



Australian Grains Industry Conference 2009

Consumer Roundtable

Indonesia Wheat Imports

| Quarterly Imports of WHEAT (Non-Durum) in Thousand MT. | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|
| Year | JFM | AMJ | JAS | OND | Total | FH | SH |
| 2009 | 1,170 | 1,135 | 1,150 | 1,245 | 4,700 | 2,305 | 2,395 |
| 2008 | 1,150 | 950 | 826 | 1,384 | 4,310 | 2,100 | 2,210 |
| 2007 | 1,240 | 1,040 | 1,243 | 1,127 | 4,650 | 2,280 | 2,370 |
| 2006 | 1,312 | 1,149 | 1,078 | 1,311 | 4,850 | 2,461 | 2,389 |
| 2005 | 1,060 | 1,305 | 808 | 1,337 | 4,510 | 2,365 | 2,145 |
| 2004 | 1,208 | 1,008 | 1,133 | 821 | 4,170 | 2,216 | 1,954 |
| 2003 | 796 | 1,098 | 1,056 | 1,100 | 4,050 | 1,894 | 2,156 |
| 2002 | 825 | 1,103 | 976 | 676 | 3,580 | 1,928 | 1,652 |
| 2001 | 780 | 819 | 1,000 | 911 | 3,510 | 1,599 | 1,911 |
| 2000 | 941 | 880 | 1,053 | 1,006 | 3,880 | 1,821 | 2,059 |



Voyage from Origin to Jakarta

| | |
|-----------------------|---------------------|
| West Australia | 7 - 8 days |
| East Australia | 12 - 14 days |
| Canada | 23 - 25 days |
| USA | 23 - 25 days |
| China | 14 – 15 days |
| Black Sea | 22 – 25 days |

Risk Management



👉 Price Risk

👉 Counterparty Risk

👉 Logistics Risk/Execution Risk

👉 Quality Risk



Price Risk

- ☞ Difficulties in Price Discovery
 - Illiquid track market
- ☞ Lack of viable hedging instruments
 - WA Futures Contract ??



Counterparty Risk

- ➔ Selection of reliable sellers
 - MNCs
 - Australian giants

- ➔ Variable performance

- ➔ Differentiation of performance
 - I.P.
 - Flexibility
 - Crop information
 - Shipping slots

- ➔ Standardised contract

Logistics Risk/Execution Risk



- ➡ Reliability as a major supplier
- ➡ Bottleneck
 - surge in demand vs fixed logistic capacity
- ➡ Shipping slots
- ➡ Inland logistics/storage
 - capacity limitation
 - high cost structure



Quality Risk

- ☞ Quality control
- ☞ Varietals control
- ☞ Loading control
- ☞ Accessibility at port of loading
- ☞ Independent surveyor

Conclusion



➡ Stakeholder

➡ To promote Aussie wheat in our market