

GRAINS RESEARCH UPDATE

**What grain markets want;
and how Australia delivers**

Richard Simonaitis, CEO, Grains Australia

A stronger, more competitive grains industry

- Grains Australia is an **initiative of the GRDC**.
- We deliver **key functions** critical to the success to the Australian grains industry
- We **collaborate** across the grains value chain to prioritise initiatives that deliver **maximum value** for growers, industry and customers.

We take a “Team Australia” approach.



A “Team Australia” approach

Consolidation and efficiency

AEGIC, Wheat Quality Australia, Barley Australia, Pulse Australia, GIMAF, NWPGP



Engagement and communication

with growers, industry, government and customers



Councils driving priorities

65 grains value chain participants guiding priorities across **our key functions**



Our key functions



Integration of Grains Australia and AEGIC



Grains Australia is an initiative of the



Integration of Grains Australia and AEGIC

- AEGIC's key functions unified and strengthened within Grains Australia
- One single, integrated organisation
- More targeted and aligned
- Enhanced efficiency = better value for growers and industry



Integration of Grains Australia and AEGIC

- Projects and services are continuing seamlessly
- Enhanced relationships and clearer contact points
- 10-year commitment from GRDC will allow for longer-term planning
- Integration is already in effect, and expected to be complete by 30 June



Integration of Grains Australia and AEGIC

Acknowledgements

GRDC

Vision and leadership in establishing Grains Australia and committing to long-term investment.

Western Australian Government

Invested in AEGIC alongside GRDC, allowing us to get to this point.

AEGIC

Delivered significant value over 13 years to win the support from industry to thrive inside Grains Australia.



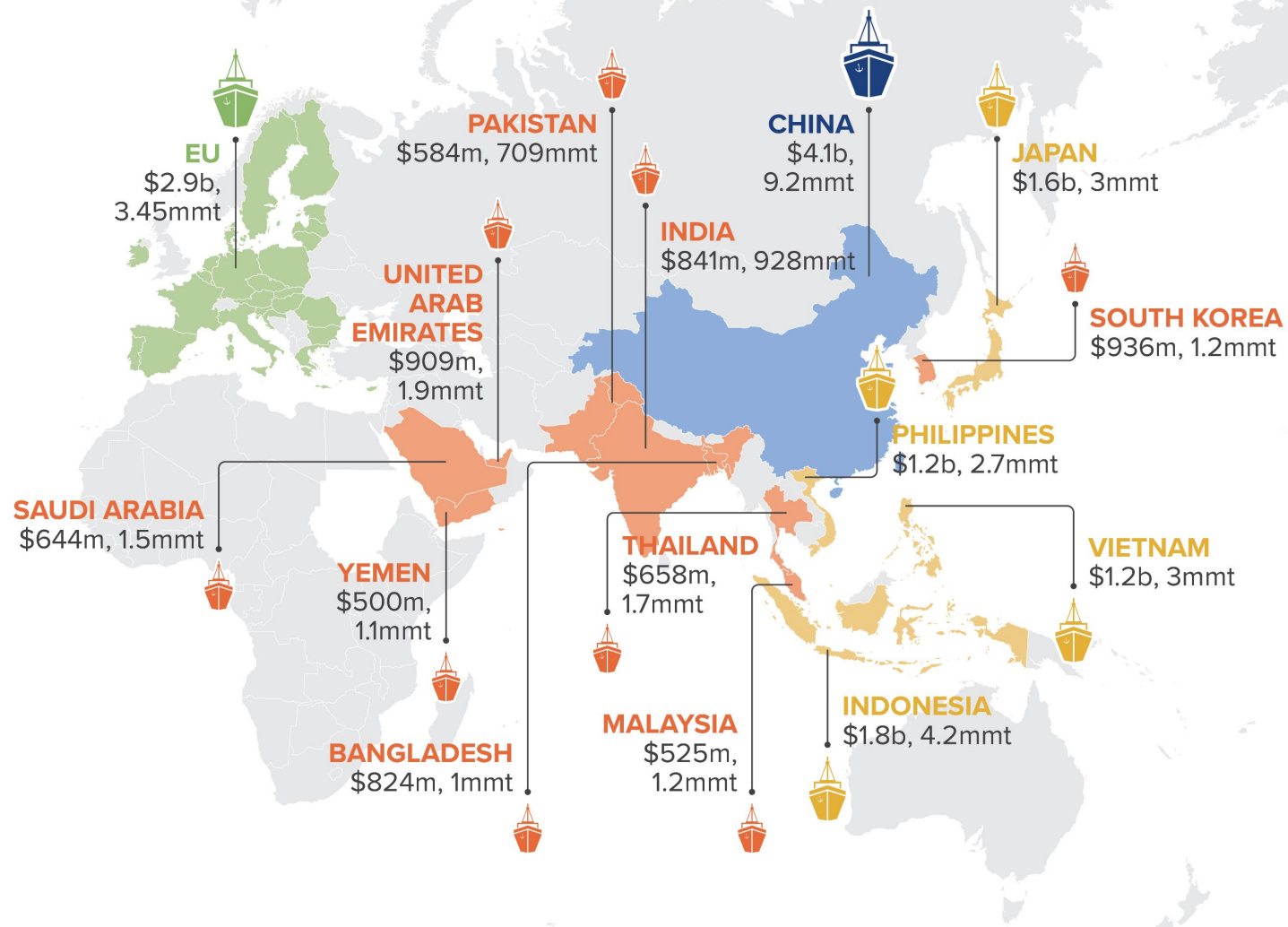
Roadmap to value

- Valued markets for WA grain
- Demand inflections in the short to medium term
- Lifting demand in the long term



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Australian Grain Exports



Source: ABS, Average annual exports of all unprocessed grain commodities (2021-2025).

The valued markets for WA grain

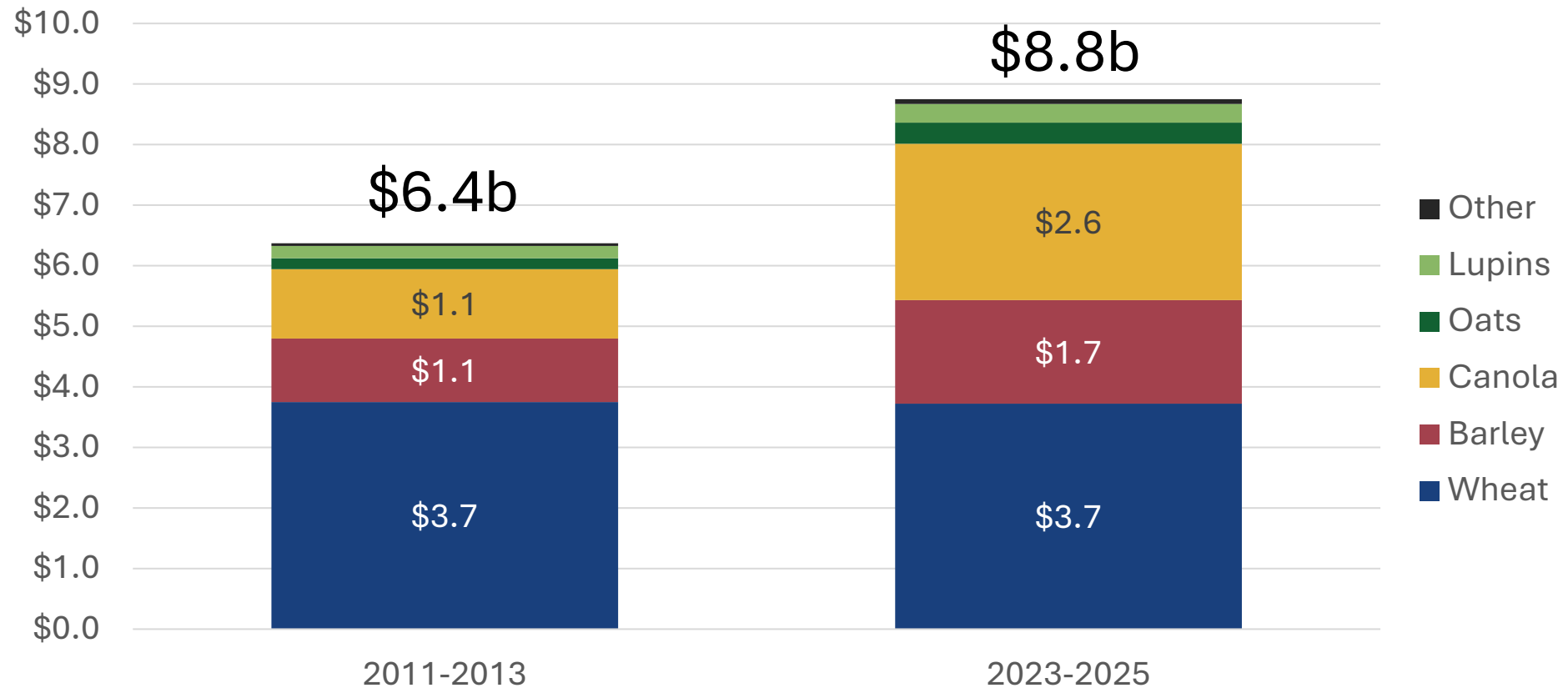


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Real value of grain production – WA

(\$b AUD2025)

Source: DPIRD, Grains Australia - Production years



Where is the value?

| % Total Grain Export Value (2023-2025) | | | | | | |
|--|-------|--------|-------------|----------------|--------|------|
| | Wheat | Canola | Feed Barley | Malting Barley | Lupins | Oats |
| China | 8.1% | 0.2% | 8.8% | 3.0% | | 1.9% |
| EU | | 14.4% | | | 1.2% | |
| Japan | 4.9% | 3.8% | 2.2% | | | |
| Philippines | 8.3% | | 0.2% | | | |
| Indonesia | 9.1% | | | | | |
| South Korea | 6.2% | | | | 1.2% | |
| United Arab Emirates | 0.4% | 4.4% | 0.3% | | | |
| Vietnam | 2.7% | | 0.5% | 0.3% | 0.3% | |
| Thailand | 3.3% | | 0.8% | | | |
| Yemen | 3.4% | | | | | |
| Mexico | | 1.8% | 0.2% | 0.5% | | |
| Malaysia | 1.5% | | | | | |
| Saudi Arabia | | | 1.7% | | | |

Where is the value?

| % Total Grain Export Value (2023-2025) | | | | | | | |
|--|------------|------------|-------------|----------------|-----------|-----------|------------|
| | Wheat | Canola | Feed Barley | Malting Barley | Lupins | Oats | Total |
| China | 8.1% | 0.2% | 8.8% | 3.0% | | 1.9% | 22% |
| EU | | 14.4% | | | 1.2% | | 16% |
| Japan | 4.9% | 3.8% | 2.2% | | | | 11% |
| Philippines | 8.3% | | 0.2% | | | | 8% |
| Indonesia | 9.1% | | | | | | 9% |
| South Korea | 6.2% | | | | 1.2% | | 7% |
| United Arab Emirates | 0.4% | 4.4% | 0.3% | | | | 5% |
| Vietnam | 2.7% | | 0.5% | 0.3% | 0.3% | | 4% |
| Thailand | 3.3% | | 0.8% | | | | 4% |
| Yemen | 3.4% | | | | | | 3% |
| Mexico | | 1.8% | 0.2% | 0.5% | | | 3% |
| Malaysia | 1.5% | | | | | | 2% |
| Saudi Arabia | | | 1.7% | | | | 2% |
| Total | 48% | 25% | 15% | 4% | 3% | 2% | 96% |

96% of the value of WA grain exports is derived from these 13 markets

China

Critical market across commodities. The top-tier buyer for barley

Major Market: buyer of majority share in a range of commodities. Largest single export grain market. Huge feed demand.

Quality concern: Strict on malting barley specifications. Low protein barley a concern.

Barley

- Major buyer – wedded to Australian barley quality

Wheat

- Opportunistic targeted buyer, specific end uses and reserves programme

Processed oats & oats

- Largest export market – food use in a range of products

Canola

- Working towards improved market access

Pulses

- Limited- small demand for feed and aquaculture – Opportunities

Japan

**Quality-driven,
relationship driven,
premium market – No
longer just wheat**

Quality concern: Tight specifications for noodle wheat functionality (texture, colour, brightness) and malting barley specifications.

Wheat

- Premium noodle wheat for udon and long-term relationship

Canola (seed, oil, meal)

- Significant demand for food oil, and meal in feed – Strict Non-GM

Barley

- WA Malting barley crucial for Japanese brewers

Malt

- Key for high-end brewing

Processed oats & oats

- Small, high-value food, and niche feed industries

Indonesia

**Long-term steady market for WA.
Milling wheats used in noodles,
breads and biscuits**

Quality concern:

Consistency is critical — within industrialised processes. However, 70% of the market is SME

Increasing integration of Australian wheat with high protein wheat to meet textural requirements in noodles

Wheat

- Most important WA market for wheat. All for food (milling) – Potential for Soft

Processed oats & oats

- Small but growing –potential in porridge

Barley

- Limited opportunity

Lupin & field pea

- Niche, mainly feed or aquaculture, potential for snacks

Vietnam

Wheat

- Bread market, with growing demand for high protein

Barley

- Some feed barley into the livestock sector

Malt

- Growing beer sector = demand for WA malt

Lupin & field pea

- Small but emerging in feed and aquaculture

Canola (seed, oil, meal)

- Some oil for food use, meal into feed

Processed oats & oats

- Niche but increasing

Long-term steady market for Australia. Milling wheats used in noodles, breads and biscuits

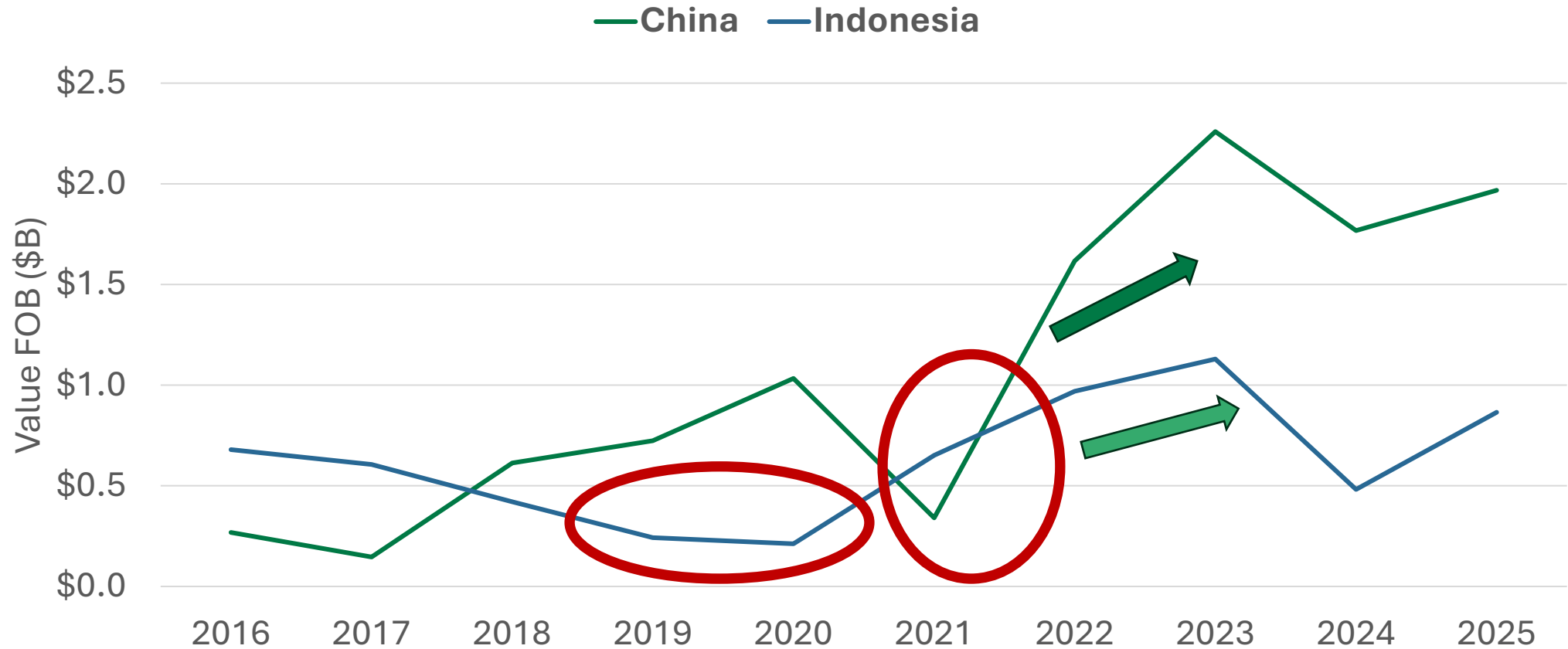
Quality concern:

Losing market share in the bread sector to Canada, due to protein requirements

Mills prefer WA wheat for noodle flour quality; feed buyers weigh WA barley against cheaper Black Sea origins.

Relationship building offsets volatility

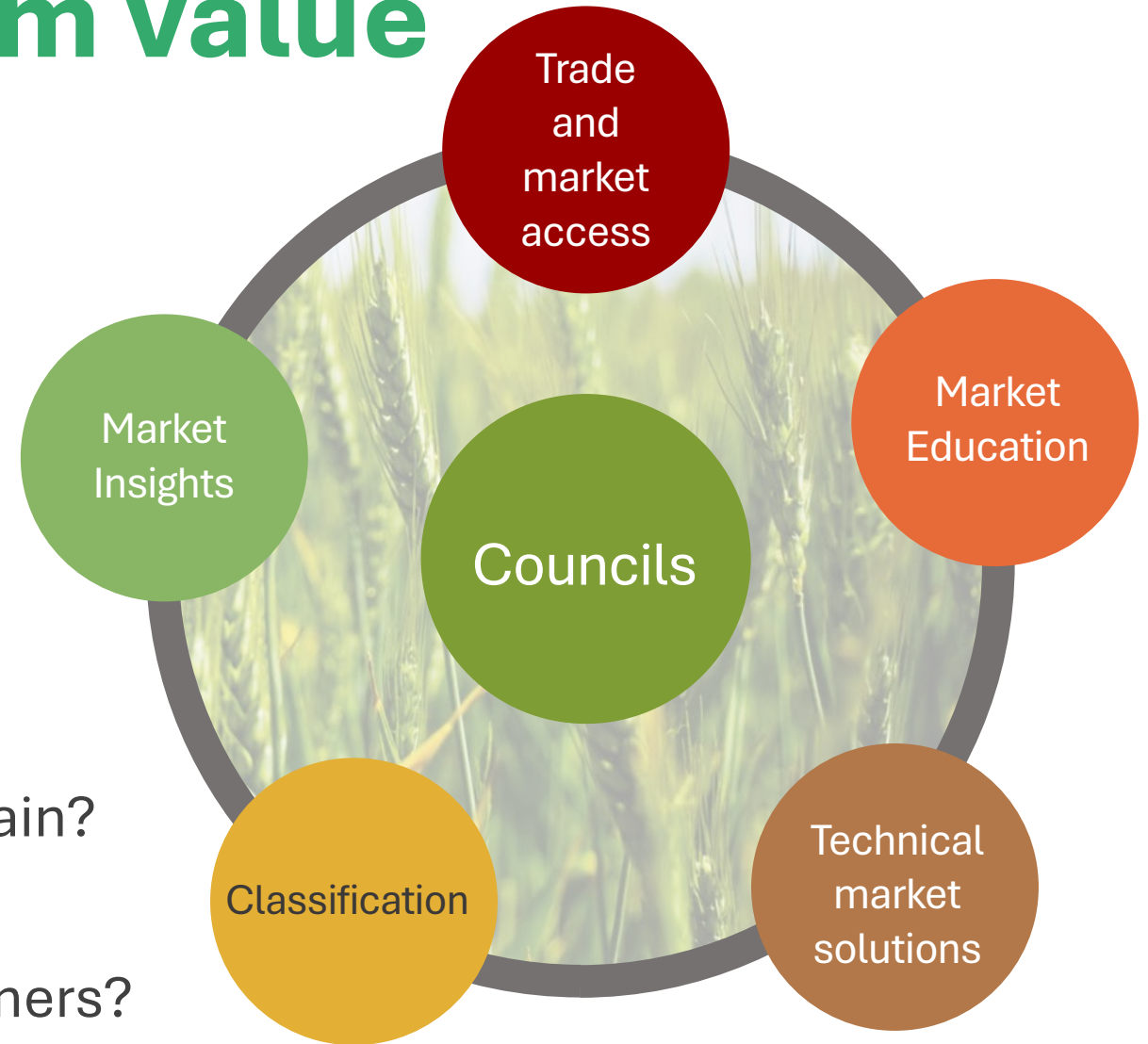
Working with markets at a technical level – softening the return



Delivery of long-term value

What are the levers that Grains Australia can utilise?

- What and where are the **opportunities**?
- What **exactly** do our customers want?
- How can our customers **best** use our grain?
- How do we **communicate** to our customers?



Demand inflections

Short - Medium term



CELEBRATING
30
YEARS

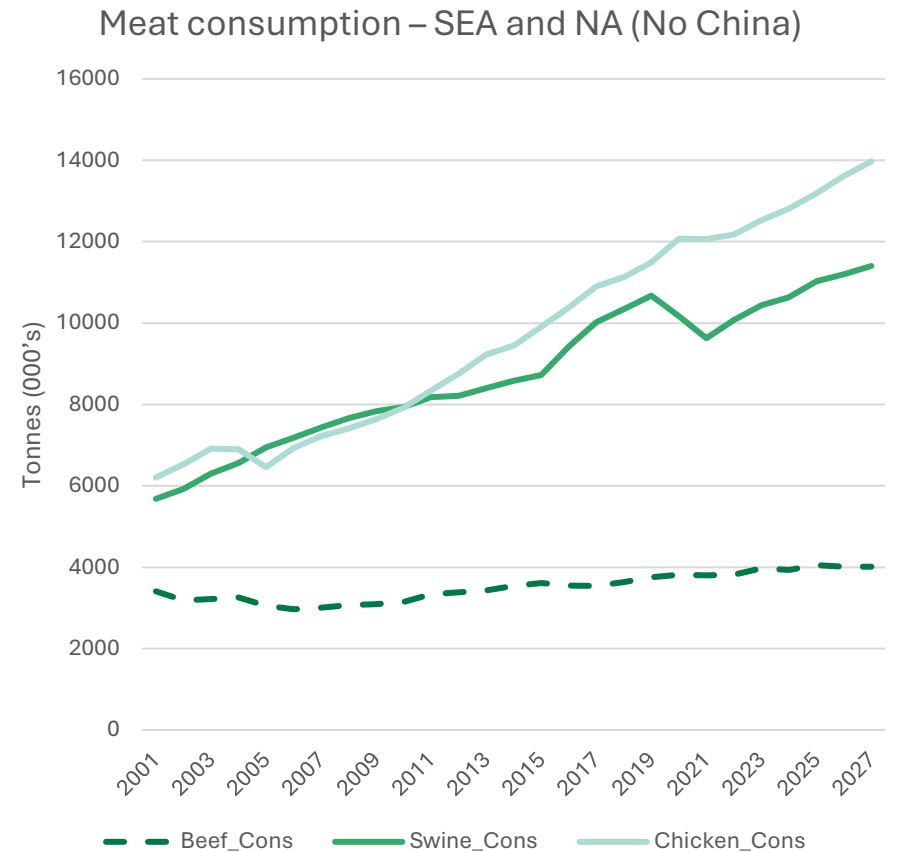
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Consumers want meat

Diets are changing

- **High income** consumers driving the shift, with disproportionate effect on grain demand
- Shifts the demand for multiple commodities into a highly elastic market

Tactic:
Engage and capitalise on emerging protein markets



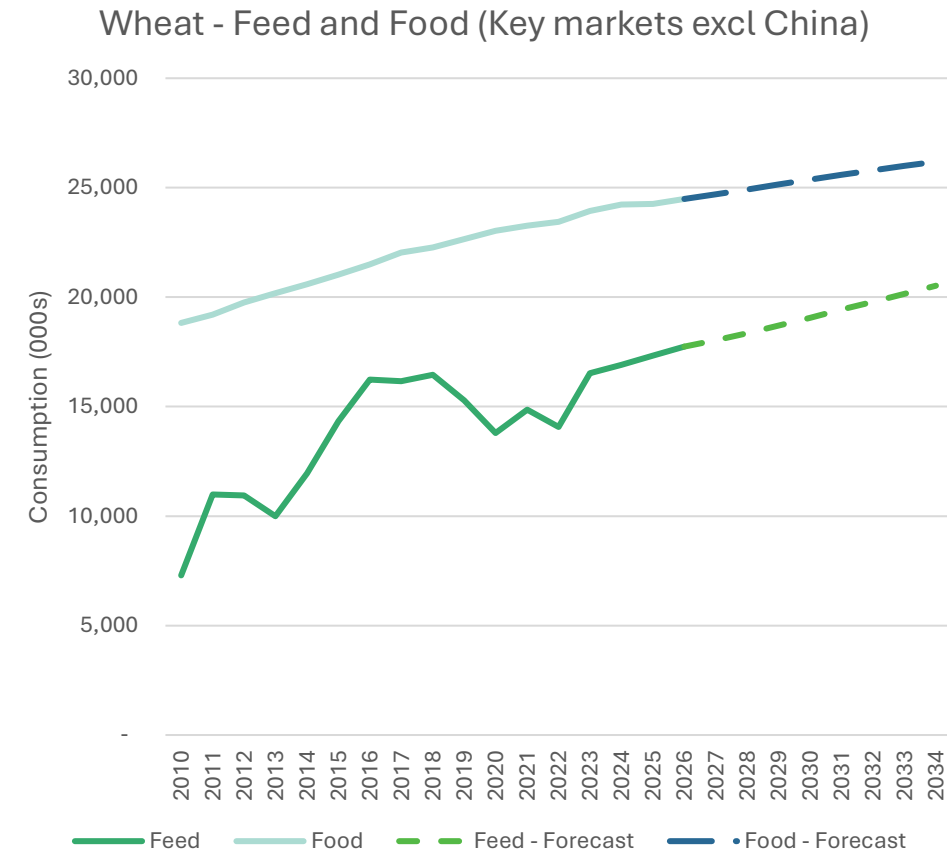
Stability of food markets

Though, there is consumption growth in all sectors

- S&D fundamentals suggest stable demand and competition for food suitable grain
- Stable demand allows technical conversation and development

Tactic:

- Provision of insight into opportunities in high value, stable markets
- Development of market education and training



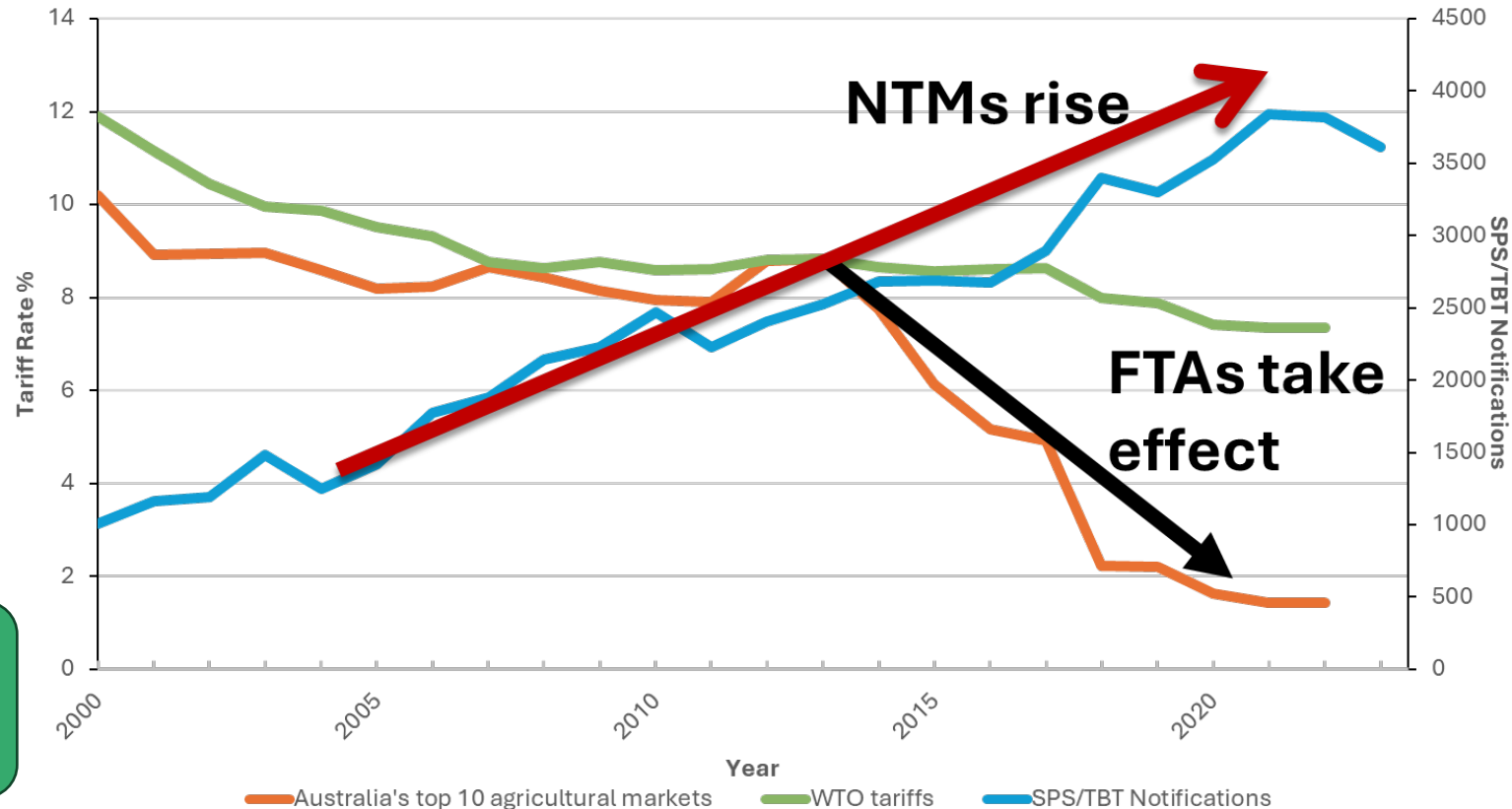
The challenge of the NTM

While tariffs make the headlines...

- NTMs are equivalent to an average ad valorem tariff of **20.4%** on Australian grains
- Result in an estimated A\$4.6 billion in forgone export revenue for the grain industry each year

Tactic:

Working with industry and trade partners to limit the impact



The challenge of the NTM

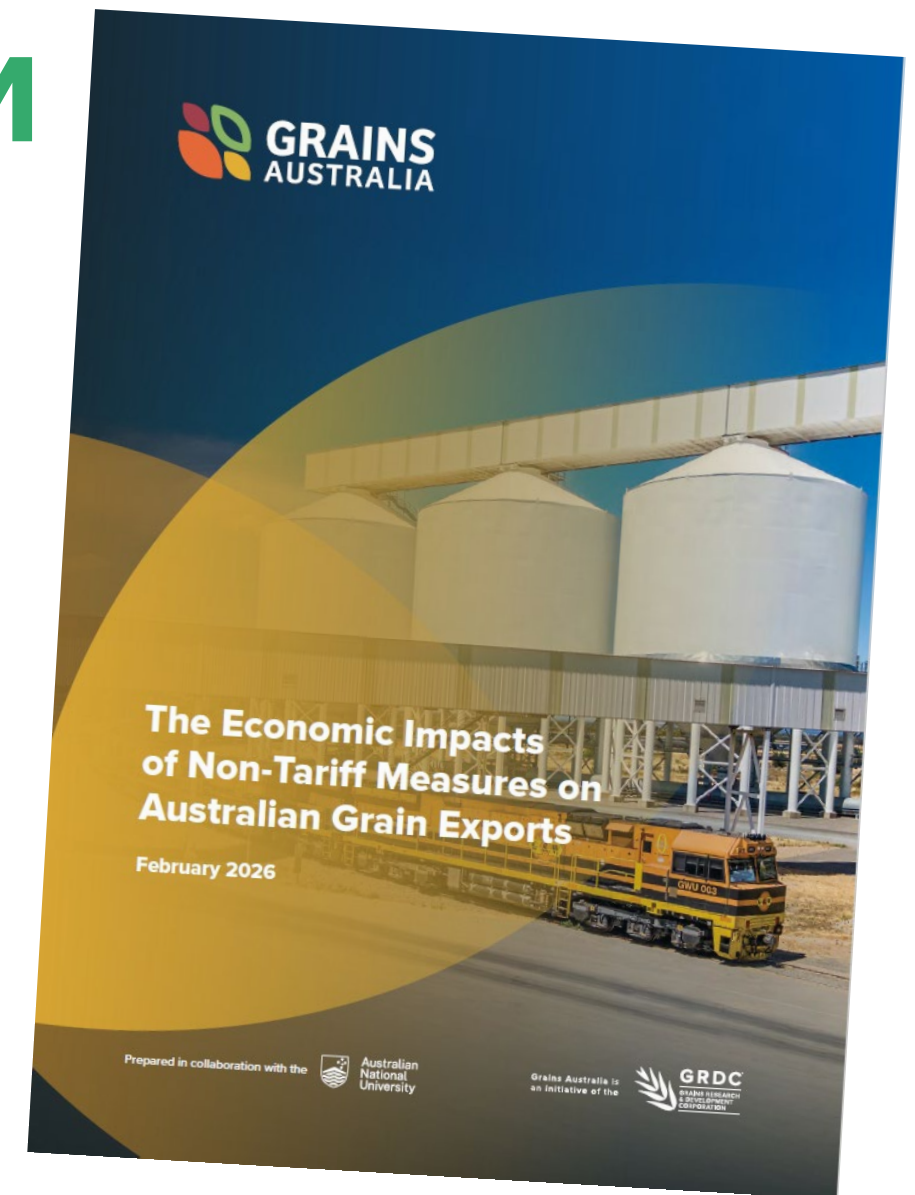
New report out today

Goal: equip the industry with insights and data to help address the challenge of NTMs.

- Significant piece of work.
- Collaboration with leading researchers.
- Contains strategic recommendations for industry and government to consider.
- **Visit our team in the breaks to pick up a copy.**

Tactic:

Working with industry and trade partners to limit the impact



Lifting demand

Long term



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30
YEARS

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Trade policy developments

Proactively monitoring new and existing NTMs

- Monitoring in-market drivers to mitigate the impact of inconsistent global policies.
- Leveraging targeted engagement and scientific rigor to manage political and technical trade matters.

Strategy:

Prioritising policy developments that add value and ensure practical industry outcomes.



Customer sophistication

Increasing rate of change in technology and practice

- Changes in customer technology will result in better utilisation of grain components
- Additives used to offset quality limitations and improve end products

Strategy:
Understanding fundamental characteristics
that make Australian grain valuable



Leveraging quality advantage

Strength of the Australian industry

- Australia has world leading breeding industry
- Growth in food demand allows for specialisation and quality development

Strategy:
Identifying where we collect on opportunities
from this competitive advantage



Structural change in the industry

Australia is an attractive origin

- Stability of policy and production attracts investment
- Supporting nutritional security in Asia requires long term strategy
- Australia is a natural, reliable partner.

Strategy:

How can the industry as a whole, benefit from future models?



Conclusion

The future of the industry and Grains Australia's role

- Grains Australia leads a **Team Australia** approach
- Collaboration across the grains value chain
- Prioritising initiatives that deliver maximum value for growers, industry and customers
- Councils play a key role

Result: Australian grain continues to be a preferred option in existing and new markets



#GRDCUpdate



GRAINS AUSTRALIA

Richard Simonaitis – CEO

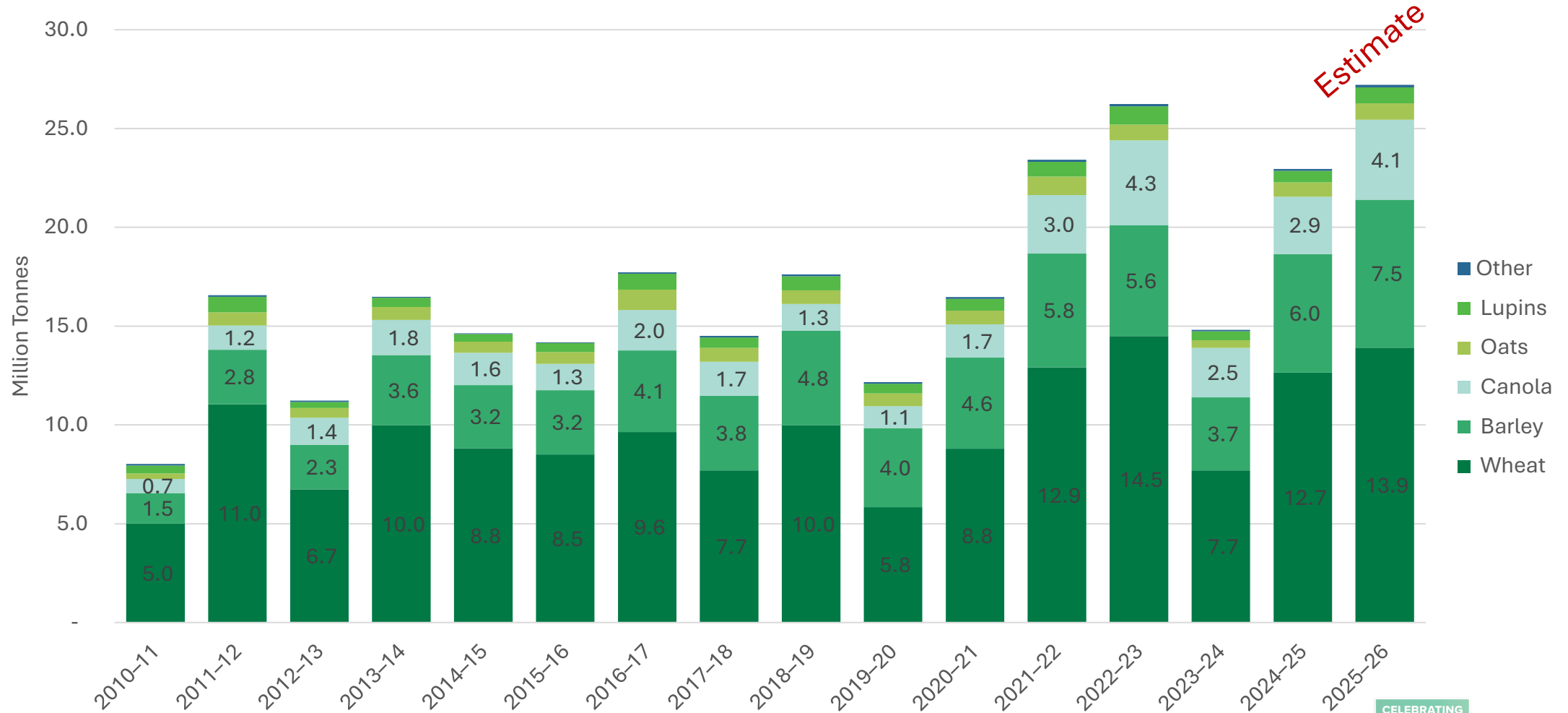
richard.simonaitis@grainsaustralia.com.au



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Grain Production - WA

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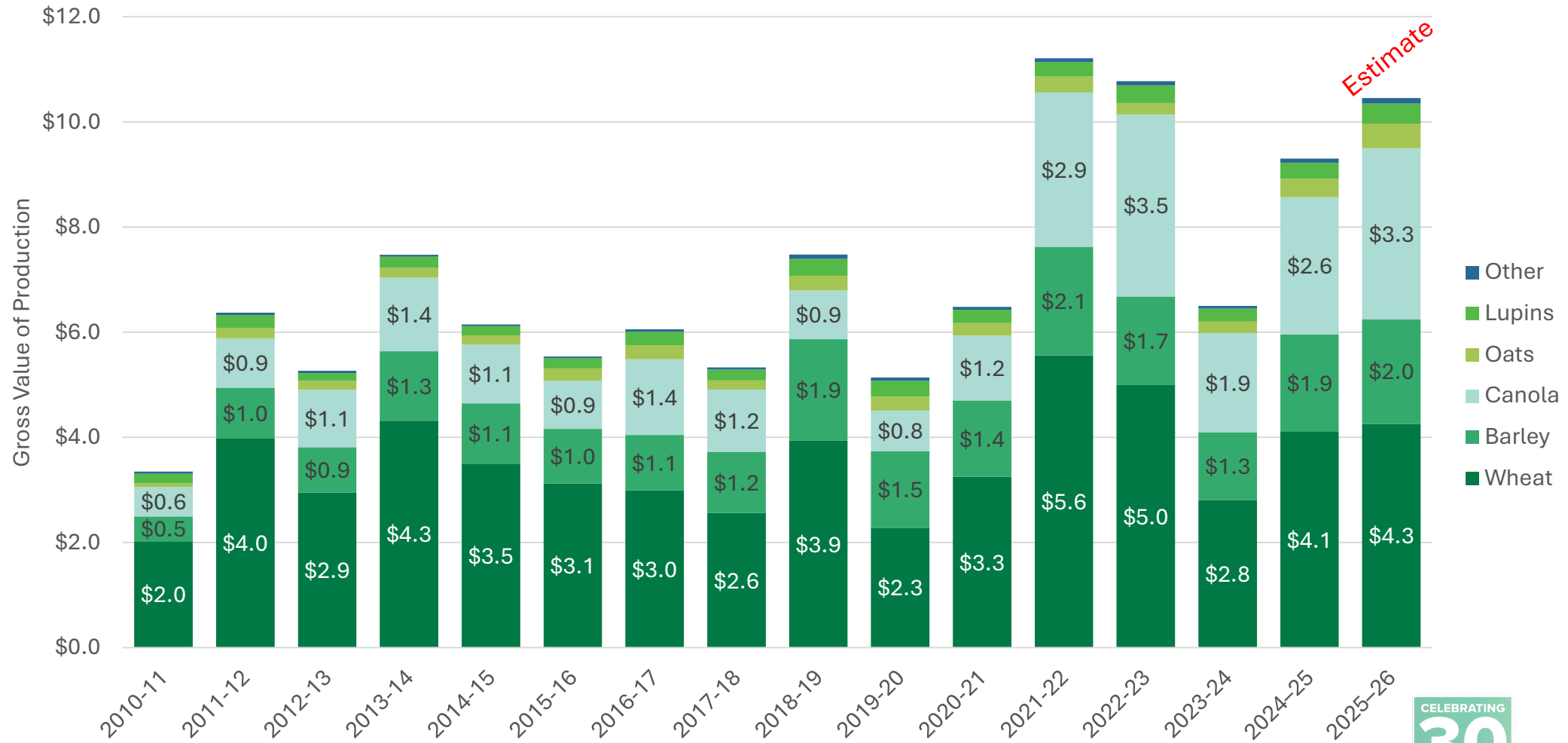


Source: ABARES, Grains Australia



Value of grain production – WA

(\$b AUD2025)



Source: DPIRD, Grains Australia

