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Australian Export Grains Innovation Centre

Barley industry – A future perspective

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Department of Primary Industries and Regional Development

GOVERNMENT OF WESTERN AUSTRALIA

GRDC

GRAINS RESEARCH & DEVELOPMENT CORPORATION

AEGIC is an initiative of the Western Australian State Government and Australia's Grains Research and Development Corporation

Key barley topics in the coming years

- Global: production reduction
- Domestic: consistent area
- Sustainable supply chain
- Traceable supply chain
- Industry leadership & governance
- Market access
- Potential growth of domestic manufacturing

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Global: barley production reduction

Table 1 Major movements in the production, area and trade in global grain and oilseeds over the past 20 years

Attribute	Five-year average 2000-2004	Five-year average 2015-2019	Total movement	Average annual growth	Proportional change
			Barley		
Production (mmt)	141	147	6	0.3%	4.1%
Area harvested (m ha)	56	49	-6	-0.8%	-11.5%
Trade (mmt)	16	27	11	3.6%	67.7%
			Grain and oilseeds*		
Production (mmt)	2,146	3,079	933	2.5%	43.5%
Area harvested (m ha)	789	895	106	0.8%	13.4%
Trade (mmt)	294	568	274	4.5%	93.1%
			Wheat		
Production (mmt)	584	750	167	1.5%	28.6%
Area harvested (m ha)	213	220	6	0.2%	2.9%
Trade (mmt)	104	176	72	3.6%	69.0%
			Corn		
Production (mmt)	628	1,091	463	3.8%	73.7%
Area harvested (m ha)	140	192	52	2.2%	37.3%
Trade (mmt)	75	151	76	4.7%	101.3%
			Barley as proportion of world grain and oilseeds		
Production	6.6%	4.8%			
Area	7.1%	5.5%			
Trade	5.5%	4.8%			

Grain and oilseeds include: wheat, corn, barley, sorghum, soybean, millet, mixed grain, oats, canola, sunflower, rice, rye.

Source USDA (United States Department of Agriculture) 2020

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Domestic: consistent area

Winter crop rotations largely constant

Production driven by seasonal conditions

Grower continues to chase yield

Malt to feed price spread influences

Sustainable supply chain

End user CSR protocols drive demands down the supply chain

CO2 debate will continue

ISCC and other such programs will continue to draw attention

Market based on accredited barley with discounts for non-accredited barley

Image sources: Heineken website, SGA website

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Traceable supply chain

Asahi Beverages now brewing with Australian barley

October 18, 2021 by Media Release

Processors want to get as close to the grower as possible

End users will run their own procurement programs direct to growers

Australia's largest brewery at Yatala, Queensland is now brewing beer with barley traceable back to its farm of origin as part of a groundbreaking deal with Aussie growers.

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Industry leadership and governance

- Consolidation of grower representative groups
- Strong emphasis on united industry under one banner – GAL
- Driving research, classification and industry direction
- QA and integrity on supply chain – GTA
- MRL management

GIWA
Grain Industry Association of Western Australia

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Market access

Position Australian barley to access a diverse range of markets

Where it physically flows remains subject to commercial returns

Mitigate supply chain, political and market risk

Australian barley varieties to suit a range of markets

Australian growers are more exposed to risk

Opportunities for Australian barley towards 2030

China remains important to Australia's barley industry
Japan's demand for high quality food and feed barley will remain
Saudi Arabia's demand for feed barley is declining but remains significant
Vietnam's growing beer consumption creates new opportunities
Indian maltsters purchase more malting barley
Malt is the main game in South Korea
Other Middle East nations and Iran
Thailand's feed barley use is an ongoing opportunity
Indonesia and Philippines present new feed options
South America
Sub-Saharan Africa

Growth of domestic manufacturing

Health & Nutrition foods manufacturing

Potential investment in domestic malt capacity

Craft Brewing & Distilling markets offer high value markets

Key Messages

Supply chain integrity requires compliance

Markets may be more diverse but will be available

End users want to promote their CSR credentials

Industry stewardship to communicate a united and consistent message is required

Health conscious markets continue to drive innovation

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Grain & Legume Nutrition Council

AEGIC Barley 2030 report

https://aegic.org.au/wp-content/uploads/2021/03/AEGIC_Barley-2030_LR-1.pdf

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