

# Repositioning Australian wheat in Indonesia - Opportunities & Challenges

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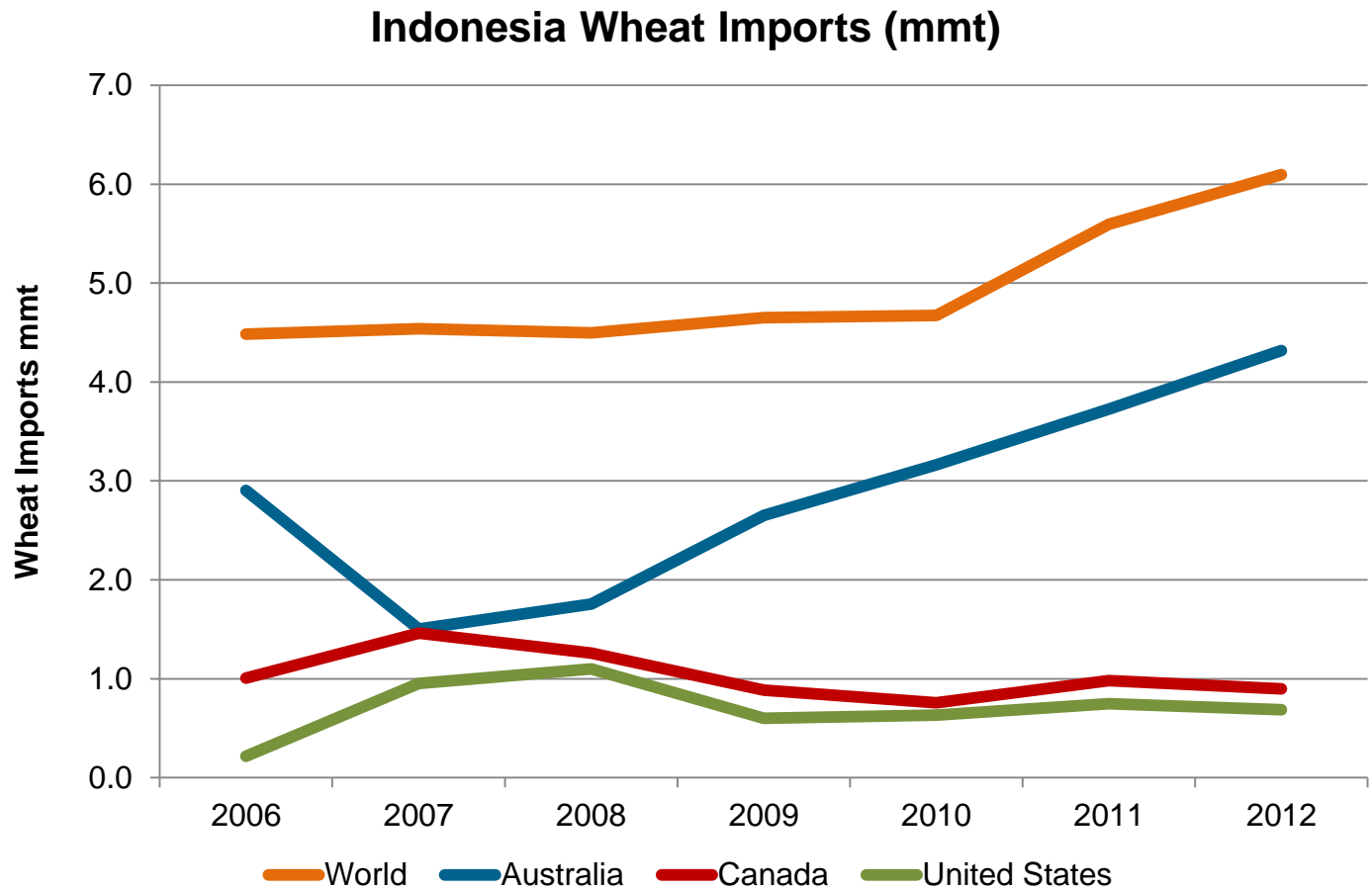
Australian Grains Industry Conference  
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# Wheat consumption

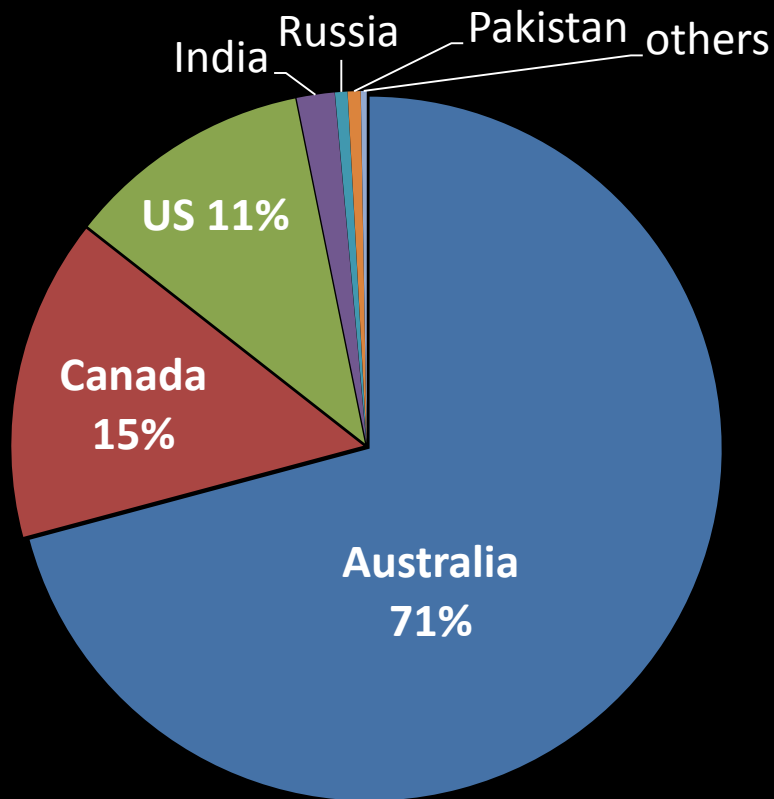


	Indonesia	Australia
Population (million)	246	23
Wheat consumption kg/capita pa	21.5 ↑	145
Total wheat consumption mmt (2012)	6.35 ↑	5.5 / 2.2

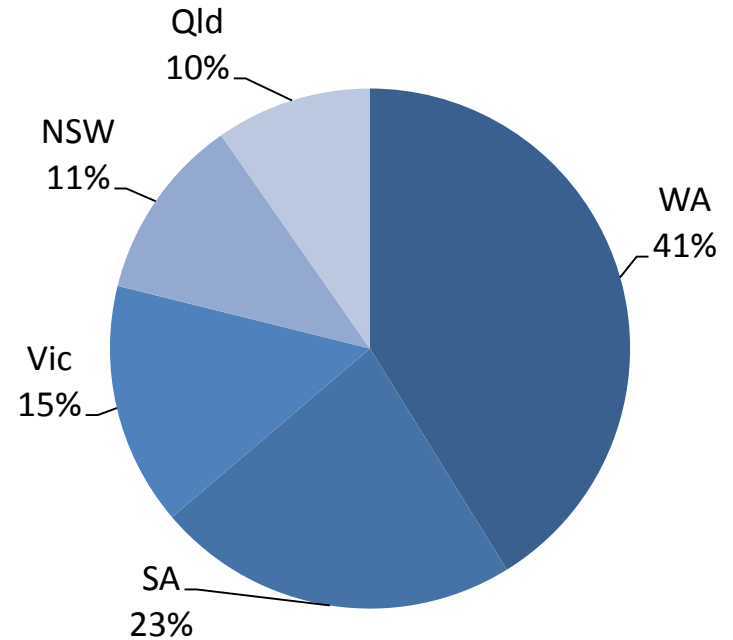
# Indonesian wheat imports



# Indonesia wheat imports 2012



## Australian Origin 2012



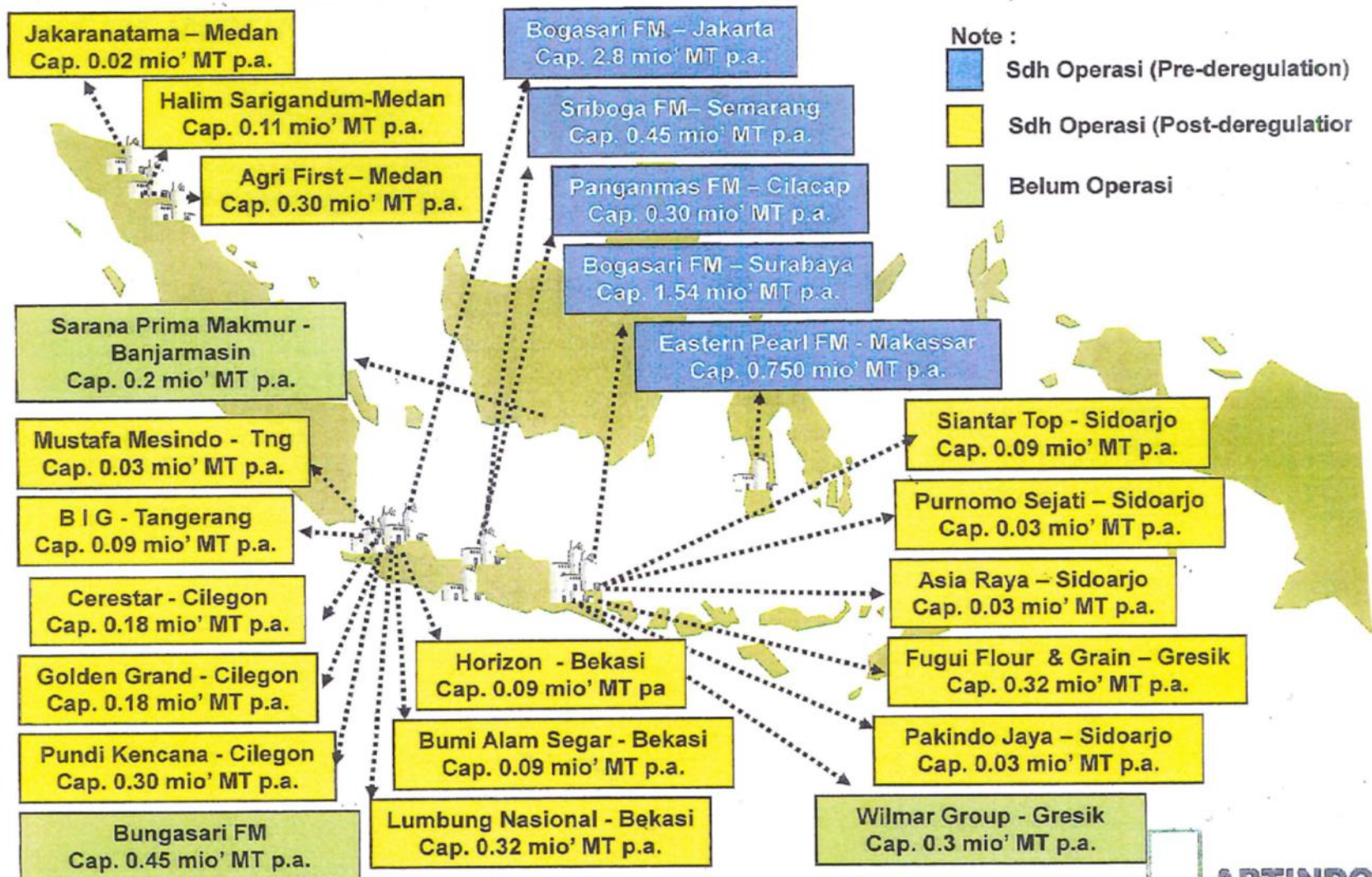
# Meeting the future growth – Milling capacity and growth

	Pre-deregulation	Post – deregulation		TOTAL	Future
	1970-98	1999-08	2008-12		Next 2-3 years
No. mills	5	6	10	21	8 Co. 12 Mills
Milling capacity				8.1mmt	+2.3mmt

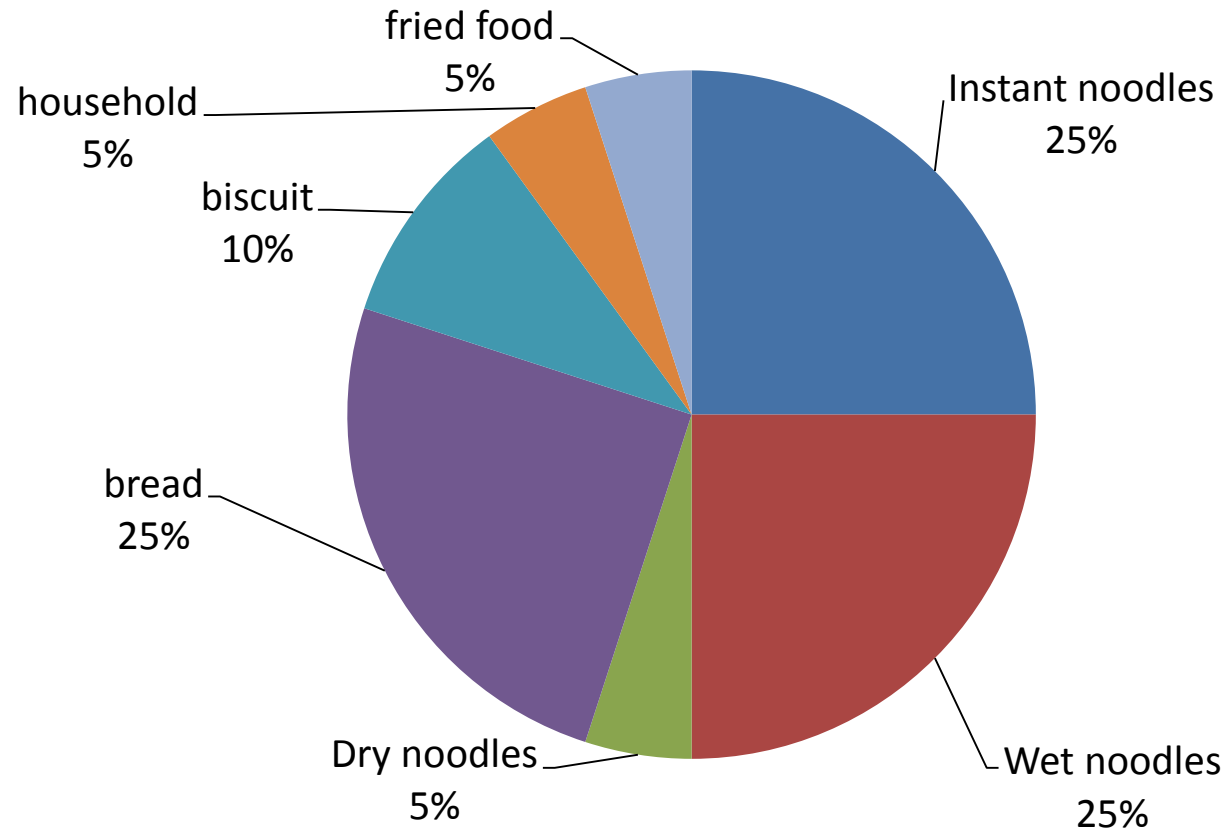
- Improved milling technology, gristing & blending facilities
- Increased focus on quality and food safety
- Fully equipped quality control labs
- Trained and qualified technical personal



# Location of Indonesian Flour Mills



# Wheat based products





# Future growth



23.4% growth predicted for 2012/17 due to growing demand for convenience food products



28.4% growth predicted for 2012/17 due to trends towards more western style baked products and consumers replacing rice with baked goods



# Opportunity to capture growth

- Meet growing demand from Indonesia
- Dangerous to rely on reputation of quality, market proximity, purpose grade for use. These are under threat.
- Indonesia is providing clear signals to Australia
  - Seasonal quality information & technical support to optimise use of Australian wheats
  - Improved consistency in grain quality and milling performance between & within shipments
  - Australian wheats for baking industry

# Market perceptions

## Physical grain quality



### Screenings

1. Australia
2. Canada
3. USA

### Moisture

1. Australia
2. USA
3. Canada

### Colour

1. Australia
2. USA
3. Canada

# Market perceptions

## End-product quality



### **Noodles**

1. Australia
2. Canada
3. USA

### **Bread**

1. Canada/  
USA

### **Biscuits**

1. USA
2. Australia

# Market perceptions – Australian wheat

## Advantages



Good value

- Clean
- Low moisture
- Freight benefit



Very good flour colour



Good milling extract



Good starch for noodles

## Disadvantages cf. North American



Medium baking






“V” shape indent



Noodles with less firmness



# Indonesia product quality requirements

Product	Quality	Preferred grades								
<div>Noodles</div> <div></div>	<ul style="list-style-type: none"><li>•High starch swelling (instant, dried)</li><li>•Wet gluten 27-33%</li><li>•Water Abs. 56-59%</li><li>•Ash &lt; 0.6%</li></ul>	<div><div><div><div>14</div><div>Premium Instant</div></div><div><div>12.5</div><div>Medium</div></div><div><div>11.5</div><div>Average</div></div><div><div>11</div><div>Low Cost</div></div></div><div><div><div>Wheat Protein %</div><table><tr><td>Premium Instant</td><td>Medium</td><td>Average</td><td>Low Cost</td></tr><tr><td>14</td><td>12.5</td><td>11.5</td><td>11</td></tr></table></div></div></div> <div>Instant: APW Fresh YAN APH, CWRS</div>	Premium Instant	Medium	Average	Low Cost	14	12.5	11.5	11
Premium Instant	Medium	Average	Low Cost							
14	12.5	11.5	11							
<div>Breads</div> <div></div>	<ul style="list-style-type: none"><li>•Flour protein 12.5-15%db</li><li>•Strong gluten (wet&gt; 32%)</li><li>•High water abs. (60-66%)</li><li>•Good stability</li><li>•High bread volume, oven spring, soft crumb</li></ul>	<ul style="list-style-type: none"><li>•CWRS, DNS</li><li>•APW blended</li></ul>								
<div>Biscuits &amp; cakes</div> <div></div>	<ul style="list-style-type: none"><li>•Marie 10.5% protein db</li><li>•Crackers 11%, w abs 60%</li><li>•Wafers &lt;9%, long extensibility</li></ul>	<div>SWW preferred Blend with APW, ASW</div>								

# Australian wheat for Indonesian baking

- Different flour grists.
  - Premium
  - Medium
  - Low cost
- Role of Australian wheat in different grists.



- Blending—lower price, competition from new suppliers.

# Baking comparison

- Selected varieties and functionality
  - high volume but 'V' shape
  - strong, symmetrical, but lower volume
- CHALLENGES AHEAD
- Protein %
- Water absorption %



# Baking comparison

- Premium baking sector accustomed to north American wheats.
- Australian wheat will ALWAYS be measured against higher protein wheat from other origins.
- Australian grades coming under pressure as blending wheat due to cheaper alternatives.
- Australia must produce high quality functional wheats that compete on value rather than price.
- Need to understand relationship between protein content, wet gluten & end product.
- Potential for improved functionality of AH to account for higher proportion in blends of baking flour.



# Australian Wheat for baking sector

## Big challenge but even bigger opportunity

1. Service market with technical information & collaboration as Australian industry.
2. Target sector with “baking package”
  - Selected Australian varieties
  - Blending knowledge
  - Additives
  - Processing or baking method
  - Understanding protein content vs bread quality.
3. Breeding of Australian wheats suited to Indonesian baking sector.