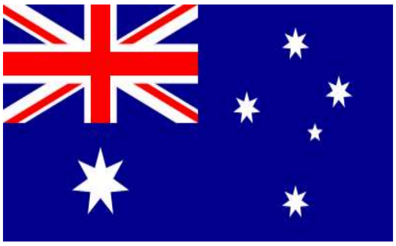

*AHDB cereal exports* ***competitor report***

# Australia

## *Harvest*

Wheat is the major grain crop produced in Western Australia (WA), making up 65 per cent of annual grain production. WA generates about 50 per cent of Australia's total wheat production, with the rest being produced in New South Wales, South Australia and Victoria. Smaller amounts are also produced in Central Queensland.

Australia's winter crop production for 2021/22 has come in as the second biggest harvest on record, increasing by 89% on the previous year to 55.2 million tonnes, according to the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES).

Australia is likely to produce the second-largest wheat crop on record, at 34 million tonnes, in marketing year 2021/22. This is as a result of a high planted area as well as favourable growing conditions in most production regions.

Australian barley production is also projected to remain high in 2021/22, at 13 million tonnes. This is down from 13.1 million tonnes in 2020/21, following lower than expected yields and a minor decrease in acreage to 4.34 million hectares from 4.42 million hectares the previous season.

## *Exports*

Australian wheat exports in 2021/22 are forecast to be around 25 million tonnes. Government intervention in Russia is likely to have tightened supply, bolstering demand for Australian wheat.

Australia is expected to sell more wheat in this marketing year to the Asia-Pacific region, particularly South Korea, Indonesia and Vietnam.

China, despite having imposed trade restrictions on several Australian products, has increased wheat imports from Australia. Indeed, according to the Australian Bureau of Statistics, China's wheat purchases have totalled over 2 million tonnes in 2020. This high export tonnage is an indication that despite trade tensions, Australian wheat is still in demand in China given that it is popular among Chinese millers.

Increased exports into China and other Southeast Asian countries are due to Australian wheat pricing itself competitively against other origins to secure business.

Australia's high level of feed wheat exports also shows that the appetite is there to use wheat to fill the feed deficit in conjunction with, or rather than, other grains like corn.*

*https://www.farmweekly.com.au/story/7131595/where-in-the-world-is-australian-wheat-going/

Price is important. The challenge for Australian wheat exports in the future is whether Australian grains can remain competitive with South American corn production, which is on the increase as practices and technology improve.

US and Canadian wheat are currently competing against Australian to secure business into Asia, most notably Japan. With its large exportable surplus of barley amounting to around 8 million tonnes, Australia has been penetrating a range of export markets.

Australian barley has been strongly represented in recent Saudi barley tenders. Increased barley exports to Saudi Arabia have filled the gap left by China – albeit feed rather than malt barley.*

*farmweekly.com.au/story/7180464/australian-barley-is-in-demand/

While Australian growers are not benefitting from the malt premiums they are used to seeing from China, it is positive that Australian barley has been able to find a home in Saudi Arabia.

# *Australian wheat grades 1-3*

| Grade | Protein | Attributes | End uses | Hagberg Falling Number (seconds) |
|---|---|---|---|---|
| **Prime Hard** | 13% min | Hard-grained varieties<br>Prime hard varieties<br>Excellent milling quality<br>High dough strength & functionality | High-volume pan bread and hearth bread<br>Dry white salted noodles | 350 min |
| **Hard** | 11.5% min | Hard-grained varieties<br>Superior milling quality<br>Good dough strength & functionality | High-volume pan bread, flatbreads and noodles | 300 min |
| **Premium White** | 10% min | Hard-grained varieties<br>High milling performance | Noodles, Middle Eastern & Indian-style flatbreads, pan bread<br>Chinese steamed bread | 300 min |
| **Standard White** | <10% | | Multipurpose (flatbread, Chinese steamed bread, noodles) | 300 min |
| **Noodle** | 9.6–11.5% | Soft-grained varieties<br>Very good noodle quality | Dry white salted noodles<br>Japanese udon noodles | 300 min |
| **Soft** | 9.5% max | Soft-grained varieties<br>Weak doughs with low water absorption | Biscuit, cakes & pastry | 300 min |
| **General purpose** | | Wheat that fails to meet higher milling grain standards | All-purpose flours<br>Blending applications | 200 min |

| | | | | |
|---|---|---|---|---|
| **Feed** | | Wheat suitable for animal feed, including all red-grained varieties | | |

Source: Understanding Australian Wheat Quality, grdc.com.au

| Australian wheat grades and comparable competitor country grades or wheat classes | | | |
|---|---|---|---|
| **Australia** | USA | Canada | Other |
| **Prime Hard** | Hard Red Spring<br>Dark Northern Spring | Canada Western Red Spring (13.5%)<br>Canada Western Hard White Spring | |
| **Hard** | Hard Red Winter (11.5%)<br>Hard White Wheat | Canada Western Hard White Spring<br>Canada Prairie Spring White<br>Canada Prairie Spring Red | Germany |
| **Premium White** | Hard Red Winter (10%) | Canada Prairie Spring White<br>Canada Prairie Spring Red | Argentina<br>Kazakhstan<br>Ukraine<br>Germany<br>China |
| **Standard White** | Soft Red Winter<br>Soft White Wheat | | Argentina<br>Kazakhstan<br>Ukraine<br>France<br>China |
| **Soft** | Western White | | France |

Source: Grains Research & Development Corporation, grdc.com.au

# *Australian wheat and barley exports*

## Wheat

| Units = tonnes | 2020 | | 2019 |
|---|---|---|---|
| **China** | 2,087,866 | **Philippines** | 1,828,084 |
| **South Korea** | 1,061,988 | **South Korea** | 1,107,942 |
| **Indonesia** | 953,568 | **Japan** | 928,125 |
| **Vietnam** | 950,834 | **Vietnam** | 848,185 |
| **Japan** | 806,092 | **Indonesia** | 833,932 |
| **Philippines** | 734,086 | **Yemen** | 647,827 |
| **Yemen** | 474,678 | **Malaysia** | 556,042 |

| | | | |
|---|---|---|---|
| **Malaysia** | 455,350 | **Kuwait** | 480,482 |
| **Kuwait** | 427,366 | **Thailand** | 461,607 |
| **New Zealand** | 370,573 | **New Zealand** | 408,368 |

Source: IHS Maritime & Trade – Global Trade Atlas ® – Australian Bureau of Statistics
Further publication of the trade data is prohibited, unless expressly permitted by IHS Maritime & Trade.

## Barley

| Units = tonnes | 2020 | | 2019 |
|---|---|---|---|
| **China** | 1,467,764 | **China** | 1,587,004 |
| **Thailand** | 870,842 | **Japan** | 576,843 |
| **Japan** | 686,929 | **Thailand** | 389,119 |
| **Saudi Arabia** | 462,011 | **Vietnam** | 131,414 |
| **Vietnam** | 260,624 | **Qatar** | 51,717 |
| **Qatar** | 214,424 | **Kuwait** | 45,632 |
| **UAE** | 112,340 | **UAE** | 33,328 |

Source: IHS Maritime & Trade: Global Trade Atlas ® – Australian Bureau of Statistics
Further publication of the trade data is prohibited, unless expressly permitted by IHS Maritime & Trade.

## Supply and demand

| As at Feb 2022 Units = thousand tonnes | 2020/21 Wheat | 2020/21 Barley | 2021/22 Wheat (forecast) | 2021/22 Barley (forecast) |
|---|---|---|---|---|
| **Beginning stocks** | 2,678 | 2,711 | 4,332 | 1,969 |
| **Production** | 33,300 | 13,100 | 34,000 | 13,000 |
| **Imports** | 200 | 0 | 200 | 0 |
| **Total supply** | 36,178 | 15,711 | 38,532 | 14,969 |
| **Exports** | 23,846 | 8,300 | 25,500 | 8,500 |
| **Feed domestic consumption** | 4,500 | 4,000 | 5,000 | 4,000 |
| **FSI consumption** | 3,500 | 1,500 | 3,500 | 1,500 |
| **Domestic consumption** | 8,000 | 5,500 | 8,500 | 5,500 |
| **Ending stocks** | 4,332 | 1,911 | 4,532 | 969 |

Source: USDA

AHDB