TEAM GRAINS AUSTRALIA ?

GRDC UPDATES, PERTH FEB 2018

Dave McKeon, CEO GrainGrowers

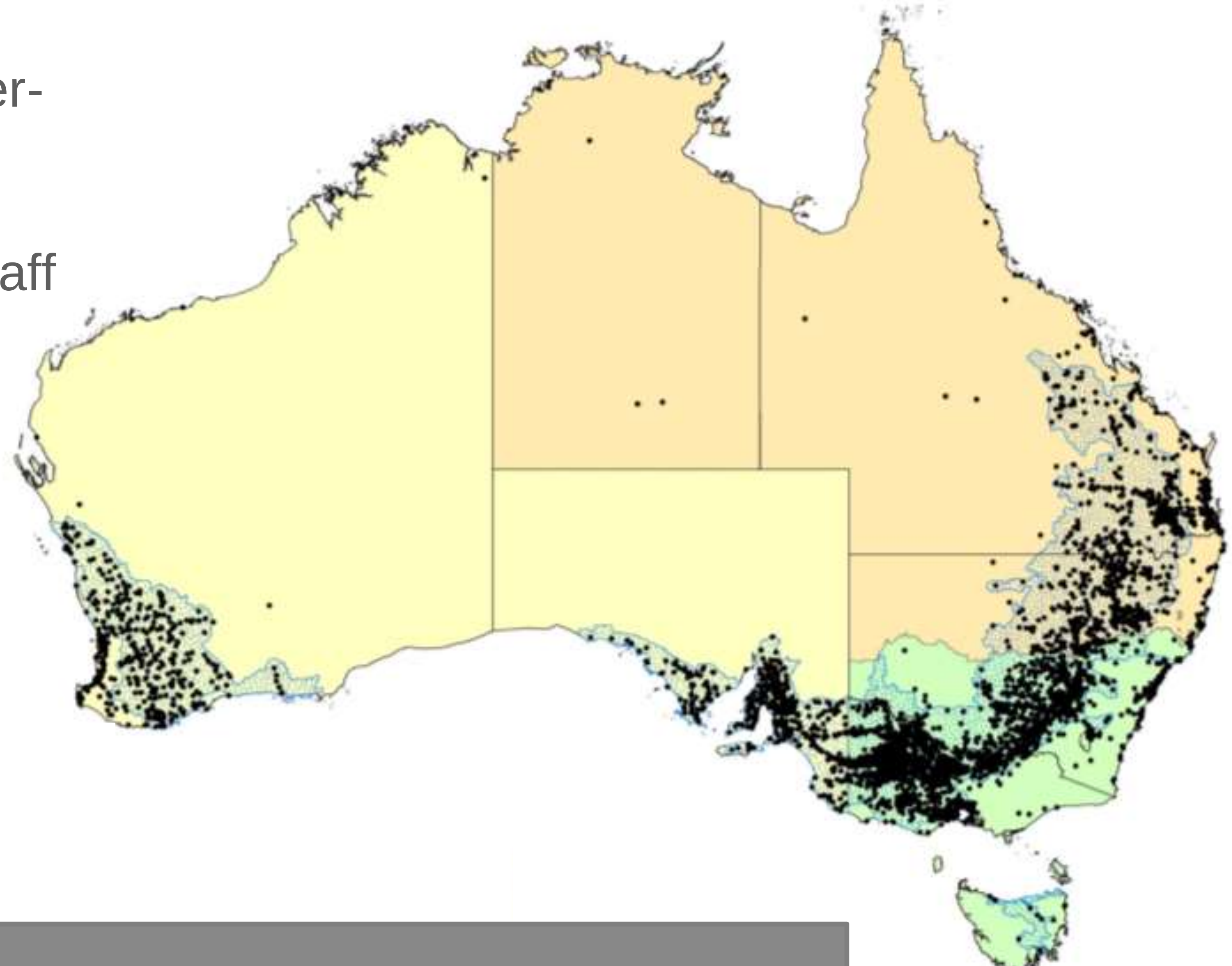
GrainGrowers

ABOUT GRAINGROWERS

WHO WE ARE…

- GrainGrowers is an independent, member-based, grain farmer organisation.
- Est 1958. approx 17,000 members. 30 staff

OUR MEMBERS

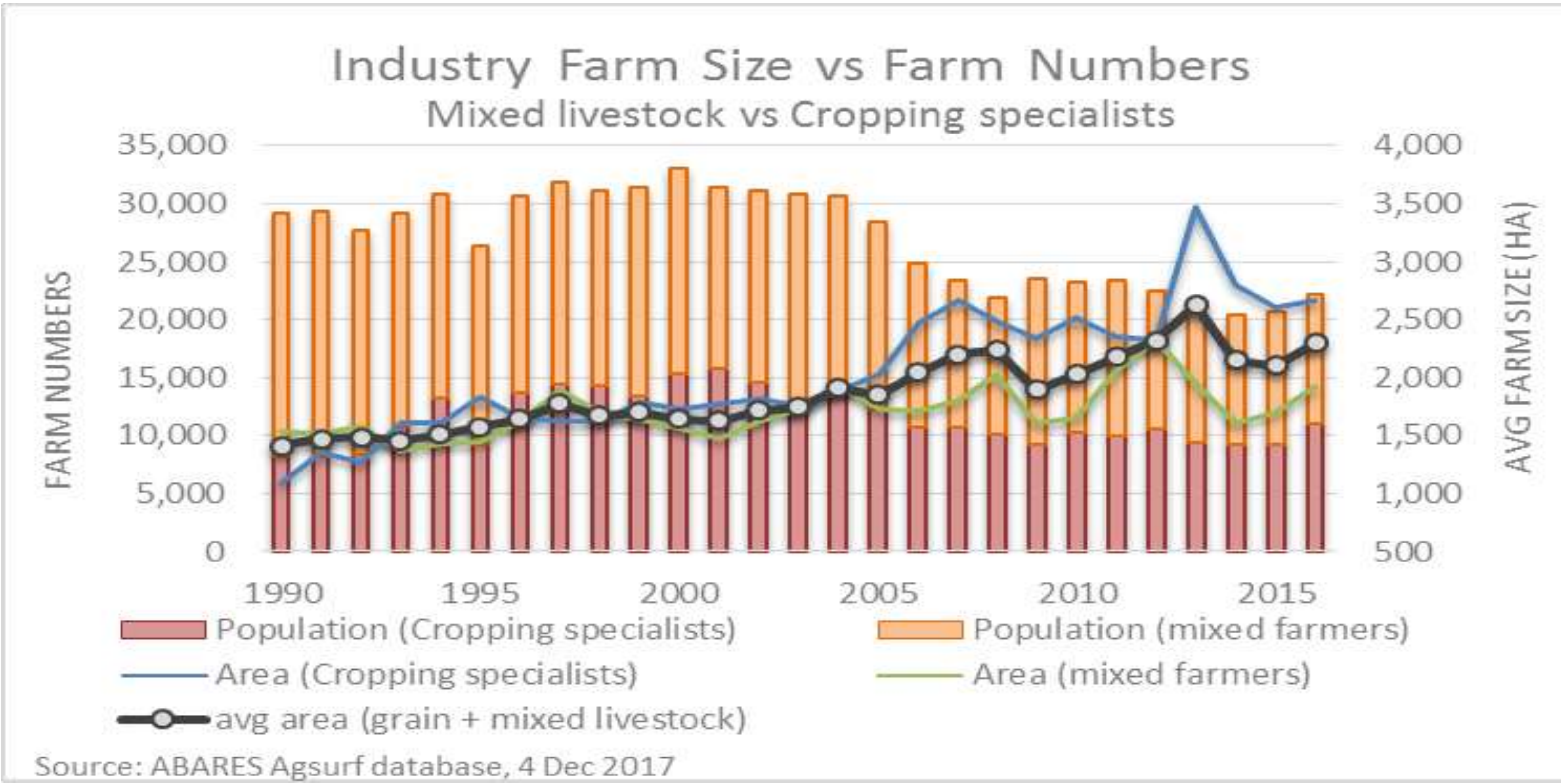


WHAT WE DO…

- National Policy and Innovation
- Capability Building
- Industry Engagement
- Digital Farming

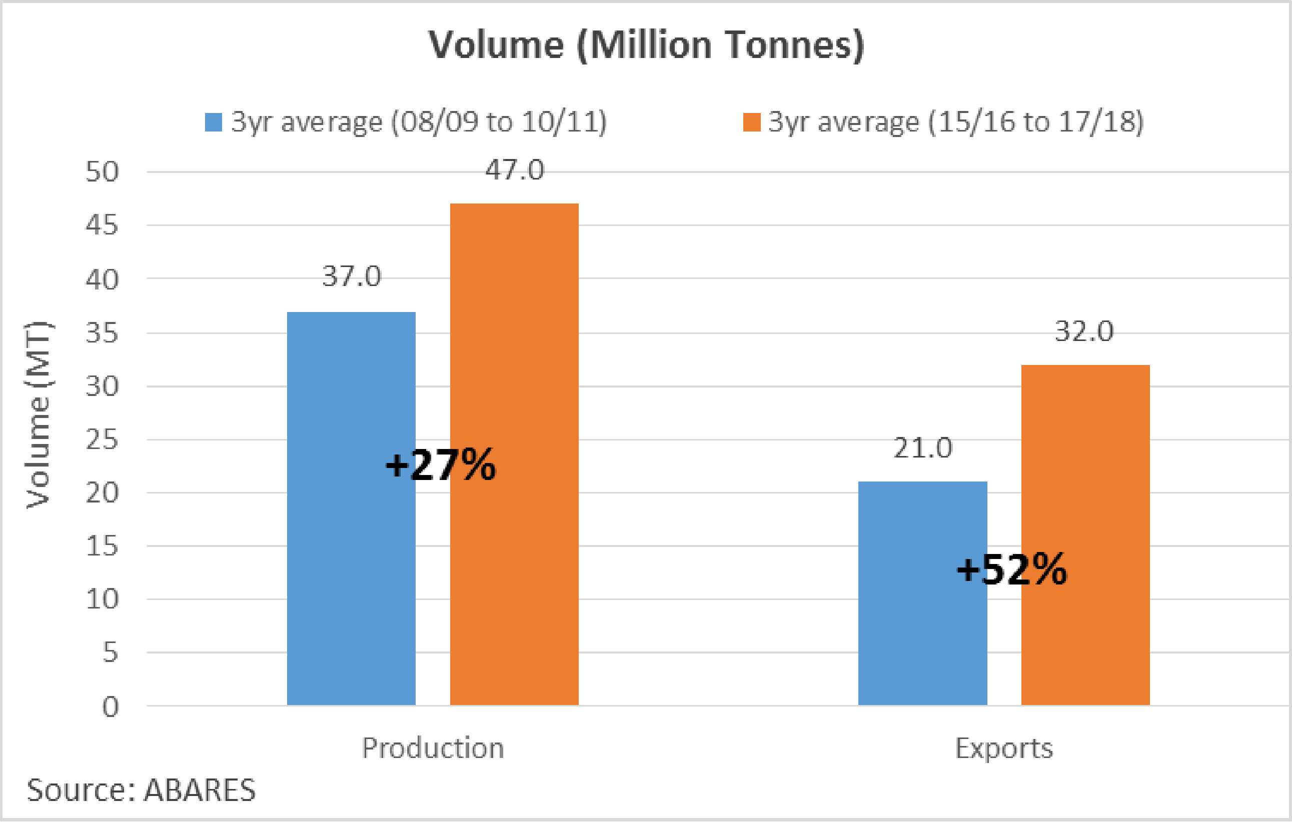
GrainGrowers' goal is a more efficient, sustainable and profitable grain production sector that benefits all Australian grain farmers and the wider grains industry.

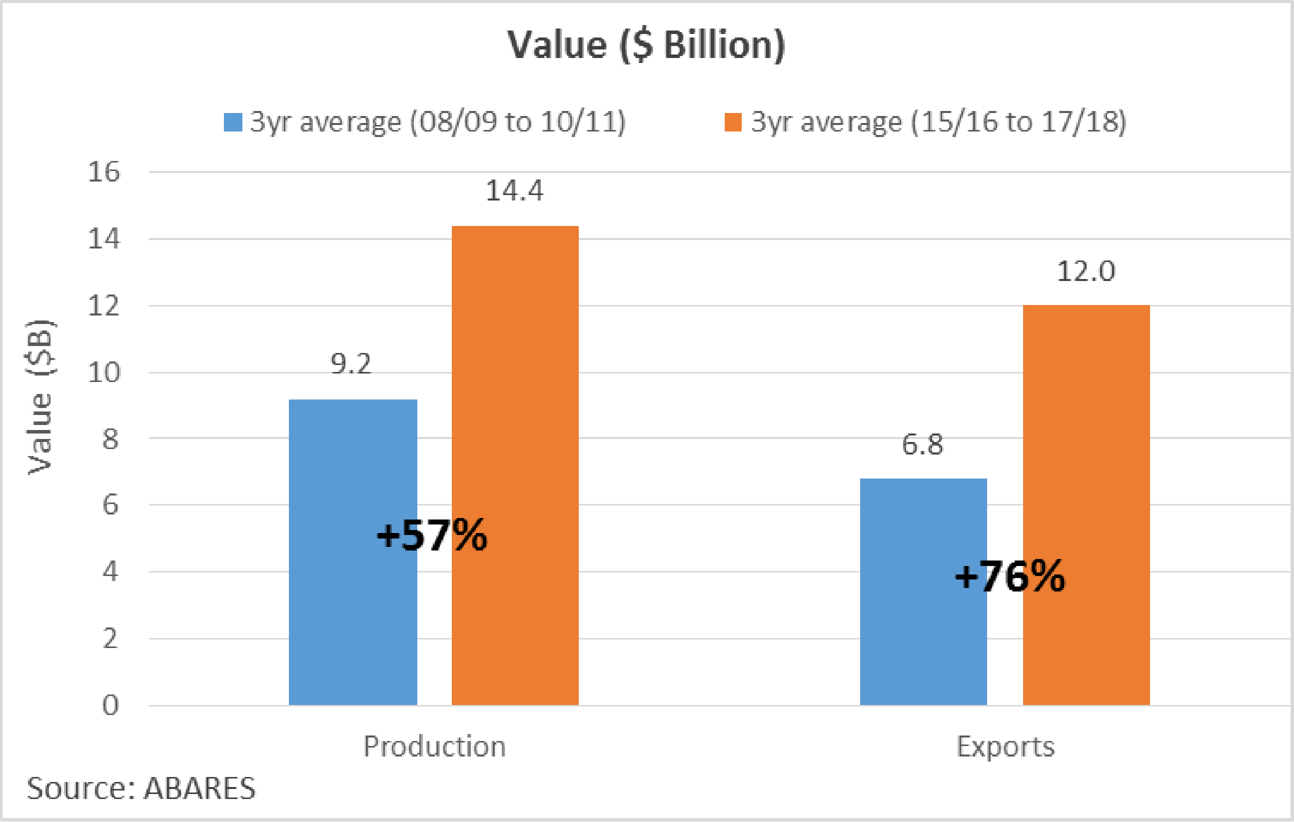
GRAIN FARM NUMBERS AND SIZE OVER TIME



- In 2016 there were 22,156 grain farms in Australia (~50:50 grain specialists vs. mixed farmers).
- Farm numbers have been relatively stable since 2007. But down sharply from >30,000 between 1995-2004.
- Average farm size has increased from 1,850HA in 2005 to 2,300 in 2016.
- Grain specialist farms are now 750HA larger than mixed farms.

GRAINS, OILSEED & PULSE INDUSTRY PERFORMANCE

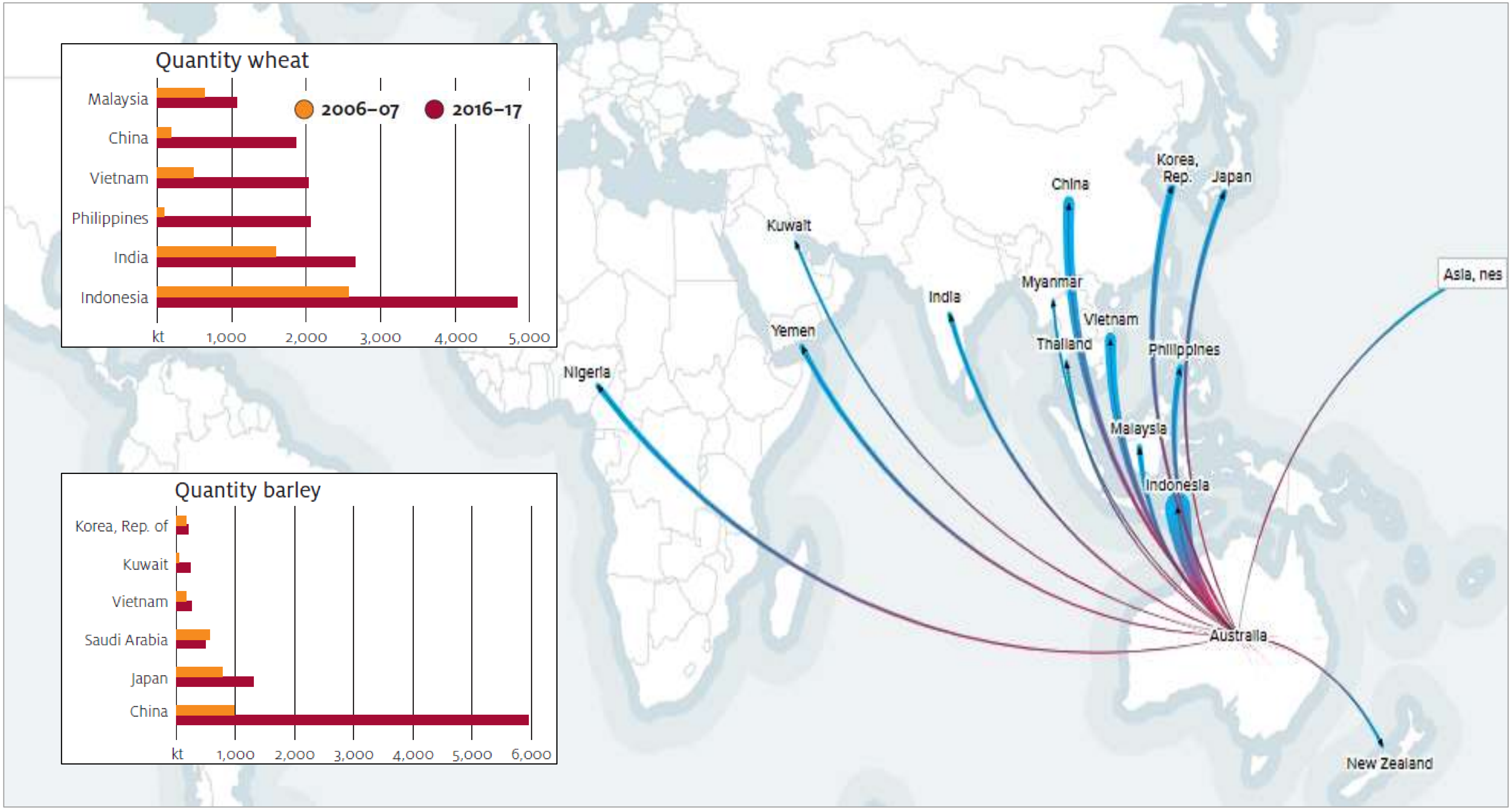




- Grains industry has expanded rapidly since deregulation, both in terms of production and exports.
- The growth in VALUE has exceeded the growth in VOLUME.
- Focus on producing more highly valued commodities (i.e. growth in chickpea, lentil, canola)

AUSTRALIAN WHEAT EXPORTS (2016)

Source: resourcetrade.earth & comtrade.un.org and ABARES



GRAIN MARKETS ARE GLOBAL

Source: resourcetrade.earth & comtrade.un.org

WHERE DID WHEAT GO? (2016)

Exporters

TOP 5		
1	Russian Federation	29.1m t
2	United States	24.6m t
3	Canada	21.7m t
4	France	20.3m t
5	Australia	16.8m t

Two-way trade

TOP 5		
1	Russian Federation to Egypt	8.2m t
2	Argentina to Brazil	4.4m t
3	France to Algeria	3.8m t
4	Australia to Indonesia	3.5m t
5	Russian Federation to Turkey	3.3m t

Importers

TOP 5		
1	Egypt	13.4m t
2	Indonesia	10.7m t
3	Algeria	8.2m t
4	Italy	7.7m t
5	Brazil	7.2m t

GLOBAL GRAIN MARKETS ARE INCREASINGLY COMPETITIVE

NEW ENTRANTS ARE EMERGING – BLACK SEA AND ARGENTINA

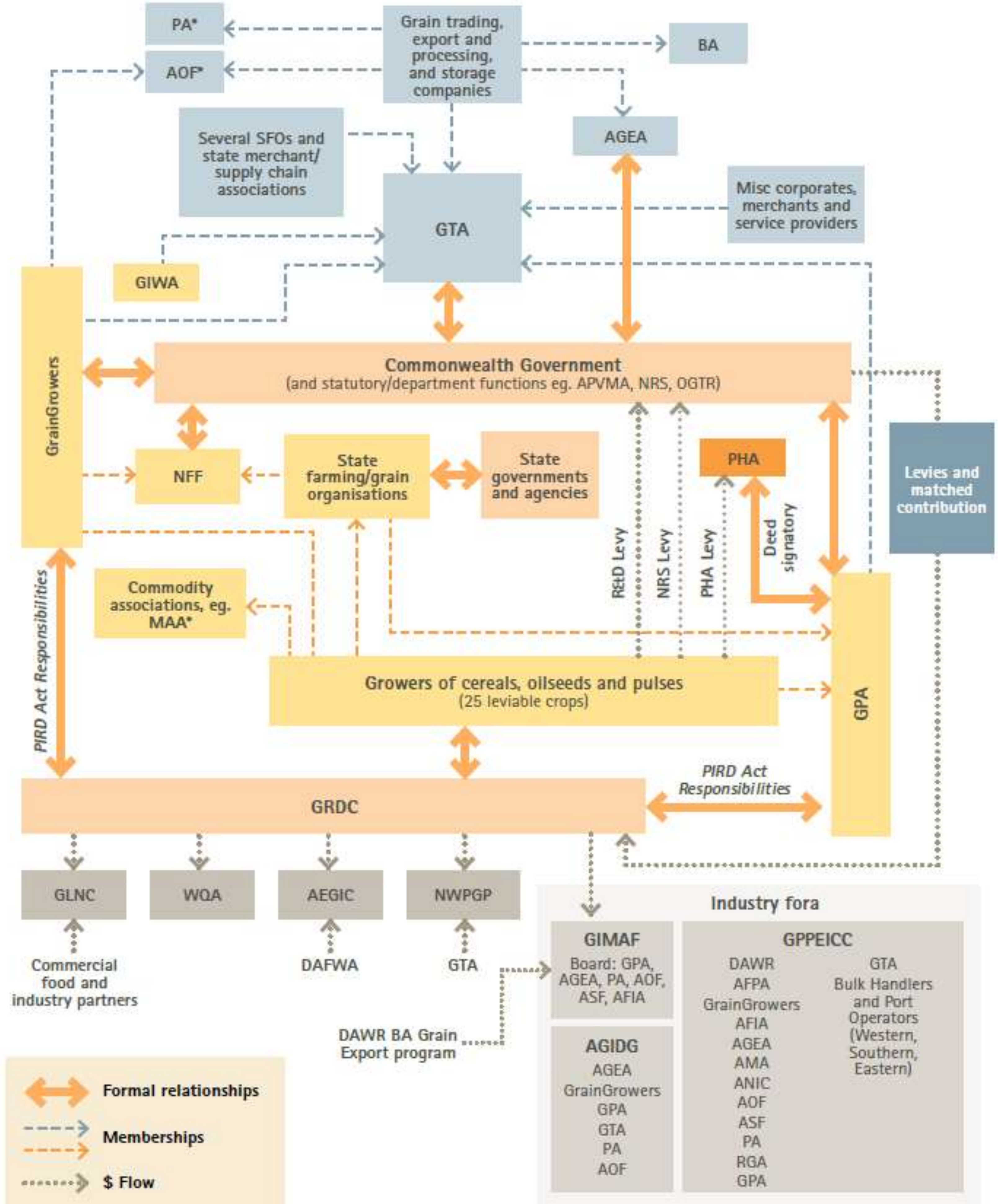
CUSTOMERS ARE BECOMING MORE SOPHISTICATED – CONSUMERS ARE DEMANDING MORE (NO GLYPHOSATE?)

MULTI-ORIGIN PROCUREMENT AND BLENDING IS THE NORM

WHAT IS THE AUSTRALIAN INDUSTRY DOING TO MEET THE NEEDS OF CUSTOMERS IN THIS CHANGING ENVIRONMENT?

PRE-COMPETITIVE INDUSTRY GOOD ACTIVITIES:
TECHNICAL MARKET SUPPORT, TRAINING FOR CUSTOMERS, TRADE AND MARKET ACCESS, TRADE STANDARDS, CLASSIFICATION, ETC.

CURRENT INDUSTRY STRUCTURE… MANY LAYERS.



* Commodity association membership generally comprises across the supply chain members including agronomists, processors, traders etc.

THE FUTURE?

We will continue to see growth opportunities, but also competitive threats in key markets.

While we’ve done well in recent years, we cannot be complacent that we have a proximity advantage to Asia.

Value, quality and meeting market demands – not volume and market share, must drive our focus

We need to ensure the Australian grains industry is an efficiently functioning industry so that businesses across the entire industry value chain can take advantage of current and future opportunities.

Team Australia – are we there yet?

Grain Growers

www.graingrowers.com.au