The Maize Industry in Australia, Production and Opportunities
The Maize Association of Australia

• Formed after the inaugural Maize Conference in Echuca in
• Only organisation representing the Maize industry in Australia
• Executive comprising members from all key sectors of the industry:
  – processing
  – grain trading
  – research
  – growers
Key Achievements of MAA

- Involved in many key decisions relevant to the industry including
  - arguing for the reduction in the GRDC levy from 1% to 0.7% (saving growers many $m’s over the last 20 years)
- Publication of the bi-annual “Cob Magazine”
- Long term advocate of promoting the export of Australian grown grain and has either organised or participated in:
  - Industry tours in 1991 and 1992
  - Desktop study in 2010 to document the potential for export (and presented at the 2010 Summer Grains Conference)
  - Industry tour in 2012
  - Industry tour in Feb 2014
Current Corn Market

- **Supply**
  - USA 14/15 – 14.2 Billion Bushels (361mmt)
  - Australia 2015– 19.7 Million Bushels (500kmt)
  - WORLD 14/15 – 33.5 Billion Bushels (850mmt)

- **Price**
  - CME – 382 c/bu (USD $150/mt Elevator)
  - Australia – AUD $300 MEL (USD $228 Port)
Maize exports still relatively low

Export market demand is significant for high quality Australian GM-free grains... 7 billion people to feed today, +1 billion by 2025; 60.0% live in Asia, only 0.3% in Australia...
2015 Australian Maize Industry

% of Total Production

- Grit - 36%
- Soft Dent - 46%
- Confectionary - 4%
- White - 2.5%
- Waxy - 6%
- Hi Amylose - 3%
- Popping Corn - 2.5%
Production areas for expansion

- Melbourne, Newcastle and Brisbane are favoured for export slot access and proximity to prime production regions.
- Australian maize production process has fewer handling points along the supply chain.
- Better quality grain delivered to customers.
Best Practice
Where is the Growth?

• The major limitation is post-farm gate
  – Farmers need a reliable, on-going market / contract / outlet to sell their grain at a price that reflects the cost of production
  – Domestic growth is limited
  – *The only opportunity for substantial growth is export*
Our Export Future: Japan & Korea

Japan and Korea combined populations: 176,000,000
Potential Interest In Australian Corn: 3,470,000 (14% of imports)
How do we capture our share?

Combined Import Requirement Breakdown – Share of 25,000,000 Mt (%)

- Feed: 3,100,000
- GM Wet Milling: 3,200,000
- GM Free Wet Milling: 270,000
- GM Dry Milling: 18,400,000
- GM Free Dry Milling: 3,100,000
Which Varieties fit into Which use?

- **Soft Dent (Feed):** P2307, P1813IT, P1467, P9400, P0021, 33V62, 32P55, P1756, PAC301, PAC624, PAC606, PAC607IT, PAC504, PAC727, PAC735, MFY139SM, Maximus, Olympiad, Sirus, NeroIT, Amadeus, AmadeusIT
- **Confectionary (Gritting):** 32P55, P1756, PAC727, P1414
- **Dry milling (Gritting):** 32P55, P2080, P1756, PAC727, PAC345IT, PAC735
- **Wet milling:** P2307, P1813IT, P1467, P9400, P0021, 33V62, PAC301, PAC624, PAC606, PAC607IT, PAC504, MFY139SM, Maximus, Olympiad, Sirus, NeroIT, P1419E, 34N41, HA132
- **Silage:** P2307, P1813IT, P1467, P9400, P0021, 33V62, P1756, PAC301, PAC624, PAC606, PAC607IT, PAC504, PAC727, PAC735, MFY139SM, Maximus, Olympiad, Sirus, NeroIT,

- 69 varieties listed, therefore there are many Multipurpose Varieties but we must ensure the correct varieties suit the correct end use.
Capturing a premium for exports

| Consistency of supply and long-term relationships are hugely important in building this trade... |

- **+ GM-free status**
- **+ Grow closer to ports**
- **+ Reduced handling**
- **+ Sun-drying climate**
- **+ Identity Preservation**
- **+ Quality = Specification**

- **Base commodity price ($)**

- ✓ Absolute preservation and vigilance on GM-free status critical
- ✓ Competitors are losing this capability as GM-contamination occurs in Brazil, Argentina, USA
- ✓ Geography: proximity to Asia = 4.1billion market demand with regional freight advantage
- ✓ Climate leading to quality: abundant sun-dried grain
- ✓ Counter-seasonal to US production window
The Future

• The MAA has a goal to double the production of maize in Australia by 2020
• Aiming for growth in the key markets of Japan and South Korea
• Now and the next 3 years is the time to do it!!!
• Let’s all work together to make it happen!

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