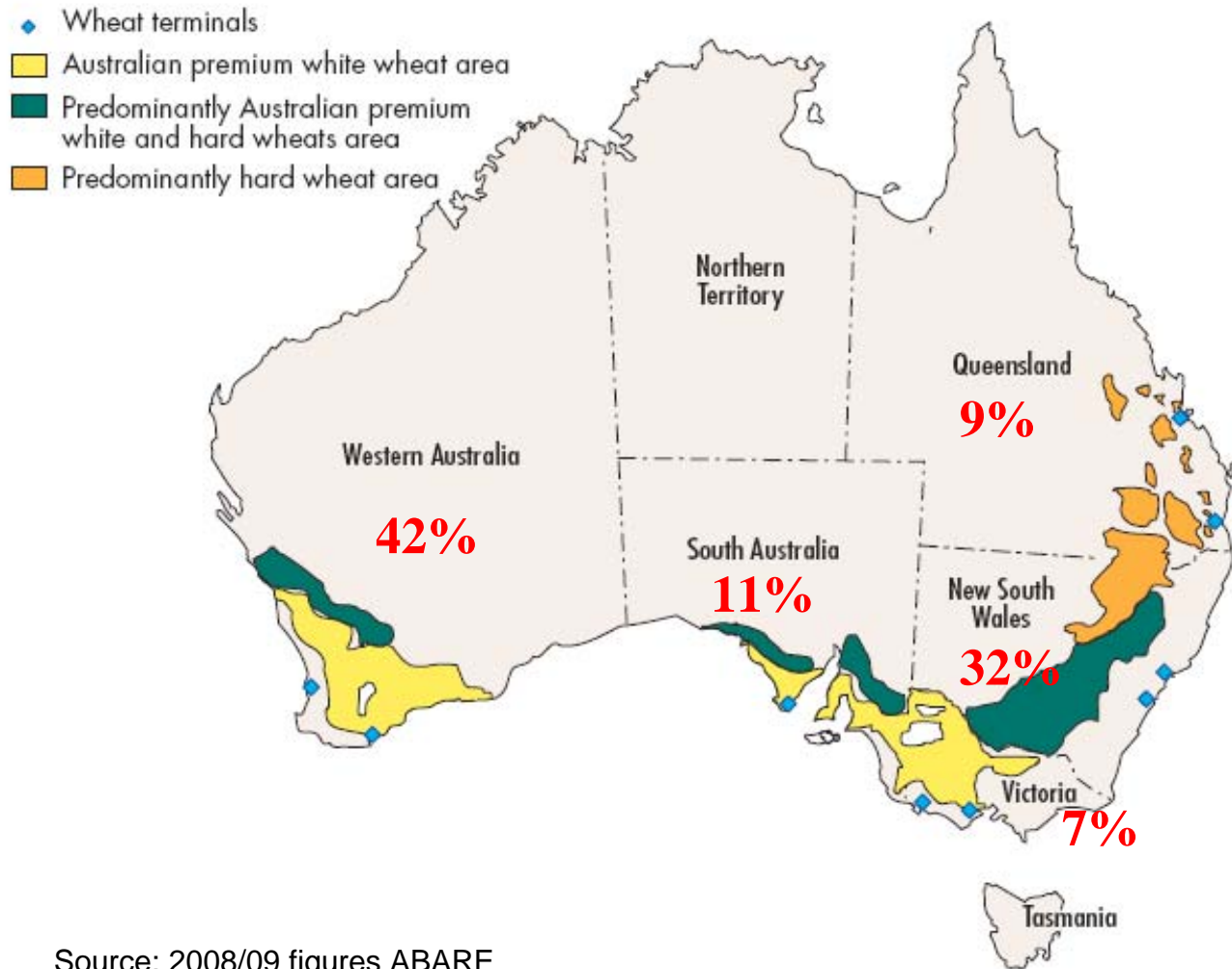
- Regulate shipments of wheat in bags or containers (<50 tonnes)
- Indemnify exporters
- Provide any guarantee the exporter will remain financially viable

WEA does not regulate the quality, variety or grade specifications of wheat exported from Australia

Reformed Export Arrangements

- The single desk controlled by AWB International was abolished in 2008
- Since 1 July 2008 – there have been 31 exporters accredited by WEA
- Currently there are 25 accredited exporters 18 are actively exporting
- Multiple exporters of Australian wheat means greater choice for international customers
- Australia has exported approx. 12 million tonnes in 2009/10 to 36 countries
- Exporter names and conditions of accreditation are published online
www.wea.gov.au

Australian Wheat Industry Overview



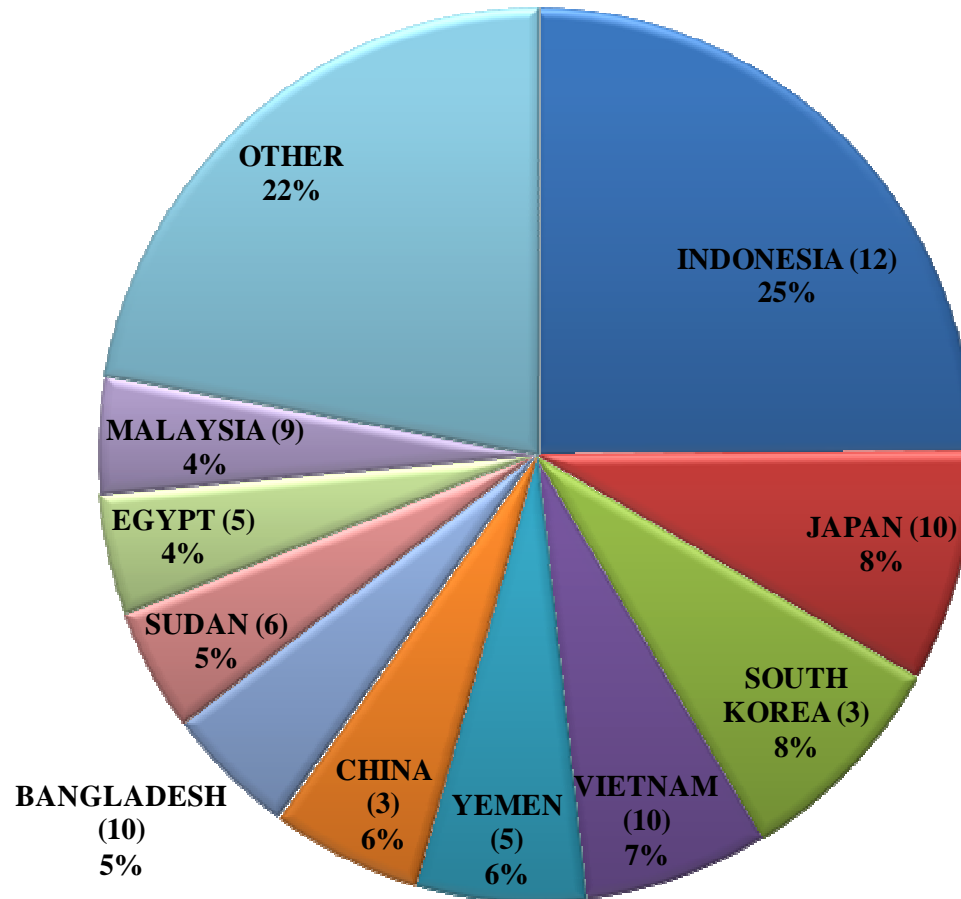
Source: 2008/09 figures ABARE

End uses for Australian Wheat

Wheat type	Australian Grade	Wheat protein percentage															
		7.5	8	8.5	9	9.5	10	10.5	11	11.5	12	12.5	13	13.5	14	14.5	15+
Hard	APH AH							SE Asian YAN ^a									
							Instant noodles										
									Pan Bread								
								Arabic Bread									
													Sponge & Dough Bread				
											Japanese style YAN ^a						
Medium Hard	AH APW							Household									
								Cracker Biscuits									
						Steamed Bread											
Soft	ASWN			Sweet Biscuits													
						White Salted Noodles Japan and Korea											
		Cakes															
Durum	DR1											Pasta					

^aYAN = Yellow Alkaline Noodles.

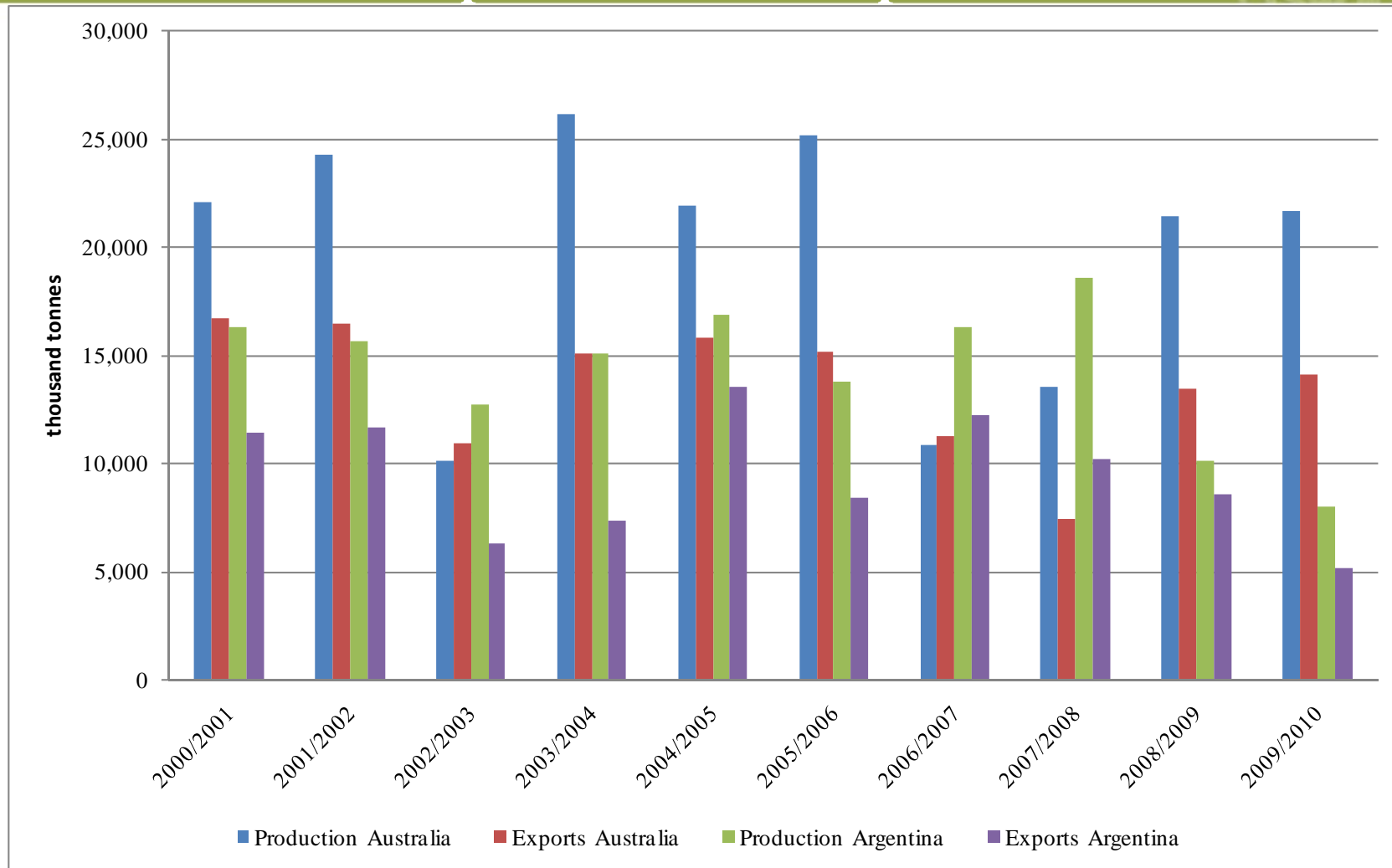
Top 10 importers of Australian wheat 09/10



Australia and Argentina – 2009/10

	Australia	Argentina
Wheat produced:	21.7 million tonnes	8 million tonnes
Wheat exported:	14.1 million tonnes	5.1 million tonnes
Domestic use:	6.8 million tonnes	3.9 million tonnes
Area planted:	13.8 million hectares	2.6 million hectares
Average yield:	1.57 tonne / hectare	3.03 tonnes / hectare
Value of Wheat exports (2009)	4.25 billion US dollars	1 billion US dollars
Regulation:	Deregulated except bulk wheat accreditation	0Deregulated
Export charges:	No taxes (Wheat Export Charge – \$0.22/tonne)	23% export tax

Historical comparison of Australia and Argentina's wheat production and exports



Source USDA PSD online

Australian Case Study - CBH

The CBH Group - founded on 5 April 1933

- About 4800 grower member-shareholders
- Only company in the Australian grain industry owned by growers
- Net assets of \$976 million at 31 October 2008
- Revenue of \$1.1 billion in 2007-08



Australian Case Study - CBH

The Harvest

- Western Australia's biggest grain harvest was 14.7 million tonnes in 2003-04
- The CBH Group's average receipts are around 11 million tonnes
- More than 95 per cent of the Western Australian grain harvest is exported

The People

- Permanent staff of around 1000 and up to 1500 casuals during harvest



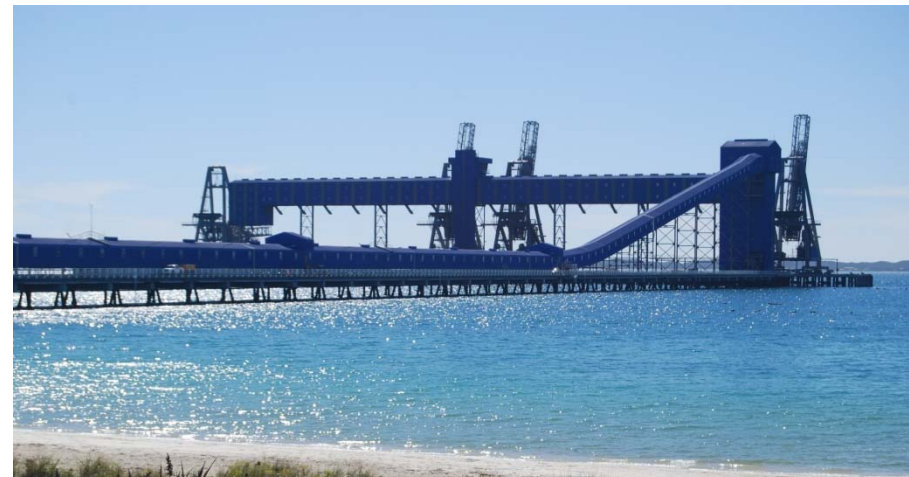
Australian Case Study - CBH

Logistics

- 197 receival sites in Western Australia including four grain export terminals
- Total storage and handling capacity now exceeds 20 million tonnes
- 60% of grain is normally transported to port by rail

Grain Marketing

- Grain Pool is an accredited bulk wheat exporter and exports a range of grains to more than 20 markets.
- 9 regional offices in Western Australia, four in eastern Australia and international marketing offices in Hong Kong and Tokyo



Future of Australia's Wheat Exports

- Multiple accredited exporters competing to buy wheat from Australian growers
- Greater innovation and choice for buyers and sellers
- Industry self- regulation
- Greater capacity for on-farm storage
- Ongoing investment in grain research
 - New wheat varieties
 - Improved water use efficiency and farming methods
 - Better milling quality of Australian wheat

Further information

Contact details:

Peter Woods

CEO

Wheat Exports Australia

Phone +61 2 6202 3400

Website www.wea.gov.au